

NARNOLIA CAPITAL ADVISORS PVT. LTD.

Fair Practice Code

In pursuance of the Circular DNBS.CC.PD.No.266 /03.10.01/ 2011-12 of 26th March, 2012, DNBS.CC.PD.No. 320/03.10.01/2012-13 dated February 18, 2013 and DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 1, 2015 issued by the Reserve Bank of India for Non-Banking Financial Companies (NBFCs), the Company has reviewed and adopted the Fair Practice Code' (hereinafter referred to as 'the Code') to be followed while dealing with customers in connection with lending business. The Fair Practices Code, as adopted herein below, is in conformity with the Guidelines on Fair Practices Code for NBFCs as prescribed by the Reserve Bank of India and as contained in the aforesaid RBI Circular.

The Code is intended to cover the following areas:

- 1) Applications for loans and their processing
- 2) Loan appraisal and terms / conditions
- 3) Disbursement of loans, including changes in terms and conditions
- 4) General provisions; and
- 5) Grievance redressal mechanism
- 6) Regulation of interest to be charged from Client/ borrower

1) Applications for loans and their processing:

A. All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.

B. The company will take a confirmation from the prospective borrower that all communications with the borrower shall be in English or in vernacular language / the language as understood by the borrower.

C. Loan application forms shall include necessary information, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions can be made and the borrower can take an informed decision. The loan application form shall also indicate the documents required to be submitted with the application form.

D. Receipt of completed application forms will be duly acknowledged. The time frame within

which the loan application will be disposed of would also be indicated in the acknowledgement, generally, in case of retail financial products such as Loan Against Shares, ESOP Finance etc. the time frame will be 60 days and those for Corporate Loans within 90 days from the date of submission of complete information.

2) Loan appraisal and terms/conditions:

A) All loan applications will be assessed in accordance with company's internal credit approval process.

B) The Company shall convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan approved - along with the terms and conditions, including the annualized rate of interest and shall keep on record the acceptance of these terms and conditions by the borrower.

C) The Company shall furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to the borrowers.

3) Disbursement of loans, including changes in terms and conditions:

A) Any changes to the terms and conditions, adverse to the borrower, including disbursement schedule, interest rates, registration charges, service charges, prepayment charges, etc., shall be informed to the borrowers.

B) Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.

C) Decision to recall/accelerate payment or performance under the agreement shall be in accordance with the terms and conditions mentioned in the Agreement entered into between the Company and the Borrower.

D) All securities pertaining to the loan would be released as per request of the borrower after the full repayment of the loans and all other charges in connection with the loan in term of the loan agreement, subject to any legitimate right or lien, and set-off for any other claim that the Company 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 conditions under which the Company is entitled to retain the securities until the relevant claim is settled / paid.

4) General provisions:

(a) The Company shall refrain from interference in the affairs of the borrower, except for the purposes provided in the terms and conditions of the loan sanction documents (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 borrower's account, the consent or otherwise, i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such 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 undue harassment – such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. the Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

5) Grievance Redressal:

(a) In case of any complaint/ grievance, the applicant / borrowers may contact the Company through anyone of the following channels and shall also display the information at its branch/ place where business is transacted for benefits of borrower:-

Name of officer : Mr. Rajesh Pareek
Telephone : 033 4054 1823
E-mail : rpareek@narnolia.com
201, 2nd Floor, Marble Arch 236B A.J.C Bose Road
Kolkata - 700 020

All grievances shall be heard and disposed off within a maximum period of one month from receipt of such complaint / grievance.

In case the Client/borrower does not receive a response within the period as indicated above or if the borrower is dissatisfied with the response received from the Company, the borrower may escalate the complaint to the next level as indicated below –

Name of officer : Mohan Kumar
Telephone : 033 4054 1705
E-mail : mohan@narnolia.com

An assurance is given to the borrower that they would receive a response within 14 business days and due efforts will be taken to resolve the complaint well before that.

However, if the complaint/ dispute is not redressed within a period of one month, the borrower may appeal to Officer in Charge, Department of Non-Banking Supervision of Reserve Bank of India at the following address:

Reserve Bank of India, 5th Floor, 15 Netaji Subhas Road, Kolkata-700 001.

(b) The Company shall periodically review the compliance of this Code and the functioning of the grievance redressal mechanism at various levels of management.

6) Regulation of Interest to be charged from the client/borrower:

The Company has laid down below criterion for determination of interest rate based on the following parameter:

- 1) Risk profile of the client
- 2) Interest rate trend prevailing in the money market
- 3) Cost of borrowings/cost at which the funds can be borrowed
- 4) Collateral security offered by client
- 5) Tenure of relationship of the client with the company or its group/associates,
- 6) Repayment track record in case of existing client

The rate of interest shall be annualised and shall be disclosed in the Loan Application Form.