

VERSION CONTROL

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V.1	Shraddha Dalvi	20 th July 2017	3 rd August 2017	2 nd August 2017	-----
V.2	Mandar Godbole	6 th August 2018	14 th August, 2018	14 th August 2018	

INTRODUCTION AND APPLICABILITY OF THE CODE

The Reserve Bank of India, by its notification no. DNBR (PD) CC.No.054/03.10.119/2015-16 dated 1st July 2015 has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Non-Banking Financial Companies (NBFCs) and should be published and disseminated on the web-site of the Company, for the information of the public.

Niyogin Fintech Limited (hereinafter referred to as “**Niyogin**” or “**the Company**”) is a public limited company incorporated under the provisions of the Companies Act, 1956 and is a Non-Deposit Accepting or Holding Non-Banking Financial Company, registered with the Reserve Bank of India.

(I) Applications for loans and their processing

- (a) Niyogin’s official language for all communications with in the Company or with third parties shall be English.
- (b) All communications to the borrower shall be in English or in vernacular language / the language as understood and confirmed by the borrower.
- (c) Niyogin will take a confirmation from the prospective borrower that all communications with the borrower shall be in English or in vernacular language / the language as understood by the borrower.
- (d) Loan application of Niyogin will 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.
- (e) The documents required to be submitted with the loan application including KYC documents will be informed to the borrower separately.
- (f) Niyogin shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of, will be indicated in the acknowledgement.

(II) Loan appraisal and terms/ conditions

- (a) Niyogin shall convey in writing or electronically to the borrower in English or in vernacular language / the language as understood and confirmed by the borrower, the fate of the loan application by means of sanction letter or similar document. In case of sanction of loan, the sanction letter shall contain the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof.
- (b) The acceptance of the terms and conditions communicated by the borrower shall be preserved by Niyogin on its record and copy of same shall be provided to the borrower upon request.

- (c) Niyogin shall mention the penal interest charged for late repayment in bold in the sanction letter and loan agreement.
- (d) Niyogin will invariably furnish a copy of loan agreement/ Terms & Conditions or similar document ('Service Document') along with a copy of each enclosures quoted in the loan agreement/ Terms & Conditions or similar document to all clients at the time of sanction/ disbursement of loan in English or in vernacular language / the language as understood by the borrower.

(III) Disbursement of loans including changes in terms and conditions

- (a) Niyogin shall give notice to the borrower in English or in vernacular language / the language as understood by the borrower, of any change in the terms and conditions including disbursement schedules, interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be effected prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.
- (b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- (c) Niyogin shall release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim Niyogin may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which Niyogin are entitled to retain the securities till the relevant claim is settled/paid.

(IV) General

- (a) Niyogin will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the Service Document, unless new information, not earlier disclosed by the borrower, has come to its notice.
- (b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of Niyogin, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per contractual terms entered into with the borrower and in consonance with statutes, rules, regulations and guidelines as may be applicable from time to time.
- (c) In the matter of recovery of loans, Niyogin shall resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- (d) Niyogin shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.
- (e) Niyogin shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

- (f) Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, Niyogin has adopted an Interest Rate Policy taking into account relevant factors such as cost of funds, margin and risk premium, etc. to determine the rate of interest to be charged for loans and advances. The Interest Rate Policy also covers the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers and same is published and disseminated on the web-site of the Company.

(V) Regulation of excessive interest charged by NBFC

- (a) The Board of Niyogin shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium 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 communicated explicitly in the sanction letter
- (b) The rates of interest and the approach for gradation of risks shall also be made available on the website of Niyogin.
- (c) The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.
- (d) The rate of interest should be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

(VI) Code of Conduct

Niyogin shall ensure that the collection agents of Niyogin, Channel Partners and the Direct Selling Agents do not adhere to any non-coercive methods of dealing with the customers. They shall comply with Niyogin's code of conduct, policies and outsourcing guidelines.

(VII) Customer Grievance Redressal Mechanism

A Customer Grievance Redressal Committee comprising of two members is constituted to resolve all disputes arising in this regard. Customer Grievance Redressal Committee shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.

Niyogin will display at its branches or places where business is transacted the name and contact details of the Customer Grievance Redressal Committee which can be approached for resolution of complaints against the Company.

Niyogin will also display at its branches or places where business is transacted the contact details of the Regional Office of Department of Non-Banking Supervision of the Reserve Bank of India, under whose jurisdiction the registered office of Niyogin falls, which can be approached if the complaint / dispute is not redressed within a period of one month by the Customer Grievance Redressal Committee of Niyogin.

(VIII) Periodic Review

The Board of Directors of Niyogin shall periodically review the compliance of the Fair Practices Code and the functioning of the Customer Grievances Redressal Committee. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.
