

FAIR PRACTICES CODE

VERSION 1.1

FOR ALL DIRECTORS, OFFICERS AND EMPLOYEES OF

JAGRAWAL CREDITS PRIVATE LIMITED

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Regulatory Reference:

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and as updated from time to time.

Content Management

Document Control	
Title	Policy on Fair Practices Code
Policy Owner	Compliance Team
Policy Adherence by	All departments
Effective date	01/04/2025
Version Number	1.0
Reviewed by	Board of Directors
Approved by	Board of Directors

This policy document will be reviewed and revised by the Compliance Team with approval of Board of Directors in response to changed circumstances, and in any event, at intervals of not more than one year or shorter review periods as may be stipulated by the board of directors.

1. Introduction & Objective

Jagrawal Credits Private Limited (herein referred to as “JCPL” or “the Company”) is a Base Layer Non -Banking Financial Company (NBFC-BL) registered with the RBI. JCPL provides loans for electric vehicles and associated ancillaries across India.

The Reserve Bank of India (RBI) has prescribed Fair Practices Code by the Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers.

Jagrawal Credits Private Limited shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications, if any, issued by the RBI in order to this Code to conform to the guideline’s standards prescribed. The Company has adopted this Fair Practices Code (FPC) and have implemented it. The FPC applies to all categories of products and services offered by the Company and JCPL shall also communicate its Fair Practices Code to its customers by uploading the same on its website i.e., <https://www.jagrawalcredits.in>

JCPL will ensure that the implementation of the FPC is the responsibility of the entire organization. JCPL fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counseling, and monitoring, auditing programs and internal controls, and optimal use of technology.

JCPL Board of Directors and the management team are responsible for implementing the fair practices hereinafter detailed and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment.

Objectives

The key objectives of the FPC are:

- (a) To ensure fair practices while dealing with the customers and promote good, fair and trustworthy practices by setting up minimum standards;
- (b) To ensure greater transparency enabling customers in having a better understanding of the product and services of the Company and taking informed decisions;
- (c) To ensure that customers are advised of the key terms and conditions of products/ services for their consideration prior to commitment of a loan facility /transaction;
- (d) To monitor and administer customers accounts in a fair and transparent manner consistent with the terms and conditions of the facility provided;
- (e) To ensure recovery and enforcement, where necessary is conducted in a fair manner and following the due process of law;

- (f) To ensure compliance of applicable regulations prescribed by RBI relating to fair practices.

2. Fair Practice Code

JCPL shall adopt the following fair practice code:

I. Applications for loans and their processing:

- All communications to the borrower shall be in a vernacular language or a language that is understood by the borrower.
- The loan request (physical or digital) for availing loan products of the Company will include all the details related to the offered products, credit period or tenure, the range of interest rates charges and processing fees on offered loan products, fines, penalty charges or any other fees of any nature.
- The loan request details will include the complete information which may affect the interest of the borrower which enables the borrower to make an informed comparison with the terms and conditions of other NBFCs including the Most Important Terms of the Product (MITP) to view the summary of the key terms of the loan.
- The request for availing loan products will also include the details of various documents like personal background and credit profile verification documents along with KYC documents of the borrower or any other information of the borrower. These documents and information will be the basis of initial credit screening and later credit appraisal of the loan request.
- JCPL shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.

II. Loan appraisal and terms/conditions:

- JCPL shall convey in writing to the borrower in the vernacular language or a language that is understood by the borrower by means of sanction letter.
- The JCPL will evaluate the loan applications based on the credit evaluation factors specified in the loan policy of the Company and the documents/information provided by the customer which will be used for such credit appraisal.
- The JCPL will inform the borrower regarding the rejection or approval of the loan request through email, SMS or any other written mode of communication.
- The JCPL may also ask for any clarification or any additional documents/information for the credit screening or appraisal of the loan request.
- The loan agreements to be executed with the borrower will be based on the sanction terms accepted by the borrower.
- The JCPL will strictly comply with the agreed terms and conditions specified in the loan agreement during the tenure of the loan.
- The borrower will be required to comply with all the terms and conditions

mentioned in the sanction letter accepted by the borrower and loan agreement to support the JCPL in monitoring the credit facility.

- JCPL shall mention the penal interest charged for late repayment in bold in the loan agreement.
- JCPL shall furnish a copy of the loan agreement preferably in the vernacular language or a language that is understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.

III. Disbursement of loans including changes in terms and conditions:

- JCPL shall give notice to the borrower in the vernacular language or a language that is understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- JCPL shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard shall also be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- JCPL shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim JCPL 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 JCPL is entitled to retain the securities till the relevant claim is settled/paid.

IV. Regulation of Excessive interest charged:

- The Board of directors of the Company shall lay down appropriate internal principles and procedures to determine interest rates, processing and other charges. In this regard the guidelines indicated in the Fair Practices Code about transparency in respect of terms and conditions of the loans shall be kept in view.
- The Board of JCPL shall adopt an interest rate model taking into account all 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 rates of interest and the approach for gradation 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.
- The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers. The information published in the website or otherwise published should be updated whenever there is a change in the rates of interest.
- The rate of interest shall be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

V. General Practice:

- JCPL should 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).
- JCPL shall provide the customers with all the information regarding their dues and provide reasonable time for payment of the same.
- JCPL shall mention the penal interest charged, if any, for late repayment in the sanction letter / loan agreement in bold letter.
- The Company shall not discriminate in extending products and facilities including loan facilities to physically/ visually challenged applicants on grounds of disability. Further, the Company shall ensure effective redressal of grievances of persons with disabilities under the existing Grievance Redressal Mechanism of the Company.
- In case of receipt of request from the borrower for transfer of borrower's account, the consent or otherwise i.e. objection of the JCPL, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- JCPL shall adopt reasonable and lawful measures to recover its dues from defaulting customers, including use of persuasive methods for the purpose of collection of its dues.
- JCPL should not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- JCPLs shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner and to make necessary enquiries with regard to existing debt of the borrowers.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers, JCPL shall not charge foreclosure charges/ pre- payment penalties on all floating rate term loans sanctioned to individual borrowers.

VI. Responsibility of Board of Directors:

- The Board of Directors of JCPL shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such mechanism should ensure that all disputes arising are heard and disposed of.
- The Board of Directors should also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed.

VII. Redressal of Grievances

- The Grievance Redressal Officer will examine the matter and redress complaints as soon as possible, however not later than 30 days from the date of registering the complaint/grievance.

In case, the borrower does not get a satisfying response or does not receive any response within 30 days of registering the complaint/grievance, the borrower can directly escalate the matter to the Ombudsman, RBI.

The complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>). The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the Reserve Bank. The complaint, if submitted in physical form shall be duly signed by the complainant or by the authorised representative. The complaint shall be submitted in electronic or physical mode in such form and manner as prescribed. For more details, please refer "Salient Features of Integrated Ombudsman Scheme" uploaded on the website of the Company.

- JCPL shall display the following information prominently, for the benefit of the customers, at their places where business is transacted:
 - The name and contact details (Telephone / Mobile nos. as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company as below: -

Name	Vikas Suri
Contact details	8890807024
Email Id	Vikas.suri@jagrawalcredits.in

- If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI, under whose jurisdiction the registered office of JCPL falls.

VIII. Repossession of financed vehicles:

JCPL shall have a built-in re-possession clause in the contract/loan agreement with the borrower which must be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement shall also contain provisions regarding:

- i. notice period before taking possession;
- ii. circumstances under which the notice period can be waived;
- iii. the procedure for taking possession of the security;
- iv. a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
- v. the procedure for giving repossession to the borrower; and
- vi. the procedure for sale / auction of the property.

A copy of such terms and conditions must be made available to the borrower.

JCPL shall invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans, which forms a key component of such contracts/ loan agreements.

For Interest rate, Pre-Payment Charges, Penal Charges and Appraisal & Processing Charges – Please refer in detailed – Interest Rate Policy.

3. Key Commitments

The key commitments which JCPL promises to follow in its dealings with its borrower / customers are as follows:

I. Dealing with customers:

- JCPL shall act fairly and reasonably in all dealings with its borrower / customers by ensuring that its procedures and practices will meet the commitments, fair practice code mentioned in this policy and meet relevant laws and regulations as applicable.
- The dealings with its customers will rest on ethical principles of honesty, integrity and transparency.
- JCPL shall assist customers in understanding its financial products and various services offered, providing information about products and services to borrower in simple vernacular language or a language that is understood by the borrower.
- JCPL shall guide the borrower in choosing required products and services and will explain the key features of the services and products the borrower has opted.
- JCPL shall clearly state the information required to collect from the customer to fulfill its Know Your Customer norms and to comply with legal and regulatory requirements in force from time to time.
- JCPL shall provide information on the various channels that can be used to access its products and services.
- JCPL shall guide the borrower on rights and responsibilities specific to the mode of operation under which the product is taken once the product is chosen by the borrower.
- Loan application form of JCPL shall include necessary information which are likely to affect the interests of the prospective borrower, so that a meaningful comparison with the terms and conditions offered by other Non-Banking Financial Companies can be made and an informed decision taken by the prospective borrower.

II. Loan Application/Terms & Conditions

- The loan application form shall indicate the documents required to be submitted along with the application form.
- JCPL shall provide to the prospective borrower an acknowledgement for receipt of loan application, rules and regulation, terms and conditions and all documents. An indicative time frame within which loan applications will be disposed of will be mentioned in such acknowledgement.
- JCPL shall convey in writing to the prospective borrower the outcome of the loan application by means of sanction letter or otherwise. The sanction letter shall contain the terms and conditions including annualized rate of interest and method of application thereof.
- JCPL shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc.
- Change in interest rate and other commercial terms shall be made with prospective effect other than circumstances arising from regulatory instructions. Retrospective changes shall as far as possible be avoided and may be implemented only within the framework defined in the loan agreement.
- All terms and conditions will be fair and will set the customer's rights and responsibilities clearly and in plain language. JCPL will use legal or technical language only wherever necessary.
- JCPL will make available any charges applicable to products and services applicable at the time a customer signs up for the same. If JCPL increases any charges or introduces a new charge, JCPL will notify the same to the customers.
- Any decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- Any set-off of dues against the security may be made only after due notice of the same is provided to the client along with the particulars of the claims and the terms and conditions under which JCPL is entitled to such set-off. The same will be in consonance with the terms of the loan agreement.
- JCPL will ensure that all advertising and promotional material is clear, fair reasonable and not misleading.

III. Confidentiality

JCPL will treat all personal information as private and confidential. JCPL will not reveal transaction details to any other entity other than the following exceptional cases:

- If JCPL have to provide the information by statutory or regulatory laws. If there is a duty to the public to reveal this information.
- If JCPL have taken the customers permission (for instance at the time of loan sanctioning) to provide such information to its group / associate / entities or companies for providing other products or services.
- Where the customer asks JCPL to reveal such information to its group / associate / entities or companies for providing other services or products.

The various commitments outlined and made by JCPL are applicable under the normal operating environment. In the event of Force Majeure, JCPL will not be able to fulfill the commitments under the FPC to the entire satisfaction of the customers, the other stake holders and the public in general.

4. Appendix

Sr.No.	Abbreviation	Full Form
1	JCPL	Jagrawal Credits Private Limited
2	CDD	Client Due Diligence
3	CEO	Chief Executive Officer
4	FPC	Fair Practice Code
5	KYC	Know Your Customer
6	NBFC	Non-Banking Financial Company
7	OVD	Officially Valid Documents
8	PAN	Permanent Account Number
9	PMLA	Prevention of Money Laundering
10	RBI	Reserve Bank of India
11	SMB	Small Medium Business
