JANAKALYAN FINANCIAL SERVICES PVT.LTD.

THE POLICY OF FAIR PRACTICE CODE

Prepared by: Finance & Account Department

Approved by: Board of Directors

First Prepared on : 30.03.2022

Last Reviewed on: 16th June, 2026



The Policy of Fair Practice Code, 2026

Janakalyan Financial Services Pvt. Ltd. (JFSPL) is guided by the extant Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 as amended/updated from time to time.

The Circular applicable to NBFC-MFIs are as under:

RBI Circular RBI/DOR/2025-26/371 dated November 28, 2025 issues the Reserve Bank of India (NBFC-MFI) Directions, 2025, providing a consolidated regulatory framework for NBFC-MFIs covering qualifying assets, prudential norms, governance, and risk management.

Janakalyan Financial Services Private Ltd. has formulated a Fair Practice Code Policy keeping the following matters:

1. All communications to the borrower are in the vernacular language or the language as understood by the borrower.

2. Loan application forms 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 an informed decision can be taken by the borrower. The loan application form indicates the documents required to be submitted with the application form.

3. The company devised a system of giving acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed-of will be indicated in the acknowledgement.

4. The company furnishes a copy of the loan agreement preferably in the vernacular language as understood by the borrower along with a copy of each of all enclosures quoted in the loan agreement which includes the amount of loan sanctioned along with the terms & conditions including annualized rate of interest and method of application to all the borrowers at the time of sanction / disbursement of loans.

   4(a) *To enhance transparency and reduce information asymmetry on Financial Products, Janakalyan offer Loans to the borrowers for making informed Financial decision by them.*

As guided by Reserve Bank of India circulars issued time to time, Janakalyan follow the terms as mentioned hereunder :-1.Key facts: Janakalyan using loan agreement with borrowers which are legally significant and have deterministic facts that satisfies basic information system required to assist the borrowers for taking an informed financial decision.

2.Key facts: The key facts like Statement of Loan agreement which has been prepared in simple and vernacular language, easier to understand language and is available to the borrower in standardised format.

3. Annual percentage rate(APR): The annual cost of credit charged to the borrower includes interest rates and all other charges. Provided to Customers through Fact Sheet.

4.Equated Periodic Installment(EPI): Janakalyan has fixed amount of EMI/EPI consisting of both principal and interest component to be paid by the borrowers towards repayment of loan for periodic intervals.

Janakalyan use to provide the borrowers with a unique proposal number which has a validity period of at least three working days for loan having tenure of seven days or more. Janakalyan provide in its KFS includes a computation sheet of APR and Amortisation schedule of the loan over the loan tenure. APR includes all charges which are levied by Janakalyan from its borrowers.

Janakalyan recover charges such as insurance, legal charges etc. from its borrowers on behalf of third parties on actual basis. The Company disclose separately the same as part of APR. Janakalyan do not collect any fees or charges which are not mentioned in the KFS., if its collected in any stage with the explicit consent of the borrowers only.

5. The company give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The company also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard is also incorporated in the loan agreement.

6. The company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender.

7. The receipt of a request from the borrower for transfer of the borrower account, the consent or objection of the company, if any, should be conveyed within 21 days from the date of receipt of the request.

8. The company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.

9. The grievance redressal mechanism including reporting system is put in place by the Company to resolve disputes between borrowers and the Company.

10. The name, address and phone no, of the grievance redressal officer are displayed by the company in its office and branch premises.

11. The company lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

12. The FPC in vernacular language are displayed by the company in its offices and on its website.

13. A statement in vernacular language is made and displayed by the company in its office and branch premises and loan cards articulating its commitment to transparency and fair lending practices.

14. The field staff are adequately trained to make necessary enquiries about the existing debt of the borrowers,

15. Training is offered to the borrowers free of cost if provided. Field staffs are also trained to offer such training and also make the borrowers fully aware of the procedure and systems related to loan / other products,

16. The effective rate of interest charged and the grievance redressal system set up by the company is prominently displayed in all its offices and the literature issued by it (in vernacular language) and on its website.

JANAKALYAN

17. A declaration that the company are accountable for preventing inappropriate staff behaviour and timely grievance redressal are made in the loan agreement and also in the FPC displayed in its office/branch premises,

18. The KYC Guidelines of RBI & SRO will be complied with. Due diligence shall be carried out to ensure the borrowers' repayment capacity.

19. All sanctions and disbursement of loans are made only at the branch office and more than one individual is involved in this function. In addition, there are also close supervision of the disbursement function,

20. Adequate steps are taken to ensure that the procedure for application of loan is not cumbersome and loan disbursements are done as per the pre-determined time structure.

21. The loan agreement will be in vernacular language with the following disclosures:
    i. All the terms and conditions of the loan,
    ii. That the pricing of the loan involves viz; the cost of funds, risk premium, margin, etc in terms of quantum of each component.,
    iii. That there will be no penalty charged for pre-payment. However, the penalty can be charged for delayed payment on the overdue amount.
    iv. That no Security Deposit / Margin is being collected from the borrower,
    vi. The moratorium between the disbursement of the loan and the due date of the repayment of the first instalment.
    vii. An assurance that the privacy of borrower data will be respected.

22. Further that the loan passbook reflects the following details as specified in the RBI Master Direction RBI/DOR/2025-26/371 DOR.FIN.REC.290/03-10-038/2025-26 dated November 28, 2025 – 'Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025' – Governs the registration, 15% capital adequacy, and asset provisioning framework for specialized NBFC-MFIs maintaining at least 60% of total assets as microfinance loans.
    i. Information that adequately identifies the borrower
    ii. Simplified factsheet on pricing
    iii. All other terms and conditions attached to the loan

Janakalyan Financial Services Pvt. Ltd. Kolkata

iv. Acknowledgements by the company of all repayments including instalments
v. received and the final discharge.
vi. Details of the grievance redressal system, including the name and contact number of the nodal officer of the company.
vii. Non-credit products issued shall be with full consent of the borrowers and fee structure shall be explicitly communicated to the borrower in the loan card itself.
viii. All entries in the Loan Card should be in the vernacular language,
ix. understandable to customers.

23. RBI Master Direction RBI/DOR/2025-26/362 dated November 28, 2025 ('NBFC – Responsible Business Conduct Directions, 2025') – Enforces consumer protection rules by mandating standardized Key Facts Statements (KFS), replacing penal interest with flat penal charges, banning foreclosure fees on individual retail floating-rate loans, and penalising lenders ₹5,000 daily for delaying the release of property documents beyond 30 days of loan closure.

i) Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

(ii) Janakalyan will not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

(iii) Janakalyan shall formulate a Board approved policy on penal charges or similar charges on loans, by whatever name called.

(iv) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

(v) The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.

(vi) The quantum and reason for penal charges will be clearly disclosed by Janakalyan to its customers in the loan agreement and most important terms & conditions / Key Fact

Statement (KFS) as applicable, in addition to being displayed on its website under Interest rates and Service Charges.

(vii) Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

(viii) In case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of this circular, whichever is earlier.

24. Recovery is normally made only at a designated/central place decided mutually by the borrower and the company. However, field staff shall be allowed to make recovery at the place of residence or work of the borrower only if the borrower fails to appear at the designated/central place on two or more successive occasions.

25. To get the redressal of any grievances , of the customers, please contact: -

Mr. Mousam Paul
Nodal Officer of Janakalyan Financial Services Private Limited,
Head Office:- CD-193, 1st floor, Sector-I, Salt Lake City, Kolkata-700064,
Email: customercare@janakalyan.net, website: www.janakalyan.net,
Ph :-91264 66458

If any grievance is not resolved within one month may escalate to The Officer-in-Charge, Regional Office, Department of Supervision (DNBS wing) Reserve Bank of India, 15 N. S. Road, Kolkata-700001.

Power to amend Rules & Regulation:

The authority to amend/modify these set of rules and regulations shall be vested with the Board of Directors of the Company and The Policy will be reviewed on a yearly basis or earlier in case of requirement.

Janakalyan Financial Services Pvt. Ltd. Kolkata