



FAIR PRACTICE CODE

Contents

SR. NO	PARTICULARS	PAGE NO.
1.	INTRODUCTION	1
2.	OBJECTIVES	1
3.	APPLICATION FOR LOANS AND THEIR PROCESSING	1-2
4.	LOAN APPRAISAL AND TERMS AND CONDITIONS	2
5.	DISBURSEMENT OF LOANS AND CHANGES IN TERMS AND CONDITIONS	2
6.	GENERAL CLAUSES A. Non-Interference B. Transfer Of Account C. Recovery Process D. Foreclosure Charges/ Pre-Payment Penalties On Floating Rate Term Loans	2 - 3
7.	CONFIDENTIALITY	3
8.	KNOW YOUR CUSTOMER GUIDELINES	3
9.	INTEREST RATES AND GRADATION OF RISK	4
10.	GRIEVANCE REDRESSAL MECHANISM AND CUSTOMER RELATIONSHIP MANAGEMENT	4

1. INTRODUCTION:

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non- Banking Financial Companies (NBFCs) as amended from time to time thereby setting standards for fair business and corporate practices while dealing with their customers. Pioneer Financial & Management Services Limited (“the Company” or “ Pioneer”) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. This sets minimum Fair Practice standards for the Company to follow when dealing with customers. The Company shall also make appropriate modifications in the FPC from time to time to confirm to the standards that may be prescribed by RBI from time to time.

APPLICABILITY OF FAIR PRACTICE CODE

This Fair Practices Code applies to the following categories of products and services offered by us (currently offered or which may be introduced at a future date)

1. Loan and other products in the nature of financial assets.
2. Third Party products offered through a Company`s Agent or Partner.

The FPC is applicable to the above irrespective of whether the same is provided physically, over the phone, on the internet or by any other method whatsoever, existing or futuristic.

2. OBJECTIVES:

The code has been developed with an objective:

- To promote good, fair and trust-worthy practices by setting minimum standards in dealing with customers;
- To enable greater transparency for customers in having a better understanding of the product, taking informed decisions and reasonably expect of the services;
- To ensure compliance with legal norms in matters relating to recovery of advances;
- To ensure building customer confidence in the Company;
- To promote a fair and cordial relationship between customer and the Company;
- To strengthen mechanisms for redressal of customer grievances.

3. APPLICATION FOR LOANS & THEIR PROCESSING:

- All Loan Agreement shall contain detailed information relating to the terms and conditions governing the Loan and other relevant information affecting the interest of our valuable customers. These loan agreement shall also contain the particulars of standard documents to be submitted with the loan agreement. However, the Company may, depending on the credit underwriting requirements require other documents from the customers, as it may deem fit.
- The contents of loan documents are mentioned in the language as understood by the borrower which further ensures that the customer understands the terms and conditions governing the Loan.

Loan agreement shall 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 agreement may indicate the documents required to be submitted with the loan agreement

- Wherever applicable, the Company shall follow the system of issuing acknowledgements for receipt of all loan applications. The Company will consider all the documents submitted and the information provided, verify the credit worthiness of the customer and evaluate the proposal at its sole discretion. As a matter of policy and customer service, loan applications are sanctioned / rejected immediately. The Company shall further endeavour to intimate the status of all loan applications to the customer.
- The completed loan agreement shall indicate the loan amount to be disbursed, information which affects the interest of the borrower, the annualised rate of interest applicable, processing fee (if any), dates of interest payments due, loan tenure etc. Company shall provide the acknowledgement receipt of the loan application with the time frame within which loan applications will be disposed of.

4. LOAN APPRAISAL AND TERMS AND CONDITIONS:

Pioneer shall convey in writing to the borrower in the language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest, overdue interest, cheque bouncing penalty, tenure of loan, commencement date, etc and method of application thereof and shall keep the acceptance of these terms and conditions by the borrower on its record.

The Company shall 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.

Company shall mention the penal interest charged for late repayment in bold in the loan agreement.

5. DISBURSEMENT OF LOANS AND CHANGES IN TERMS AND CONDITIONS:

At Pioneer we shall value openness and transparency in the system. Company shall keep the customers informed in language as understood by the borrower, in the event of any modification in terms and conditions, repayment schedule, interest rates, security, and other changes material to customer's relation with Pioneer. Any changes in interest rates and charges shall be effected only prospectively and would be given favourable notice.

6. GENERAL CLAUSES:

A. Non-Interference:

- Company or any of the employee of the Company shall not interfere in the affairs of the borrower except as provided under the circumstances mentioned in the agreement.
- If any new information or findings not previously disclosed by the borrower comes to the notice of Pioneer, the above restriction shall not apply.

B. Transfer of Account:

Whenever a request for transfer of loan account is received from a customer, Company shall respond to the same within 21 days of receipt of request. Acceptance or refusal thereof shall be in accordance with terms of the agreement. Such transfer shall be as per transparent contractual terms in consonance with law.

C. Recovery Process:

If any recovery proceedings need to be initiated, these shall be conducted in accordance with the rights provided under the Agreement and in accordance with legally accepted norms.

Pioneer staff or any person authorized to represent the Company in collection of dues shall identify himself / herself and display the authority letter issued by Pioneer and upon request, display his/her identity card issued by Pioneer. The Company or authorised representative shall provide the customers with all the information regarding overdue. The staff shall be adequately trained to deal with the customers in an appropriate manner.

D. Foreclosure charges/ Pre-payment penalties on floating rate term loans:

As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers of the Company, Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, if any

7. CONFIDENTIALITY:

Unless authorized by the borrower, the Company will treat all his personal information as private and confidential.

The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances:

- If the Company is required to provide the information to any statutory or regulatory body or bodies;
- If arising out of a duty to the public to reveal the information;
- If it is in the interest of the borrowers to provide such information (e.g. fraud prevention); ➤

If the borrower has authorised the Company to provide such information to its group / associate / entities or companies or any such person/ entity as specifically agreed upon.

8. KNOW YOUR CUSTOMER GUIDELINES:

Pioneer shall explain the requirements of KYC guidelines to its customers and inform them about the documents required for establishing the identity of the customer before loan sanctioning, account opening and operation.

Pioneer would obtain only such information to meet with company's KYC, Anti-Money Laundering or any other statutory requirements. In case any additional information is asked for, it will be sought separately and shall specify the objective of obtaining such additional information.

9. INTEREST RATES AND GRADATION OF RISK:

□ Interest Rates:

Appropriate internal principles and procedures in determining interest rates and processing and other charges shall be followed in line with the approved Company policies from time to time.

The rate of interest arrived shall be based on the weighted average cost of funds, administrative costs, risk premium and profit margin.

□ Gradation of Risk:

The decision to give a loan and the interest rate applicable to each loan account shall be assessed on a case to case basis, based on multiple parameters such as the borrower profile and repayment capacity, borrower's other financial commitments, past repayment track record if any, loan to value ratio, mode of payment, tenure of the loan, geography (location) of the borrower, etc.

The rates of interest are subject to change as the situation warrants and are subject to the discretion of the management on a case to case basis.

The rate of interest informed are annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

10. GRIEVANCE REDRESSAL MECHANISM AND CUSTOMER RELATIONSHIP MANAGEMENT:

It shall be the endeavour of the Company to improve the quality of service and redress complaints and grievances, if any, of the customers as part of Customer Relationship Management. The Company has provided for three tier Grievance Redressal Mechanism to resolve any of its customers query / grievance.

Level 1:

The customer may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/alteration of credit information.

If the complaint is not resolved within 15 days, the customer shall complaint to the Chairman of the Company at his following email id: info@pioneerfinance.co.in

Level 2:

If the complaint / dispute is not redressed within a period of one month from date of its receipt, the customer may appeal to:

Deputy General Manager,
Department of Non-Banking Supervision,
Reserve Bank of India,
15, Nataji Subhas Road, Kolkata- 700001
Tel No.:033-2230 7850/ 8331