

Fair Practices Code	Date of approval by Board: 14.11.2019	
	Effective Date of implementation of policy: 01.12.2019	
	Next review: As and when required	Version no. 01.2019



**MONEYWISE FINANCIAL SERVICES
PRIVATE LIMITED**

Fair Practices Code

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1. SCOPE

1.1 Background

Moneywise Financial Services Private Limited (“the Company”) is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI).

In accordance with the “Guidelines on Fair Practices Code” prescribed by the Reserve Bank of India (“RBI”) under **Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016** (“RBI Directions”), the Company, being an NBFC, is required to adopt the Fair Practices Code (“FPC” or “Code”) with the approval of the Board of Directors.

1.2 Objectives of the Fair Practices Code

The Fair Practices Code is aimed to provide to the customers effective overview of practices, which will be followed by the Company in respect to the financial facilities and services offered by it to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to all the products and services offered by the Company.

The Company, as a responsible corporate citizen, believes in fair and transparent practices at all stages of customer service viz. loan application, loan appraisal, loan disbursement, loan recovery, customer servicing and customer grievances.

Primary objectives of the Code are as under:

- a) To promote good and fair practices by setting minimum standards to be followed while doing lending business and while dealing with customers;
- b) To increase transparency so that the customers can have better understanding of the products/services being offered by the Company;
- c) To promote a fair and cordial relationship between customers and the Company.

1.3 Policy Approval

The Policy and any significant changes therein shall be approved by the Board of Directors.

1.4 Applicability and Effective Date

All the employees of the Company, while dealing with customers, will have to ensure adherence with the Code.

This Policy shall be effective from the date of approval of this policy and supersede all previous versions of FPC.

1.5 Review of Policy

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The Policy shall be reviewed as and when required by the applicable rules and regulations.

2. FAIR PRACTICES STANDARDS

The Company and its employees will follow the following Fair Practices standards:

2.1 Applications for loans and their processing

- a) The Company will provide all required communications to its borrower in English or a language as understood by the borrower;
- b) All loan application forms will contain 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 application form will also list standard documents to be submitted with it. However, the Company, based on its internal credit/ policy requirements, may seek other documents from the borrower as it may deem fit;
- c) The Company will provide acknowledgement on receipt of a loan application, with the timeframe within which the application would be disposed-off;
- d) 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; *and*
- e) The Company, at its sole discretion, will evaluate the proposal based on the documents/ information provided by the borrower, the information available with it and after verifying the credit worthiness of the borrower.

2.2 Loan Appraisal and Terms and Conditions.

- a) If the Company decides to sanction a loan, it will convey in writing important terms and conditions to the borrower, in the vernacular language or a language understood by the borrower, information with respect to the amount of loan sanctioned along with other important terms and conditions including annualized rate of interest, method of application, prepayment charges etc.
- b) The Company will also keep acceptance of these terms and conditions by the borrower on its record;
- c) The penal interest charged for late repayment shall be mentioned in bold in the loan agreement;
- d) A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement, will be furnished to every borrower at the time of disbursement of loan; *and*
- e) The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to the individual borrowers.

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2.3 Rate of Interest Charged by the Company

- a) To determine rate of interest applicable to loans and advances, the Company will adopt a Policy/ Model for Determination of Interest Rates, after factoring relevant elements such as cost of funds, margin, risk premium, security, tenor etc.;
- b) The range for Rate of Interest and broad approach for gradation of risks will also be made available on the Company's website;
- c) The information regarding the Rate of Interest and other charges of the Company will also be disclosed in the application form and sanction letter;
- d) The rate of interest shall be on annualized basis; *and*
- e) For floating rate loan 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.

2.4 Disbursement of Loans Including Changes in Terms and Conditions

- a) Changes in the terms and conditions relating to the loan facility (which are deemed adverse for the borrower) shall be informed to the borrower in writing;
- b) Revision in the terms relating to interest rates and other charges shall be implemented with prospective effect unless agreed with customer in writing;
- c) 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.

2.5 Collection/ Recovery of Dues

- a) 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;
- b) If any recovery proceedings need to be initiated, these shall be conducted in accordance with the legally valid rights available to the Company.
- c) The Company will not resort to coercive measures for recovery of loan;
- d) The Company, wherever applicable, will have built in a legally enforceable re-possession clause, with required provisions, in the loan agreement;
- e) The Company, in the event of default by the borrower or trigger of prescribed event, will have the right to take possession of the security (given by the borrower for availing the loan facility) by giving notice to the Borrower in accordance with the terms and conditions of the Loan Agreement;
- f) The Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or

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lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower will 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.

2.6 Privacy and Confidentiality

The Company will implement adequate framework for protecting/ maintaining privacy of the data/ information gathered from the borrower.

2.7 Grievance Redressal Mechanism

The Company will implement a suitable mechanism for receiving and addressing complaints from their customers with specific emphasis on resolving such complaints expeditiously and in a fair manner. The mechanism will be as under:

- a) **Channels to register a complaint:** Any customer having a grievance/ complaint/ feedback with respect to the product and services offered by the Company may write to the Company through any of the following channels:
 - i) **Call** at 011-30111000
 - ii) **Email**-nbfccare@smcfinance.com
 - iii) **Letter at the address**- Moneywise Financial Services Private Limited, 11/6B, 2nd Floor, Pusa Road, New Delhi
- b) **How a query/ complaint should be made:** The aggrieved borrower is requested to provide necessary loan details *i.e. Loan Account Number, Details of Feedback/ Suggestion/ Complaint and valid Contact Information including phone no. & e-mail ID* while providing their feedback or lodging complaint with the Company.
- c) **When should customer expect a reply-** As a query/ complaint may be unique in nature, the resolution of complaint may take up to 4 weeks after internal inquiry. The customer will be made aware in case of any delay expected.
- d) **Escalation within the Company-** The name and contact details of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company are mentioned below:
 - (i) Name of Grievance Redressal Officer- Kaushal Mathpal
 - (ii) Email: kaushalmathpal@smcfinance.com
 - (iii) Phone no.:
 - (iv) Office Address: 11/6B, 2nd Floor, Shanti Chamber, PUSA Road, New Delhi
- e) **Escalation to the Reserve Bank of India-** If reply is not received from the Company or the customer remains dissatisfied with the reply of the Company within a period of one month, apart from filing complaint before the Ombudsman appointed by the RBI as per the Ombudsman Scheme, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-

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Banking Supervision of RBI. The details of Officer-in-Charge, DNBS, RBI are given below:

**The General Manager,
Department of Supervision,
Reserve Bank of India, 6, Parliament Street, New Delhi - 110001**
Phpne- 011-23714456, **Email:** dnbsnewdelhi@rbi.org.in

2.8 Ombudsman Scheme

- a) The Company will appoint Principal Nodal Officer(s) (PNO) and Nodal Officer(s) (NO) as required under the Ombudsman Scheme.
- b) The PNO/NO shall be responsible, inter alia, for representing the Company before the Ombudsman and the Appellate Authority under the Ombudsman Scheme.
- c) 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.
- d) 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 GRO/ PNO(s)/ NOs and the name and contact details of the Ombudsman, who can be approached by the customer.
- e) In accordance with the Ombudsman Scheme, the Company will prominently display the salient features of the Scheme (in English, Hindi and Vernacular language) at all its offices and branches in such a manner that a person visiting the office or branch has easy access to the information.
- f) All the above details along with a copy of the Ombudsman Scheme will also be prominently displayed on the website of the Company.

2.9 General

- a) The Company shall not discriminate between the 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.
- b) 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.
- c) The Board of Directors of the Company or a committee constituted by the Board will conduct periodical review of the compliance with the FPC and the

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functioning of the Grievances Redressal Mechanism at various levels of management.

- d) The Fair Practice Code will be made available on the website of the Company.

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