

N.B.I. INDUSTRIAL FINANCE COMPANY LIMITED

FAIR PRACTICE CODE POLICY

Effective Date : 02.02.2024

A) PREAMBLE / INTRODUCTION

The Fair Practice Code (FPC) has been formulated by NBI INDUSTRIAL FINANCE CO LTD. (the Company) in response to guidelines issued by Reserve Bank of India titled "Guidelines on Fair Practices Code for NBFCs" and Master Directions issued and updated from time to time.

B) OBJECTIVES

The objectives of the FPC are as under.

- i) Adopt the best practices in dealings with customers.
- ii) Set and strive to achieve operating standards for ensuring customer satisfaction.
- iii) Follow transparent, fair, ethical and legally tenable practices while conducting business.
- iv) Provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship.
- v) Facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.

C) APPLICABILITY

The FPC shall be binding on all the employees and officers of the Company.

D) DECLARATIONS & COMMITMENTS

- i) The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators and other competent authorities such as Government, Local Authority etc.
- ii) The Company commits itself to full customer satisfaction through efficient, professional and courteous services.
- iii) The Company shall consistently strive to meet with set practices.
- iv) The Company undertakes not to discriminate customers on grounds of religion, caste, gender or language.
- v) The Company will provide clear and full information about its products and services to its customers / prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity.
- vi) The Company undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- vii) The Company will communicate with the customer in the language (local/ English) as felt comfortable by the customer.

viii) The Company undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent or fraudulent loss of the security whilst in the custody of the Company.

ix) The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.

x) The Company is committed to put in place a system for promptly addressing complaints and suggestions of the customers supplemented with a structured Grievance Redressal Mechanism having an escalation matrix.

xi) The Company shall make available to the Customer, on request, a copy of the FPC on demand.

E) FAIR PRACTICES (Content)

(I) Loans, Terms & Conditions, Interest Rate & Charges

i) The Company shall make available loan application forms in local language to all prospective customers free of cost mentioning also the supporting documents to be submitted along with. An acknowledgement for receipt of duly completed loan application forms will be given to the customer in all cases. Customer service loan applications are sanctioned / rejected and disbursement of the loan and acceptance of security, if applicable, will be carried out in a timely manner.

ii) The Company shall disclose all relevant information relating to a loan / product such as eligible loan amount, interest rate, charges, penal/overdue interest, interest calculation methodology, rebate on interest etc. before sanction of the loan to enable the customer / prospective customer to take an informed decision. The Customer / prospective customer will also be provided, on request, the detailed terms and conditions of the loan before sanction.

iii) The Company shall ensure that a loan sanction letter is given to the customer containing all the terms and conditions governing the loan facility in the local / English language understood by the customer. The loan sanction letter will also mention the loan amount, interest rate, charges, loan processing fees etc.

iv) The Company shall not in the normal course make any changes / modifications in the terms and conditions of the loan, including rate of interest, which could adversely affect the customer financially or otherwise. In abnormal circumstances when such changes / modifications are inevitable, keeping in view the new circumstances, adequate and proper notice shall be given to the customer about any such change/modification.

v) The Company is not engaged in Micro Financing activities nor have digital presence. As and when company decides to pursue Micro Financing/ Financing through digital means, it shall make compliance with relevant fair practices.

(II) Marketing & Promotion

i) The Company does not have any marketing and promotion for its lending activities directly or indirectly. Its financing activities are done through traditional method. Company and its officials shall not deliberately promote a product with any ulterior / selfish motives or contrary to the customer

requirements or expectations as disclosed by the customer. The Company will ensure that its personnel are suitably trained and instructed so as to preclude selling of its products by misrepresentation to the customer / prospective customer.

ii) The Company will not indulge in profiteering by charging usurious rates of interest on loans or take undue advantage of adverse market conditions. The rates of interest will be based on variables such as cost of funds, risk premium, loan scheme, profit margin etc. and shall be in conformity with the Interest Rate policy of the Company and Regulatory Guidelines from time to time. It shall also, by and large, be in tune with industry practices.

(III) Full and updated information regarding loan schemes, rate of interest, loan per gram, charges etc. will be made available to Customer. *Recovery of Dues, Exercise of Lien & Delivery of Security*

i) The Company will not, as a matter of fair dealing, normally recall the loan before the initially agreed tenure except in unanticipated or abnormal circumstances where the Company's interests are adversely affected. In all such cases proper and reasonable notice shall be given to the customer recalling the loan before expiry of the normal tenure.

ii) The Company will make all possible soft or persuasive efforts to get the customer to repay the dues without resorting to disposal of the security, if available. The Company does not accept nor will it encourage the use any coercive or hard measures to recover its dues from the customer.

iii) The Company will deliver the security to the customer immediately upon settlement of the loan in the same condition as was at the time of sanction of the loan. In case of any damage caused to the security at Companies end, the Company shall at its cost get the damage repaired or alternately pay reasonable compensation to the customer on a case to case basis.

iv) The Company will exercise only legitimate right of lien over the pledged security or such cash surplus as may arise upon settlement of existing loans at any time. Such right of lien shall arise only if the customer has any other dues, either directly or as guarantor, and will be subject to proper intimation of such right of lien being given to the customer by the Company.

v) The Company shall not accept any cash payments made by the customer. The Company accepts payments vide cheques, demand drafts, electronic transfers etc. only subject to the condition that return of the security, if provided, will be made only after confirmation of realization.

vi) Even though the loan sanction letter contains all applicable terms and conditions of the loan the Company shall, nevertheless, endeavor, on a best effort basis, to send advices, reminders etc. regarding due date for payment of interest, principal etc. by letter, courier service, telephone, SMS etc.

vii) The Company shall, on demand, provide the customer or his duly authorized representative with a statement of the loan account at any time during the currency of the loan or immediately upon closure. However, the Company may, at its discretion, require payment of reasonable processing charges by the customer for providing statement of account if such demand is made 30 calendar days after closure of the account.

viii) The Company will resort to disposal of security only as a last resort and that too after adequate and proper notice is served on the customer to repay the dues. Such notice will be as per the terms contained in the sanction letter and also in compliance with applicable laws and regulatory guidelines. The disposal of the security will be taken up through public auction when the customer does not positively respond to the communications sent by the Company to close the loan account along with interest and other charges.

ix) Where the Company proposes to dispose of the security even before the normal tenure of the loan based on the rights conferred on the Company vide loan application and loan sanction letter adequate and proper notice will be served on the customer before such action is initiated for recovery of dues.

x) The Company prefers and encourages customers to take back delivery of the security immediately upon full settlement of all dues. However, should there be exceptional instance of the Customer being unable to take delivery of the security, not attributable to the inability of the Company, after closure of the loan account reasonable safe custody charges may be payable which will be duly advised to the customer.

xi) The Company will not interfere in the affairs of the customers except for the purposes mentioned in the terms & conditions of the loan or when constrained to do so due to inadequate or false disclosures made by the borrower at the time of putting through the transactions.

(IV) Customer Service & Grievance Redressal

i) The Company will implement all possible steps to prevent and minimize customer complaints / grievances

ii) The Company will facilitate the customer to pay the whole or part of the dues subject to the terms and condition contained in the sanction letter.

iii) The Company will put in place an effective Customer Grievance Redressal mechanism details of which will be displayed. The mechanism will specify inter alia the process viz with whom complaints can be registered, their postal address / telephone numbers/ email address, escalation matrix, time limit for acknowledging receipt of complaint, time limit for dealing with the complaint etc.

iv) The Company will put in place an effective training system to ensure that employees of the Company are customer friendly and do not resort to rude, inappropriate or unethical behavior.

v) The Company will endeavor to work out and display the time norms for putting through and completing the various transactions.

vi) The Company will have a sympathetic approach to the problems faced by the customer especially the poor and underprivileged sections.

F) MISCELLANEOUS

i) The Company shall display the normal business hours, the list of holidays and notify the changes, if any, by way of a notice displayed in the office premises.

ii) Personal information of the customer will not be shared with unauthorized persons or agencies or third parties by the Company. However, the Company will be bound to honor and comply with legal or regulatory requirements, if any, in this matter obligating it to part with such information even without notice to the customer.
