



**JM FINANCIAL CAPITAL LIMITED**  
**FAIR PRACTICE CODE POLICY**

**NOVEMBER 2022**

## I. PREAMBLE

The Reserve Bank of India (“**RBI**”) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies (“**NBFCs**”) thereby setting standards for fair business and corporate practices while dealing with their customers. Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“**the Directions**”), as amended, issued by RBI provides that all the applicable NBFCs shall put in place Fair Practices Code based on the guidelines outlined in the said directions.

JM Financial Capital Limited (“**the Company**”) is a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with the RBI. In terms of the Directions and considering the nature of business of the Company, it is proposed to adopt the following as the Fair Practices Code (“**FPC**”) for the Company’s lending activities under all categories of products.

## II. KEY OBJECTIVES

The key objectives of putting in place the FPC are as follows:

- a) To act fairly and reasonably in all the dealings with borrowers by ensuring that:
  - i. The Company’s procedures and practices will meet the broad requirements and standards of the FPC;
  - ii. The Company’s products and/or services will be in accordance with relevant laws and regulations as applicable to the Company for the time being in force;
  - iii. The Company’s dealings with its borrowers will rest on ethical principles of honesty, integrity and transparency.
- b) The Company will assist its customers in understanding as to what are the broad features of its financial products and services and what are the benefits and risks involved in availing the same by:
  - i. Providing information about the products and services in simple manner;
  - ii. Explaining the financial implications of using the products and services
  - iii. Offering immediate assistance and solving queries in the most time efficient and cost efficient manner.
- c) The Company will make every attempt to ensure that its borrowers would have trouble-free experience in dealing with it.

### **III. APPLICABILITY OF FAIR PRACTICE CODE**

The FPC will be applicable to the following broad areas:

- i. Loan applications and processing thereof
- ii. Loan appraisal and terms/conditions
- iii. Disbursement of loans including changes, if any, in terms and conditions
- iv. Post disbursement supervision/monitoring
- v. Other general provisions

#### **i. Loan applications and processing thereof**

- The borrower will be provided with the entire set of loan documentation, inter alia, include the broad features and the terms and conditions governing the loan. This would enable the borrowers to take an informed/meaningful decision by comparing and analyzing the terms offered by the Company with other lenders in the market. Loan application form may also list out the documents and additional information required from the borrowers in order to enable the Company to create the database. Loan application form shall provide for giving an acknowledgement to the borrowers acknowledging receipt of the same. The acknowledgement receipt shall also indicate the time frame within which duly completed application form shall be disposed of.
- All the loan applications shall be disposed of within a period of 90 days from the date of receipt of duly completed loan application forms together with the requisite documents and subject to receipt of all documents complying with prevailing rules and regulations by the borrower. All communication with the borrowers shall be in the Vernacular language or a language as understood and confirmed by the borrowers and for that purpose necessary declaration to be obtained from the Borrower that he/she/it has understood the content of the communication

#### **ii. Loan appraisal and terms/conditions**

- The Company shall consider all the loan applications considering the risk-based assessment procedures adopted by it.
- The Company may during the course of appraisal require the borrowers to submit additional information. The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan. The grant of the loan shall be communicated to the borrowers in writing in a language as understood by the borrowers by means of Sanction Letter, inter alia, containing the amount of the loan sanctioned along with the broad terms and conditions governing the loan including the annualized rate of interest and frequency thereof and the penal interest, if any
- Welcome Letter or Schedule of Terms, Term Sheet or any other document by whatever name called, the borrowers shall give their acknowledgement in writing in token of their acceptance of terms and conditions governing the loan. The Sanction Letter shall contain the broad terms and conditions governing the loan sanctioned by the Company and the Company shall keep the said acceptance on its record.

- A copy each of the loan documents including loan agreement and annexures/enclosures thereof shall be made available to the borrower.
- The default interest rate and/or Penal interest rate will be mentioned in bold in the loan agreement and or General Terms and Conditions forming part of the loan agreement.
- In case of lending under consortium arrangement, the participating NBFC/banks would decide the timeframe to complete appraisal of the proposal and communication of the decision. The Company will abide by the decision of the consortium.

**iii. Disbursement of loans including changes in terms and conditions**

- Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.
- Any change in the terms and conditions including, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing.
- Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

**iv. Post Disbursement Supervision**

- The decision, if any, of the Company to recall/accelerate payment or performance of loan shall be in accordance with the terms and conditions of the loan agreement.
- The Company shall give reasonable time to the borrowers before recall of the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the loan agreement and / or other related documents.
- The collaterals lying with the Company may be released on receipt of full and final repayment of loans subject to any legitimate right or lien and set off for any other claim that the Company may have against the borrowers. 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 the Company is entitled to retain the collaterals till the relevant claim is settled / paid.
- In case where the borrower has availed facility allowing the borrower to borrow/draw monies within the overall amount sanctioned as and when needed by the borrower, the collateral may be retained by the Company for operational convenience and also to protect interest from potential defaults by the borrower and to protect the interest of the associate / group company/ies of the Company by the borrower and / or its associates / group company/ies.

**v. Other General Provisions**

- The Company shall refrain from interfering in the affairs of the borrowers except as provided in the terms and conditions governing the loan as contained in the loan documents (unless any information, not earlier disclosed by the borrower, has come to its notice).
- The Company shall convey its consent or otherwise i.e., objection, if any, within 21 days from the date of receipt of request from the borrower to transfer the loan account of a particular borrower to other NBFC, bank or financial institution subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in accordance with the statutes, rules, regulations and guidelines as may be applicable from time to time.
- The Company shall not discriminate sanction or rejection of the loan on the grounds of gender, caste or religion in its lending policy and activities.
- In the case of recovery of loans, the Company shall resort to the usual measures, which are legally and legitimately available to it and as per laid down guidelines and extent provisions and shall operate within the legal framework.
- The Company shall provide the terms and conditions in respect of its lending activities or services whenever the borrower requests for the same.
- On request from borrower for closure of his loan account, the request will be executed within 21 days from receipt thereof request subject to clearance of pending dues and completion of all the formalities as prescribed by the Company. In case the request cannot be executed in the time frame stated above due to any reason, the same may be communicated to the borrower.
- Subject to the other terms and conditions specified in the loan agreement, the Company would not charge foreclosure charges / pre-payment penalties on floating rate term loans sanctioned for purposes other than business to individual borrowers with or without co-obligant(s).

**IV. CONFIDENTIALITY**

- Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.
- The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:
  - i. If the Company is required to provide the information to any statutory or regulatory body or bodies;
  - ii. If arising out of a public duty to reveal the information;
  - iii. If it is in the interest of the borrowers to provide such information (e.g. fraud prevention);

- iv. If the borrower has authorized the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon;
- v. If the borrower defaults to meets its obligation towards the Company.

## V. COMPLAINTS

In case of any complaint/grievances of the borrowers including complaints pertains to services provided by the outsourced agency/ies or service provider, same shall be intimated by them in writing to the Grievance Redressal Officer and shall be redressed promptly without involving delay. The Grievance Redressal Officer shall immediately make all efforts to redress the grievances. The concerned employee of the branch shall guide the respective borrower who wish to lodge a complaint.

## VI. GRIEVANCE REDRESSAL OFFICER

Mr. Mukesh Gupta, is the Grievance Redressal Officer (“**GRO**”) of the Company to redress the grievances of the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management recovery and complaints relating to updation/alteration of credit information, complaint pertaining to services including that of outsourced agencies/services.

Ms. Sanji Aswani, is the Grievance Officer for any matter pertaining to digital lending related complaints/ issues raised by the borrowers. The Grievance Redressal Officer shall also be responsible for dealing in complaints against their respective Digital Lending Apps and Lending Service Providers.

The details of the GRO are given as follows:

Name of the Grievance Redressal Officer:	Mr. Mukesh Gupta	Ms. Sanji Aswani
Address:	4th floor, B Wing. Suashish IT Park, Plot No. 68E, off Datta Pada Road, Opp. Tata Steel, Borivali (E), Mumbai - 400 066.	5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025
Tel:	022- 45057033/+91 9892835017	022-67043362/ +91 9820739928
Email id:	<a href="mailto:mukesh.gupta@jmfl.com">mukesh.gupta@jmfl.com</a>	<a href="mailto:sanji.aswani@jmfl.com">sanji.aswani@jmfl.com</a>

## VII. NODAL OFFICER/PRINCIPAL NODAL OFFICER

- Pursuant to the Ombudsman Scheme for Non-Banking Financial Companies, 2018 applicable to the Company with effect from April 26, 2019 which is now known as Reserve Bank of India - Integrated Ombudsman Scheme (“**the Scheme**”), as amended, Mr. Mukesh Gupta shall act as the “**Nodal Officer / Principal Nodal Officer**” for all the zones / regions from where the Company operates its business.
- The Scheme is available with the Nodal Officer. If anyone desires to obtain the copy of the Scheme can contact Mr. Mukesh Gupta. Further, the Scheme is also available on the website of the Company at [www.jmfl.com](http://www.jmfl.com) and RBI website - [www.rbi.org.in](http://www.rbi.org.in) and CMS Portal - <https://cms.rbi.org.in>. The Scheme is also available at all branches and can be provided to the customer for reference upon request.

The detail of the Nodal Officer/Principal Nodal Officer is as follows:

Name of the Principal Nodal Officer:	Mr. Mukesh Gupta
Address:	4th floor, B Wing. Suashish IT Park, Plot No. 68E, off Datta Pada Road, Opp. Tata Steel, Borivali (E), Mumbai - 400 066.
Tel:	022- 45057033/+91 9892835017
Email id:	<a href="mailto:mukesh.gupta@jmfl.com">mukesh.gupta@jmfl.com</a>

- Further, the Grievance Redressal Officer/Nodal Officer/Principal Nodal Officer shall also redress the grievance of the outsourced agencies/service provider.

## VIII. GRIEVANCE REDRESSAL MECHANISM

The borrower may register his/her query/complaint to the **GRO** and/or Principal Nodal Officer (“**PNO**”). The GRO shall immediately make all efforts to redress the grievances. The concerned employees/relationship manager shall guide the borrowers who wish to lodge a complaint.

The Company has provided for three tier Grievance Redressal Mechanism to resolve any of its customers’ query / grievance.

### Level 1:

In case of complaints received by the Relationship Manager, the concerned Relationship Manager would report the matter with full details within 2 working days from date of receipt, to GRO and PNO in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/alteration of credit information, complaint pertaining to services including that of outsourced agencies/services etc.

**Level 2:**

If the complaint / dispute is not resolved within 21 days in Level 1, the customer shall complaint to the Compliance Officer of the Company at his following email id at: [mridula.gupta@jmfl.com](mailto:mridula.gupta@jmfl.com).

**Level 3:**

If the complaint / dispute is not redressed within a period of one month from date of its receipt, or if the customer is dissatisfied with the reply of the Company,

The customer may appeal to Officer-in-Charge of the Mumbai Regional Office of the Department of Non-Banking Supervision of Reserve Bank of India at below details:  
*The Officer-In-Charge, Department of Non-Banking Supervision, Reserve Bank of India, 3rd Floor, RBI Building, Near Maratha Mandir, Byculla Opp. Mumbai Central Railway Station, Mumbai - 400008, Tel No.: 022-23084121/ 23028436.*

**OR**

The customer may lodge the complaint online on the Complaint Management System portal of RBI i.e., <https://cms.rbi.org.in>

**OR**

The customer may file complaint through physical mode to the Centralised Receipt and Processing Centre' set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh – 160017, RBI Contact Centre – 14448.

Statement of client complaints shall be placed before the Board of Directors for their review on a quarterly basis.

The Company shall prominently display the name and contact details (Telephone/ Mobile numbers along with email id) of the GRO and the PNO and the salient features of the Ombudsman Scheme (in English, Hindi and Vernacular language) at all the branches of the Company.

**IX. FORCE MAJEURE**

The various commitments outlined and made by the Company shall be applicable under the normal operating environment. In the event of any Force Majeure circumstances, the Company may not be able to fulfill the objectives under the FPC to the entire satisfaction of the borrowers, the stakeholders and the public in general.

The Company shall publicize this FPC on Company's website.



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**X. AMENDMENTS**

In order to enhance the value and relevance to the borrowers, this code shall be under review from time to time.

In case any amendments, clarifications, circulars and guidelines issued by RBI, not being consistent with the provisions laid down under this Code, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail upon the provisions contained in this Code and the same shall stand amended accordingly effective from the date as laid down under such amendments, clarifications, circulars and guidelines.