



## FAIR PRACTICE CODE

### 1. PREAMBLE

The Reserve Bank of India (RBI) vide 'Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' (as amended from time to time) ("**Master Directions**") has advised Non-Banking Financial Companies ("**NBFCs**") to that their respective Boards should adopt Fair Practice Code according to guidelines.

### 2. APPLICABILITY

This Fair Practice Code ("FPC") applies to Smart Prism Fincap Private Limited ("SPFPL" or the "Company") and to all the products and services offered by the Company, whether over the phone, across the counter, on the internet or by any other means. It shall also apply to all the employees of the Company.

### 3. CODE REQUIREMENTS

- a. Applications for loans and their processing
  - i. The Company will provide all required communications to its borrower in English or a language as understood by the borrower;
  - ii. All loan application forms will contain detailed information relating to the terms and conditions governing the Loan and other relevant information affecting the interest of our customers. These forms would also list standard documents to be submitted with the application form. However, the Company may, depending on the credit underwriting requirements, require other documents from the customers as it may deem fit;
  - iii. The Company' representatives will explain to the customers the contents of various loan documents in the English language or a language as understood by the borrower;
  - iv. The Company will provide acknowledgement on receipt of a loan application; and
  - v. 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. The Company shall further endeavour to intimate the status of all loan applications regarding its acceptance or rejection within the time-frame committed.
- b. Loan Appraisal and Terms and Conditions
  - i. If the loan is sanctioned, the Company will convey in writing important terms and conditions to the borrower, in the vernacular language or a language understood by the borrower, about the amount of loan sanctioned along with all important terms and conditions including annualized rate of interest, method of application, prepayment charges etc. The Company will also keep the written acceptance of these terms and conditions by the borrower on its record;
  - ii. The penal interest charged for late repayment shall be mentioned clearly in the loan agreement;



- iii. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement, in the vernacular language or a language understood by the borrower, shall be furnished to every borrower at the time of disbursement of loan; and
  - iv. The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to the individual borrowers.
- c. Rate of Interest Charged by the Company
- i. The Company, with the approval of its Board, will adopt a Policy/ Model for Determination of Interest Rates to be charged for loans and advances, taking into account relevant factors such as cost of funds, margin and risk premium etc. to determine the rate of interest to be charged for loans and advances;
  - ii. The range for Rate of Interest and approach for gradation of risks will also be made available on the Company's website;
  - iii. The information regarding the Rate of Interest and other charges of the Company will be also disclosed in the application form and sanction letter;
  - iv. The rate of interest shall be annualized rates; and
  - v. For floating rate financial products, the Benchmark/ Floating Reference Rate shall be published on website of the Company and shall be updated whenever there is a change in the rates of interest.
- d. Disbursement of Loans Including Changes in Terms and Conditions
- i. Any changes in the terms and conditions (which are deemed adverse to the borrower) including rate of interest rate, service charges, prepayment charges, repayment/ disbursement schedule etc. shall be informed to the borrower in writing;
  - ii. Changes in the terms relating to interest rates and other charges (which are deemed adverse to the borrower) shall be implemented with prospective effect only;
  - iii. The Company's decision to recall / accelerate payment or performance under the loan agreement or seeking additional securities shall be in consonance with the loan agreement signed with the borrower.
- e. Collection of Dues
- i. Decision to recall any loan shall be made in accordance with the terms and conditions of the loan agreement;
  - ii. 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 valid norms.
  - iii. The Company will have the right to take possession of the Asset by giving notice to the Borrower to clear the dues or to hand over possession of the Asset in accordance with the terms and conditions of the Loan Agreement;
  - iv. The Company shall ensure that the charge over any security provided by the customer is relinquished upon the happening of any of the following events, subject to any legitimate right or lien for any other claim against the customer, unless any other right or lien exists:
    - 1. payment of all dues by the customer;
    - 2. transfer of account and consequent settlement of all dues;
    - 3. closure of the loan file in due course following settlement as per agreement.
- f. Grievance Redressal



- i. The Company will ensure that a suitable mechanism exists for receiving and addressing complaints from their customers with specific emphasis on resolving such complaints expeditiously and in a fair manner. The Company will appoint Grievance Redressal Officer(s) (GRO) and Principal Nodal Officer(s) (PNO). The GRO/PNO shall be responsible, inter alia, for representing the Company before the RBI Ombudsman and the Appellate Authority under the Ombudsman Scheme. The Grievance Redressal Officer (GRO) will act as PNO at the Head Office of the Company and shall be responsible for coordinating and liaising with the Customer Education and Protection Department (CEPD), RBI, Central Office.
  - ii. Display of Information: The Company will display prominently, for the benefit of their customers, at its branches/ places where business is transacted, the name and contact details (telephone number and email address) of the PNOs/ GROs, who can be approached by the customer
  - iii. 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 Department of Non-Banking Supervision of the Bank (with complete contact details), of appropriate jurisdiction.
- g. General
- i. If the Company deems necessary, it shall verify the details mentioned by the customer in the loan application by contacting the customer at his/ her residence and/or business addressees through agencies/ representatives appointed by it for the purpose.
  - ii. The Company shall not discriminate between our customers on the basis of age, race, caste, gender, marital status, religion, or disability. However, this shall not preclude the Company from instituting or participating in schemes framed for different sections and age groups of the society.
  - iii. 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. However, if any information not previously disclosed by the borrower comes to its notice, the Company may take any suitable action as per its discretion.
  - iv. The Company shall release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claims, the Company may have against the 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 Company is entitled to retain the securities till the relevant claim is settled/ paid;
  - v. 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 request. Such transfer shall be as per transparent contractual terms in consonance with law.
  - vi. The Fair Practice Code as revised from time to time shall be made available on the website of the Company

\*\*\*\*\*End\*\*\*\*\*



**Contact details of GRO and PNO who can be approached for resolution of complaints by the public**

Details of Grievance Redressal Officer:

Name: Pradeep Lalwani

Phone: 9811207207

Email: [Grievance@SmartPrismFincap.com](mailto:Grievance@SmartPrismFincap.com)

Address: D 130, Okhla Industrial Area Phase 1, New Delhi, Delhi 110020, India

Details of Principal Nodal Officer:

Name: Pradeep Lalwani

Phone: 9811207207

Email: [PNO@SmartPrismFincap.com](mailto:PNO@SmartPrismFincap.com)

Address: D 130, Okhla Industrial Area Phase 1, New Delhi, Delhi 110020, India