



# LOCAL INDIANS' FINANCIAL INCLUSION, ENTREPRENEURSHIP & EMPOWERMENT

Leading Indian poor towards a self-reliant, self-dependent and self-sufficient

Networking | Financial Inclusion | Capacity Building | Empowerment | Entrepreneurship | Consulting | Research | Training

## Code of Conduct

### PREAMBLE

All finance institutions including LIFIEE, seek to create social benefits and promote financial inclusion by providing financial services to low income households. As we build partnerships with our clients, it gets increasingly important to define Code of Conduct and fair practices, so as to ensure that Microfinance services are provided in a manner that benefits and respects clients.

### CODE OF CONDUCT

To ensure that all our activities and dealings with clients are in compliance with our core values, we at LIFIEE, agree to adopt and practice the Code of Conduct as elaborated hereunder in letter and spirit:

#### APPLICATION OF THE CODE:

This Code applies to following activities undertaken by us:

- a) Providing credit services to clients individually or in groups.
- b) Recovery of credit provided to clients.
- c) Providing insurance and pension services, remittance services or any other products and services that will reduce vulnerability of our clients.
- d) Formation of any type of community collectives including self-help groups, joint liability groups and their federations.
- e) Business development services including marketing of products or services made or extended by the eligible clients or for any other purpose for the welfare and benefit of clients.

We agree to—

- i. Promote and strengthen the Microfinance movement in the country by bringing the low-income clients to the mainstream financial sector.
- ii. Build progressive, sustainable and client-centric Microfinance institution in the country to provide integrated financial services to our clients.
- iii. Integrate this code into the operating guidelines & processes of our institution. In order to achieve the aforesaid, we agree to follow the practices mentioned below as our Code Of Conduct:

#### INTEGRITY AND ETHICAL BEHAVIOUR

- i. Design appropriate policies and operating guidelines to treat our clients and employees with dignity.
- ii. Incorporate transparent and professional governance system to ensure that our staff and persons acting for us or on our behalf are oriented and trained to put this Code into practice.
- iii. Educate our clients of this Code of Conduct and its implementation.

#### TRANSPARENCY

- iv. Disclose to clients all the terms and conditions (including changes if any) of our financial services offered in the language understood by the client.
- v. Provide loan sanction letter or any other document clearly indicating the rate of interest, mode of charging interest, levy of any other charges, terms of repayment to the client against his/her acknowledgement.
- vi. Provide information to clients on the rate of interest offered on the services, wherever applicable.
- vii. Provide information to clients related to the premium and other fees being charged on insurance .
- viii. Provide periodical statements of their accounts by means of a passbook or any other mechanism to the clients.



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## CLIENT PROTECTION

### a) Fair practices

- i. Committed to follow fair practices built on dignity, respect, fair treatment, persuasion and courtesy to clients.
- ii. Provide micro finance services to low income clients irrespective of caste or religion.
- iii. Provide services using efficient and cost-effective methods.
- iv. Obtain no documents other than what are required as per KYC norms from clients.

### b) Avoiding Over indebtedness

- i. Take reasonable steps to ensure that credit services are based on the need and repayment capacity of the client and that this service will not put borrowers at significant risk of over-indebtedness.
- ii. Ensure that non-credit, financial products extended to low-income clients are appropriate and the terms are made known to the client.

### c) Appropriate interaction and collection practices

- i. Interact with the clients in an acceptable language and dignified manner and spare no efforts in fostering clients' confidence and long-term relationship.
- ii. Have a clearly defined and phased procedure in case of client default.
- iii. Maintain decency and decorum during the visit to the clients' place for collection of dues.
- iv. Avoid inappropriate occasions such as bereavement in the family or such other calamitous occasions for making calls/visits to collect dues.
- v. Avoid any demeanor that would suggest any kind of threat or violence.
- vi. Emphasize using social collateral which includes various forms of peer assurance such as lending through groups and group guarantees at the village, hamlet or neighborhood level, or guarantees by relatives, friends, neighbors or business associates; and explain clearly to clients what the obligations of social collateral are.

### d) Privacy of client information

- i. Keep personal client information strictly confidential except in the following circumstances:
  - a. Client has been informed about such disclosure and permission has been obtained.
  - b. It is legally required to do so.
  - c. The party in question has been authorized by the client.
  - d. This practice is customary amongst financial institutions and available for a close group on reciprocal basis (such as a credit bureau).

## GOVERNANCE

- i. Observe high standards of governance, ensuring fairness, integrity and transparency by inducting persons with good and sound reputation and understanding of Microfinance as members of Board of Directors. Ensure that at least 1/3 members of the board of directors are independent directors and the board is actively involved in all policy formulations and other important decisions.
- ii. Ensure transparency in the maintenance of books of accounts and reporting/ presentation and disclosure of financial statements by qualified auditor/s.
- iii. Put in best efforts to follow the Audit and Assurance Standards issued by the Institute of Chartered Accountants of India (ICAI).
- iv. Place before the Board of Directors, a compliance report indicating the extent of compliance with this Code of Conduct, specifically indicating any deviations and reasons therefore, at the end of every financial year.



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## CLIENT EDUCATION AND FINANCIAL LITERACY

Raise the client's awareness of the options, choices and responsibilities in the financial relations with us.

- i. Adequately inform clients about our policies and procedures in order to enable them to make informed choices and decisions.
- ii. Ensure regular checks on client awareness and understanding (as part of internal audit systems or through some other regular monitoring).

## COMPETITION

- i. Develop regular interaction with other MFIs operating within the same area or in new areas where expansion is planned.
- ii. Follow fair and ethical practices while lending to clients of other MFIs and recruiting employees of other MFIs.
- iii. Explore other unserved and underserved areas for expansion, avoiding areas that are already adequately served.

## FEEDBACK/ GRIEVANCE MECHANISM

- iv. Establish effective and efficient feedback mechanisms.
- v. Inform clients about the existence and purpose of these mechanisms and how to access them.
- vi. Designate an official to handle complaints and/ or note any suggestions from the clients and make his/ her contact numbers easily accessible to clients.
- vii. Set up complaint handling systems which will take steps to correct any error and handle/receive complaints speedily and efficiently.
- viii. Where complainants are not satisfied with the outcome of the investigation into their complaint, they shall be notified of their right to refer the matter to the Ethics & Grievance Redressal Committee constituted by LIFIEE
- vi. Conduct an annual client survey in order to gauge the effectiveness of our practices and client satisfaction levels.
- vii. Monitor client exit rate and conduct regular exit surveys to understand reasons for leaving MFI program.

## CORE VALUES

### Always Think Customer :-

All our people, processes systems, products are focused on Customer needs and requirements . We will deliver best products to customer with best value. That is the reason we do partnership with the groups and promote their business in their area with dedication and optimum involvement in the business for five years.

### Best Quality Processes:-

We will have standardized processes that will ensure proper and systematic approach to our customers. The Customer Experience will remain excellent due to our standard operating procedure across our branches lead by the experienced NGOs who are having more than 10 years' experience in this area.

### Cost Efficiency:-

We use technology, process and quality control to become one of the most cost-efficient finance companies in the country. The interest rates will be less than existing microfinance lenders or Zero.

### Vision

Our Vision is to cater to half million households across India by the year 2025, creating an operational excellence model of finance that is robust and scalable which contributes to Indian growth through entrepreneurial partnership with the low-income groups.



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## Mission

Our Mission is to provide financial Services to economically weak enterprises in India and thereby, help them to attain better livelihood by motivating mentoring and monitoring them for a period of five years.

We will provide the low-income groups business loans, help them on how to make the business profitable and taking the ownership of the business through partnership for five years for their growth.

## Membership Application Form



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**LEAD INDIA**  
Let's Make a Just World

We Achieve  
What We Believe

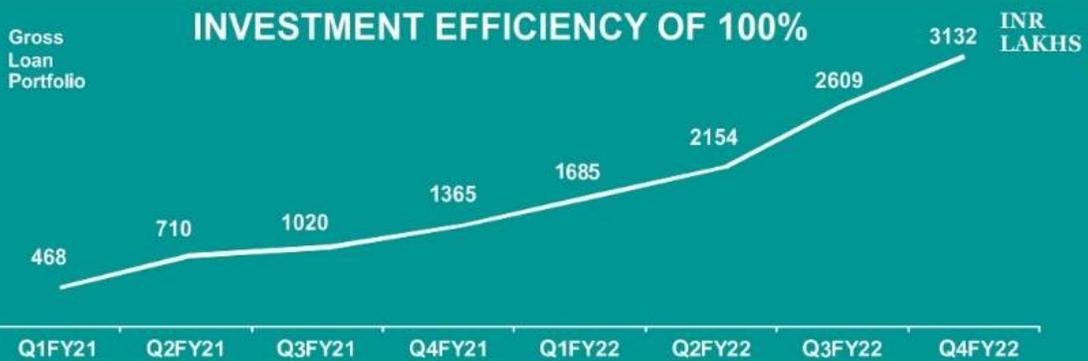
## LOCAL INDIANS' FINANCIAL INCLUSION, ENTREPRENEURSHIP & EMPOWERMENT (LIFIEE)

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A JOINT PROGRAM OF GIVE GLOBALLY FOUNDATION, USA, LEAD INDIA AND LEAD INDIA FOUNDATION, INDIA.

**Motivating, Mentoring And Monitoring The Financially Underdeveloped Groups To Make Atmanirbhar Bharat.....**

**A Medical, Educational, Legal, Entrepreneurial And Agricultural Assistance For SHGs**



GROSS LOAN PORTFOLIO IS EXPECTED TO CROSS 15 CRORES BY FY 2021

PRAGMATIC STRATEGIES ENSURE PROMPT REPAYMENT

LIFIEE PROGRAM, THAT REQUIRES:

# NO

Guarantor  
Mortgage  
Credit History  
Cosigner  
Collateral  
Limit of Lending

LIFIEE PROGRAM, THAT AIMS:

# 1

Rupee  
Network  
Nation  
Concept  
Fight Against  
Extreme  
Poverty

**PROMOTES ENTREPRENEURSHIP, EMPOWERS LOW & MIDDLE INCOME GROUP CLASS**