

Annexure-INaBFID Fair Practices CodeBackground:

Our Organisation (NaBFID) has been constituted under The National Bank for Financing Infrastructure and Development Act-2021 with a specific purpose to support development of long term, non-recourse infrastructure financing in India including development of the bonds and derivatives markets necessary for infrastructure financing and to carry on the business of financing infrastructure and for matters connected therewith or incidental thereto. Accordingly, we will endeavour to finance the long term needs of infrastructure sector companies and may not attract retail and other business loans of individuals, micro & small corporates.

NaBFID is working in close coordination with Large Corporates who operate in the Infrastructure sector and since the projects have high project cost, the debt sizes would also be in large values (typically above Rs. 100 cr per sanction). Thus, the terms and conditions would be negotiated with the Borrower directly and NaBFID does not envisage any "batch processing of proposals" under standard template. Also, evaluation and due diligence is done on case to case basis keeping in mind the dynamics of sector, regulatory aspects, corporate profile of Sponsor, applicable Laws, internal policies, etc.

Keeping in view the above in mind, we propose the follow Fair practice codes in terms of Reserve Bank of India Circular No. RBI/2006-2007/280; DBOD No. Leg.BC.65/09.07.005/2006-07 dated March 06, 2007.

1. Applications for loans and their processing:

- a) NaBFID at the time of discussing the project requirements with the borrower, NaBFID shall also discuss the key terms of sanction. NaBFID will provide information about the applicable interest rates. Further, the key terms could cover information on fees/charges, if any, payable for processing, the amount of such fees refundable in the case of non-acceptance of sanction, pre-payment options and any other matter which affects the interest of the borrower. NaBFID shall endeavour to make available applicable NaBFID Lending Rate (NLR) as above through its web-portal.
- b) Time Frame for disposal of loan applications, from the date of satisfactory receipt of complete information/ data/ clarifications/ reports, etc., would also be discussed with applicants.
- c) NaBFID would verify the loan applications within a reasonable period. If additional details/documents are required, borrowers would be intimated at the earliest.
- d) NaBFID, as part of due diligence, would negotiate and discuss with applicant on the adequacy of prime security and collateral. If unsecured, the same shall be evaluated as per internal policies.
- e) In case of all applications which are not considered creditworthy, the decisions are recorded as dropped or deferred.

2. Loan appraisal and terms/conditions:

- a) NaBFID would convey to the borrower the loan amount along with the terms and conditions thereof and would keep the borrower's acceptance of these terms and conditions given with his full knowledge on record.
- b) Terms and Conditions and other caveats governing credit facilities given by NaBFID arrived at after negotiation between NaBFID and borrower would be reduced to writing and duly certified by NaBFID's authorised official. A copy of loan agreement along with a copy each of all enclosures quoted in the loan agreement would be furnished to the borrower.
- c) As far as possible, NaBFID would endeavour that the loan agreement clearly stipulates credit facilities that are solely at the discretion of NaBFID. It would also be specifically stated that NaBFID does not have any obligation to meet further requirements of the borrowers on account of growth in business etc., without proper review of credit limits or fresh appraisal.
- d) In the case of lending under consortium arrangement, NaBFID, as a participating lender, would evolve procedures to complete appraisal of proposals in a time bound manner to the extent feasible, and communicate its decision on financing or otherwise, within a reasonable time.

3. Disbursement of loans including changes in terms and conditions:

NaBFID would ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. NaBFID would give notice of any change in the terms and conditions including interest rates, service charges, etc. in the website display. The Bank would also ensure that changes in interest rates and charges are levied on disbursement only with prospective effect.

4. Post disbursement supervision:

- a) Post disbursement supervision by NaBFID would be constructive in a manner which not only ensures that the routine work process of the borrower is not impeded and borrower does not face inconvenience but also takes care of NaBFID's interest and compliance with the guidelines.
- b) Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities, NaBFID would give notice to borrowers, as specified in the loan agreement or a reasonable period if no such condition exists in the loan agreement.
- c) (i) At the formal request of the party concerned, NaBFID would release the securities, at its office, within 15 (fifteen) working days after it receives repayment or realization of loan, or others dues agreed to or contracted. It is subject to clearance of any lien or

legitimate right or any other charges of any lender/ authority or claim that may exist against borrower etc.

(ii) If such right of set off or otherwise is to be exercised NaBFID shall intimate about it to the party concerned with full particulars about remaining claims, lien or the mortgaged property till the relevant claim is settled/paid or right satisfied/waived.

5. General:

- a) NaBFID would restrain from interference in the affairs of the borrowers except for what is 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 NaBFID).
- b) NaBFID would not discriminate on grounds of sex caste, religion and ideologies in the matter of lending.
- c) NaBFID will reserve its right to undertake visits, either by its staff or authorised representatives, to the borrowers' premises for verification of the stock and/or assets financed. In the matter of recovery of loans, NaBFID would comply with the extant guidelines of RBI when outsourcing the recovery of Loans.
- d) In case of receipt of request for transfer of borrower account, either from borrower or from a bank/financial institution, which proposes to take over the account, the consent or otherwise i.e. objection of NaBFID, if any, would normally be conveyed within 21 working day from the date of receipt of request.

6. Grievance Redressal:

NaBFID will address the grievance as per our 'Complaint and Dispute Resolution policy' and resolve the disputes arising, inter alia, out of Fair Practice Code. The mechanism ensures that arising out of the decisions of NaBFID functionaries are examined and disposed of by the Nodal Officer. Besides, in case the complainant is not satisfied with the redressal steps, the provision of complainant making an appeal to the Chief Grievance officer is also available.

7. Review of the Code:

This Code will be reviewed annually, in addition to changes necessitated on account of changes made by RBI/Regulatory authorities or any competent authorities, which will be adopted upon approval of the Managing Director

