

FAIR PRACTICES CODE

Pursuant to the notification issued by the Reserve Bank of India vide circular no. RBI/2012-13/416 DNBS.CC.PD.No.320/03.10.01/2012-13 dated February 18,2013. Punjab Kashmir Finance Limited (Hereinafter referred as company) has formulated this Fair Practice code duly approved in the Board of Directors meeting held on May 15, 2018 in dealing with business transactions. The code shall come into force with immediate effect.

(i) Applications for loans and their processing

- (a) All Correspondences and communications to the borrower shall be made in the vernacular language or a language as understood by the borrower.
- (b) 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.
- (c) The company would give acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of be also indicated in the acknowledgement.

(ii) Loan appraisal and terms/conditions

- (a) The company shall convey in writing to the borrower by means of sanction letter, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof. The company shall keep the acceptance of these terms and conditions by the borrower on its record. The company shall also communicate to the borrower if the loan is rejected.
- (b) The company should mention rate of penal interest should prominently in the loan agreement.
- (c) Company will furnish copy of the loan agreement (preferably in the vernacular language or language understood by the borrower) to the borrower along with all the enclosures at the time of disbursement of loan.

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

- a) The company shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard would be incorporated in the loan agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
- c) The company 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 company 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 the company is entitled to retain the securities till the relevant claim is settled/paid.

(iv) General

- a) The company shall 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).
- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. company's objection if any, shall 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.
- c) In the matter of recovery of loans, the company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. Company will make recovery of its overdue amount in accordance with the terms and conditions of the agreement and after complying with all the legal formalities.

(v) Grievances

In case of any complaint/ grievance the applicant/ borrower will have to inform in writing the concerned branch. The branch officials shall immediately take up the matter for redressal.

Grievance Redressal Mechanism

All Disputes arising out of the decisions of branches in relation to the products and services shall be heard and disposed off at least at the higher level. Therefore, the following "Grievance Redressal Mechanism" is put in place-

Decision level	Redressal level	Mobile No.	e-mail ID
Branch Manager	Chief Financial Officer	9872466799	rajeshgupta@pkffinance.com
Chief Financial Officer	Jt. Managing Director	0181-2238611	viveksondhi@pffinance.com

In case the complaint/ dispute is not redressed within a period of one month, the customer may appeal to -

The officer-in charge
Department of Non Banking Supervision,
Reserve Bank of India
Central Vista Sector 17
Chandigarh
0172-2715282