

**FAIR PRACTICE CODE POLICY
OF
NAVI FINSERV PRIVATE LIMITED**

(Formerly Known as Chaitanya Rural Intermediation Development Services Private Limited)



Version No	FPC/3.1/2020-21
Originally adopted Date of Policy	14 th March 2016
Amended/Modified Date of Policy	30 th September 2021
Policy owner	Chief Executive Officer
Approved by	Board of Director
Signature	Sd/-

Fair Practice Code

Navi Finserv Private Limited (“**NFPL or Company**”), a Non-Banking Finance Company registered with Reserve Bank of India (“**RBI**”) is presently in the business of providing digital personal loan and digital housing loans to its customers.

NFPL has framed and adopted this Fair Practice Code (“**Code**” or “**FPC**”) as required by Reserve Bank of India (“**RBI**”) under Master Circular - Fair Practices Code dated July 1, 2015 (“**Circular**”). This Fair Practices Code applies to all categories of products and services offered by the Company (currently offered or which may be introduced at a future date). The Code assures the Company’s commitment to fair dealing and transparency in its business with borrowers.

Objective

The Code is framed with the objective of Company’s key commitments to the customers:

- To encourage ethical and fair procedures in dealing with borrowers by establishing basic criteria;
- To promote a fair and respectful relationship between the borrower and the Company;
- To meet the requirements and standards under the Circular and the Code for the loan products offered by the Company;
- To strengthen mechanisms for redressal of customer grievances; and
- To ensure that the Company's loan products comply with applicable Indian laws and regulations;

COMMITMENTS

NFPL shall comply with the Code by acting fairly and reasonably in all transactions, based on the ethical principles of honesty and transparency, in order to meet the standards prevalent in the financial services sector.

NFPL would provide borrowers with clear information, without ambiguity, in order for them to understand the Loan Products, as well as its terms and conditions, including service charges, interest rate and method of application.

NFPL shall treat all personal information of customers as private and confidential and shall not disclose any information to third parties, unless (a) required by any law or Government authorities, including Regulators or Credit Information Bureaus; or (b) where the customer has consented to the sharing of such personal information.

NFPL will make the Code available on the Company's website and will provide borrowers with a copy of the Code upon request. The Company shall not discriminate against its customers on the basis of race, caste, gender, marital status, religion and, or disability.

Applicability

The Code shall apply to all the employees of the Company and other persons authorized to represent the Company in the course of its business.

Applications for loans and their processing

The Company shall source its borrowers through the Navi App, or digital partners or agents or such other methods as permitted under the applicable laws. All loan applications

shall be received by the Company through the Navi App or through physical loan applications or through such other methods in accordance with applicable law.

The Company shall ensure that:

- a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b) Loan application shall include necessary information (i.e., interest rates applicable, fees/ charges, if any, pre-payment options and other charges, if any) which affects the interest of the borrower. The loan application form may indicate the documents required to be submitted with the application form.
- c) The Company shall ensure to issue an acknowledgement for receipt of all loan applications indicating the time frame within which loan applications will be disposed of.
- d) All information required for processing the loan application shall be submitted to the Company at the time of application. In case the Company needs any additional information, the Company shall have the right to contact the customer.
- e) NFPL shall convey to the customer about the loan sanction along with the terms and conditions thereof and keep the acceptance of these terms and conditions by the borrower on its record.
- f) NFPL at its discretion shall process requests for transfer of a loan account, either from the borrower or from a bank/ financial institution, in the normal course. NFPL shall convey the consent or objection as the case may be within 21 days from the receipt of the request.
- g) Before taking a decision to change any terms and conditions including disbursement schedule, interest rate, service charges or any other charges NFPL shall give notice to borrowers as per the loan agreement. Any changes to the above charges shall be made available at the Company's branches and also on the website of the company.

Loan appraisal and terms/conditions

Loan applications are subject to the credit appraisal process followed by the Company.

- a. The key terms of the loan i.e., interest charges, tenor, amount of loan sanctioned, the annualized rate of interest applicable to the borrower, processing fees, loan tenor, Equated Monthly Instalment (EMI) payable, other applicable fees and charges and other details as applicable are disclosed to borrower in the vernacular language or a language as understood by the borrower when the offer for loan is made.
- b. NFPL shall mention the penal interest / liquidated damages / additional interest to be charged for default or late payment of dues 'in bold' in the loan / facility agreement, besides mentioning prepayment penalty.
- c. The loan disbursement process would be initiated upon receiving the acceptance of such terms and conditions as mentioned in the loan agreement. The consent of the applicant shall be retained by NFPL and maintained in its records digitally/ physically.
- d. A copy of the loan agreement shall be furnished to all borrowers at the time of disbursement of loans and acknowledgement of the same shall be maintained in its records digitally/physically.

Disbursement of loans including changes in terms and conditions

- a. NFPL shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- b. NFPL shall ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard has been incorporated by the Company in the loan agreement.
- c. The decision of the Company to recall / accelerate payment or performance under the agreement shall be in accordance with the terms and conditions of the loan agreement and shall be acknowledged by the borrower.
- d. All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien, and set-off for any other claim that NFPL may have against the borrowers. If such a right of set-off is to be exercised, the borrower shall be given prompt notice about the same, with full particulars about the remaining claims and the conditions under which NFPL is entitled to retain the securities until the relevant claim is settled / paid.

General Provisions

NFPL shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).

In the matter of recovery of loans, NFPL representatives/third party collection agents shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. NFPL shall ensure there is no rude behavior from its staff towards customers for which staff will be adequately trained to deal with the customers in an appropriate manner.

There shall be no discrimination in extending products and facilities including loan facilities to the physically/ visually challenged applicants on the grounds of disability.

NFPL shall not charge foreclosure charges/ prepayment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s) as per clarification issued by RBI vide RBI/2019-20/30 DNBR (PD) CC.No.101/03.10.001/2019-20 dated August 02, 2019 on 'Levy of foreclosure charges/ prepayment penalty on Floating Rate Term Loans'.

Responsibility of Board of Directors

The Board of Directors of NFPL has laid down the appropriate grievance redressal mechanism within the organization. The mechanism ensures that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors periodically reviews the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management.

A consolidated report of such reviews shall be submitted to the Audit Committee and Board at regular intervals.

Grievance Redressal

NFPL shall display the following information prominently, for the benefit of their customers, at their branches / places where business is transacted:

- a. the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.
- b. 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 DNBS of RBI (complete contact details), under whose jurisdiction the registered office of the NBFC falls.
- c. Customer Grievance Policy.

Further, the Customer Grievance policy detailing the grievance redressal mechanism is annexed as **Annexure 1** to the Code.

Language and mode of communicating Fair Practice Code

NFPL shall communicate with borrowers preferably in the language as understood by the borrower or in the vernacular language. The Code shall be made available in different languages on the website of the Company.

Interest Rate Policy

The rate of interest and the approach for gradations of risk and rationale for charging different rates of interest to different categories of borrowers shall be disclosed to the borrower or customer and communicated explicitly. The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.

The approved Interest Rate Policy shall be published on the website of the company.

Advertising, Marketing and Sales

NFPL shall be responsible for ensuring that all advertising and promotional material is clear and not misleading. The Code shall also apply to NFPL sales associates/representatives to the extent of their identification when they approach the client for sales.

Credit Information Companies (CICs)

NFPL shall give information about the customers to the credit information companies on:

- a. Opening of an account;
- b. The customer delaying his/ her payments and the performance of loan account, which includes how much loan has been sanctioned and the subsequent performance;
- c. Legal proceedings have been initiated against the customer to recover the dues; and
- d. Debts settled through legal recourse against the customer.

NFPL may give other information about the customer's account, to the CICs, or in case the customer has given his/ her/ its explicit permission to do so, in accordance with such authorization and requirement under applicable law.

Collection and recoveries

The collection and recovery process of the Company shall be as per the Collections and Recovery Policy of the Company, as approved by the Board.

Code of Conduct

The Company shall ensure that the Code of Conduct for soliciting insurance business shall be governed by the IRDA regulations.

Further, the Company shall ensure that the Code of Conduct for Collection Agents and Direct Selling Agents, available as an **Annexure 2**, are complied with.

Privacy And Confidentiality

NFPL shall have a privacy policy which shall ensure that sensitive personal information of the customer is utilised, stored and processed in accordance with the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011.

The Company retains the right to amend, alter and modify the above-mentioned codes and offer updates from time to time without affecting or sacrificing the FPC's underlying spirit.

CUSTOMER GRIEVANCE REDRESSAL POLICY
of
NAVI FINSERV PRIVATE LIMITED
(Formerly Known as Chaitanya Rural Intermediation Development Services Private Limited)



Version No	CGR/3.2/2021-22
Originally adopted Date of Policy	30 th April 2016
Amended/Modified Date of Policy	24th August 2020 18th February 2021 28th May 2021 06th September 2021 16 th September 2021
Policy owner	CEO
Approved by	Board of Director
Signature	Sd/-

Reference: RBI/2015-16/16 DNBR (PD) CC.NO.54/03.10.119/2015-16 dated 1st July 2015

Customer Grievance Redressal Procedure

1. Objective

Customer first is a core value at Navi Finserv Private Limited. The Customer Grievance Redressal Policy reflects the core value of the company and incorporates the guidelines of the regulator.

As per the RBI's Master Circular - Fair Practices Code dated July 01, 2015 followed by Navi Finserv Private Limited (hereinafter referred to as "**Company**"), the Company needs to have a Grievance Redressal Policy/Mechanism which should be approved and mandated by the Board of Directors.

The following objectives have been addressed in the Company's Grievance Redressal Policy:

- Provision of the best customer service support;
- Compliance with the regulatory guidelines as required for this function.

2. Definitions

Grievance/Complaint: A "Grievance/Complaint" is an expression of dissatisfaction with a product or service, either orally or in writing, from a customer. A customer may have a genuine cause for complaint, although some complaints may be made as a result of a misunderstanding or an unreasonable expectation of a product or service.

General Categorisation of Complaints:

- **Transaction related:** miss- selling/ debiting of erroneous charges/TDS related /service charge related, cheque or eNach clearance related.
- **Branch related:** Basic facilities to customers/ ambience/ customer service area/ long queue, etc.
- **Staff related:** Alleged harassment, misbehaviour/ use of rude language, alleged bribery etc.
- **Lending related:** Delayed disbursements, loan modifications, excessive follow-up for collections, improper behaviour of recovery agents, discrimination based on gender, caste, religion, loan frauds and such other lending related complaints.
- **Business Correspondent/ Agent related/ Vendor related:** Misbehaviour/ use of rude language, mis-selling of products, levy of fees/ commission/ additional charges, This shall also include mis behaviour/use of rude language by connectors, recovery agents, verification agencies and Vendors.

3. Grievance Redressal Process

The Company shall open multiple channels of communication with the customer. These channels are as follows:

- A) A Grievance Redressal Officer identified by the senior management shall be appointed. The Grievance Redressal Officer will be responsible for receiving and managing grievances originating at the Company.

B) Escalation Matrix I

1) First Level:

- At the first level, if a customer has a complaint or a grievance, the customer can reach out to the Customer Support team on:

Email: help@navi.com

Phone: (+91) 81475 44555

- **TAT:** The Standard Response Time when a customer reaches out to the Customer Support Team on Email or on Phone is: **48** working hours for attending to the customer's concerns and best efforts shall be made for resolution within **3** working days.
- Requests that are not resolved to the satisfaction of the customer or requests that have not been resolved within the time prescribed, Customer Grievances can be escalated to the Second Level.

- Second Level:

At the second level, the customer can contact the Grievance redressal Officer's Mailbox below. The Grievance Redressal officer shall undertake to resolve the grievance within a period of (7) seven working days from the date of receipt of Grievance.

Name: **Sugandha Sharma**

Designation – Customer Support Manager

Address – Navi Finserv Private Limited , Koramangala 3rd Block, Bangalore 560095

Email – grievance@navi.com

- Third Level:

If the customer does not receive a response or is not satisfied with the response by the Grievance Redressal officer within (10) ten working days, the customer can contact the Nodal Officer of the company on the mailbox below. The Nodal Redressal officer shall undertake to resolve the grievance within a period of (7) seven days from the date of receipt of complaint.

At the Third Level, the customer can contact the Nodal Officer of the Company under the RBI Ombudsman Scheme as follows:

Name: Dimple J Shah

Designation – Nodal Officer

Address – Navi Finserv Private Limited , Koramangala 3rd Block, Bangalore 560095

Email – nodaloffice@navi.com

- **Fourth Level:** If a customer is not satisfied by the response provided by Nodal Officer, or in case the grievance is not redressed within a period of 15 working days from the date of its first submission, then the Customer can write to:

Officer- in- Charge

Reserve Bank of India,
Department of Non-Banking Supervision (DNBS),
Reserve Bank of India,
Nrupathunga Road,
Bangalore – 560001
Email: dnbsbangalore@rbi.org.in

- All insurance related Grievance in the Company's capacity as a Corporate Agent of the Insurer to be concluded with 14 days from the receipt of the grievance.

5) FIFTH LEVEL:

RBI OMBUDSMAN SCHEME FOR NBFCs – 2018

If reply is not received from the NBFC or customer remains dissatisfied with the reply of the NBFC, then one month after filing the Complaint/ Grievance, the customer may approach the Ombudsman created under the "Ombudsman Scheme for Non-Banking Financial Companies, 2018", by Reserve Bank of India.

After lapse of 30 days of filing in any of the channels above, if no Response is received for the Grievance / Complaint or the Response /Redressal is not to the satisfaction of the Customer , he/she may escalate the issue to a higher level for Redressal.

While It is not necessary that the customer should follow the steps in the above-mentioned sequence it is suggested that the customer follow the escalation matrix.

Address:

Reserve Bank of India
Fort Glacis, Chennai - 600001
Telephone No: 044 - 25395964
Fax No: 25395488
Email: cms.nbfcochennai@rbi.org.in

- 6) The above process will be applicable for any grievances related to Repossession and Sale of Asset as well. The Grievance will be investigated with the help of recovery team and a suitable response will be provided to the customer after investigation.

C) Systems for Resolution of Grievances

The Company has The Company has a Customer Redressal Mechanism (CRM) system to ensure timely resolution of the grievances. The system (a) captures the complaints, (b) follows TATs on the basis of the nature of the query, and (c) escalates issues on the basis of predefined TATs and as per the escalation matrix.

Once captured in the CRM system the Customer Service team is responsible for resolution of complaint/grievance to the customer's satisfaction. Every attempt is made to offer the customer suitable and appropriate alternate solutions wherever possible. However, if the customer continues to remain dissatisfied with the resolution, he can escalate the issue through the grievance redressal mechanism as referred above.

Categorisation of Complaints:

- Information and complaint calls shall be segregated through the CRM to track and analyze them.
- The CRM shall track the priority for action on complaints by categorising and tagging the complaints as low, high, medium, etc.

Customer Satisfaction:

- The CRM shall assist with taking Customer feedback on their satisfaction level.
- Prior to closing the complaints raised by the Customers, feedback of the customers on their satisfaction level shall be taken by the Company.

D) Internal Review and monitoring of Grievances

Periodic review of monitoring of complaints, TATs, nature of complaints is done on a monthly basis to ensure that process loopholes are resolved.

Insurance grievances data is shared on a periodical basis with the Insurer.

E) Board and Audit Committee Reviews:

- The Customer Grievance Redressal mechanism and the Customer Grievance Policy shall be reviewed on an annual basis. The reviews shall consider the following: (a) Process improvement of redressal of grievances; (b) the overall performance of the complaint management system, and (c) the results of audit conducted by the Internal Audit Team of redressal of Grievances process and lapse reported, if any during the year.
- A report on the complaints received shall be placed before the Board and the Board Committee on a quarterly basis.

F) Website

The Policy would be available on Company's website and at all branches. All employees of the Company will be made aware of this Policy.

Code of Conduct for Direct Sales Agents
of
Navi Finserv Private Limited
(Formerly known as Chaitanya Rural Intermediation Development
Services Private Limited)



Version No.	1.0
Originally adopted Date of Policy	March 24, 2021
Policy owner	CEO
Approved by	Board of Directors
Signature	

SCHEDULE A

CODE OF CONDUCT FOR DIRECT SELLING AGENTS

OF
NAVI FINSERV PRIVATE LIMITED
(Formerly Known as Chaitanya Rural Intermediation Development Services Private Limited)

Background

Navi Finserv Private Limited (Navi) Code of Conduct for Direct Selling Agents (the "Code") covers all persons involved in marketing and distribution of any loan (including housing loan) or other financial product of Navi Finserv Private Limited.

The code of conduct for Direct Selling Agents of Navi is compliant with the Fair Practices Code (FPC) Guidelines and the Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs mandated by the RBI and is built around dignity and respect of customers. The policy is built on courtesy and fair treatment. The policy recognizes fairness & transparency.

Navi proposes to appoint and engage various service associates – Direct Selling Agents ("DSAs"), Direct Selling Executives ("DSEs") (both individual and corporate) for availing their services for sourcing prospective customer(s) ("Prospect") for its financial products for enhancing its marketing network.

1. Applicability

The Code is and is deemed to be adopted and included in the Agreement executed between Navi and the DSA/ DSEs. This code will apply to all persons involved in marketing and distribution of any loan or other financial product of Navi.

The Direct Selling Agent (DSA), Direct Selling Team (DST), its Tele-Marketing Executives (TMEs) and field sales personnel, namely, Business Development Executives (BDEs) must agree to abide by this code prior to undertaking any direct marketing operation on behalf of Navi. Any DSA, DST, TME or BDE found to be violating this code may be blacklisted. Failure to comply with this requirement may result in permanent termination of the engagement of the DSA, DST, TME or BDE.

2. Tele-calling a Prospect (a prospective customer)

A Prospect may be contacted for sourcing Navi's product or Navi related product under the following circumstances:

- a) When a Prospect has expressed a desire to acquire a product through Navi's website, call centre, branch or through the relationship manager at Navi or has been referred to by another Prospect, customer, business entity, builder or is an existing customer of Navi.
- b) When the prospect's name, telephone number or address is available and has been taken from one of the lists, directories, databases approved by the DSA Manager or Team leader, where applicable, after taking his/ her consent.
- c) The TME should not call a person whose name/number is flagged in any "do not disturb" list.

3. When you may contact a Prospect

- a) Telephonic contact must normally be limited between 09:30 Hrs and 19:00 Hrs. However, it must be ensured that a Prospect is contacted only when the call is not expected to inconvenience him/her.
- b) Calls earlier or later than the prescribed time period may be placed only when the prospect has expressly authorized the DSA, DST, TME or BDE to do so.
- c) Residence/Business/Office visit of the Prospect must normally be limited between 09:30 Hours and 19:00 Hours. Visit earlier or later than the prescribed time period may be made only when the prospect has expressly authorized the DSA, DST, TME or BDE and/or its employees/representatives to do so either in writing or orally.

4. Respect Prospect's privacy

DSA, DST or BDE and/or its employees/representatives should respect Prospect's privacy and the Prospect's interest may normally be discussed only with the Prospect and with any other individual/family member when authorized to do so by the Prospect.

5. No misleading statements/misrepresentations/mis-selling permitted

DSA, DST, TME or BDE and/or its employees/representative should not:

- a) Mislead the Prospect on any product/service offered by Navi;
- b) Mislead the Prospect about Navi's business or organization's name or falsely represent themselves as Navi's employee;
- c) Make any false/unauthorized commitment on behalf of Navi for any facility/service;
- d) Mis-sell products/ services offered by Navi by misrepresenting interest rates, loan sanction amounts, details on the security/ collateral that may be required.

Training sessions shall be conducted by the personnel or employees of Navi from time to time for the purpose of maintaining high service standards.

6. Telemarketing Etiquettes

PRE - CALL

- a) No calls prior to 09:30 Hours or post 19:00 Hours, unless specifically requested;
- b) No serial calling.

DURING CALL

- a) Identify yourself, your company and your principal;
- b) Request permission to proceed;
- c) If denied permission, apologize and politely disconnect;
- d) State reason for your call;
- e) Never interrupt or argue;
- f) To the extent possible, talk in the language which is most comfortable to the Prospect/customer;
- g) Keep the conversation limited to business matters;
- h) Reconfirm next call or next visit details;

- i) Provide your telephone supervisor's name or Navi's officer contact details if asked for by the prospect/client;
- j) Thank the prospect/client for his/her time.

POST CALL

- a) Provide feedback to Navi on Prospects/clients who have expressed their desire to be flagged "Do Not Disturb".

7. Gifts or bribes

The DSA, DST, TME or BDE must not accept gifts from prospects or bribes of any kind. If a DSA, DST, TME or BDE is offered a bribe or payment of any kind by a Prospect/customer he/she must report the offer to his/her management.

8. Precautions to be taken on visits/ contacts

DSA, DST or BDE and/or its employees/representative should:

- a) Respect personal space and maintain adequate distance from the Prospect;
- b) not enter the Prospect's residence/office against his/her wishes;
- c) not visit the Prospect's residence/ office in large numbers;
- d) respect the Prospect's privacy;
- e) if the Prospect is not present and only family members/office persons are present at the time of the visit, he/she should end the visit with a request for the Prospect to call back. However, the Prospect may be contacted when the visit is not expected to inconvenience him/her;
- f) provide his/her telephone number, supervisor's name or the Navi's officer's contact details, if asked for by the Prospect/ customer;
- g) Limit discussions with the Prospect to the business - Maintain a professional distance.

9. Handling of letters & other communication

Any communication sent to the Prospect should only be in the mode and format approved by Navi.

10. Records/ Books and Terms and Conditions of Empanelment

- a) Navi must have the ability to access all books, records and information relevant to the direct selling services;
- b) Controls to ensure customer data confidentiality and liability of the DSA, DST, TME or BDE in case of breach of security and leakage of confidential customer related information should be incorporated in the terms and conditions of empanelment;
- c) Navi shall also maintain an up-to date database of the empanelled DSA, DST, TME and BDE;
- d) There must be contingency plans to ensure business continuity;
- e) Navi will have the right to conduct audits on the DSA, DST, TME and BDE whether by its internal or external auditors, or by agents appointed to act on its behalf and

to obtain copies of any audit or review reports and findings made on the DSA, DST, TME or BDE in conjunction with the services performed for Navi;

- f) Allow the Reserve Bank of India or persons authorised by it to access documents, records of transactions, and other necessary information given to, stored or processed by the DSA, DST, TME or BDE agent within a reasonable time;
- g) Confidentiality of Prospect's/ customer's information should be maintained even after the termination of empanelment;
- h) Provision would be made for the preservation of documents and data by the DSA, DST, TME or BDE in accordance with the legal/regulatory obligation of Navi in this regard.

11. Training to DSA, DST, TME or BDE and/or its employees/representatives

The DSA, DST, TME or BDE and/or its employees/representatives should ensure that they attend training sessions as and when conducted by the personnel or employees of Navi for the purpose of maintaining high service standards in respect of the services expected to be rendered by the DSA, DST, TME or BDE.
