

NALWA SONS INVESTMENTS LIMITED

FAIR PRACTICES CODE - NSIL

The Reserve Bank of India (RBI) has issued guidelines on the Fair Practices Code for Non Banking Finance Companies (NBFCs) to maintain standards for fair business and corporate practices while dealing with their customers. Nalwa Sons Investments Limited (NSIL) shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications, if any necessary to this code to comply to the standards so prescribed.

It is, and shall be, the policy of Nalwa Sons Investments Limited (NSIL) that it will not discriminate the customers in financial dealings on the basis of race, caste, religion, sex, marital status, age or handicap. NSIL's policy is to treat all the clients consistently and fairly. NSIL will also communicate its Fair Practices Code (FPC) to its customers by uploading FPC on its website.

- A. This code may be know as **“Fair Practices Code-NSIL”** hereinafter referred to as “the Code”
- B. This Code has been made pursuant to Reserve Bank of India Circular DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 dated September 28, 2006 modified pursuant to RBI vide Circular DNBS.CC.PD.No.266/03.10.01/2010-11 dated March 26, 2012 and further modified pursuant to RBI Circular DNBS.CC.PD.No.320/03.10.01/2012-13 dated 18th February, 2013.
- C. The Board of Directors has approved and adopted this Code on 11th November, 2013.

D. **Objective**

To provide assurance to the borrowers of the Company's commitment to fair business and corporate practices.

E. **Applicability**

This Code applies to the following areas:

1. **Applications for loans and their processing :**

- a. All communication to the borrower shall be in vernacular language as understood by the borrower.
- b. NSIL shall include necessary information in loan application form, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and the borrower can take an informed decision. The loan application form may also indicate the documents required to be submitted with the application form.

- c. NSIL shall devise a system of giving acknowledgement for receipt of all loan applications. Further, generally, the time frame within which the loan application will be disposed of would also be indicated in the acknowledgement.

2. Loan Appraisal and Terms/Conditions

NSIL shall convey in writing to the borrower in the vernacular language as understood by borrowers by means of approval letter or otherwise, the amount of loan approved - along with the terms and conditions, including the annualized rate of interest and method of application thereof. It would keep the acceptance of these terms and conditions by the borrower on the Company's files. NSIL shall mention the clause relating to penal interest charged for late repayment in bold in the loan Agreement.

NSIL will furnish a copy of Loan Agreement preferably in the vernacular language as understood by the borrower along with a copy of disclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loans.

3. Disbursement of Loans including Changes in Terms and Conditions

- a. NSIL shall give notice to all its borrowers in the vernacular language as understood by borrowers of any change in the terms and conditions - including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.
- b. Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.
- c. NSIL shall release all securities on repayment of its full dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against its borrowers. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/paid.

4. Regulation of excessive interest charged by the Company

- a. NSIL shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- b. NSIL shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to

different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

- c. The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the company or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.
- d. The rate of interest should be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

5. General

- a. NSIL shall refrain from interference in the affairs of the borrower except for the purposes provided for in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- b. In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise - i.e., objection of the Company, if any - shall be conveyed to the borrower within 21 days from the date of receipt of any request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c. In the matter of recovery of loans, the Company shall not resort to any harassment - such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. Training will be imparted to ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

6. Grievance Redressal Mechanism

For timely and proper redressal of complaints between Company and its Customers and other stakeholders, the Company has the following mechanism:

- The Company has appointed Mr. Rajinder Parkash, the Chairman of Audit Committee, as Grievance Redressal Officer (GRO) for the redressal of complaints and grievances.

- The Customers can approach GRO at branch office of the Company at:-

O.P. Jindal Marg,
Hisar, Haryana -125005
Phone No: - (01662) 222471-83,
Email:-investorcare@nalwasons.com

- Customer can make a written complaint through letter or e-mail.

- The Company maintains stakeholder grievance register in which full detail of every written Complaint is entered.
- GRO office designated person shall login stakeholder grievance email id on daily basis to establish whether new complaint has been lodged or not.
- The full detail of the written complaint would be passed to the concerned department.
- A letter or email would be written by GRO office designated person to the stakeholder/s who has/have submitted written complaints acknowledging receipt of the complaint.
- GRO office designated person will obtain all information available on the complaint which is considered necessary for a proper investigation.
- GRO office will look into all the necessary information and resolve the same as soon as possible.
- The endeavor is to resolve the complaint within 15 days of the receipt of the same, except when the issue requires more time.
- The GRO shall review the complaint register on fortnightly basis to find out whether complaint has been resolved within time or not.
- A complaint (where the response does not settle the issue) must be referred to the Audit Committee of the Board of the Company.
- The GRO shall report quarterly on the grievances to the Audit Committee of the Board with complete details as Name of the complainant, Nature of the complaint, Date of receipt of the complaint, and Status on resolving the same. For grievances remaining unresolved for a period of more than 21 days from the date of receipt, the GRO shall provide a reason to the Audit Committee of the Board.
- If the complaint / dispute are not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI, Delhi, under whose jurisdiction the registered office of the Company falls. The details of DNBS are given below:

The General Manager,
Department of Non Banking Supervision,
Reserve Bank of India
Parliament Street,
New Delhi – 110 001.

- The Company has displayed the following information prominently, for the benefit of its customers, at its branches / places where business is transacted:
 - Name and contact details of the Grievance Redressal Officer;
 - Contact details of Officer in Charge of the Regional Officer of DNBS of RBI, under whose jurisdiction the registered office of the Company falls.

7. Wide Dissemination and Periodic Review

NSIL shall put the above Fair Practices Code outlined hereinabove on its web site, for the information of various stakeholders. The Company would also review and refine the Code, as may be required periodically - based on its own experience and fresh guidelines, if, any, to be issued by the RBI in this regard.

8. Amendments

The Board may amend the provisions of this Code from time to time. Unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.

9. Confidentiality

NSIL will treat all the personal information of customers as private and confidential unless authorized by the customer. NSIL will not reveal transaction details to any body unless it is required to provide under any statutory or regulatory laws and it is under duty to the public to reveal this information.