

Fair Practices Code

1. Introduction

This has reference to the circular NHB(ND)/DRS/POL.16/2006 dated September 5, 2006, and NHB(ND)/DRS/REG/MC-03/2016 dated July 1, 2017 wherein the National Housing Board had revised the guidelines on Fair Practices Code for Housing Finance Companies to implement the same.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for HFC's as contained in the aforesaid NHB Circular. This sets minimum standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

1.1 Objectives of the Code is to

- a) promote good and fair practices by setting high standards in dealing with Customers;
- b) increase transparency so that customer can have a better understanding of what they can reasonably expect of the services;
- c) encourage market forces, through competition, to achieve higher operating standards;
- d) promote a fair and cordial relationship between customer and ABHFL;
- e) foster confidence in housing finance system.

1.2 Application of Code

This Code applies to all the products and services offered by ABHFL, whether they are provided across the counter, over the phone, by post, through interactive electronic devices, on the internet, through representative such as DSA/ RP or by any other method.

2. To act fairly, in a transparent manner and reasonably in all our dealings with Customer by:

- a) Meeting the commitments and standards in this Code for the products and services we offer, and in the procedures and practices our staff follows;
- b) Making sure our products and services meet relevant laws and regulations in letter and spirit;
- c) Ensuring that our dealings with customer rest on ethical principles of integrity and transparency.

3. Advertising, Marketing and Sales

- a) We will ensure that all advertising and promotional material is clear, and not misleading.
- b) In any advertising in any media and promotional literature that draws attention to service or product and includes a reference to the interest rate, we will also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- c) Customers can get information on interest rates, common fees and charges through any one of following:
 - Calling our branches or helplines;
 - Through our designated staff/ help-desk;
 - From our website.
 - Provide copy of Service Guide/ Tariff schedule

- d) If we avail of the services of third parties for providing support services, we will endeavour that such third parties handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as we would.
- e) ABHFL from time to time will communicate to the customers the features of the products availed from us. Also, information about our other product offerings or promotional offers will be conveyed to the customer if they have their consent to receive such information or service to ABHFL.
- f) We have prescribed a code of conduct for our Direct Selling Agencies (DSAs) whose services we may avail to market our products/ services which amongst other matters requires them to identify themselves when they approach the customer for selling our products personally or through any electronic media.
- g) In the event of receipt of any complaint from Customers that our representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, we will take appropriate steps to investigate and to resolve the complaint to customer's satisfaction.

4 Loans

4.1 (i) Applications for loans and their processing

- a) The 'Application Form / appropriate documents' of ABHFL for each of the products offered by the Company is different depending upon the requirement of each product and will include all information that is required to be submitted by the Borrower. Necessary information will be provided by ABHFL to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other HFC's and taking an informed decision based on the aforesaid comparison.
- b) The 'Application Form/ appropriate documents' of ABHFL may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.
- c) ABHFL has a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. ABHFL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

(ii) Loan appraisal and terms and conditions

- a) Normally all particulars required for processing the loan application will be collected by us at the time of application. However, in case we need any additional information we will contact the Customers immediately.
- b) We will convey the customer in writing by means of sanction letter or otherwise, the amount of loan sanctioned along with all terms and conditions including annualized rate of interest, method of application, EMI Structure, prepayment charges and keep the written acceptance of these terms and conditions by the borrower on its record.
- c) We will invariably furnish a copy of the loan document along with a copy each of all enclosures quoted in the loan document to every borrower at the time of sanction / disbursement of loans.

(iii) Communication of rejection of loan application

We shall communicate in writing to the customer whose application has been rejected stating the reason(s) for rejection of their application.

(iv) Disbursement of loans including changes in terms and conditions

- a) Disbursement would be made in accordance with the disbursement request made by Customers as per their requirements subject to standard terms and conditions mentioned in the Sanction letter / loan documents.

- b) We would give our Customers the notice of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/ charges etc. We would also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard has been incorporated in the loan documents.
- c) If such change is to Customers disadvantage, they may within 60 days and without notice close their account or switch it without having to pay any extra charges or interest.
- d) Decision to recall / accelerate payment or performance under the loan document or seeking additional securities, would be in consonance with the loan documents.
- e) We would release all securities on repayment of all due or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim we may have against Customers. If such right of set off is to be exercised, the Customers/borrowers will be given notice about the same with full particulars about the remaining claims and the conditions under which we are entitled to retain the securities till the relevant claim is settled / paid.

4.2 Guarantee

When one is considering being a guarantor to a loan, we will inform them about:

- i. liability as guarantor;
- ii. the amount of liability that one will be committing to us;
- iii. circumstances in which we will call on guarantor to pay up their liability;
- iv. whether ABHFL has recourse to their other monies if they fail to pay up as a guarantor;
- v. whether their liabilities as a guarantor is limited to a specific quantum or are they unlimited;
- vi. time and circumstances in which their liabilities as a guarantor will be discharged; and we will keep them informed of any material adverse change in the known financial position of the borrower to whom they stand as a guarantor.
- vii. In case the guarantor refuses to comply with the demand made by the creditor /lender, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter.

4.3 Privacy and Confidentiality

We will treat all your personal information as private and confidential [even when you are no longer a customer], and will be guided by the following principles and policies. We will not reveal information or data relating to customer's accounts, whether provided by customer or otherwise, to anyone, including other companies/ entities in our group, other than in the following exceptional cases:

- a) If we have to give the information by law;
- b) If there is a duty towards the public to reveal the information;
- c) If our interests require us to give the information (for example, to prevent fraud) but we will not use this as a reason for giving information about customer or customer accounts (including name and address) to anyone else, including other companies in our group for marketing purposes;
- d) If customer ask us to reveal the information, or if we have customer's permission;
- e) If we are asked to give a reference about customer, we will need customer's consent before we give it;
- f) Customer will be informed the extent of the rights under the existing legal framework for accessing the personal records that ABHFL holds about the customer
- g) We will not use customer's personal information for marketing purposes unless customer provides consent for the same.

4.4 Credit Reference Agencies

- a) When Customer opens an account, we will tell when we may pass the account details to credit reference agencies and the checks we may make with them.
- b) We will give information to credit reference agencies about the personal debts Customer owe us if:
 - i. The Customer has fallen behind with the payments;
 - ii. The amount owed is not in dispute; and
 - iii. Customers have not made proposals that we are satisfied with for repaying your debt, following our formal demand.
- c) We will give credit reference agencies other information about the day-to-day running of your account if customer has given us permission to do so.
- d) In these cases, we may intimate customer in writing that we plan to give information about the debts Customers owe to us to credit reference agencies. At that time we will explain to customer the role of credit reference agencies and the effect of the information we provide can have on customer's ability to get credit.
- e) We will provide Customers a copy of the information that we have given to the credit reference agencies, or provide their leaflets that explain how credit referencing works, if so demanded.

4.5 Collection of Dues

4.5.1 Whenever we give loans, we will explain to customer the repayment process by way of amount, tenure and periodicity of repayment. However if customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding customer by sending notices or by making personal visits and/ or possession of security if any.

4.5.2 Our collection policy is built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or / and security repossession will identify himself / herself and display the authority letter issued by us and upon request display to customer his/ her identity card issued by us or under our authority. We will provide customer with all the information regarding dues and will endeavor to give sufficient notice for payment of dues.

4.5.3 All the members of the staff or any person authorized to represent us in collection or/ and security repossession would follow the guidelines set out below:

- (a) Customers would be contacted ordinarily at the place of their choice and in the absence of any specified place, at the place of their residence and if unavailable, at the place of business/occupation.
- (b) Identity and authority to represent would be made known to Customers at the first instance.
- (c) Customer's privacy would be respected.
- (d) Professional and formal language will be used in all interactions with the customers.
- (e) Decency and decorum to be maintained during visits to customers' place.
- (f) Normally, our representatives will contact Customers between 0700 hours and 1900 hours, unless the special circumstances of your business or occupation demands otherwise.

- (g) Requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.
- (h) We will document the efforts made for recovery of dues and the copies of communications sent to you would be kept on record.
- (i) All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- (j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues.

4.6 Grievance Redressal Mechanism

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

At ABHFL, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. ABHFL has come up with a lot of initiatives that are oriented towards providing a better customer experience and an efficient complaints redressal mechanism with a view to providing enhanced experience to our customers.

In order to make ABHFL's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

4.6.1 Machinery to handle customer complaints/ grievances

Customers who wish to provide feedback or send in their complaint if they are not satisfied with the services provided or may want to report any improper misconduct by ABHFL or its representative such as DSA/ RP /Collection agents etc. may use the following channels between 9:00 am and 9:00 pm, Monday to Sunday.

- Call our Customer Service Helpline on 1800-270-7000
- Email us at care.housingfinance@adityabirlacapital.com
- Write to us at the below mentioned address:

Aditya Birla Housing Finance Limited – Customer Service Cell
One Indiabulls Centre, Tower 1, 15th Floor, 841 Senapati Bapat Marg
Elphinstone Road, Mumbai – 400 013

In case the complaint is not resolved within the given time or if he/she is not satisfied with the solution provided by ABHFL, the customer can approach the Complaints Redressal Officer. The name and contact of the Complaint Redressal Officer is as follows:

Mr. Muthiah Ganapathy
Tel. No.: +91-22-4356 7225
Email Id: muthiah.ganapathy@adityabirlacapital.com

In case the response received through the above channels are not satisfactory, they can write to the Head of our Complaint Redressal Cell at: grievance.housingfinance@adityabirlacapital.com

We assure a response to letters / emails received through this channel within 5 working days.

If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the regulatory authority of Housing Finance companies – the National Housing Bank in offline mode by post, in prescribed format available at below link, at the address given below:

[https://grids.nhbonline.org.in/\(S\(0cixd2l420ampmiuolt4fxz2\)\)/default.aspx](https://grids.nhbonline.org.in/(S(0cixd2l420ampmiuolt4fxz2))/default.aspx)

National Housing Bank

Complaint Redressal Cell

Department of Regulation and Supervision

National Housing HFCs, 4th Floor, Core-5A, India Habitat Centre, Lodhi Road,
New Delhi - 110 003.

Email Id: crcell@nhb.org.in

Website: www.nhb.org.in (Under the head of Grievance Redressal System there is an option to lodge the complaint in Physical mode and Online mode (GRIDS))/
<https://grids.nhbonline.org.in>

<https://grids.nhbonline.org.in>

4.6.2 Mandatory display requirements

ABHFL has the following in all our branches:

- Appropriate arrangement for receiving complaints and suggestions.
- Display of the Name, address and contact number of the Complaint Redressal Officer

The process of the complaints redressal unit will ensure closure of all complaints to the customers' satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

4.6.3 Time frame

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Machinery to handle the customer complaints). If the complaint has been received in writing, ABHFL will endeavor to send an acknowledgement / response within a week. Once the matter is examined, ABHFL endeavors to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint.

Complaints that are received at our end will be seen in the right perspective and would be analysed from all possible angles.

The communication of ABHFL's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.

The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by ABHFL in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

4.6.4 Regulation of excessive interest charged

The Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.

The Company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.

The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.

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