

NIHON

**NIHON IMPEX PRIVATE
LIMITED**

FAIR PRACTICES CODE

INTRODUCTION

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non-Banking Finance Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers (RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17) issued on September 1, 2016).

In terms of the RBI Directions and considering the nature of the business, it is proposed to adopt the following Fair Practice Code (Code) for the Company's lending activities applicable for all lending products.

Nihon Impex Private Limited has put in place the Code with an endeavour to achieve synchronization of best practices when the Company is dealing with its stakeholders such as customers, employees, vendors, etc. The Company's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities

OBJECTIVES

- Promote fair practices by setting minimum standards in dealing with customers;
- Increase transparency through requisite disclosures by the Company as may be relevant to the customer and as prescribed by RBI from time to time;
- Foster customer confidence in the Company.
- To ensure compliance of applicable regulations prescribed by RBI relating to fair practices.

APPLICABILITY

The Code shall apply to all products offered by the Company. The Code shall continue to apply to any product that is developed and provided by the Company to its customers.

APPLICATION FOR LOANS AND THEIR PROCESSING

- a) All communications to the borrower shall be in the vernacular language or English or a language as understood by the borrower.
- b) A declaration from each customer is to be obtained before / alongwith the application to the effect certifying that the customer understands English.
- c) Loan application forms issued by the Company shall include necessary information which affects the interest of the borrower so that a meaningful comparison with the terms and condition offered by other NBFCs can be made and an informed decision can be taken by

the borrower. The loan application form shall indicate the documents required to be submitted along with the application form.

- d) The Company shall issue an acknowledgement receipt for all loan applications. Loan applications shall be disposed off within 14 days or such extended time as may be mutually agreed between the borrower and the Company from the date of receipt of the application form complete in all respects.
- e) If any additional details/documents are required, the same shall be intimated to the borrower in reasonable time.
- f) The Company will conduct contact point verification through its employees or through a business partner appointed by it, by contacting the customer telephone numbers/or physically visiting residence/business address mentioned on the loan application.

LOAN APPRAISAL AND TERMS/CONDITIONS

- a) The Company shall appraise loan applications considering the risk based approach and credit policy(ies) of the Company.
- b) The Company shall convey in writing to the borrower in English or in vernacular language / the language as understood by the borrower by means of sanction/ welcome letter or MITC (Most Important Terms and Conditions) or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof.
- c) The acceptance of the terms and conditions communicated by the borrower shall be preserved by the Company on its record.
- d) The Company shall mention the penal interest charged for late repayment in bold in the sanction/ welcome letter or otherwise and loan agreement.
- e) The Company will furnish a copy of loan agreement along with a copy of each enclosures quoted in the loan agreement to all clients at the time of sanction/disbursement of loan.

DISBURSEMENT OF LOANS, INCLUDING CHANGES IN TERMS & CONDITIONS

- a) Company shall give notice in English as understood by the customer regarding any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- b) Changes in the interest rates and charges shall be effected prospectively.
- c) A suitable condition in this regard shall be incorporated in the loan agreement, as applicable.

- d) Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, Company shall give notice to customers in consonance with the loan agreement in English as may be understood by the customer.
- e) Company shall 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 Company may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled/ paid
- f) All communication like acceptances (including for amendments or addendum) with the Customer in relation to the sanction / facilities / loan / mandate / proposals shall be in writing and preserved for a minimum period of ten years.

LOANS SOURCED OVER DIGITAL LENDING PLATFORMS

Wherever the Company engage or does outsourcing of digital lending platforms as their agents to source borrowers and/ or to recover dues, the Company shall follow the following instructions:

- a) To disclose the names of digital lending platforms engaged as agents on the website of the Company.
- b) Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company on whose behalf they are interacting with him.
- c) A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all borrowers.
- d) There shall be effective oversight and monitoring be ensured over the digital lending platforms engaged by the Company.
- e) Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

GENERAL

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the Loan Agreement unless new information not earlier disclosed by the Borrower has come to the notice of the Company.
- b) In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the borrowers at odd hours/ use of muscle power for recovery of loans.

- c) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
- d) The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- e) In case of receipt of a request from the borrower for transfer of the borrower 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.
- f) The Company shall not charge interest rate beyond a certain level which may be seen as excessive or not sustainable or not conforming to normal financial practices.
- g) The interest rate and processing and other charges shall be based on appropriate internal principles and procedures laid down for determining interest rates and processing and other charges.

CONFIDENTIALITY

- a) Unless authorized by the customer, the Company shall treat all the personal information of its customers as private and confidential.
- b) The Company may not reveal transaction details of the borrowers to any other entity including within the group except under the following exceptional circumstances:
 - The Company has its duty to provide the information by statutory or regulatory laws including information to statutory bodies, law enforcement agencies, Credit Information Companies like CIBIL etc, RBI and or other banks/financial institutions, any other state, central or any other regulatory body, including courts and tribunals having jurisdiction.
 - Customer has authorized the Company in writing, to provide such information.
 - If it is in the public interest to disclose such customer information.
 - If its interest requires us to provide this information (eg. Fraud prevention).
 - If the borrower defaults to meets its obligation towards the Company.

GRIEVANCE REDRESSAL MECHANISM

Customer service and satisfaction are the prime focus for the Company. Providing prompt and efficient service will not only to attract new customers, but will also help to retain existing ones.

A telephone number for receiving the grievances of the customers shall be intimated in Loan Application Form. In addition, a separate e-mail ID shall

be created where customer can send their grievances via email. The relevant information will be updated on website as and when there are any changes.

Borrowers who have grievances in respect of decisions of the Company may address their grievances to –

Mr. Anurag Kumar Khetan

Designation - Director

Email-id: nipl@nihonimpex.com / investors@nihonimpex.com

Contact No. 0551-2990101

If the complaint /dispute is not redressed within a period of one month, the customer may appeal to the officer-in –charge of the Regional office of Reserve Bank of India. Contact details are as under:

SRI P.S. KHUAL,

The RBI OMBUDSMAN

Department of Non-Banking Supervision

Reserve Bank of India (KANPUR OFFICE),

M. G. MARG,

Kanpur – 208001, U.P.

After examining the matter, the Company will endeavour to send the customer its response within 4 weeks and intimate the customer how to escalate the complaint to higher level, if he/she is not satisfied with the response.

The Board will periodically review the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management and a consolidated report, if any of such reviews shall be submitted to the Board of Directors of the Company at regular intervals.

REVIEW OF CODE

The Fair Practices Code may be amended, modified or supplemented from time to time. The Code shall be reviewed every year by the Board of Directors of Company or whenever there is a significant change in law governing the subject matter of the Code.
