



**NEED LIVELIHOOD MICROFINANCE PRIVATE LIMITED (NLMPL)**

**CODE OF CONDUCT**

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- NLMPL has designed appropriate policies and operating guidelines to treat clients and employees with dignity and ensured that persons acting on its behalf are oriented and trained to put this Code into practice. They shall educate clients on the Code of Conduct and its implementation and shall ensure compliance to the Code of Conduct.
- NLMPL shall disclose all terms and conditions to the client for all services offered. Disclosures have been made prior to all disbursements in accordance with the Reserve Bank of India's (RBI) fair practices code, in the Loan Card.
- NLMPL has a dedicated process to raise clients' awareness of the options, choices and responsibilities in relation to financial products and services available. Terms and conditions for all products/services offered to clients shall be communicated in writing in the official regional language or a language understood by them, regarding rate of interest on a reducing balance method, processing fee and total charges recovered for insurance coverage and risks covered. Fee on non-credit products/services will be collected only with prior declaration to the client.
- NLMPL declares all interest and fees payable as an all-inclusive Annual Percentage Rate (APR) and equivalent monthly rate along with RBI's guidelines with respect to interest charges and security deposit.
- Formal records of all transactions must be maintained in accordance with all regulatory and statutory norms, and borrowers' acknowledgment/acceptance of terms/conditions must form a part of these records.
- Micro finance services are provided to eligible clients as per RBI guidelines while ensuring that the total debt limit for any client, as prescribed by RBI or Central/State Government(s), is not breached.
- Copies of relevant documents shall be obtained from clients, as per standard KYC norms. Additional documents, if any, sought are for a reasonable purpose and necessary for completing the transaction.
- Products shall not be bundled. The only exceptions to bundling may be made with respect to credit life & life insurance, which are typically offered bundled with loans. The terms of insurance are transparently conveyed to the client and comply with RBI & Insurance Regulatory and Development Authority (IRDA) norms. Consent of the client shall be taken in all cases.
- Proper due diligence shall be conducted as per our internal credit policy to assess the need and repayment capacity of client before making a loan and loans in such a way that it matches the client's ability to repay.
- If a client has taken loan from 2 separate lenders, then irrespective of the source of the loans, NLMPL shall not be the third lender to that client.

- All Staff and persons acting on behalf of NLMPL shall ensure, that they:
  - 1) Use courteous language, maintain decorum, and are respectful of cultural sensitivities during all interaction with clients.
  - 2) **DO NOT** indulge in any behavior that in any manner would suggest any kind of threat or violence.
  - 3) **DO NOT** contact clients at odd hours, as per the RBI guidelines for loan recovery agents.
  - 4) **DO NOT** visit clients at inappropriate occasions such as bereavement, sickness, etc., to collect dues.
  - 5) Persons responsible shall provide a valid receipt in the form decided for each and every payment received from the borrower.
- NLMPL shall not collect shortfalls in collections from employees and the Company's HR policy categorically denounces this practice. An exception can however be made in proven cases of frauds by employees.
- Every team member at NLMPL shall take necessary precautions in ensuring that personal client information shall be treated with utmost confidentiality. Client information shall be disclosed to a third party after disclosure and permission has been obtained in writing, from the client or the party in question has been authorized by the client to obtain the said client's information from NLMPL or it is legally required to do so. Complete client data shall be shared with all RBI approved Credit Bureaus, as per the frequency of data submission prescribed by the Credit Bureaus.
- This practice is customary amongst financial institutions and available for a close group on reciprocal basis (such as a credit bureau).
- New clients should be informed about the organization's policies and procedures to help them understand their rights as borrowers.
- Regular checks on client awareness and understanding of the key terms and conditions of the products/ services offered / availed by way of internal audit systems or through regular monitoring carried out by the Operations team.
- NLMPL has established a dedicated feedback and grievance redressal mechanism to correct any error and handle/receive complaints speedily and efficiently. Clients shall be informed about the existence and purpose of these mechanisms and the manner in which they can be accessed.
- NLMPL has designated one grievance redressal official to handle complaints and/or note any suggestions from the clients and make his/ her contact numbers easily accessible to clients.
- Where complainants are not satisfied with the outcome of the investigation conducted by NLMPL into their complaint, they shall be notified of their right to refer the matter to the grievance redressal mechanism established by the Industry Associations.