

Code of Conduct

A) TRANSPARENCY

Navachetana has displayed all terms and conditions prescribed by MFIN, RBI and products & services offered by the Navachetana at all branches.

1. Disclosure are made prior to disbursement through Group/Centre meetings (Details will be printed on a paper and all borrowers will sign on the same as acknowledgement of their acceptance) in accordance with the Reserve Bank of India's (RBI) fair practices code, in the following ways
 - Rate of interest on a reducing balance method
 - Processing fee
 - Individual loan sanction letter
 - Loan card
 - Loan schedule
 2. Navachetana communicating all the terms and conditions for all products/services offered to clients in their regional language.
 3. Navachetana declared all interest and fees payable as an all-inclusive Annual Percentage Rate (APR) and equivalent monthly rate.
 4. Navachetana following RBI's guidelines with respect to interest charges and Loan processing fees.
 5. Formal records of all transactions are maintaining in accordance with all regulatory and statutory norms and borrowers' acknowledgment/acceptance of terms/conditions will form a part of these records.
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1. Avoiding Over-indebtedness
 1. Navachetana conducting a proper due diligence as per its internal credit policy to assess the need and repayment capacity of the client before making a loan and only make loans commensurate with the client's ability to repay.
 2. If a client has taken loans from 2 separate lenders, then irrespective of the source of the loans, Navachetana will not be the third lender to that client.
 3. Navachetana is not under any circumstance, breach the total debt limit for any client, as prescribed by RBI and MFIN

Appropriate interaction and collection practices

4. Navachetana clearly defining guidelines for employee interactions with clients
5. Navachetana ensuring that all Staff and persons acting on behalf of the MFI
6. Use courteous language, maintaining decorum, and are respectful of cultural sensitivities during interaction with clients.
7. Navachetana is **NOT** contacting any of its clients at odd hours, as per the RBI guidelines for loan recovery agents.
8. Navachetana is not collecting shortfalls in collections from employees an exception can however be made in proven cases of frauds by employees.

2. Privacy of client information

Navachetana keep all personal client information strictly confidential. Client information will be disclosed to a third party subject on the following conditions

1. If Client has been informed about disclosure a permission letter has been obtained in writing.
2. The third party is authorized by the client to obtain client information from the MFI.

B) GOVERNANCE

Navachetana incorporated a formal governance system that is transparent, professional and adopts the following best practices of corporate governance:

1. Navachetana observes high standards of governance by inducting persons with good and sound reputation as members of Board of Directors/Governing body.
2. Navachetana endeavor to induct independent persons to constitute at least 1/3rd of the Governing Board, and the Board will be actively involved in all policy formulations and other important decisions.
3. Navachetana appointed an audit committee of the Board.
4. Navachetana ensuring transparency in the maintenance of books of accounts and reporting/ presentation and disclosure of financial statements by qualified auditor/s
5. Navachetana gives its best efforts in following the Audit and Assurance Standards issued by the Institute of Chartered Accountants of India (ICAI).

C) RECRUITMENT

The code covers all Navachetana staff.

1. As a matter of free and fair recruitment practice, in Navachetana there will be no restriction on hiring of staff from other MFIs by legitimate means in the public domain like general recruitment advertisements in local newspapers, web advertisements, walk-in interviews, etc.
2. Whenever Navachetana recruits from another MFI, it mandatorily seeks a reference check from the previous employer. The reference check will be sought from current employer only after an offer is made and an offer letter is issued to the prospective employee.
3. Navachetana respond to the reference check request from another MFI within two weeks.
4. Navachetana honor notice period from an outgoing employee on the basis of their designation.
5. Navachetana will not recruit an employee of another MFI, irrespective of the grade/level of the employee, without the relieving letter from the previous MFI employer. An exception can however be made in instances where the previous employer (MFI) fails to respond to the reference check request within 30 days. Navachetana provide such relieving letter to the outgoing employee in case he/she has given proper notice, handed over the charge and settled all the dues towards the MFI, except in proven cases of fraud or gross misconduct by the employee.
6. At Navachetana a level up to the Branch Manager position, the said employee will not be assigned to the same area he/she was serving at the previous employer, for a period of 1 year.



Navachetana Microfin Services Pvt Ltd

(Formerly Sri Santeshwar Credit & Investment Company Ltd.)

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DATA SHARING

Navachetana share complete client data only with RBI approved Credit Bureaus, as per the frequency of data submission prescribed by the Credit Bureaus.

FEEDBACK/ GRIEVANCE REDRESSAL MECHANISM

1. Navachetana adopted a systematic feedback and grievance redressal mechanisms to correct any error and handle/receive complaints speedily and efficiently.
2. Navachetana installed a suggestion box in all branches as to get the feedback from clients.
3. Navachetana informed to its clients about the existence and purpose of these mechanisms and informing how to register complaints.
4. Navachetana designated one grievance redressal officer to handle complaints and/ or note any suggestions from the clients through a toll free number of the company.