



SMART FINSEC LIMITED

FAIR PRACTICE CODE

PREAMBLE

The Reserve Bank of India (RBI) had issued various guidelines on Fair Practices Code for Non-Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers.

Smart Finsec Limited (the Company) has been formulated the Fair Practice Code in compliance with the guidelines issued by Reserve Bank of India vide circular No. RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated July 01, 2015 (as amended from time to time). The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed.

The Fair Practice Code (FPC) is intended to cover the following areas:

- a) Applications for loans and their processing
- b) Loan appraisal and terms/conditions
- c) Disbursement of loans, including changes in terms and conditions
- d) General provisions
- e) Grievance redressal mechanism

1. APPLICATIONS FOR LOANS AND THEIR PROCESSING

- a) All communication to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b) Loan application forms 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 the borrower can take an informed decision. The loan application form may also indicate the documents required to be submitted with the application form.
- c) The Company shall devise a system of giving acknowledgement for receipt of all loan applications. An indicative time frame within which loan applications will be disposed of will be mentioned in such acknowledgement.

2. LOAN APPRAISAL AND TERMS/CONDITIONS

The Company shall convey in writing to the borrower by means of approval letter or otherwise, in vernacular language or language as understood by the borrower, the amount of loan approved - along with the terms and conditions, including the annualized rate of interest and method of application thereof. A written acceptance of such terms and conditions shall be retained by the Company.

A copy of loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be made available to the borrower at the time of sanction/ disbursement of loans.

3. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a) The Company shall give notice to all its borrowers in the vernacular language or a language as understood by the borrower of any change in the terms and conditions - including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable provision in this regard shall be incorporated in the loan agreement.
- b) Decision to recall / accelerate payment or performance under the agreement shall also be in consonance with the loan agreement.
- c) The Company shall release all securities on repayment of its full dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against its borrowers. 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.

4. GENERAL

- a) The Company shall refrain from interference in the affairs of the borrower except for the purposes provided for 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 Company).
- b) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise - i.e., objection of the Company, if any - shall be conveyed within 21 days from the date of receipt of any 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 any harassment - such as persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- d) The Company shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned.

5. GRIEVANCE REDRESSAL MECHANISM

The Company shall lay down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism shall ensure that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

Customers who wish to provide feedback or send in their complaint may use the following channels between 10.00 am and 6:30 pm from Monday to Friday (except on national holidays).

- Call on 011-45004425
- Email: smartfinsec@gmail.com

- Write to us at the below mentioned address:

Smart Finsec Limited

Add: F-88, West District Centre,
Shivaji Enclave, Rajouri Garden
Opp. TDI Paragon Mall, New Delhi-110027

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to Officer-in-Charge of the Regional Office of Department of DNBS of RBI.

The details of DNBS are as given below:

The General Manager,
Department of Non-Banking Supervision,
Reserve Bank of India,
6, Sansad Marg, New Delhi – 110 001
Email id: dnbsnewdelhi@rbi.org.in