

FAIR PRACTICES CODE

Document Summary:

Document Title	Fair Practices Code
Current Version	4.0
Scope of policy	Applicable to all Departments
Purpose of Policy / Summary	RBI Directions, 2016
Period of Validity	Effective From : 25 th March 2019 Valid Till: NA
Document Owner	Secretarial & Compliance
Approval	NRFSI Board of Directors (BOD)
Other applicable regulations / policies	NA
Annexures / Supporting Documents	NA

Version Control:

Ver. No.	Effective From	Details of amendment	Prepared by	Reviewed by	Approved by
1.0	26 th August 2016	New Policy	Secretarial & Compliance	CFO & COO	BOD
2.0	18 th June 2018	GRO details updated	Secretarial & Compliance	CFO & COO	BOD
3.0	11 th October 2018	Company contact details updated	Secretarial & Compliance	CFO & COO	BOD
4.0	25 th March 2019	Change in GRO	Secretarial & Compliance	CFO & COO	BOD

CONTENTS

1. Introduction	4
2. Objective	4
3. Applicability	4
4. Key Commitments	4
5. Non-Discrimination Policy	5
6. Applications / Processing of loans	5
7. Loan appraisal and terms / conditions	6
8. Disbursement of loans including changes in terms and conditions	6
9. Regulation of Rate of Interest	7
10. Repossession	7
11. General	7
12. Grievance Redressal Mechanism	8
13. Confidentiality	9
14. Review	9

1. Introduction

Nissan Renault Financial Services India Private Limited (NRFSI) (“Company”), a Non-Banking Finance Company (“NBFC”) registered with Reserve Bank of India (“RBI”) is presently in the business of vehicle and captive financing in India for Nissan, Renault & Datsun brands in India by extending retail credit and dealer financing and other related businesses. The code will facilitate the borrowers/customers to take informed decisions in respect of the financial products and services to be availed by them with the Company and will apply to any loan that the Company may sanction and disburse.

The standards set out in this policy are minimum requirements based on applicable legal and regulatory requirements as issued by Reserve Bank of India.

Reserve Bank of India by its notification no RBI/2015-16/470 DNBS (PD) CC No. 266/03.10.01/2011-12 dated 26th March 2012 & Master Circular notification no RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated 1st July 2015, has prescribed the guidelines on fair practices that are to be framed and approved by the Board of Directors of all NBFC’s. The fair practices code so framed and approved by the Board of Directors should be published and disseminated for the information of the public.

2. Objective

The code has been developed with the following objectives:

- Promote fair practices by setting minimum standards in dealing with customers.
- Increase transparency so that customer can have a better understanding of what type of service level can be expected from our Company.
- Foster customer confidence in the Company.

3. Applicability

This code applies to financial products and services offered or which may be introduced at a future date. The products / services which are currently offered by the Company include:

- a. Retail Financing
- b. Dealer Inventory Financing
- c. Collateral based funding (including loan against immovable property)
- d. Personal Loans to group employees
- e. Motor Insurance
- f. Personal Protect Insurance

The code is applicable to the above irrespective of whether the product /service is provided at the dealer point or any agency premises which are associated with the Company.

4. Key Commitments

- a. ***To help borrower / customer understand Company’s financial products and services by:***

- i. Ensuring that the borrower/customer is given clear information about Company's financial products and services, the terms and conditions and interest rates / service charges which apply to them while availing the loan from the Company.
- ii. Keeping the customer informed about the changes in the interest rates, charges, terms and conditions during the servicing period of the loan.

b. To act fairly and reasonably in all dealings with the customers by:

- i. Meeting the commitments and standards in this code for the financial products and services offered by the Company.
- ii. Ensuring that this code is implemented at all levels within the organization and is applicable every division / sub-division within the Company.
- iii. Ensuring that products and services meet relevant principles of integrity and transparency.
- iv. Ensuring that the Company's financial products and services meet relevant laws and regulations.
- v. Informing the borrower/customer about the time limit by which loan application will be processed and informing them of the status at regular intervals.
- vi. Handling customer complaints promptly with well-defined escalation process.

c. To treat personal information of customers as private and confidential.

d. To help the customers understand how Company's product work by:

- i. Explaining the financial implications of the transactions.
- ii. Ensuring that the advertisement and promotional materials are clear, fair and easily understood by borrowers/customers.
- iii. Ensuring that there are no misleading information in any of the Company's campaigns, advertisement materials and in Company's communication to its borrowers/customers.
- iv. Verbally informing about the financial schemes in English or local vernacular language as understood by the borrower/customer.
- v. Helping the borrowers/customers choose the financial scheme as per their requirement without influencing the their decision.

5. Non-Discrimination Policy

The Company will not discriminate between its borrowers/customers on the basis of their gender, caste, religion or disability. Company's employees shall offer assistance, information and service in a fair, equitable and consistent manner. The Company shall also communicate its Fair Practices Code to its borrowers/our customers by placing it on the notice board and website.

6. Applications / Processing of loans

- a. All communications to the borrowers/customers shall be in English or in a vernacular language as understood by the borrower/customer.
- b. Loan application forms shall include necessary information, which affects the interest of the borrower/customer so that he/she can do a meaningful comparison with the terms and conditions offered by other financiers for taking an informed decision.
- c. The loan application form shall indicate the documents which are required to be submitted along with the application form.

- d. The Company shall have a system of giving acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.
- e. Loan applications shall be disposed of for processing within minimum period of 7 days or such extended time as may be mutually agreed between the borrower/customer and the Company, from the date of receipt of the application form along with complete set of required supportive documents.
- f. If any additional details/documents are required, the same shall be intimated to the borrowers/customers immediately.

7. Loan appraisal and terms/conditions

- a. The Company shall conduct a due diligence on the credit worthiness of the borrower /customer, which will be an important parameter for taking decision on processing of the application. The assessment would be in line with the Company's credit policies, underwriting norms and procedures in respect thereof. These policies are subject to change based on the management's decision.
- b. The borrower/customer would be informed by means of a written sanction letter of the amount of loan sanctioned or otherwise. The sanction letter shall contain gist of the terms and conditions including the annualized rate of interest and the method of application thereof.
- c. The Company shall obtain an acceptance from the borrower/customer on the said sanction letter with the borrowers'/customers' signature.
- d. The Company shall lay down all the terms and conditions with respect to the loan in its loan agreement. The borrower/customer shall comply with the terms and conditions mentioned in the loan agreement and any prospective changes thereof will be intimated to the borrower/customer from time to time.
- e. The Company shall invariably be bound to furnish a copy of the loan agreement as understood by the borrower/customer along with a copy of all enclosures quoted in the loan agreement to all the borrowers/customers at the time of disbursement of loan.
- f. The Company shall mention the penal interest charged for late repayment in bold in the loan agreement.

8. Disbursement of loans including changes in terms and conditions

- a. The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates, processing and other charges are not excessive. The Company shall, at the time of disbursal, ensure that the interest rate, processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures.
- b. The disbursement will be done upon compliance of all the terms and conditions mentioned in the sanction letter issued to the borrower/customer.
- c. The Company shall give a notice to the borrower/customer in English language or vernacular language as understood by the borrower/customer, of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall ensure that the changes in the terms and conditions are effected only prospectively.
- d. The 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 the Company may have against borrower/customer. If such right of set-off is to be exercised, the borrower/customer will 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.

- e. Decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.

9. Regulation of Rate of Interest

- a. The rate of interest shall be annualized rates so that the borrower/customer is aware of the exact rates that would be charged to the account.
- b. The Company would 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. Besides disclosing the approach towards risk and rationale for charging different interest to different categories of borrower/customers, the Company would also communicate the same explicitly in the sanction letter.
- c. The loan agreement shall contain sufficient information about the interest rate, charges etc. The borrower/customer shall be informed regarding any change in the charges/interest rate or any introduction of new charges as applicable.

10. Repossession

The Company will have a repossession clause in the loan agreement with the borrower/customer that would be legally enforceable. To ensure transparency, the terms and conditions of the loan agreement will include provisions regarding:

- a. notice period before taking possession;
- b. circumstances under which the notice period can be waived;
- c. the procedure for taking possession of the security;
- d. final chance to the borrower/customer for repayment of loan before the sale/auction of the property;
- e. the procedure for giving repossession to the borrower/customer;
- f. the procedure for sale/auction of the property.
- g. recovery process in case of shortfall and refund process in case of excess realizations; and
- h. amendments as directed by RBI from time to time.

11. General

- a. The Company shall not interfere in the affairs of the borrower/customer except for the purposes provided in the Loan Agreement unless new information not disclosed earlier by the borrower/customer has come to the notice of the Company.
- b. The Company shall call delinquent borrowers/customers between 0700 hrs. to 1900 hrs. unless special circumstances of the borrowers/customers business require calling them otherwise outside the hours mentioned.
- c. The Company may arrange for enforcing security charged to it of the delinquent borrower/customer, if required, with an aim only to recover dues, cost and expenses of such enforcement action.
- d. The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof would be fair and transparent.
- e. The Company shall not resort to any undue harassment in the matter of recovery of loans.
- f. In case of receipt of a request from the borrower/customer for transfer of the borrower/customer 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.

- g. The Company shall adequately train the collection executives and other staff to deal with the borrowers/customers in an appropriate manner.

12. Grievance Redressal Mechanism

A complaint will mean an expression of dissatisfaction made to NRFSI by any borrower/customer or someone legally representing their interests, about our products, services or our complaint-handling process, where a response or resolution is explicitly or implicitly expected. The Board of Directors shall review this Code on an annual basis or more frequently, if required.

Mode of Registering a Complaint/Grievance

- a. Borrowers/Customers may register their complaint/grievance as per the details furnished hereunder:

- Customers with Nissan Brand Cars may write/call to –
csupport.nissanfinance@nrfsi.com / 1800-209-3456
- Customers with Renault Brand Cars may write/call to –
csupport.renaultfinance@nrfsi.com / 1800-300-44444
- Customers with Datsun Brand Cars may write to –
csupport.datsunfinance@nrfsi.com / 1800-209-3456

- b. In case the response is unsatisfactory, the borrower/customer may approach the Grievance Redressal Officer on the details furnished hereunder:

Ms. Mauli Agarwal Company Secretary Telephone: 044 – 7100 6249 Mobile: +91 95662 09536 Email:
gro.nrfsi@nrfsi.com / mauli.agarwal@nrfsi.com

The complaints/grievances will be investigated from all possible angles and will be endeavoured to be resolved within 30 days from the date of receipt of the complaint/grievance.

- c. In case the borrower/customer does not receive the response from the Company within a period of 30 days, the customer may appeal to the Officer-in-Charge of the Regional Officer of DNBS of RBI at the following address:

The Officer-in-Charge
Department of Non-Banking Supervision,
Reserve Bank of India,
Fort Glacis, Rajaji Salai,
Chennai – 600 001
Telephone: 044 – 2539 9222, 044 – 2539 9283/84, 044 – 2539 9189
Fax: 044 – 2539 3797
E-mail address: dnbschennai@rbi.org.in

The Grievance Redressal Officer of the Company shall examine the matter and address the complaint/grievance at the earliest but not later than 30 days from the date of receipt of complaint/grievance.

The Company shall display the following information prominently, for the benefit of its borrowers/customers, at its registered office/branches:

- the name and contact details of the Grievance Redressal Officer
- contact details of Officer-in-Charge of the Regional Office of DNBS of RBI, under whose jurisdiction the registered office of the Company falls in the event of complaint / grievance remains unaddressed for a period of 30 days.

Duties of Grievance Redressal Officer (GRO):

- After receiving the complaint/grievance, GRO will examine the matter and respond to complaint/grievance within 30 days from the date of receipt of such complaint/grievance.
- If customer is not satisfied with the response, then the GRO will provide guidance to such customer on escalation mechanism.
- GRO will submit the Grievance Redressal Report to the management on a half-yearly basis.

13. Confidentiality

- a. Unless authorised by the borrower/customer the Company shall treat all personal information of the customer as private and confidential.
- b. Unless authorized by the borrower/customer, the Company shall not reveal any transaction details to any other entity other than the following exceptional cases:
 - i. If the Company is required to provide the information under statutory or regulatory laws;
 - ii. If there is a duty to the public to reveal this information;
 - iii. If it is in the Company's interest to provide the information to Banks/Financial Institutions /Company's group and associate companies/service providers/companies with which NRFSI has a tie-up arrangement.

14. Review

A review of compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism would be done by the Management regularly and a consolidated report of such reviews will be submitted to the Board of Directors on an annual basis.