

National Asset Reconstruction Company Ltd (NARCL)

Policy on Fair Practice Code

Document Revision History

Version	Original Version 1.0	Last Reviewed	Current Version 2.0
Approval date	18/05/2022	18/05/2022	14/07/2023
Issue date	18/05/2022	18/05/2022	14-07-2023
Effective date	18/05/2022	18/05/2022	14/07/2023
Review cycle	Annually.		
Owner/Contact	Risk and Compliance Mid Office Department jointly with the Chief Operating Officer (COO) vertical		
Approver	Board of Directors		
Nature of document	For internal circulation and compliance purposes		

Document Review Record

Sr. No.	Particulars	Name	Role
1	Company Secretary and Compliance Officer	Kapil Soni	Preparer
2	Head (Risk & Compliance)	Manish Mohnot	Reviewer
3	Risk Management Committee	Natarajan Sundar Arindam Biswas Purshotam Agarwal	Approver

Table of Contents

1. Introduction.....	3
2. Objectives of the Policy.....	4
3. Applicability of the Policy	5
4. Acquisition of financial assets	6
5. Management Fees, Expenses and Resolution Incentives	6
6. Resolution of financial assets	6
7. Release of securities	7
8. Sale of the assets	7
9. Responsibility of Board of Directors.....	7
10. Complaints	8
11. Grievance Redressal.....	8
12. Confidentiality	9
13. Outsourcing of activities:	9
14. Policy Review and Updates	9
15. Regulatory References (reference to Companies Act, RBI circulars and other applicable statutes, regulations as applicable to NARCL)	9

1. Introduction

National Asset Reconstruction Company Limited (hereinafter referred to as “NARCL” or “Company”) has been incorporated under the Companies Act, 2013 as a Government Company (limited by shares) on 7th July 2021.

Fair Practice Code (FPC) is being set up to achieve highest standards of transparency and fairness in dealing with stakeholders.

To achieve the highest standards of transparency and fairness in dealing with stakeholders, Fair Practices Code (“FPC” or “Policy”) is set up after being approved by the Board of Directors of NARCL (“**Board**”). The Fair Practice Code is followed in right earnest and the Board is responsible for its evolution and proper implementation at all times. The FPC shall be placed in public domain for information of all stakeholders.

2. Objectives of the Policy

The key objectives of the Policy are:

- 1) To act fairly and reasonably in all the dealings with borrowers.
- 2) The Company will make every attempt to ensure that its customers would have trouble-free experience in dealing with the Company. However, in case of commission of errors and/or omissions,
 - It shall deal with the errors promptly and effectively.
 - Provide grievance redressal in a quick and efficient manner and to the satisfaction of the customers.
 - Prompt handling of complaints.

3. Applicability of the Policy

The Policy is applicable to all employees, officers, directors, and other relevant stakeholders, across all branches (if any) and departments of the Company.

4. Acquisition of financial assets

Acquisition of financial assets by the Company shall be in compliance with the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), applicable RBI guidelines/directives and Company's policies

The Company shall follow transparent and non-discriminatory practices in acquisition of assets. It shall maintain arm's length distance in the pursuit of transparency.

The Company can acquire financial assets of any banks or financial institutions:

- By issuing securities in form of Debenture or Bond or Security Receipt or Cash or Cash equivalents, for consideration agreed upon between Company and the bank or financial institution, incorporating such terms and conditions as may be agreed upon.
- If a bank or financial institution is a lender in relation to any financial assets, the Company on its acquisition shall be deemed to be the lender and all rights shall vest in the Company in relation to such financial assets.

The bank or financial institution holding any right upon the unpaid portion of the purchase price of such asset, or an obligation incurred, or credit otherwise provided to enable the borrower to acquire the tangible asset or assignment or licence of intangible asset, such right, title or interest shall vest in the Company on acquisition of such assets.

5. Management Fees, Expenses and Resolution Incentives

The Company has put in place Financial Asset Acquisition policy which governs the management fee, expenses, and incentives, if any, claimed from trusts under their management. The Financial Asset Acquisition policy is transparent and ensures that management fee is reasonable and proportionate to financial transactions.

6. Resolution of financial assets

Company shall resort to remedies which are legally and legitimately available to it and shall avoid undue harassment of the borrowers. Practices adopted by the Company for recovery of dues and enforcement of security shall be fair, nonprejudiced and in consonance with applicable law. Company shall not initiate any legal or recovery measures including repossession of the security without giving due notice in writing to the borrower. Employees of the Company shall be adequately trained to deal with the borrowers appropriately.

In course of recovery of dues, employees and recovery agents shall abide by the guidelines/code of conduct set out in the Policy on Resolution of Assets of the Company as well as the Code of Conduct of Recovery Agents appointed by the Company. Privacy of the borrowers shall be respected, and confidentiality of their information shall be maintained at all times.

Company shall ensure that recovery agents are properly trained to handle their responsibilities with care and sensitivity, particularly in respect of aspects such as

hours of calling, privacy of customer information, etc. Company will further ensure that recovery agents do not induce adoption of uncivilized, unlawful and questionable behaviour or recovery process. Company, as principal, shall remain responsible for actions of the recovery agents appointed by it.

7. Release of securities

Company shall release all securities on final repayment of dues or on realisation of the outstanding amount of loan by the borrower / guarantor. Company shall return to the borrower all the securities, documents, title deeds of mortgaged property and issue no-due certificate without any delay after receipt of all the outstanding dues. Company reserves its legitimate rights or lien on the securities for any other claim against the borrower. If Company exercises such right of set off, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which Company is entitled to retain the securities till the relevant claim is settled/ paid.

8. Sale of the assets

- 1) To enhance transparency in the process of sale of secured assets, invitation for participation in auction shall be publicly solicited enabling participation of as many prospective buyers as possible.
- 2) Terms and conditions of such sale may be decided in wider consultation with investors in the SRs as per SARFAESI Act 2002.
- 3) Understanding from the basic principles of Section 29A of Insolvency and Bankruptcy Code, 2016 may be followed in dealing with prospective buyers.

9. Responsibility of Board of Directors

The Board or a Delegated Committee of the Board shall lay down appropriate grievance redressal mechanism within the organization.

The Board of Directors either through itself or by through a Delegated Committee of the Board shall also provide for periodical review of the compliance of the FPC and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be appropriate.

Compliance with FPC shall be subject to periodic review by the Board.

10. Complaints

In case of any complaint/ grievances of the borrowers, the same shall be intimated by them in writing to the Compliance Officer. The Compliance Officer shall immediately make all efforts to redress the grievances. The employees of the Company shall guide the borrowers who wish to lodge a complaint.

11. Grievance Redressal

- 1) The implementation of the FPC shall be the responsibility of the Company. The Company shall make every effort to ensure that its dealing with borrowers / customers is smooth and hassle free. Any complaint brought to the notice of the Company by a borrower / customer will be handled expeditiously.
- 2) All disputes / complaints arising out of the decisions of the Company's functionaries including issues relating to services provided by the outsourced agency would be heard and disposed of after it is brought to their notice.
- 3) The Board of Directors of the Company has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances.
- 4) Compliance with the Company's Fair Practice Code is reviewed by the Board on an annual basis.
- 5) The contact details of the Grievance Redressal Officer ("GRO") and the local office of RBI (which can be approached if the complaint / dispute is not resolved within a period of one month from the date of receipt of such complaint) will be displayed at all the branches / places where the Company conducts its business.
- 6) Complaint/dispute can be raised through email or can be raised as written complaints
 - a. Email: complaints@narcl.co.in
 - b. Address: –
Birla Centurion, Unit no. 01, 8th Floor, Century Mills,
Pandurang Budhkar Marg, Worli, Mumbai – 400030

In case resolution is not provided within prescribed period by NARCL, then second complaint or escalation may go to CEO on below email/call/ office address:

Name: Sh. Natarajan Sundar
Phone: 022-69601111
Email: md.ceo@narcl.co.in
Address: –
Birla Centurion, Unit no. 01, 8th Floor, Century Mills
Pandurang Budhkar Marg, Worli,
Mumbai – 400030

Complaints that are received by the Company shall be inquired and analysed impartially. The name and contact number of designated GRO of the Company should be mentioned in the communication with the borrowers.

12. Confidentiality

Unless authorized by the borrower, the Company will treat borrower's personal information as private and confidential.

The Company shall not reveal the information of the borrowers, they come to acquire in course of the business, to any other persons except under following circumstances:

- If the Company is required to provide the information as required by law.
- If arising out of a duty to the public to reveal the information.
- If the borrower has permitted the Company to provide such information.

13. Outsourcing of activities:

The Company has criteria for selection of activities and service providers which can be outsourced, delegation of authority depending on risks and materiality and systems to monitor and review the operations of these activities/ service providers. Performance of such service providers shall be continuously monitored and reviewed from time to time. Company shall ensure that outsourcing arrangements neither diminish its ability to fulfil its obligations towards its customers and the RBI nor impede effective supervision by RBI.

14. Policy Review and Updates

The Board approved Policy shall be reviewed as and when required or at least annually for incorporating regulatory updates and changes, if any.

15. Regulatory References (reference to Companies Act, RBI circulars and other applicable statutes, regulations as applicable to NARCL)

- The Companies Act, 2013
- Master Circular – Asset Reconstruction Companies – RBI/2023-24/12 DOR.SIG.FIN.REC 8/26.03.001/2023-24 dated April 03, 2023

Annexure 1- Glossary

Abbreviations	Meaning
NARCL	National Asset Reconstruction Company Ltd
RBI	Reserve Bank of India
SR	Security Receipts
SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
ARC	Asset Reconstruction Company
ICAI	The Institute of Chartered Accountants of India
NBFC	Non-Banking Financial Company
COO	Chief Operating Officer

VERSION HISTORY

Version	Date of approval
1.0	18/05/2022



GRIEVANCE REDRESSAL MECHANISM

BACKGROUND

National Asset Reconstruction Company Ltd- (NARCL) has adopted Fair Practice Code which aims at resolving every grievance of the borrower/customer in a expeditiously, smooth and hassle free manner. All disputes / complaints arising out of the decisions of the Company's functionaries including issues relating to services provided by the outsourced agency would be heard and disposed of after it is brought to their notice.

COMPLAINANT

The complainant means shall means any borrower/guarantor, vendor and any other third person aggrieved by the act of NARCL.

MECHANISM

1. Any complainant who observes/notices or has, in good faith, reason to believe any violation of law, mismanagement of affairs, financial irregularity, unfair treatment/ poor service, or abuse of authority by any Employee can raise their grievance in writing or by email. Same can be done by at following email id/address:

Email: complaints@narcl.co.in

OR

Write to:

Mr. Kapil Soni,
Grievance Redressal Officer
National Asset Reconstruction Company Ltd.
Birla Centurion, Unit no. 01, 8th Floor, Century Mills,
Pandurang Budhkar Marg, Worli, Mumbai – 400030

2. The complainant should give the details of the complaints as per the specified in **Annexure-1**.
3. MD & CEO will be the Competent Authority to consider the complaint. If the complaint is against MD & CEO, the Chairman of the Audit Committee/ or any member of the Audit Committee as may be specified by the Chairman of the Audit Committee shall be the Competent Authority. For complaints against any Director, the Board of Directors may decide on the course of action.
4. The Competent Authority will authorise the “Investigator/s” to look into the complaint.
5. The investigation will be conducted by the investigator in a fair manner and in accordance with the applicable laws. The investigation would be completed within 20 days and the report would be submitted to the competent authority within 5 days. Depending on the gravity of the complaint if it is felt necessary to give more time for investigation, the competent authority may do so in writing. In such cases the complainant would be informed accordingly.
6. On the basis of the investigation report, the competent authority concludes the report within 5 days of receipt of report from Investigator and the complainant would be informed accordingly.
7. The Grievance Redressal Officer shall submit or cause to be submitted to the Audit Committee, quarterly reports in respect of all Complaints received under this Procedure.

8. In case resolution is not provided within a period of 30 days, then second complaint or escalation may go to CEO on below email/ office address:

Email: md.ceo@narcl.co.in

OR

Write to:
MD & CEO
National Asset Reconstruction Company Ltd.
Birla Centurion, Unit no. 01, 8th Floor, Century Mills,
Pandurang Budhkar Marg, Worli, Mumbai – 400030

The company will respond to above escalation within 15 working days.

9. In case the complaint is not resolved by the company within 45 days of raising of complaint, then the complainant escalate to Reserve Bank of India at following address:

Reserve Bank of India
Department of Supervision
II floor, Centre One Building,
World Trade Centre, Cuff Parade
Mumbai-400005

10. The Board of directors shall periodically review the customer grievance redressal mechanism to ensure that process deficiencies, if any, are addressed. A status of the customer complaints shall be placed before the Audit Committee on a quarterly basis. A complaint register shall be maintained, by the Grievance Redressal Officer of the Company.

ANNEXURE

GRIEVANCE REDRESSAL APPLICATION FORM

S.NO	PARTICULARS	DETAILS
1.	Name of the complainant	
2.	Address	
3.	Contact No.	
4.	Name of the account/case	
5.	Nature and details of complaint	
6.	Supporting documents/documentary proof in support of the complaint	