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# Policy for Fair Practice Code

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Version No	Approving Authority	Date of Approval
4	174 <sup>th</sup> BOD	18 <sup>th</sup> August 2023
3	165 <sup>th</sup> BOD	18 <sup>th</sup> January 2023
2	103 <sup>rd</sup> BOD	12 <sup>th</sup> May 2018
1	70 <sup>th</sup> BOD	8 <sup>th</sup> August 2015

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**Fair Practice Code Policy**

The Company's business would be conducted in accordance with prevailing statutory and regulatory requirements, with due focus on efficiency, customer-orientation and corporate governance principles - all of which form part of PFS's approved Credit Policy.

In addition, the Company would adhere to the Fair Practices Code in its functioning, the key elements of which are as follows:

**1. Non Discrimination Policy.**

PFS will not discriminate between its customers on the basis of sex, physical ability, caste, race or religion.

**2. Applications for loans and their processing:**

- a) All relevant information pertaining to the loan will be made available in the relevant loan application forms/ agreements, which affects the interest of the borrower. This will include information on the loan, its terms and the documents that are required to be submitted for the loan along with applicable fees and charges (if any)
- b) Receipt of completed application forms will be duly acknowledged by PFS and will also indicate the approximate time frame within which the client can expect to hear from PFS regarding his/her loan application.
- c) All communications to the borrower shall be in the vernacular language.

**3. Loan appraisal and terms and conditions:**

- a) All loan applications will be assessed in accordance with PFS's internal credit appraisal process.
- b) Upon approval of the loan a sanction letter/loan agreement indicating the amount of loan sanctioned, the applicable annualized interest rate including method of calculation, along with other terms and conditions including penal interest, additional interest, moratorium, upfront/processing/prepayment fee; will be conveyed to the applicant in writing and keep the acceptance of these terms and conditions by the borrower on its record. PFS will mention the penal interest to be charged for late payment in bold in the sanction letter/loan agreement.
- c) PFS will furnish a copy of the loan agreement to the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers before disbursement of loans.

**4. Disbursement of loans including changes in terms and conditions:**

- a) Any changes in the terms and conditions, including interest rates, service charges, prepayment charges etc. shall be informed to the client in writing before the change is implemented.
- b) Changes in interest rates and other charges, adverse to the borrower, shall be with prospective effect only. A suitable condition in this regard shall be incorporated in the loan agreement

- c) Decision to recall any loan shall be done in accordance with the terms and conditions of the sanction letter/loan agreement.
- d) All collateral securities shall be released as per the request of the borrower, after the repayment of the loan is complete and subject to exercise of any legitimate right or lien for any other claim PFS may have against Borrower. If such right of set off, is to be exercised, a notice shall be given to the borrower with full details and the conditions under which PFS is entitled to retain the securities till the relevant claim is settled/paid.

**5. Customer Protection:**

- a) PFS would treat its entire customers' personal information as private and confidential and will not reveal details of customers' dealings with PFS to a third party, except as provided herein and in the following exceptional cases:
  - If PFS has to give the information to any statutory authority by virtue of law.
  - If there is a duty towards the public to reveal the information.
- b) PFS will lay out appropriate internal principles and procedures in determining interest rates and 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 will be kept in view.
- c) PFS will adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations 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.
- d) The annualised rates of interest and the approach for gradation of risks shall also be made available on the web-site of the company or published in the relevant newspapers. The information published in the website or otherwise published would be updated whenever there is a change in the rates of interest.

**6. General**

- a) PFS shall refrain from interference with the business of the borrowers except under the terms and conditions of the loan agreement (unless new information, not disclosed earlier, by the borrower has come to the notice of PFS).
- b) Where the borrower insists on transferring the loan, the consent or otherwise the objection if any, would be conveyed within 21 days from the date of receipt of such request of the borrower. Such transfer will be as per transparent contractual terms in consonance with law.
- c) For recovery of loans, PFS shall follow procedures as laid down in the internal guidelines and provisions that would not in any case lead to undue harassment such as persistently bothering borrowers at odd hours, use muscle power for recovery of loan and would remain within the legal framework.
- d) In the event of request from the borrower for prepayment of the loan amount and to close his account, PFS will, without any prejudice, accept his request and proceed to settle his account without delay, accordingly as mentioned in the loan agreement signed by borrower.

- e) In the event of default by the borrower (after giving him proper notices and reminders), PFS, shall, without prejudice to its other rights and remedies, be entitled to and shall have absolute power and authority to use its discretion to sell and dispose of the security(s) kept by the borrower as collateral, as and when, PFS, may in its absolute discretion, deem fit and to apply the net proceeds of such sale in satisfaction so far as the same will extend towards liquidation of loan balance.
- f) PFS may also facilitate the documents in vernacular language as understood by the borrowers depending on the requirement.
- g) A copy of the duly executed loan agreements shall be provided to the borrowers in translated version also, if required by the borrower.
- h) PFS staff is adequately trained to deal with the customers in an appropriate manner and shall always be soft spoken and maintain helpful attitude with the borrowers.

**7. Grievance Redressal:**

- 1) PFS shall have a Grievance Redressal Mechanism in place to resolve the disputes arising out of matters relating to lending i.e. reviewing of application forms, sanction, disbursement etc. by the Company.
- 2) PFS shall display the following information prominently, for the benefit of their customers, at their branches / places where business is transacted:

- A. 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.
- B. 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 (complete contact details), under whose jurisdiction the registered office of the NBFC falls.

The public notice should serve the purpose of highlighting to the customers, the grievance redressal mechanism followed by the company, together with details of the grievance redressal officer and of the Regional Office of the RBI.

- 3) In case of any complaint/grievance, the borrowers may contact through any of the following channels:

**Grievance Redressal Officer**

**PTC India Financial Services Ltd**

Registered Office:

7th Floor, Telephone Exchange Building,

8 Bhikaji Cama Place,

New Delhi - 110 066, India

Tel: 011-26737300 Fax: 011-26737373/ 26737374

Email: [info@ptcfinancial.com](mailto:info@ptcfinancial.com)

Website: [www.ptcfinancial.com](http://www.ptcfinancial.com)

- 4) All grievances shall be heard and disposed off by a person at least one level higher to the person / designation against / relating to whom the grievance is made. After examining the matter, it will be our endeavor to provide the borrower/applicant with our final or other response, within a period of Four (4) weeks from receipt of such complaint / grievance.
- 5) MD &CEO /Director of PFS shall review the implementation and compliance with this code including the redressal of grievances periodically. A report to this effect shall be provided by the MD/Director for perusal of the Board on Half yearly basis.
- 6) If the complaint / dispute is not redressed within a period of one month, the borrower may appeal to the Reserve Bank of India at following address:-

General Manager  
Department of Non Banking Supervision  
Reserve Bank of India  
Parliament Street  
New Delhi-110001

**8. Review:**

A review of compliance of the Code and the functioning of the Grievance Redressal Mechanism would be done by the Board of Directors on yearly basis.

**9. Amendments:**

The Board or competent authority designated by Board may amend the provisions of this Code from time to time to effect the requirements of RBI. Unless otherwise specified, such amendments shall be effective from the date of the Board meeting/such approval; at which such amendments are approved.

**10. Display on web-site**

The Fair Practice Code of the Company shall be available in Hindi and English language and the same shall be displayed on the web-site of Company i.e. [www.ptcfinancial.com](http://www.ptcfinancial.com) for the information of various stakeholders.