

# FAIR PRACTICE CODE POLICY

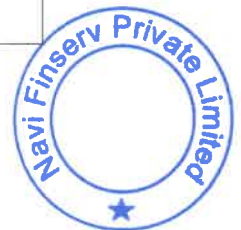
of

NAVI FINSERV PRIVATE LIMITED

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



Version No	FPC/2.1/2020-21
Originally adopted Date of Policy	14 <sup>th</sup> March 2016
Amended/Modified Date of Policy	18 <sup>th</sup> February 2021
Policy owner	CEO
Approved by	Board of Director
Signature	



Reference: RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015.  
RBI/DNBR/2016-17/44 CC.No.DNBR.PD.007/03.10.119/2016-17 dated March 09, 2017

**Preamble: -** The Reserve Bank vide its circular dated September 28, 2006, issued guidelines on Fair Practices Code (FPC) for all NBFCs to be adopted by them while doing their lending business. The guidelines inter alia, covered general principles on adequate disclosures on the terms and conditions of a loan and also adopting a non-coercive recovery method. The same has got revised over a period of time, in view of the developments with the sector, including creation of new Category of NBFCs

### **Fair Practices Codes adopted by us**

#### **Applications for loans and their processing**

- All Communications over phone and in person will be in vernacular language or a language understood by the borrower. All Written communications, digital or in documents to the borrower shall be in the English and the borrower's understanding of the documentation is checked.
- All necessary information which affects the interest of the borrower, like Range of Loan Tenure, Interest Rate, Loan Amount is communicated to the borrower in all channels before the borrower applies for a loan so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The Customer Onboarding Process also indicates the documents required to be submitted and / or digital verifications and digital documents required to be submitted along with the Loan application.
- Navi Finserv shall acknowledge all loan applications. In the Event a decision on the loan application takes more than 1 working day, the time frame within which loan applications will be disposed of is also indicated in the acknowledgement.

#### **Loan appraisal and terms/conditions**

- Navi Finserv will convey in writing to the borrower as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and shall keep the acceptance of these terms and conditions by the borrower on its record. The borrower who is unable to understand the Loan Offer terms is explained the same over telephone in vernacular language through a customer helpline.
- Navi Finserv does not charge penal interest for late repayment but other penalties like Late Payment Fee and Bounce Charges will be specified in Bold in the loan agreement, wherever it is charged
- Navi Finserv will furnish a copy of the loan agreement -as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of disbursement of loan. The details/ clauses in the loan agreement is also explained orally in vernacular language to the Customers by the customer helpline where needed. A brief summary of the key terms of the agreement are available to the customer for his approval.

#### **Disbursement of loans including changes in terms and conditions**

- Navi Finserv will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc



- Navi Finserv will ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard is incorporated in the loan agreement
- Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement
- Navi Finserv will release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim Navi Finserv 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 particulars about the remaining claims and the conditions under which Navi Finserv is entitled to retain the securities till the relevant claim is settled / paid.

### **I. General**

- Navi Finserv will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of Navi Finserv).
- In case of receipt of request from the borrower for transfer of the LOAN Account, the consent or otherwise, i.e. objection of Navi Finserv, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- In the matter of recovery of loans, Navi Finserv will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. Navi Finserv will ensure that the staff of the company and outsourced organisations are adequately trained to deal with the customers in an appropriate manner.
- Navi Finserv will not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

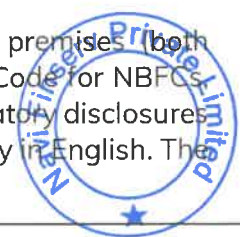
### **II. Responsibility of Board of Directors**

The Board of Directors of Navi Finserv have laid down the appropriate Grievance Redressal Mechanism within the organization to resolve disputes arising in this regard. The Grievance Redressal Mechanism has been set up to ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level.

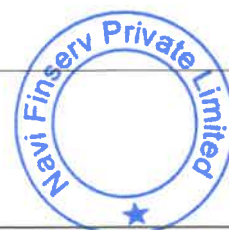
The Board of Directors will also review the compliance of the Fair Practices Code and the functioning of the Grievances Redressal Mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals.

### **III. Mandatory Disclosures to be made**

Following Disclosures to the customers are to be displayed at all office premises (both Branches & Admin offices and company website) as per RBI Fair Practices Code for NBFCs which includes, RBI Ombudsman Scheme for NBFCs, 2018 also. All the mandatory disclosures are in five documents as below, which are annexures to this policy, for display in English. The vernacular version is displayed as per the mandate in the branch offices.



Sl.No	Disclosure Requirements	Clause No.	Types of Disclosure to be displayed (Both English and Vernacular Language- Official Language of the Area)
1.	Board Approved Fair Practices Code in Vernacular	RBI FPC, 2.B.i.a (P 9)	Board Approved FPC
2.	The effective rate of interest charged	RBI FPC, 2.B.i.e (P 9)	Rate of Interest and the type of Loan products
3.	Declaration that provider will be accountable for preventing inappropriate staff behavior and timely grievance redressal	RBI FPC, 2.B.i.f (P 9)	Code of Conduct and Customer Grievance Redressal Policy
4.	Commitment to Transparency and Fair lending practices	RBI FPC, 2.B.i.b (P 9)	
5.	Grievance Redressal System set-up provided by the Provider	RBI FPC, 2.B.i.e (P 9)	Grievance Redressal Mechanism outlining the Five (5) Channels available for Redressal of Grievance and also giving TAT for redressal/ Escalation in case of no redressal or not satisfied with the redressal.
6.	The Name and contact details (Telephone/ Mobile No.s also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Provider.	RBI FPC, 2.A.vi.a (P 6)	
7.	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 Provider falls.	RBI FPC, 2.A.vi.b (P 6)	
8.	Ombudsman Scheme for NBFCs: purpose and contact details of the Ombudsman to whom complaints are to be made	RBI Ombudsman Scheme for NBFCs 2018, Chapter IV, 15, 1 (P 13)	Ombudsman Scheme of RBI



#### **IV. CUSTOMER GRIEVANCES/COMPLAINTS REDRESSAL SYSTEM:**

A Detailed Customer Grievance Redressal policy is in place. The Key Personnel involved are listed below for reference

##### **FIRST LEVEL:**

###### **Customer Grievance Number**

At the first level, if a customer has a complaint or grievance, the customer can contact the Customer support team at:

- Phone - +91 80108 33333
- E-Mail: - [help@navi.com](mailto:help@navi.com)

##### **SECOND LEVEL:**

###### **Grievance Redressal Officer:**

Name - Shikha Gupta

Designation- Customer Support Manager

Head Office Address – Navi Finserv, Koramangala 3<sup>rd</sup> Block, Bangalore

Email - [Grievance@navi.com](mailto:Grievance@navi.com)

##### **THIRD LEVEL:**

###### **Nodal Officer:**

Name – Riya Bhattacharya

Designation- CEO

Head Office Address – Navi Finserv, Koramangala 3<sup>rd</sup> Block, Bangalore

Email – [Nodaloffice@navi.com](mailto:Nodaloffice@navi.com)

##### **FOURTH LEVEL:**

If complaint is not addressed within a total of 15 working days, the customer can approach

Reserve Bank of India

Address:

General Manager

Department of Non-Banking Supervision (DNBS)

Reserve Bank of India, Nrupathunga Road

Bangalore -560001,

Email: [dnbsbangalore@rbi.org.in](mailto:dnbsbangalore@rbi.org.in)

##### **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.

Address:

Reserve Bank of India

Fort Glacis, Chennai - 600001

Telephone No: 044 - 25395964

Fax No: 25395488

Email: [cms.nbfcochennai@rbi.org.in](mailto:cms.nbfcochennai@rbi.org.in)

#### **V. Interest Charged by Navi Finserv**

The Board of Navi Finserv has laid out appropriate internal principals and procedures in determining interest rates and processing and other charges. In this regard the guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans have also been kept in view.

#### **VI. Regulation of excessive interest charged by NBFCs**

- The Board of Navi Finserv will 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. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to will be disclosed in our website as part of the Interest Rate Policy.
- The information published in the website will be updated whenever there is a change in the rates of interest.
- The rate of interest is annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

#### **VII. Clarification regarding repossession of vehicles financed by NBFCs**

- Navi Finserv has a built in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement will also contain 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) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the borrower and (f) the procedure for sale / auction of the property. A copy of such terms and conditions will be made available to the borrowers at the time of sanction / disbursement of loans, which may form a key component of such contracts/loan agreements.
- Navi Finserv shall furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans, which forms a key component of such contracts/loan agreements.

Following Disclosures need to be displayed at all the branches and other offices & website of Navi Finserv Private Limited



1. Board approved Fair Practice Code policy
2. Updated Interest Rates with full product details
3. Consumer Protection principles & Code of conduct
4. Redressal of Grievances Complaints
5. RBI Ombudsman scheme for NBFC 2018

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