



## **FAIR PRACTICE CODE**

## **Table of Contents**

<b>Sr. No.</b>	<b>Particular</b>	<b>Page No.</b>
I	INTRODUCTION	3
II	OBJECTIVES OF POLICY	3
III	COMMITEMENTS	3
IV	APPLICATION OF THE CODE	3
V	ADVERTISING, MARKETING AND SALES	3
VI	APPLICATION FOR LOAN AND THEIR PROCESSING	4
VII	LOANS APPRAISAL, TERMS/CONDITIONS AND COMMUNICATION OF REJECTION OF LOAN APPLICATION	5
VIII	DISBURSEMENT OF LOANS INCLUDING CHANGE IN TERMS AND CONDITIONS	5
IX	GUARANTORS	6
X	PRIVACY AND CONFIDENTIALITY	6
XI	CREDIT REFERENCE AGENCIES:	6
XII	COLLECTION/RECOVERY OF DUES	7
XIII	COMPLAINTS AND GRIEVANCES	7
XIV	REGULATION OF EXCESSIVE INTEREST RATES	9
XV	GENERAL	9

## **I. INTRODUCTION**

The purpose of this document is to define the Fair Practice Code (FPC) of the Company in accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 for Housing Finance Companies.

The Board of Directors of the Company, had approved and adopted the “**Fair Practice Code**” accordingly to provide transparency in business dealing with the customers of the Company.

The said code deals to promote good and fair practice, increase transparency, encourage market forces; promote a fair and cordial relationship between borrower / Customer and the Company and to foster confidence of the customer in the Company.

This is living document and supposed to be updated on a regular basis. Any regulatory change that would impact the FPC aspects of the company would be reflected here.

## **II. OBJECTIVES OF THE CODE**

1. To serve the customers as part of best services and to provide transparency in business practices.
2. To promote fair and cordial relationship between the customers and company.
3. To foster confidence in the housing finance system.
4. To encourage the market forces through competition to achieve higher operating standards.
5. To promote good and fair practices.

## **III. COMMITTEMENTS**

To Act fairly and reasonably in all their dealings with their Customers, SRGHFL shall meet the commitments and standards set in this Code for the products and services offered and make sure that products and services meet relevant laws and regulations in letter and spirit in order to ensure that dealings with customer rest on ethical principles of integrity and transparency.

## **IV. APPLICATION OF THE CODE**

The code shall be applicable across all aspects of operations including marketing, loan origination processing and servicing and collection activities etc. Our commitment to Fair Practice Code would be demonstrated in terms of employee responsibility, efficiency, monitoring and auditing programmes, training and technology.

Through regular meetings, training programmes etc. and other modes of the communication employees would be made aware of the code so that there is a strong commitment for fair and quality lending and efficient and fair services.

It shall be applicable to all the products and services offered from all the operating/service locations of SRGHFL. The Code must be strictly followed by all the authorized functionaries, Direct selling agents (DSA), Agents, Counselor(s), Partner(s) and Digital Lending Platforms (Self-owned and/or under an outsourcing arrangement) across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

## **V. ADVERTISING, MARKETING AND SALES**

**Company shall ensure that:**

- a. All advertising and promotional material is clear, and not misleading.
- b. In any of its advertisement in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- c. Provide information on interest rates, common fees and charges through putting up notices in its

branches; through telephone or help-lines; on the company's website; through designated staff / help desk; or providing service guide / tariff schedule.

- d. If avails of the services of third parties for providing support services shall require that such third parties handle customer's personal information (if any available to such third parties) with same degree of confidentiality and security as the Company would.
- e. May from time to time, communicate to customers various features of their products availed by them. Information about their other products or promotional offers in respect of products / services may be conveyed to customers only if he / she have given his / her consent to receive such information/service either by mail or by registering for the same on the website or on customer service number.
- f. Shall prescribe a code of conduct for the Direct Selling Agencies (DSAs) whenever applicable to company whose services are availed to market products / services which amongst other matters require them to identify themselves when they approach the customer for selling products personally or through phone.
- g. In the event of receipt of any complaint from the customer that the Company's representative or DSA (if any) has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complaint and to make good the loss.

## **VI. APPLICATION FOR LOAN AND THEIR PROCESSING**

- a) All communications to the borrower shall be in the vernacular language or a language as understood by the Borrower.
- b) SRGHFL shall transparently disclose to the borrower(s) all information regarding fee/charges payable for processing the loan application, the amount of login fees non- refundable if the loan amount is not sanctioned/disbursed or rejected, prepayment options and charges therein, if any, penalty for delayed repayment if any, fixed rate of interest, existence of any interest re-set clause and any other matter which affects the interest of the borrower(s). In other words, the SRGHFL shall disclose "all in cost" inclusive of all charges involved in processing/sanction of loan application in a transparent manner. It should also ensure that such charges/fees are non-discriminatory.
- c) Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison of the terms and conditions offered by others can be drawn and an informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form.
- d) SRGHFL shall devise a system of giving acknowledgement for receipt of all loan applications. SRGHFL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.
- e) Company would disclose all the charges involved in processing/sanctioning loan in a transparent manner. All the fees/charges would be non-discriminatory in nature. The borrower will be disclosed following information –
  - Fees/charges payable for processing of the loan application.
  - The amount of fees refundable and non-refundable if the loan amount is not sanctioned or disbursed,
  - Pre-payment options and charges, if any.
  - Penalty for delayed repayment, if any.
  - Existence of Fixed Rate of Interest.
  - Existence of any interest re-set clause.
  - Any other matter that affects the interest of the borrower.
- f) SRGHFL shall not discriminate amongst physically challenged, disable/differently able or blind persons in any manner while dealing them. SRGHFL shall treat such person with humanitarian approach and give priority over other visiting clients at the branch in attending his

queries/application of such persons. Also, SRGHFL shall take special efforts to make it easy and convenient for customers like senior citizens, physically challenged, differently abled or blind persons while providing service.

**VII. LOANS APPRAISAL, TERMS/CONDITIONS AND COMMUNICATION OF REJECTION OF LOAN APPLICATION**

- a) Normally all particulars required for processing the loan application shall be collected by the SRGHFL at the time of application. In case it needs any additional information, the customer should be told that he would be contacted immediately again.
- b) SRGHFL shall convey in writing to the customer in the vernacular language or a language as understood by the customer by means of sanctioned letter or otherwise, the amount of loan sanctioned along with the terms and conditions which shall include annualized rate of interest, method of application, EMI structure, pre-payment charges, penal interest and shall obtain written acceptance of these terms and conditions from the customer for record.
- c) SRGHFL shall mention the penal interest charged for late repayment in bold in the loan agreement.
- d) SRGHFL shall invariably furnish a copy of the loan agreement along with a copy of each of the enclosures quoted in the loan agreement to every borrower at the time of sanction/ disbursement of loans, against acknowledgement.
- e) In case of rejection of loan application, the customer shall be communicated in writing of the SRGHFL's inability to offer him/her/them the loan along with the reasons(s) for rejection.

**VIII. DISBURSEMENT OF LOANS INCLUDING CHANGE IN TERMS AND CONDITIONS**

- a) SRGHFL shall ensure that disbursement is made in accordance to the agreed disbursement schedule (original or revised) given in loan agreement/sanction letter.
- b) SRGHFL shall give advance notice to its customers in the vernacular language or a language as understood by the customer of change in the terms & conditions including disbursement schedule, interest rate, penal interest, service charges, prepayment charges, other applicable fees/charges etc. and in case of others by Public Notice/display on Notice Board at the branches/ on the Company's website from time to time.
- c) SRGHFL ensure that the decision to recall/accelerate payment or performance under the agreement or seeking additional securities, it should be in consonance with the loan agreement.
- d) SRGHFL shall release all securities immediately on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim, SRGHFL may have against borrower. 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 SRGHFL are entitled to retain the securities till the relevant claim is settled /paid.
- e) Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively. A suitable term has to be incorporated in the loan agreement wherever necessary.
- f) If the changes are to the disadvantage of the customers, he/she/they may close or switch the account at any time (without notice) within 60 (sixty) days without having to pay any extra charges.

## **IX. GUARANTORS**

Guarantor means a person who has taken obligation in support of borrower. Preferably Guarantor should be government servant or any other person. Company will inform the person acting as guarantor about:

- i. His/her ability as guarantor;
- ii. The amount of liability he/she is committed to;
- iii. Circumstances in which he/she may be called upon by Company to pay off the liability;
- iv. Whether Company has recourse to his/her other monies in the company if he/she fails to pay up as a guarantor;
- v. Whether his/her liabilities are restricted to specific quantum or are unlimited;
- vi. Time & circumstances under which his/her liabilities as a guarantor would be discharged and the manner of notification by Company. Further he/she would be kept informed about the financial position of the borrower.
- 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 willful defaulter.

Company shall keep him/her informed of any material adverse change/s in the financial position of the borrower to whom he/she stands as a guarantor.

## **X. PRIVACY AND CONFIDENTIALITY:**

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers], and shall be guided by the following principles and policies. Company shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies entities in their group, other than in the following exceptional cases:

- i. If the information is to be given by law;
- ii. If there is a duty towards the public to reveal the information;
- iii. If the Company's interests require them to give the information (for example, to prevent fraud) but it should not be used as a reason for giving information about customer or customer accounts [including customer name and address] to anyone else, including other companies in the group, for marketing purposes;
- iv. If the customer asks the Company to reveal the information, or with the customer's permission;
- v. If company is asked to give a reference about customers, it shall obtain his/her written permission before giving it;
- vi. The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that a company holds about him /her;

Company shall not use customer's personal information for marketing purposes by anyone including company unless the customer specifically authorizes them to do so.

## **XI. CREDIT REFERENCE AGENCIES:**

Customer are hereby informed that at the time of opening a new account, the Company will pass his / her account details to credit reference agencies and the checks the Company may undertake in this regard. Company may give information to credit reference agencies about the personal debts the customer owes it if:

- i. The customer has fallen behind with his / her payments;
- ii. The amount owed is not in dispute; and
- iii. The customer has not made proposals that the company is satisfied with, for repaying his / her debt, following company's formal demand.

The Company will provide information to credit reference agencies about the personal debts, the customer owes to it. In these cases, the Company shall intimate customer in writing (if required) its plan to give information about the debts he/she owes it to credit reference agencies. At the same time, the Company shall

explain to the customer the role of the credit reference agencies and the effect the information they provide can have on your ability to get credit.

The Company may give credit reference agencies other information about the customer's account if he/she has given permission to do so.

The Company shall provide the customer with a copy of the information which the Company has given to the credit reference agencies about the customer, if so, demanded by him/ her.

## **XII. COLLECTION/RECOVERY OF DUES**

Whenever loans are given, company should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him / her notice or by making personal visits and / or repossession of security if any.

The company' collection/Recovery policy is built on courtesy, fair treatment and persuasion. Company believes in fostering customer confidence and long-term relationship. Company's staff or any person authorized to represent them in collection of dues or / and security repossession shall identify himself / herself and display the authority letter issued by the Company and upon request. Company shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.

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

- i. Customer would be contacted ordinarily at the place of his / her choice and in the absence of any specified place at the place of his / her residence and if unavailable at his / her residence, at the place of business / occupation.
- ii. Identity and authority to represent the customer should be made known to the customer at the first instance.
- iii. Customer's privacy should be respected.
- iv. Interaction with the customer shall be in a civil manner.
- v. Company's representatives shall contact the customers between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise.
- vi. Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- vii. Time and number of calls and contents of conversation would be documented.
- viii. All assistance should be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- ix. During visits to customer's place for dues collection, decency and decorum should be maintained.
- x. Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.

## **XIII. COMPLAINTS AND GRIEVANCES**

- i. Company would have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- ii. Company's Board would lay down a grievance Redressal mechanism to resolve complaints. Such a system would try to dispose of and settle disputes at the next higher level.
- iii. Company would let customer know where to find the company's procedure of handling complaints fairly and quickly.
- iv. If the customer wants to make a complaint, he/she should be told:
  - a. How to do this
  - b. Where a complaint can be made
  - c. How a complaint should be made
  - d. When to expect a reply
  - e. Whom to approach for Redressal

- f. What to do if the customer is not happy about the outcome.
- g. Company's staff shall help the customer with any questions the customer has.

v. Machinery to handle customer complaints/grievances:

LEVEL	Particulars
LEVEL -1 Branch/ Toll-free number	<ul style="list-style-type: none"> <li>➤ Call us on our Toll Free No. 1800 1212 399 (Monday to Saturday – 10:30 am to 5 pm)</li> <li>➤ Get your complaint logged in and seek a complaint ticket ID for further follow-up at your nearest SRGHFL branch from Monday to Saturday between 10:30 am to 5 pm.</li> </ul>
LEVEL -2 Grievance Redressal Officer (if complain is not resolved within 20 days from level 1 he can compliant at Level 2)	<p>Mr. Lavang Murdia (Grievance Redressal Officer)</p> <p>321, S.M. Lodha Complex Near Shastri Circle Udaipur Rajasthan 313001 Tel no: 0294-2561882 Email: <a href="mailto:cgrcell@srghousing.com">cgrcell@srghousing.com</a></p>
LEVEL -3 National Housing Bank	In case the Customer do not receive any response from SRGHFL or he is not satisfied with the response, he may contact the National Housing Bank at the following address:
Online Mode	Complainant may click on following link for registering complaint: <a href="https://grids.nhbonline.org.in">https://grids.nhbonline.org.in</a>
Offline Mode	<p>In offline/ physical mode by post, you may write in prescribed format available at link <a href="#">Complaint_form.pdf</a> (<a href="http://nhb.org.in">nhb.org.in</a>) to the following address:</p> <p>The Complaint Redressal Cell, Department of Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi – 110 003</p>

- vi. If a complaint has been received in writing from a customer, Company shall endeavor to send him/her an acknowledgement / response within a week. The acknowledgement should contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at HFC's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- vii. After examining the matter, Company shall send the customer its final response or explain why it needs more time to respond and shall endeavor to do so within 30 days of receipt of a complaint and he/she should be informed how to take his/her complaint further if he/she is still not satisfied.
- viii. Complaints will be entertained after verification with the complainant within a reasonable time. To enable us to contact and verify the information person's correct contact details is essential.
- ix. SRGHFL has the following in all our branches:
  - a) Appropriate arrangement for receiving complaints and suggestions.
  - b) Display of the Name, address and contact number of the Complaint Redressal Officer
  - c) Turnaround time for resolving the issue, matrix for escalation, etc.
  - d) In case the complainant does not receive response from the company within a period of one month or is dissatisfied with the response received, the complainant may approach the Complaint Redressal

Cell of National Housing Bank by lodging its complaints online on the website of NHB or through post to NHB, New Delhi.

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

#### **XIV. REGULATION OF EXCESSIVE INTEREST RATES:**

- a) SRGHFL shall inform the customer that Company charge fixed rate of interest over the product offered by the Company.
- b) SRGHFL has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.
- c) 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.
- d) 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.
- e) The rate of interest will be annualized so that the borrower is aware of the exact rates that would be charged to the account.
- f) Instalments collected from borrowers should clearly indicate the bifurcation between interest and principal.

#### **XV. GENERAL**

Company shall:

- i. Explain the key features of its loan products including applicable fees and charges while communicating the sanction of the loan. Company would provide information about products & services in English. In case of demand, it may be provided in Hindi or other language.
- ii. Advice what information/documentation required from customer to enable him / her to apply. Customer would also be advised regarding what documentation is needed from him / her with respect to customer's identity, address, employment, etc. and any other document that may be stipulated by statutory authorities (e.g. PAN details) in order to comply with legal and regulatory requirements.
- iii. Verify the details mentioned by the customer in the loan application by contacting them at their residence and / or on business telephone numbers and / or physically visiting his/her residence and/or business addresses through agencies appointed for this purpose, if deemed necessary by the Company.
- iv. Customer would be informed to co-operate if the Company needs to investigate a transaction on his/her account and with the police/ other investigative agencies, if the Company needs to involve them.
- v. The Company would advise the customer that if he/ she act fraudulently, he/she will be responsible for all losses on his/her account and that if he/she act without reasonable care and this causes losses, he/she may be responsible for the same.
- vi. The Board of Director of company provide for periodical review of the compliance of the fair practices code at various levels of management. A consolidate report of such reviews (if required) may be submitted to the Board at regular intervals, as may be prescribe by it.
- vii. Company shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further Company shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude Company from instituting or participating in schemes framed for different sections of the society.

- viii. Company shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
- ix. SRGHFL shall obtain a document containing the most important terms and conditions (MITC) of loan in all cases. The document will be in addition to the existing loan and security documents being obtained by SRGHFL.
- x. To publicize the code, company shall:
  - a. Provide existing and new customers with a copy of the Code.
  - b. make this Code available on request either over the counter or by electronic communication or mail;
  - c. make available this Code at every branch/ satellite centers and on their website; and
  - d. Ensure that their staff are trained to provide relevant information about the Code and to put the Code into practice.
- xi. The Company reserves to itself the right to alter/delete/add to these codes at any time without prior individual notice and such alterations /deletion/addition shall be binding.

(updated till 23-05-2024)

**\*End of Document\***