



Fair Practices Code (FPC)

Date of Issue: 29th November 2014

Reviewed by: Chief Financial Officer

Date of Adoption by Board: 29th November 2014

Date of Review 1 by Board: 16th May, 2016

Date of Review 2 by Board: 27th April, 2017

Date of Review 3 by Board: 25th May, 2018

Date of Adoption by Board: 7th December, 2020

Background

Fair Practice Code Version-1 was adopted by the Board as on 11th June 2012 with reference to RBI circular No. 2011-12/470/DNBS.CC.PD.No.266/03.10.01/2011-12 dated 26th March 2012 wherein Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for NBFCs to implement the same.

Fair Practice Code Version-2 has been adopted by the board at the meeting held on 7th December, 2020 and revised policy will be upload in accordance with para 35, Chapter VI of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (updated as on November 22, 2019).

In order to have all current instructions and guidelines issued by Reserve Bank of India from time to time by way of Master Circulars on the topic, the said policy has been reviewed by JC and submitted the present FPC in line with latest Circulars issued by RBI

The Fair Practices Code, as mentioned herein below, is in line with the above said guidelines. This sets minimum Fair Practices standards for the company to follow when dealing with customers. It provides information to customers and explains how the company is expected to deal with them on a day to day basis.



Objectives of the Code

The code has been developed with an objective of:

- (a) Ensuring fair practices while dealing with customers.
- (b) Greater transparency enabling customers to have a better understanding of the product and taking informed decisions
- (c) Building customer confidence in the company's practices.

Definitions

Applicant – An applicant being an individual, HUF, partnership firm, company or trust who is resident Indian that makes an application to the Company for availing loan.

Board – The Board of Directors of the Company.

Borrower - Applicant whose loan has been sanctioned / approved and/or in respect of whom the loan amount is being disbursed by the Company to the Applicant.

Business Day – A day other than (i) Saturday and Sunday, (ii) a day on which the Reserve Bank of India or the banks in Mumbai are not closed.

(1) Application for Loans and their processing:

(a) The company generally invests in Inter Corporate Deposits of group companies and ***also other business entities outside the group*** and offers loan products such as working capital loans, Term Loans (short/medium/long term), loan against property, ICDs etc. ***for need based requirements.***

(b) The Application form / appropriate documents required for each of these products offered by the company ***may be*** different depending upon the requirement of each product and will include all information that is required to be submitted by the Borrower. Necessary information will be provided by JC to facilitate the borrower in making a meaningful comparison with terms and conditions offered by other NBFCs ***in respect of similar facilities*** and taking an informed decision based on the aforesaid comparison.

(c) The Application Form and other related communication of JC may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.



(d). JC will inform the borrower about its decision within *reasonable period of time* from the date of receipt of all the required information in full.

(2) Loan appraisal and terms/conditions

JC shall convey in writing to the borrower by way of sanction letter / terms sheet or otherwise the amount of limit sanctioned along with all the terms and conditions including *annualised* interest rates and method of application *of interest* thereof and keeps the acceptance of these terms and conditions by the borrower on JC's record.

Any clause relating to penal interest charged for late repayment, default or deviation from agreed repayment schedule will be specified in a prominent manner in an appropriate documentation.

JC, at the time of sanction / disbursement of loans, will furnish a copy of the loan agreement *and any other relevant enclosures / annexure quoted in such agreements to the borrower for better understanding by the borrower and in order to avoid any eventual disputes.*

JC will take all the due care to communicate to the borrower in a language as understood by them

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

(a) Through appropriate communication to *respective* borrower, JC will give notice to all its borrowers of any change in the terms and conditions of the sanction. JC will also ensure that changes in interest rates and charges are effected only prospectively.

(b) JC will decide to recall / accelerate payment or performance under the agreement strictly in consonance with the Loan Agreement / accepted terms

(c) JC *will* release all the securities of its Borrowers only on repayment of all the dues by such Borrower, or only on realization of the outstanding amount in the Borrower's loan account, subject to any legitimate right or lien for any other claim which JC may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions which JC will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower.



(4) General

(a) JC will refrain from interference in the affairs of the Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of JC).

(b) In the case of receipt of request from the Borrower for transfer of Borrower's account, the consent or otherwise, i.e. objection of JC, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as transparent as per contractual terms in consonance with all the applicable laws.

(c) In the matter of recovery of outstanding dues of its borrower, JC does not resort to undue harassment, viz, persistently bothering the borrower at odd hours, use of muscle power for recovery of loans/dues, etc. The staff will be trained to deal with customers in an appropriate manner.

(5) Regulation of excessive interest charged

The company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

The company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.

The rate of interest to be charged depends upon the gradation of the risk of the borrower, viz, the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower, etc.

(6) Grievance redressal mechanism

Borrowers and others who have grievances in respect of decisions of JC's functioning may address their grievances to grievance officer as per escalation matrix below:

Level 1: Ms. Madhavi K at k.madhavi@jupitercapital.in

Level 2: Mr. Venkatraman V at venkatraman.v@jupitercapital.in

The Board will periodically review the compliance of this Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

A consolidated report of such reviews will be submitted to the Board at regular intervals, as may be prescribed by it