

**NEEV CREDIT PRIVATE LIMITED  
("NCPL")**

**FAIR PRACTICE CODE**

Version	Date of Adoption	Change Reference	Owner	Approving Authority
1	19 <sup>th</sup> November 2018	12 <sup>th</sup> November 2019 July 18, 2022	Secretarial Dept	Board of Directors

## FAIR PRACTICE CODE

Neev Credit Private Limited (hereinafter referred to as “Neev” or “Company”) is a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (“RBI”), incorporated with a socio-economic objective of making better education affordable to the masses in India. It has been founded by a group of five highly qualified professionals with a vision to remove the biggest barrier to quality education in our country, viz., and availability of finances with the parents to be able to provide the best possible education for their children.

Neev is in the business of providing easy, transparent and quick loans (“Loan(s)”) to all deserving applicants (“Customer(s)”) without any discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap, to be fair and reasonable in all customer dealings. Pursuant to the revised guidelines on Fair Practices Code (“FPC”) issued by The Reserve Bank of India (RBI) on July 1, 2015 to all NBFCs, the Company, has formulated and implemented the below detailed Fair Practice Code (“Code”). This Code which has been reviewed and approved by the Board of Directors, shall come into effect from November 19, 2018. This policy was updated on November 19, 2019.

The Code applies to all the products and services, provided by the Company across the counter, over the phone, by post, through interactive electronic devices, on the Internet or by any other method (currently offered or introduced at a future date).

The objectives of the Code are:

- a. To follow good, fair and transparent business practices by setting minimum reasonable standards;
- b. To ensure transparency in the Company’s dealings with its customers;
- c. To enable customers to have better understanding of what they can reasonably expect of the services offered by the Company;
- d. To ensure compliance with legal norms in matters relating to recovery of advances;
- e. To strengthen mechanisms for redressal of Customer grievances.

This code shall apply to all employees of the company and other persons authorized to represent it in the course of its business with respect to all products and services.

### **(1) APPLICATIONS FOR LOANS AND THEIR PROCESSING:**

All communications to the Customer will be in the vernacular language or a language as understood by the Customer, as may be required, or through a counsellor who can help the Customer to understand the terms of the Loan and the documents to be executed in relation to the Loan.

The website and loan application forms with supporting documents include necessary information which affects the interest of the borrower, 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 website and loan application form with supporting documents will also indicate the documents required to be submitted with the application form. Company will provide appropriate acknowledgement for receipt of loan applications. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

### **(2) LOAN APPRAISAL AND TERMS/CONDITIONS:**

Neev shall comply with the KYC guidelines of RBI & conduct a due diligence on the credit worthiness of the Customer to ensure the repayment capacity of the borrower which shall be an important parameter for taking decision in relation to processing of any Loan application. The assessment would be in line with the risk-based assessment policies, norms and procedures adopted by the Company which are subject to review taking into account the business exigencies, regulatory and customer sentiments and market practices

All particulars required for processing the Loan Application shall be collected by Neev at the time of Application. In case we need any additional information, the Customer would be told that he/she would be contacted immediately again.

Neev will convey in writing to the borrower in the vernacular language or a language as understood by the Customer by means of sanction, the amount of loan sanctioned along with the terms and conditions including rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. Neev shall also mention the late fee and interest for late repayment in the agreement.

The Company shall furnish a copy of the Loan agreement as understood by the Customers along with a copy of all the annexures quoted in the Loan agreement to the Customers.

The aforesaid rate of interest applicable to customers would be based on Neev's Benchmark Lending Rate which in turn is dependent on factors such as cost of funds, margin, etc. plus a spread which is determined on the risk profile of the case which vary on account of a number of factors such as student's academic background, employability of the selected course from a selected college, financial strength of the borrower/co-borrower, loan repayment capability, credit history, cost/s associated with underwriting and servicing the loan, etc.

### **(3) DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS:**

Disbursement shall be made in accordance with the disbursement schedule terms or conditions given in the Loan Agreement/ Sanction Letter and agreed by the Customer.

Neev 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. Neev shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.

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

### **(4) GENERAL:**

Neev 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 information, not earlier disclosed by the borrower, has been noticed).

In the matter of recovery of loans, Neev will not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc.

Neev will make all efforts so that its staff is adequately trained to deal with the customers in an appropriate manner. It will be accountable for preventing inappropriate staff behaviour.

Neev shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.

### **(5) GRIEVANCE REDRESSAL :**

The Board of Directors shall from time to time lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. The Board of Directors should also provide for periodical review of 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 may be submitted to the Board at regular intervals, as may be prescribed by it.

At the operational level, all NBFs have to display the following information prominently, for the benefit of their customers, at their branches / places where business is transacted:

- the name and contact details (Telephone / Mobile nos. as also email address) of Mr. Sumit Khanna (Grievance Redressal Officer) who can be approached by the public for resolution of complaints against the Company.

- If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the General Manager of the Kolkata Regional Office of DNBS of RBI, under whose jurisdiction the registered office of the Company falls.

**(6) DISPLAY OF FAIR PRACTICE CODE**

The Fair Practice Code shall be put up on the Company's web-site, for information of the various stakeholders.

**(7) DETERMINATION OF THE RATE OF INTEREST, PROCESSING AND OTHER CHARGES**

- (a) The Board of Directors shall 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 different categories of borrowers shall be disclosed to the borrower or customer in the application form and .
- (b) The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.
- (c) The rate of interest should be annualised rates so that the borrower is aware of the exact rates that would be charged to the account.
- (d) The Company lay out appropriate internal principles and procedures for determining Processing and Other charge.