

AHILYA GRAMIN LIVELIHOOD FOUNDATION

Fair Practice Code

AGLF is a strong values-based, technology-driven organization with a high level of customer-centric service, strong corporate governance and practice of good ethical values. There is also a plan to connect customers to organized financial services. Our objectives are to encourage financial literacy, financial inclusion and empowerment. High Financial Services encourages underprivileged entrepreneurs for economic and social development.

Objectives of the Policy

- Develop a comprehensive Fair Practices Code to adopt guidelines provided by regulator, self-regulatory organizations and global standards of client protection principles.
- Formulate operating guidelines for implementation of Fair Practices Code in an effective manner.
- Disseminate the policy guidelines in an effective manner to all stake holders in general and to customers & employees of AGLF in particular.
- Review & reinforcement mechanism to ensure high level of adherence to Fair Practices Code.
- Mechanism for constantly receiving feedback/grievances from customers in order to improve the implementation of Fair Practices Code.

Fair Practice Codes of Ahilya Gramin Livelihood Foundation

1. We Commitment through core values:

Ahilya Gramin will act in line with their core values excellence, discipline, transparent and socially responsible manner to conduct its microfinance activities.

2. Loan applications, appraisal & verifications and avoidance of over indebtedness

- Each client will be appraised with all necessary information's of process, loan features and term & condition in language (local language) understood by clients at the time of submitting application for loan. Client shall be provided with contact no. of the field staff or branch manager to enquire about the status of loan applications.
- Ahilya Gramin shall conduct appraisals and verifications with client at the place of business and residence and also make inquiries with family, friends and neighbours. These visits will only take place at a time that is convenient to the person being visited.
- Ahilya Gramin shall take all steps to avoid client over-indebtedness, including but not limited
 - Conducting appropriate appraisal and verification of clients to assess the repayment capacity based on personal, business, financial information's of client and its family members.
 - Verifying information with relevant credit bureaus (currently High Mark and Equifax) and limit the maximum loan as per the RBI guidelines and regulations.
 - Restricting maximum loan sizes as required by the Reserve Bank of India and other regulations.
 - Shall also be provided loan well within repayment capacity of borrowers and guideline of RBI for microfinance lending
- Ahilya Gramin will be responsible lender and to follow other practices that prevent over indebtedness in clients.
- There will not be discrimination of its clients based on caste, creed, religion, language and regions.

3. Transparency

- Ahilya Gramin shall explain in details of loans and its features. It will include followings, but not limited to
 - Interest rate (APR), processing fee and insurance premium

- Tenure of loan, frequency of repayments and instalment.
- Terms and Conditions includes group guarantee of each borrower for each other to pay jointly or severally.
- Ahilya Gramin shall furnish the acknowledgement of loan application and copy of sanction letter and loan agreement along with repayment schedule to the borrowers for better knowledge of borrowed amount.
- Ahilya Gramin will inform clients through correspondence about any change in interest rate (APR), installment amount, repayment frequency, tenure of the loan and any other change in terms and condition, process & procedures of loan repayment.
- Several times prior to and at the time of disbursement Ahilya Gramin will communicate in the local language that is understood by the clients the loan terms and conditions including but not limited to:
 - The concept of joint liability for group loans where applicable
 - The benefits of timely repayment and consequences of default.

4. Repayment and Delinquency Management Practices

- Ahilya Gramin will look into the reasons caused its borrower to default loan repayment, would also show considerations to genuine difficulties faced if and in consonance of loan agreement toward settlement of loan with default borrowers.
- Ahilya Gramin field staffs providing services to microfinance client will comply with high ethical standards in their interaction with clients and to ensure that adequate mechanism are in place to detect and correct corruption or maltreatment of clients.
- Ahilya Gramin will adhere to appropriate mechanism for default loans and will not resort to any coercive, unethical and inappropriate practice to collect repayment.
- On request of client and at the end of repayments of loan, Ahilya Gramin would provide No Due Certificate (NDC).

5. Confidentiality of client information's:

- Ahilya Gramin will maintain the privacy and confidentiality of client's personal and financial information's. Only required information would be shared with credit bureaus as mandated.

6. Internal audit and control

Ahilya Gramin shall maintain appropriate system of internal control through audit, inspections and verification of practice of code of conduct. Periodically, Audit committee and Board of Directors will be updated with compliance on fair practice code and also of non compliance if any along with reasons.

7. Complain and Grievance handling mechanism:

- Client will be providing tools of grievances handling system to register complain and grievance during business hour 10:00 am to 5:00 pm through customer care no. 1800 572 1471. Also, by posting emails and letter to branch office or Head office, in person visit to branches.
- Ahilya Gramin commits to resolving all complaints in transparent, fair and timely manner.

Channels available for the clients for Compliant Registration

1. Ahilya Gramin Toll Free Number - 1800 572 1471 (10 AM to 5 PM)
2. Complaint/Suggestion Box at Branch
3. Email id – support@ahilyagramin.in
4. Complaint Register - Available at Branch