



FAIR PRACTICE CODE (FPC)

NJT FINANCE PRIVATE LIMITED

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INTRODUCTION

This Fair Practices Code ("FPC") has been formulated and adopted by NJT Finance Private Limited ("the Company") in compliance with the Reserve Bank of India's Master Direction - NBFC - Scale Based Regulation, 2023. The primary objective of this Code is to ensure transparency, fairness, and accountability in all dealings with customers and stakeholders.

The Company is committed to adhering to the highest standards of ethical conduct and regulatory compliance. Accordingly, it shall adopt and implement all best practices as prescribed by the Reserve Bank of India (RBI) from time to time. Any necessary amendments to this Code will be made to reflect the evolving regulatory landscape and to continue aligning with industry standards. At the core of this policy is the Company's dedication to treating all customers fairly, consistently, and with respect. Employees are expected to provide assistance and service in a manner that is just, equitable, and free from bias. The responsibility for the implementation and adherence to this Code lies with every individual within the organization, ensuring that fair practices are embedded in the Company's culture and day-to-day operations.

APPLICABILITY

The Code applies to:

1. All products and services offered by NJT Finance.
2. All delivery channels: in-branch, phone, post, electronic platforms, and digital mediums.
3. All stages of operations: marketing, origination, servicing, and collection.
4. All staff, agents, DSAs, and service providers associated with NJT Finance.

OBJECTIVES OF THE CODE

The objectives of the FPC are to:

- Promote fair and transparent practices with customers.
- Enhance customer understanding and enable informed decisions.
- Foster market integrity and consumer confidence.

- Build lasting customer relationships through ethical conduct.
- Ensure compliance with RBI and other statutory guidelines.

SCOPE OF THE FAIR PRACTICES CODE

A. Loan Applications and Processing:

1. The official language for internal and external communication by the Company shall be English.
2. All communication with borrowers shall be in English or in the local language/language understood by the borrower.
3. The Company shall obtain a confirmation from the borrower that communication will be in a language they understand and that they have clearly understood the terms and conditions of the loan.
4. The Company shall clearly inform the borrower about:
 - Processing fees/ charges
 - Refundable fees (if any) in case the loan is not sanctioned/ disbursed
 - Pre-payment and penalty charges, if applicable
 - Conversion charges (if switching between fixed and floating rates) (if any)
 - Interest reset clauses (if any)
 - Any other cost that may impact the borrower

The total cost of the loan ('all-in cost') will be disclosed in a clear and transparent manner, and all charges shall be non-discriminatory.

5. The loan application form and Key Fact Statement (KFS) will include all relevant details affecting the borrower's interest, enabling them to compare terms with other lenders and make an informed decision.

6. A list of required documents, including KYC documents, will be provided to the borrower either separately or as part of the loan application form.
7. Upon receiving the application, the Company will provide an acknowledgment to the applicant mentioning the timeframe within which the application will be processed.

B. Loan Appraisal and Sanction:

1. The Company shall collect all necessary information and documents from the customer at the time of application to process the loan. If any additional information is required later, the customer will be informed promptly.
2. The Company shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardized format given in the [Annex A](#) of MD Scale Based Regulations.
3. The Company will inform the customer in writing (in English or a language understood by the borrower) about the loan approval status. If the loan is approved, a Sanction Letter will be issued mentioning:
 - Loan amount sanctioned
 - Terms and conditions
 - Annualized interest rate
 - Repayment method and EMI structure
 - Prepayment and penal charges, if any

A copy of the borrower's written acceptance of these terms will be kept on record.

4. Penal charges for late repayment (if applicable) will be clearly mentioned in bold in the loan agreement.
5. At the time of sanction or disbursement, the Company will provide a copy of the loan agreement and all related enclosures to the borrower.
6. In case of loan rejection, the Company will communicate the reason(s) in writing to the applicant.

C. Disbursement & Post-Closure Processes:

1. The Company shall disburse the loan strictly as per the disbursement schedule mentioned in the Loan Agreement/Sanction Letter.
2. Any change in loan terms and conditions, including disbursement schedule, interest rates, service charges, prepayment charges, or any other applicable fees, shall be:
 - Notified in writing to the borrower in English or a language understood by them.
 - Implemented prospectively only.
 - Clearly mentioned in the loan agreement.

If such changes are unfavorable to the borrower, they may close or switch the loan within 60 days without incurring any additional charges or penalties.

3. Any decision to recall the loan, accelerate payments, or seek additional securities shall be in line with the terms of the loan agreement.
4. Upon full repayment of the loan or settlement of dues, the Company shall release all securities held, subject to any legitimate right of lien or set-off for other dues. If such a right is exercised, the Company shall notify the borrower, providing full details of the remaining claims and reasons for retaining the security.
5. The Company shall release the original property documents (movable/immovable) and remove any charges registered with relevant authorities within 30 days of full loan repayment/settlement. In case of delay due to the Company's fault, a compensation of ₹5,000 per day will be paid to the borrower until the issue is resolved, in addition to any statutory compensation.
6. In case of loss or damage to original documents:
 - The Company shall assist the borrower in obtaining duplicate/certified copies.
 - The Company will bear all related costs.
 - An additional 30-day period will be allowed to complete this process.
 - If not completed within 60 days, daily compensation of ₹5,000 shall apply.

D. Language and Mode of Communicating the Fair Practices Code:

1. The Company shall implement a Fair Practices Code (FPC) approved by its Board of Directors, as per the RBI Master Directions.
2. The FPC will be made available to all borrowers, preferably in vernacular language or a language understood by the borrower.
3. The Fair Practices Code will also be published on the Company's website for access by all stakeholders.

E. Regulation of Excessive Interest Charged by NBFCs:

1. The Company's Board of Directors shall adopt a fair and transparent Interest Rate Policy. This will consider:
 - Cost of funds
 - Operating margin
 - Credit risk premium

The applicable interest rate, processing fees, and penal charges (if any) will be:

- Disclosed in the loan application form
 - Clearly stated in the Sanction Letter
 - Disclosed in Key Fact Statement
2. The interest rate structure, risk gradation policy, and penal charges (if any) will be:
 - Displayed on the Company's website
 - Updated regularly, especially when any changes occur
 - Published in newspapers, if required
 3. All rates, including penal charges, will be expressed as an annualized percentage rate (APR) to ensure clarity for the borrower.
 4. Loan repayment statements or instalments will clearly show the breakup between principal and interest.

5. The Company will maintain an internal monitoring system to ensure:

- Transparency in communication with borrowers
- Fair implementation of interest rates and related charges

F. Guarantor Responsibilities:

When an individual agrees to act as a guarantor for a loan, the Company shall ensure that they are clearly informed of the following:

1. Their responsibility as a guarantor and the legal liability it carries.
2. The specific amount for which they are liable.
3. The circumstances under which the Company may ask the guarantor to repay the loan.
4. Whether the Company has the right to recover the dues from other accounts or funds held by the guarantor with the Company.
5. Whether the guarantee is for a fixed amount or is unlimited in nature.
6. The conditions and timeline under which the guarantor's liability will end, and how the Company will inform them about this.
7. That if a guarantor refuses to pay when demanded despite having the capacity to do so, they may be declared a wilful defaulter.
8. Any material changes in the borrower's financial situation will be communicated to the guarantor.

G. Collection and Recovery Practices:

The Company shall ensure that loan repayment terms such as amount, duration, and frequency are clearly explained to customers at the time of loan disbursement. In case of delays or defaults in repayment, a structured and lawful recovery process will be followed. This may include reminders through written notices, phone calls, personal visits, and repossession of security (if applicable), all in accordance with applicable laws.

The Company's collection approach is based on respect, fairness, and professionalism, and aims to build customer trust and long-term relationships. The Company will adopt RBI's Guidelines for Engaging Recovery Agents, with Board approval, as and when they become applicable.

Staff or recovery agents must:

- Identify themselves and their authority to the customer.
- Contact borrowers only between 8:00 AM to 7:00 PM, unless otherwise agreed.
- Respect privacy and behave courteously.
- Avoid contact during sensitive situations (e.g., bereavement).
- Engage only with the borrower or guarantor – not with family or others.
- Maintain records of calls and visits.
- Help resolve disputes amicably.

The Company will follow RBI guidelines on recovery practices and ensure staff are properly trained.

H. Marketing and Advertising:

The Company will:

- Ensure all advertisements are clear, factual, and not misleading.
- Disclose interest rates, fees, and terms in ads and make full details available on request or website.
- Share information on rates and charges through branches, website, helpline, and staff.
- Ensure third parties maintain confidentiality of customer data if involved in service delivery.
- Share promotional product information only with customer consent.
- Follow a Board-approved Code of Conduct for Direct Selling Agents (DSAs), including proper identification and ethical behavior.

- Investigate and take action on any customer complaints against representatives or DSAs for improper conduct.

I. Privacy and Confidentiality:

1. The Company shall treat all customer information as private and confidential, even after the relationship ends.
2. Customer data will not be shared with others, except in the following cases:
 - When required by law.
 - In the public interest.
 - To protect company interests (e.g., fraud prevention), but not for marketing.
 - With the customer's consent.
 - When giving a reference, only with written permission.
3. Customer data will be protected and used in accordance with the privacy policy of the Company.

J. Grievance Redressal Mechanism:

1. The company will have a proper system at all offices to receive and handle complaints.
2. The Board will establish a grievance redressal mechanism that ensures complaints are addressed at the next higher level.
3. Customers will be informed about how to access the company's complaint process.
4. If a customer wants to raise a complaint, they will be informed:
 - How and where to file it
 - Expected response time
 - Escalation contacts if unsatisfied
 - Staff will assist if needed
5. For written complaints, an acknowledgement will be sent within 7 days with the name and contact of the handling officer. For phone complaints, a reference number will be given and progress will be communicated.
6. The Company shall aim to resolve all complaints within 14 working days from the

date of receipt. If more time is needed, the customer will be informed.

7. Final response should not exceed 30 days.
8. The Board of Directors shall review unresolved issues.
9. The grievance procedure, including email, contact details, turnaround times, and escalation matrix, will be clearly displayed at offices and on the website.
10. In case the Customer does not receive or is not satisfied with the response from the Company or if the Complaint / Grievance is not resolved within a period of 30 days from its date of receipt, the Customer may approach the Consumer Education and Protection Cell for Redressal with Reserve Bank of India at the following address:

- **Offline: By post to:**

Officer-in-charge,
Reserve Bank of India,
Regional Office, DNBS, Third floor, opp. Mumbai Central Station, Byculla,
Mumbai - 400 008 Contact Centre with toll free no - 14448
(Timing - 9:30am to 5:15pm)

- **Online:**

A complaint can also be lodged through RBI's CMS portal at the following link:

<https://cms.rbi.org.in/cms/indexpage.html#eng>

Further, the Customer can also lodge a complaint through the SACHET portal at the following link:

<https://sachet.rbi.org.in/Complaints/Add>

K. General Provisions:

1. The company will not interfere in a borrower's affairs unless required under the loan agreement or if undisclosed information comes to light.
2. If a borrower requests a loan transfer, the company will respond with approval or objections within 21 days, based on clear contractual and legal terms.
3. The company shall not discriminate based on gender, caste, religion, or disability, including visually or physically challenged applicants.
4. The company will promote this Code by:
 - Providing it to all customers (new and existing).
 - Making it available on request or through digital means.
 - Displaying it at all branches and on the website.
 - Training staff to understand and implement the Code.

L. Responsibility of Board of Directors:

1. The Board will establish an internal grievance redressal mechanism to ensure that customer complaints are addressed fairly and escalated to a higher authority if needed.
2. The Board will also conduct a periodic review of:
 - Compliance with the Fair Practices Code.
 - The effectiveness of the grievance redressal process at all levels.

A consolidated review report will be submitted to the Board at least once a year.

M. Public Disclosure:

To ensure public awareness:

1. This Code shall be available:
 - On the Company's website,
 - At all Offices/branches,
 - To all customers upon request.
2. Staff will be trained on the FPC and its implementation.

EFFECTIVE DATE

This Fair Practices Code shall be deemed effective upon approval by the Board of Directors and shall be reviewed annually or as directed by regulatory updates.

REVIEW OF POLICY/CODE

The Fair Practice Code shall be reviewed by the Board on annual basis.

