Fair Practice Code

I. Introduction

Siemens Financial Services Private limited (SFSPL) is a Non-Banking Finance Company incorporated on the 23rd of September, 2010. SFSPL is regulated by the Reserve Bank of India and is part of Siemens AG, a global powerhouse in electronics and electrical engineering, operating in the fields of industry, energy and healthcare as well as providing infrastructure solutions. The Siemens Group has circa 367,000 employees located in its operations in around 190 countries throughout in the world.

SFSPL offers a range of financial solutions, including lending and leasing programs. The products offered include term loans, leases and hire purchase arrangements for asset financing, such as healthcare equipment, industrial & production machinery, and technology & energy assets for all types of organizations - from small to large enterprises.

SFSPL endeavours to be sensitive to customer needs and provide services in a timely and efficient manner so as to provide a consistent level of customer service.

The Siemens values of being Responsible (Committed to ethical and responsible actions), Excellent (Achieving high performance and excellent results) and Innovative (Being innovative to create sustainable value) are an integral part of SFSPL's culture. These values also form the basis of the Company's processes, policies and behaviour. Treating customers fairly at every stage of the process and building enduring relationships is a vital part of SFSPL living out its values.

The Official language for all communications within the company or with third parties shall be English. All communications to the borrower shall be in English or in Vernacular language / the language as understood by the borrower and intimated to the Company. In this regard, a Declaration will be obtained from all our Borrowers with respect to the language understood by them. This declaration will form a part of the finance agreement itself.

SFSPL would include all necessary information in its finance documents which affects the interests of the borrower, so that a meaningful judgement of the terms and conditions be made by the borrower.

SFSPL has established the following guidelines as a Fair Practices Code for its dealings with customers.

II. Scope of SFSPL's Fair Practice Code

This Fair Practices Code (FPC) is aimed at providing customers with an overview of the practices followed by SFSPL for their dealings with us. The scope of this document is limited to the financial services provided to the customer during their business relationship tenure with SFSPL. It is based on the guidelines on the Fair Practices Code as set out by the Reserve Bank of India.

III. Objectives of Fair Practice Code:

i. To provide full information/knowledge to customers regarding the products and services offered by SFSPL so as to enable them to take an informed decision.

ii. To increase transparency, so that, customers can have a better understanding of what they can reasonably expect of the services.

iii. To promote a fair and cordial relationship between the customer and SFSPL.

IV. Application for Finance and their processing:

i. Finance application forms will include necessary information which affects the interests of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and an informed decision can be taken by the borrower. The finance application form shall indicate the list of documents required during submission of the application form.

ii. SFSPL shall acknowledge the receipt of completed application forms. The time frame within which finance applications will be disposed of will also be indicated in the acknowledgement.

iii. The Company will process finance applications based on information received in writing, in order to ensure a fast and accurate processing service.

iv. Information typically required by SFSPL to process a finance application will depend on the type of business and / or organization applying for the finance and will also include details such as the applicant's name, address, business, years of operation, financial details (the extent dependent on the financing value required) and any applicable business or practice registration number etc.

v. SFSPL will:

a. Provide clear information with regards to interest and fees (if any) charged on an individual contract basis.

b. Process the application within the reasonable timeframe of receipt of the necessary details, provided all required information is available to SFSPL at the time of submission by the customer.

c. Provide written confirmation of its decision to the customer, including the amount of the finance sanctioned, the terms and conditions of the finance, including the annualized rate of interest (and method of application thereof), and any terms of acceptance – including the period for which the acceptance is valid.

d. Issue Sanction letter/term sheet describing the terms and conditions, to all customers whose financial facility has been sanctioned, after due diligence.

e. Ensure that all finance agreements and enclosures provided to customers contain the terms & conditions, and the rate of interest, which shall be enclosed with the finance agreement.

f. Keep on record for a reasonable time all details relating to the finance application decisions.

g. Ensure that all conditions and clauses which form a part of the Finance Agreement is communicated and explained to the Customer in the language as understood by the Customer.

V. Finance Appraisal and Terms & Conditions:

i. The Finance applications shall be assessed in accordance with SFSPL's credit policy.

ii. Upon approval of the finance, a sanction letter/term sheet indicating the amount of finance sanctioned, annualised rate of interest applicable (including method of application thereof), penal interest or delayed payment charges (in case of delay in payments of installments beyond due dates) along with the terms and conditions, shall be conveyed to the finance applicant in writing. A written acceptance of such terms and conditions shall be retained by SFSPL.

iii. The basis of the rate of interest charged to customers will be as per the Company’s Interest Rate Policy and will be agreed in advance with customers by way of finance contract documentation.

iv. A copy of the finance agreement along with a copy each of all enclosures quoted in the finance agreement shall be provided to all the borrowers at the time of sanction / disbursement of finance.

VI. Disbursement of Finance, including changes in terms & conditions:

i. In the event that a customer’s agreement is subject to any changes in its terms and conditions, including variations in its disbursement schedule, interest rates, service charges, prepayment charges etc. A notice in writing will be provided to the customer in advance by SFSPL. Changes in interest rates and charges will be applied as of the effective date of such a change and not retrospectively.

ii. Any decision to recall or accelerate payment due to customer performance under the finance agreement will be in accordance with the terms permissible under the finance agreement

iii. SFSPL will, subject to the contractual terms in accordance to the prevailing law, release all securities associated with a customer finance agreement on repayment of all dues, or on the realization of the outstanding amount of the finance subject to any legitimate right or lien for any other claim the Company may have against the customer. 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 SFSPL is entitled to retain the securities till the relevant claim is settled.

VII. General Provisions:

i. SFSPL shall not interfere in the affairs of the customer except for the purposes set out in the terms and conditions of the finance agreements (unless new information that was not earlier disclosed by the customer, comes to the notice of the Company).

ii. In the event that the customer expresses a request to transfer its obligations under the agreement to another party, SFSPL will give its decision (consent or otherwise) within 21 days from the date of receipt of the request. Any transfer of a customer’s agreement to another party shall be subject to the contractual terms in accordance to the prevailing law.

iii. In the event that it is necessary to recover overdue payments from customers, SFSPL will not unduly harass or persistently bother the customer at inconvenient hours or use undue pressure for the recovery of overdue payments. SFSPL shall ensure that the staff is adequately trained in handling collection activity in a professional manner by adopting a due legal process as per the law of the land.

iv. SFSPL charges interest only as per the terms of the Finance Agreement/Sanction Letter. Any delay in payment of installments as per the repayment schedule will attract penal interest at such rate as has been communicated to the customer in the Sanction Letter and Finance Agreement.

v. SFSPL may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.

vi. SFSPL shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.

VIII. Grievance Redressal Mechanism

SFSPL has an established complaints and grievance procedure (see below). Any grievance or complaint raised by a customer will be treated in accordance with the established processes and policies of the Company.

SFS shall display the following information prominently, for the benefit of its customers, at the branches / places where business is transacted:

i. The name and contact details (Telephone / Mobile nos. and email address) of the Regional Grievance Redressal Officer and Nodal Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company. The Regional Sales Head shall act as the Regional Grievance Redressal Officer and shall be responsible to address the Complaints of the Customers.

   If you have a grievance, please feel free to contact the Regional Sales Head at:

   Western Region:

   1) Mr. Debayan Maity (Mumbai & Nashik Region)
   Mob: +91 9833100633
   Email: debayan.maity@siemens.com

   Siemens Financial Services Pvt Ltd
   Birla Aurora, Level 21, Plot No. 1080,
   Dr. Annie Besant Road, Worli, Mumbai - 400 030

   2) Mr. Arun Kar (Rest of Maharashtra & Chhattisgarh Region)
   Mob : +91 9920380817
   Email: arun.kar@siemens.com

   Siemens Financial Services Pvt Ltd
   7th Floor, Tower C, Panchshil Business Park,
   Balewadi, Pune - 411045

   3) Mr. Ankit Jain (Gujarat & Madhya Pradesh Region)
   Mob : +91 9654105000
   Email: ankit.jain@siemens.com

   Siemens Financial Services Pvt Ltd
   3rd Floor Prerna Arbour, Nr Girish Cold drinks cross road,
   Off CG Road, Ahmedabad, Gujarat

   Southern Region:

   1) Mr. Raghunanda Gupta (Karnataka and Kerala)
   Mob: +91 9986290765
   Email: raghunanda.gupta@siemens.com

   Siemens Financial Services Pvt Ltd
   Jyoti Mahal, 49, St Marks Road, Bengaluru 560001

2) Mr. Prakash P (Tamil Nadu, Andhra Pradesh and Telangana)
Mob: +91 9884824949
Email: prakash.p@siemens.com

Siemens Financial Services Pvt Ltd
4th Floor, Seethakathi Business Centre,
272/688 Anna Salai, Chennai- 600006

Northern Region:

Mr. Adil Mohd

Tel: +91 9873407349
Email: adil.mohd@siemens.com

Siemens Financial Services Pvt Ltd
10th Floor DLF Cyber Park, DLF-Phase III, Sector 20, Gurugram - 122008

Eastern Region:

Mr. Angshuman Mishra

Mob: +91 9874738393
Email: angshuman.mishra@siemens.com

Siemens Financial Services Private Limited
43, Shanti Palli, Eastern Metropolis Bypass,
Rashbihari Connector, Kolkata – 700042

ii. If the complaint / dispute is not redressed within a period of 15 days from the date of receipt of Complaint by the Regional Grievance Redressal Officer, the customer may approach the Nodal Grievance Redressal Officer of SFSPL.

Nodal Grievance Redressal Officer:

Mr. Devendra Malegaonkar
Tel: +91 (022) 6251 7000 / 2191
Email: devendra.malegaonkar@siemens.com / sfs.compliance.in@siemens.com

Siemens Financial Services Pvt Ltd
Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road, Worli, Mumbai - 400 030

iii. If the complaint / dispute is not redressed within a period of 15 days from the date of receipt of Complaint by the Nodal Grievance Redressal Officer, the Customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision (DNBS) of Reserve Bank of India, under whose jurisdiction the registered office of the NBFC falls at:

Chief General Manager-in-Charge,
Reserve Bank of India,
Department of Non-Banking Supervision,
Mumbai Regional Office,
2nd Floor, Central Office, Centre I,
World Trade Centre,
Cuffe Parade, Colaba,
Mumbai - 400 005

Tel: +91 (0)22 22150573
Email: cgmicdosco@rbi.org.in

IX. Issuance of No Due Certificate

SFSPL shall issue No Objection Certificate (NOC) or No Dues Certificate (NDC) after 30 days of settlement of all dues and conditions subsequent, if any, by the Customers.

X. Review of Policy on Fair Practices Code

The Board of SFSPL will review its compliance to this Fair Practices Code on a yearly basis through accurate recording, analysis and review complaints and customer feedback records. The Board will also take steps to address any deficiencies where required and appropriate.

Interest Rate Policy

The rate of interest is determined as per interest rate policy of Siemens Financial Services Private Limited, which takes into consideration elements such as market borrowing (cost of funds), upfront margin and risk premiums.

Our approach to the gradation of risk is not intended to discriminate between classes of borrowers but instead customize the interest rate to correspond with the finance amount. The decision to offer finance, and the interest rate established are thus carefully assessed, and applied on a deal-by-deal basis and consideration of the associated level of risk.

Besides market conditions, the interest rate offered is also based on the obligor's probability of default, their past, present and projected cash flows, the borrower's credit record, the security of the finance as represented by underlying assets or other financial guarantees.

This information is collated through data provided by the customer, market intelligence and information available in public domain. Please note that additional charges (e.g. processing fees, late payment fees, prepayment fees) may be levied during the life cycle of a contract.

Based on the above, our Lending Rates will generally be in between 6% – 23% per annum* which would differ based on the credit worthiness of the obligor, tenure of financing, economic life of asset being financed etc.

* in certain cases, interest rate may fall outside the indicated range, subject to necessary approval from the authority holders which is dependent on the vintage & size of the obligor and the market competitiveness.