

FAIR PRACTICES CODE FOR NABKISAN FINANCE LIMITED

1. Intent and Content

This Code has been drafted by NABKISAN Finance Limited (NABKISAN) as per the Guidelines issued by the Reserve Bank of India on Fair Practices Code for Non-Banking Finance Companies. This Code sets minimum Fair Practice standards for NABKISAN to follow when it is dealing with the customer. It provides information to customers and explains how NABKISAN is expected to deal with the customers on day-to-day basis. This Code will come into force from the date of approval and adoption by the Board for implementation by NABKISAN.

2. Objectives of the Code

The Code has been developed with an object to:

- Promote good, fair and transparent business practices by setting minimum standards in dealing with the customer which NABKISAN shall follow.
- Increase transparency so that the customer can have a better understanding of what type of service level can be expected from NABKISAN.
- NABKISAN will interact with the customers in such manner so as to promote cordial relationship.
- NABKISAN shall endeavour to achieve, through fair means, higher operating standards and foster customer confidence in NABKISAN in the financing undertaken.

3. Application of the Code

The Code applies to all products, offered by NABKISAN as envisaged in its Memorandum of Association.

4. Key Commitment

- a. To help borrower/customer to understand how NABKISAN's financial products and services work by:
 - i. Ensuring that the customer is given clear information about NABKISAN's products and services, the terms and conditions and interest rates/ service charges, which apply to them.
 - ii. Keeping customer informed about changes in the interest rates, charges, terms and conditions.
- b. To act fairly and reasonably in all dealings with the customer by,
 - i. Meeting the commitments and standards in this Code for products and services offered by NABKISAN.
 - ii. Making sure that products and services meet relevant principles of integrity and transparency.
 - iii. Informing customer about the time limit by which loan application will be processed and informing them of the status at regular intervals.
 - iv. Handling customer complaints promptly.

- v. Informing customers about the process to take their complaints forward to higher authorities.
- c. To treat personal information of customers as private and confidential.

5. Applications for Loan and their Processing

a. Application for Loan

- i. Loan application forms will be designed and implemented depending upon the loan products offered.
- ii. The loan application forms will clearly indicate the details required to be submitted with the application form.
- iii. All loan applications received from the borrowers will be duly acknowledged.
- iv. All loan proposals received would be placed before the Board /Loan Committee /competent authority after the receipt of the loan application.
- v. The acceptance / rejection of the loan application shall be intimated to the borrower in writing, irrespective of the loan amount sought.
- vi. In case of rejection, the reasons for rejection shall also be intimated to the concerned borrower.

b. Loan appraisal and terms/conditions

The rate of interest on loan products will be reasonable in relation to market conditions. The rate of interest and the penal charges shall be levied as per the relevant guidelines of RBI in this regard. The sanction letter will convey the amount to be financed and the rate of interest and the method of application thereof, mode and time at which the interest will be debited and other terms and conditions applicable to loan. This will be in duplicate. One copy would be handed over to the customer and one copy will be retained in customer's file after due acceptance of the terms and conditions by the borrower.

c. Disbursement of loans including changes in terms and conditions

- i. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement will be furnished to the borrower at the time of sanction of loan.
- ii. Any change in terms of conditions like change in interest rate, tenure, all charges / fees would be communicated to the borrower in writing. The Company will ensure that changes are effected only prospectively.
- iii. Any decision to recall or to accelerate payment would be communicated to the borrower in writing as per the terms of the loan agreement.
- iv. NABKISAN will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim NABKISAN may have against the borrower. 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 condition under which NABKISAN is entitled to retain the securities till the relevant claim is settled / paid.

6. General

- i. NABKISAN shall ensure that all major communications, including terms and conditions of sanctions to all the borrowers, are issued in vernacular languages.
- ii. NABKISAN would not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Company from participating in credit linked schemes for the weaker sections of the society and in respect of schemes formulated by NABARD/ other Government Agencies, implemented through NABKISAN.
- iii. NABKISAN will take recourse / actions only through legally permissible remedies as per the terms and conditions of loan agreement entered into with the borrower.
- iv. Only written request from customers for transfer of liabilities will be evaluated by the Company and written confirmation/ rejection will be intimated to the customer within 21 days after due diligence. Such transfer shall be as per transparent, contractual terms in consonance with the law.
- v. Any agency to whom various activities are outsourced/ entrusted will have to be short listed and empanelled as per the Company policies issued from time to time.
- vi. NABKISAN shall refrain from interference in the affairs of the borrower except for the purpose provided in terms and conditions of the loan agreement (unless new information not earlier disclosed by the borrower has come to the notice of NABKISAN).
- vii. NABKISAN shall treat customer information as private and confidential.
- viii. The information shall be parted by NABKISAN only in the following circumstances:
 - ix. Information required to be given under law or as demanded or required by statutory authorities.
 - x. Information is given with customer's specific written permission.

7. Collection of Dues

- i. In the matter of recovery of loans, NABKISAN shall not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- ii. NABKISAN's collection policy shall be built on courtesy, fair treatment and persuasion. Efforts will be made in building customer confidence and long-term relationship.
- iii. The staff deputed to make recovery calls shall identify themselves and shall provide details with regard to outstanding claims to the customer.

8. Complaints, Grievances and Feedback

- i. Complaint register would be maintained. If complaint is received in writing, complaint number would be given which would be referred to in future.
- ii. NABKISAN will endeavour to sort out the matter within 15 days of receipt of a complaint.
- iii. In case the complaint requires more time, then, the same would be informed to the customer. Customer would be updated at regular intervals regarding the status of the same.
- iv. The grievance redressal mechanism within the organisation will be explained to the customer to resolve any dispute, such a mechanism would ensure that all disputes arising out of decisions of NABKISAN's functionaries are heard and disposed off at least at the next higher level.
- v. A complaint of misconduct against an official of NABKISAN shall be redressed by the next level of authority.
- vi. The officials of NABKISAN shall ensure that the grievances of the borrowers are brought to the notice of the Board. A consolidated report will be submitted to the Board on a quarterly basis.

9. Review

The Board of Directors of NABKISAN will periodically review the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management.