

# POLICY OF FAIR PRACTICE CODE



JANAKALYAN FINANCIAL SERVICES PVT. LTD.

REVIEWED ON JUNE 03, 2020





### Policy of Fair Practice Code

As per Reserve Bank of India issued guidelines on Fair Practice Code (Master direction RBI/DNBR/2016-17/44 DNBR.PD.007/03.10.119/2016-17 dated 01/09/2016), Janakalyan Financial Services Pvt. Ltd. has formulated policies on the following matters:

1. All communications to the borrower are in vernacular language or in 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 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 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 each of all enclosures quoted in the loan agreement which includes the amount of loan sanctioned along with the terms & condition including annualized rate of interest and method of application to all the borrowers at the time of sanction / disbursement of loans;
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 are 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 request from the borrower for transfer of borrowal account, the consent or objection of the company, if any, should be conveyed within 21 days from the date of receipt of 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 made by the Company to resolve disputes between borrowers and the Company be and is hereby approved”;
10. The name, address and phone no. of grievance redressal officer are displayed by the company in its office and branch premises;
11. The Fair Practices Code Placed before the board be and is hereby approved for implementation. Interest rate model is prepared taking into relevant factor such as cost of fund, margin and risk premium for determining rate of interest to be charge for loan & advances. The same are also put up on the web-site of the company for the information of various stakeholders;
12. The company lay out appropriate internal principles and procedures in determining interest rates and processing and other charges;
13. The FPC in vernacular language are displayed by the company in its office and branch premises;
14. A statement in vernacular language is made and displayed by the company in its office and branch premises and in loan cards articulating their commitment to transparency and fair lending practices;
15. The field staffs are adequately trained to make necessary enquiries with regard to existing debt of the borrowers;





16. Training are offered to the borrowers at 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;
17. The effective rate of interest charged and the grievance redressal system set up by the company are prominently displayed in all its offices and in the literature issued by it (in vernacular language) and on its website. (Name of Nodal Officer: Utpal Kumar Bose, Mobile no: 7044976686);
18. A declaration that the company are accountable for preventing inappropriate staff behavior and timely grievance redressal are made in the loan agreement and also in the FPC displayed in its office/branch premises;
19. The KYC Guidelines of RBI & SRO will be complied with. Due diligence shall be carried out to ensure the repayment capacity of the borrowers;
20. All sanctions and disbursement of loans are made only at the branch office and more than one individual are involved in this function. In addition, there are also close supervision of the disbursement function;
21. The adequate steps are taken to ensure that the procedure for application of loan is not cumbersome and loan disbursements are done as per pre-determined time structure;
22. The Board has approved standard form of loan agreement in vernacular language with the following disclosures:
- i. All the terms and conditions of the loan;
  - ii. that the pricing of the loan involves only three components viz; the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof);
  - iii. that there will be no penalty charged on delayed payment;
  - iv. that no Security Deposit / Margin is being collected from the borrower;
  - v. that the borrower cannot be a member of more than one SHG / JLG;





- vi. the moratorium between the grant of the loan and the due date of the repayment of the first installment (as guided by the NBFC-MFIs (Reserve Bank) Directions, 2011);
- vii. an assurance that the privacy of borrower data will be respected;

23. Further that the loan pass book reflects the following details as specified in the Non-Banking Financial Company - Micro Finance Institutions (Reserve Bank) Directions, 2011.

- (i) The effective rate of interest charged;
- (ii) All other terms and conditions attached to the loan;
- (iii) Information which adequately identifies the borrower and;
- (iv) Acknowledgements by the company of all repayments including installments received and the final discharge;
- (v) The loan pass book prominently mention the grievance redressal system set up by the MFI and also the name and contact number of the nodal officer;
- (vi) Non-credit products issued shall be with full consent of the borrowers and fee structure shall be communicated in the loan Pass Book;
- (vii) All entries in the Loan Pass Book should be in the vernacular language, understandable to customers;

24. Recovery are normally made only at a central designated place. Field staff shall be allowed to make recovery at the place of residence or work of the borrower only if borrower fails to appear at central designated place on 2 or more successive occasions;

25. The following Code of conducts are both in English & one vernacular language placed before the board and approved for implementation;

26. To know any information regarding Accounts, services of the staff

Please Contact: -

Nodal Officer: Janakalyan Financial Services Pvt Ltd,

Head Office: - CD-193, 1<sup>st</sup> floor, Sector-I, Salt Lake City, Kolkata-700064,

Email: [customercare@janakalyan.net](mailto:customercare@janakalyan.net),

website: [www.janakalyan.net](http://www.janakalyan.net),

Ph: - 033-40607106/ 23370123,

Toll free no: 1800-3455207.



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

