



# Indiabulls Housing Finance Limited

## Fair Practice Code

**(Reviewed and Approved by the Board in its meeting held on November 14, 2023)**

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## 1 Introduction & Objectives

The purpose of the Fair Practice Code is to offer transparency in transactions between the institutions and the end users and provide for well informed business relationships. This Code is in line with the “Guidelines on Fair Practices Code for HFCs” RBI/2020-21/73-DOR.FIN.HFC.CC.No. 120/03.10.136/2020-21 Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (updated from time to time) (“**Master Directions, 2021**”) issued by the Reserve Bank of India (“**RBI**”). The Board of Directors of the Company in its meeting has decided to suitably modify the existing Fair Practices Code adopted/modified from time to time in the past. This Fair Practices Code shall be applicable to IHFL as well as its subsidiaries. All the staff members, officials and authorized representatives of the Company shall strictly comply with the modified code while dealing with the customers.

## 2 Target Audience

The members of the Board and all Departments shall be the primary audience for this document. The document shall not be circulated beyond mentioned individuals without prior permission from the Head of respective Department.

## 3 Applicability and Validity of the Policy

This policy will become applicable from such date as approved by the Board of Directors. The Board will review, validate, update, and approve the Policy at least annually. Any revisions in specific aspects of this policy may be communicated through mandates issued by the relevant authority and will become part of this policy from the date they become effective.

## 4 Objectives of the code

This Code has been formulated by the Company to achieve the following objectives:

- Promote good and fair practices by setting minimum standards in dealing with customers.
- Increase transparency so that the customer can have a better understanding of what he/she can reasonably expect of the services provided by the Company.
- Encourage market forces, through competition, to achieve higher operating standards.
- Promote fair and cordial relationship between the Customer and the Company and thus foster confidence of the former in the latter.
- Foster confidence in the housing finance system.

## 5 Application of the code

This Code apply to all the loan products, services viz., Housing Loan, Personal Loan, Mortgaged Loan, Commercial Loan, Demand & Call Loan, Vehicle Loan, Loan against Hypothecation or any other products & services which are presently being provided or which may be introduced hereafter These services can be offered across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. It shall also apply to all the employees of the company.

## 6 Commitment to Customers

IHFL will be just for all customers and define fair customer experience by ensuring:

- **To act fairly and reasonably in all dealings with customers:** The Company shall meet the commitments and standards in this Code for the products and services it offers and in the procedures and practices its staff follows. All the products and services would meet

relevant laws and regulations in letter and spirit and dealings with customers and shall rest on ethical principles of integrity and transparency.

- **Disclosures to borrower:** While dealing with the customers, the company shall refrain from interference in the affairs of the borrower except for the purpose(s) provided in the terms and conditions of the loan agreement. Company must disclose 'all in cost' inclusive of all charges involved in processing / sanction of loan application in a transparent manner. It should also be ensured that such changes / fees are non-discriminatory in all regards.
- **Advertising, Marketing and Sales:** The company shall ensure:
  - All advertising and promotional material released by the Company is clear, and not ambiguous/misleading.
  - Any advertisement released in media and/or promotional literature that draws attention to any service or product of the Company and includes a reference to an interest rate, shall also indicate other fees and charges, if any, applicable to such product or service and full details of the relevant terms and conditions would be made available on request.
  - Information on interest rates, common fees and charges shall made available to customers through putting up notices in their branches; through telephone or help-lines; on the company's website; through designated staff / help desk or by providing service guide / tariff schedule.
  - Whenever the services of any third party is used for providing support services, we shall ensure that such third party handles customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as we would.
  - Company may, from time to time, communicate to customers various features of its products availed by them. Information about any other products or promotional offers in respect of products / services shall be conveyed to customers only if he / she has 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
  - A prescribed a code of conduct to the Direct Selling Agencies (DSAs) is defined whose services we may avail 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.
  - In the event of receipt of any complaint from the customer that Company's representative / courier or DSA 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 indemnify the customer if found appropriate.
  - Loans sourced over Digital Lending Platforms : Wherever company engage digital lending platforms as their agents to source borrowers and/ or to recover dues, they must follow the following instructions:
    - Names of digital lending platforms engaged as agents shall be disclosed on the website.

- Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the company on whose behalf they are interacting with him.
- the sanction letter shall be issued to the borrower on the letter head of the company.
- A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all borrowers at the time of disbursement of the loans.
- Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the company.

## **7 Loans**

Before lending any money the company shall make the process of taking loan, terms and condition and changes with respect to same clear:

### **➤ Application of loan and their processing:**

- At the time of sourcing a loan product, loan applicants should be provided necessary information including interest rates applicable to the borrower, the fees/charges (if any) payable for processing the loan, pre-payment options and charges if any and any other details, which may affect the interest of the borrower, so as to enable the customer to make a meaningful comparison with those of other companies and make an informed decision.
- The company shall provide acknowledgement for receipt of all loan applications. The applicant will be informed about the time frame within which loan applications will be disposed while accepting application. The Company shall dispose of fully completed loan application within 30 days from the date of submission of the proposal together with all the requisite documents, the list of which will form a part of loan application form and any additional information or documents asked during the appraisal or review of the application.

### **➤ Loan Appraisal terms and conditions:**

- Normally all particulars required for processing the loan application shall be collected by the company at the time of application. In case any additional information is required, the customer shall be intimated that he would be contacted immediately again;
- The company should convey in writing (physically or digitally) to the borrower by means of documents like MITC (Most Important Terms & Conditions), 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, penal charges and keep the written acceptance of these terms and conditions by the borrower on its record;
- The company shall furnish a copy of loan agreement along with a copy each of all enclosures in the loan agreement to every borrower at the time or after disbursement of loans.

### **➤ Communication of rejection of loan request:**

If the Company cannot provide the loan to the customer, it shall communicate in writing the reason(s) for rejection.

➤ **Disbursement of loan including changes in terms and conditions:**

- Disbursement should be made in accordance with the disbursement request made by the customer or the disbursement schedule given in the Loan Agreement/ Sanction Letter;
- The company shall provide notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, penal charges, other applicable fee/ charges etc. well in advance through any form of recognized communication methods to his/her recorded contact point. The company shall also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement.
- The loan facility may be reappraised on legal, technical, and/or financial terms before disbursement or during the continuity of the loan wherever needed and Company may hold, suspend, downsize, cancel or recall the loan facility, if any findings make it necessary to do so in the interest of the Company. Notwithstanding anything to the contrary, the disbursement of loan amount shall be subject to the provisions of the sanction letter and the loan agreement.
- In case the Loan limit is not fully drawn/ disbursed within twelve (12) months from the date of first disbursement, due to any reason whatsoever, the Company reserves right to suspend further disbursement of the loan amount and downsize the loan limit to availed amount.
- If such change is to the disadvantage of the customer, he/she may intimate in writing within 60 days and without notice close his/ her account or switch it without having to pay any extra charges or interest.
- The Company, at the request of the borrowers or otherwise as required, may provide the option to the borrowers to revise the spread during the Tenure of the Loan. In such case, the borrowers will have the option to avail revised spread/ switch facility against the Loan with prospective effect subject to necessary verifications and on payment of fees and execution of additional documents as may be required by the Company (in a format satisfactory to the Company), in this regard. It shall be the responsibility of the borrowers to keep themselves informed about the switch facility/revision of the spread and benchmark rate(s), from time to time. Please note that it shall be the sole discretion of the Company to provide the option/switch facility for reduction/revision of spread against the Loan(s) and as such, the Company reserves the right to reject/ withdraw/ annul the same, at any time.
- Decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, should be in consonance with the loan agreement.
- The Company shall release all securities on repayment of all dues and on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim of the company against borrower. If the Company decides to exercise its right of set off, the borrower shall 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.
- Any request for foreclosure or transfer of a loan account, either from the borrower or from a bank/financial institution, consent or rejection of request for any reason(s)

shall be intimated to the borrower about its admissibility. Foreclosure charges shall be applicable as per prevailing prepayment policy of the Company so framed in compliance with the Regulatory Guidelines applicable at that point of time, which are displayed on Company's website.

## **8 Penal Charges**

- Penal Charges shall be levied to the borrowers on breach or non-compliance of any of the terms and conditions of loan contract or on occurrence of any event of default under the loan documents.
- The quantum of the penal charges will be applicable as specified in the loan agreement or as may be specified as per the policy of company from time to time. The quantum of such charges shall be disclosed to the customers in the loan agreement, most important terms & conditions, and on the website of the company.
- The penal charges shall be levied at a uniform rate, without any discrimination in class or segment of the borrowers for similar nature of breach of terms like individual borrowers or non-individual
- The communication for applicable penal charges will be sent to borrowers in the reminders being sent for breach of any of the terms and conditions of loan.

## **9 Reset of Floating Rate of Interest**

- On increase in the rate of interest, the increase in the EMI/ tenor or both on account of this shall be communicated to the borrower immediately through appropriate channels
- On such revision in EMI /Residual tenor or both, the borrowers shall have the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.
- Any reduction in rate of interest will have an effect on the Tenure of the Loan and amount of equated monthly instalment(s) ("EMI") will remain unchanged,
- At the time of sanction also, the borrowers shall be informed about the possible impact of change in benchmark rates on the loan, leading to changes in EMI and/or tenor or both and options for rate switch options.
- On revision of rate of interest, switch options will be provided to the borrowers as per the Rate switch policy of the company.
- The company may offer the Floating or Fixed or Fixed & Floating Rate of Interest to its new borrowers as decided from time to time, however the Rate Switch shall be available for loans on Floating Rate of interest only.
- The company shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter enumerating the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan.

## **10 Release of Movable / Immovable Property Documents on Repayment / Settlement of Personal Loans**

- The company shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account and closure of the loans and subject to satisfaction of all other terms and conditions of the loan documents.
- The borrower as per his / her preference can collect the original property documents from the branch where the loan account was serviced or any other office, where the documents are available.
- In case of delay in release of original movable / immovable property documents, Issuance of NOC or satisfaction of charge with CERSAI registry beyond 30 days post closure of loans subsequent to full repayment/ settlement and satisfaction of all other terms of loan documents, the company will send a communication to the borrower reasons for such delay.
- In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
- In case of exceptional circumstances like demise of the borrower or similar such situations, the company may require to peruse specific documents and perform required checks to its satisfaction before handover of the original property documents to the legal heirs or to the authorized persons and time taken for this process shall not be construed as delay. Detailed guidelines in this regard can be also referred on the website of company.
- Where the customer fails to collect the property papers in time, the company can levy charges for safe custody of property documents post lapse of 30 days from closure of the loan at per day rate of Rs. 1000/- plus statutory levies, if any.
- In case of loss/damage to original movable / immovable property documents, either in part or in full, the company shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. In such cases, an additional time of 30 days will be availed by the Company to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

## **11 Guarantors**

If the customer wants the company to accept a guarantee or other security from someone for his liabilities, the company may ask the customer for his permission to give confidential information about his finances to the person giving the guarantee or other security, or to their legal adviser.

When a person is considering being a guarantor to a loan, he/she should be informed about:

- his/her liability as guarantor
- the amount of liability he/she will be committing him/herself to the company;
- circumstances in which company will call on him/her to pay up his/her liability
- Whether company has recourse to his/her other monies in the company if he/she fail to pay up as a guarantor.



- whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited.
- time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which Company will notify him/her about this and
- Any material adverse change/s in the financial position of the borrower to whom he/she stands as a guarantor.
- 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.

## **12 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. The Company shall inform the customers the extent of his/her rights under the existing legal framework for accessing the personal records that the Company holds about him and shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other company's entities in their group, other than in the following exceptional cases:

- If the information is to be given by law or by the direction of the regulator/s.
- If there is a duty towards the public to reveal the information.
- If the Company's interests require them to give the information (for example, to prevent fraud) but the same shall not be used as a reason for giving information about customer or customer accounts [including customer name and address] to anyone else.
- If the customer asks the Company to reveal the information, or with the customer's permission.
- If the Company is asked to give a reference about customers, with his / her written permission.
- The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that company holds about him /her.
- The Company shall not use customer's personal information for marketing purposes by anyone unless the customer specifically authorizes to do so.

## **13 Credit Rating Agencies**

- When a customer opens an account, the Company shall inform him / her that the Company may pass his / her account details to credit reference agencies and the checks that may make with them.
- The Company may give information to credit reference agencies about the personal debts the customer owes to the Company if:
  - The customer has fallen behind with his / her payments;
  - The amount owed is not in dispute; and
  - The customer has not made proposals that the Company is satisfied with, for repaying his / her debt, following Company's formal demand.
- In these cases, Company shall intimate the customer in writing that it plans to give information about the debts the customer owes to the Company to credit reference agencies. At the same time, the Company shall explain to the customer the role of credit reference agencies and the effect the information they provide can have on customer's ability to get credit.

- The Company may give credit reference agencies other information about the customer's account if the customer has given his / her permission to do so. A copy of the information given to the credit reference agencies shall be provided by the Company to the customer, if so demanded.

#### **14 Collection of Dues**

- When the loans are given, the Company shall explain to the customer the repayment process by mentioning amount, tenure and periodicity of repayment in the welcome letter. 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.
- Company's collection policy is based on courtesy, fair treatment and persuasion. The Company believes in fostering customer confidence and long-term relationship. The staff or any person authorized to represent the Company in collection of dues or / and security repossession shall identify himself / herself and display the authority letter issued by the Company. He/ She shall upon request, display his / her identity card issued by the Company or under authority of the company. 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 shall strictly follow the Codes set out below:
  - 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.
  - Identity and authority to represent the Company shall be made known to the customer at the first instance.
  - Customer's privacy shall be respected.
  - Interaction with the customer shall be in a civil manner. Utmost care shall be taken in the use of language while interacting, so that at any point of time the customer should not feel hurt/feel any un-courteous treatment. While interacting with women borrowers, due respect as per Indian culture and tradition shall be maintained.
  - Company's representatives shall contact the customers between 0800 hrs. and 1900 hrs., unless the special circumstances of the customer's business or occupation require otherwise.
  - Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
  - Time and number of calls and contents of conversation would be documented.
  - All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
  - During visits to customer's place for dues collection, decency and decorum shall be maintained.
  - Inappropriate occasions such as bereavement in the family or such other calamitous occasions, if comes to the knowledge the Company, shall be avoided for making calls/visits to collect dues unless the same is required for meeting legal compliance.

## 15 Complaints and Grievances

- The Company shall inform the customer regarding the Complaint Resolution Process and turn-around time for replying to the complaint.
- The Company shall inform the customer about the procedure followed for handling complaints fairly and quickly on its website as updated, from time to time.
- Details of Company's procedure for handling complaints fairly and quickly would be made available to the customers on its website.
- Where a complaint is received in writing from a customer, an acknowledgement would be sent to customer within a week. If the complaint is received over phone at the Company'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.
- After examining the matter, the Company shall send the customer its final response, or interim response explaining the reason for delay within thirty (30) working days of receipt of a complaint. Additionally, if the complainant is still not satisfied he/she should be informed how to take his/her complaint further.
- The Company has established a system where by access to the complaint handling process is made available to the complainants at free of charge. Complaints redressal process & decisions to be taken for satisfactory/time bound resolution of complaints at various levels & escalation matrix to be followed by the respective official has been defined in Company's grievance redressal policy.

If a customer wants to make a complaint he/ she should be told:

- How to register a complaint
- Where a complaint can be made
- The office address, email id, ., phone no., etc. where a complaint can be made and designated authority to whom the complaint can be made to
- When to expect a reply
- Whom to approach for redressal if the complainant is not satisfied with the reply to his complaint.
- Company's staff shall help the customer with any questions the customer has.

At level 1 the customer can contact the company via below call center number for the query/ request or visit nearest branch.

- Call at 1800-572-7777

If the customer is not satisfied with the response provided by call center executive, the customer can write on:

- Email - [www.indiabullshomeloans.com/contact-us/level-one](http://www.indiabullshomeloans.com/contact-us/level-one)

If the customer experiences that the issue is not resolved as per satisfaction, the customer can contact on the below link:

- Email - [www.indiabullshomeloans.com/contact-us/grievance-redressal](http://www.indiabullshomeloans.com/contact-us/grievance-redressal)

If the complaint is not resolved at level 2 by Grievance Redressal team or has experienced a breached TAT (Turnaround Time) the same shall get escalated to Nodal officer. Further, in

case the resolution provided by Grievance Redressal at Level 2 is not satisfactory, customer may forward the concern to the Nodal Officer at below mentioned address.

The General Manager,  
Nodal Officer, Grievance Redressal  
Indiabulls Housing Finance Limited  
422 B, Udyog Vihar Phase IV,  
Sector 18 Gurugram,  
Haryana - 122015

➤ If the complaint is not redressed satisfactorily within 30 working days, customer may forward the grievance to National Housing Bank by lodging the complaint in online mode at the link <https://grids.nhbonline.org.in> OR in offline mode by post, in prescribed format available at link [https://nhb.org.in/citizencharter/Complaint\\_form.pdf](https://nhb.org.in/citizencharter/Complaint_form.pdf), to complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, Department of Regulation & Supervision, (Complaint Redressal Cell), 4th Floor Core 5A, India Habitat Centre, Lodhi Road, New Delhi – 110003.”

### 13 General

- The company shall verify the details mentioned by customer in the loan application by contacting him/her at his/her 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.
- If the Company needs to investigate a transaction on the customer’s account with the police/ other investigative agencies, the customer shall be informed to co-operate if IHFL needs to involve the customer.
- IHFL will advise the customer in the event that if he/she acts fraudulently, he/she will be responsible for all losses on his/her account and that if the customer acts without reasonable care and this causes losses, the customer may be held responsible for the same
- In case the customer need any support and clarification with respect to the code and practice and procedure adopted by IHFL in its normal course of business, the Customer can reach IHFL either by phone through its toll free Helpline : 1-800-572-7777 or by e-mail at [homeloans@indiabulls.com](mailto:homeloans@indiabulls.com)/[customerservice@indiabulls.com](mailto:customerservice@indiabulls.com), or may see the Grievance Redressal Policy of the Company displayed in website of the Company ([www.indiabullshomeloans.com](http://www.indiabullshomeloans.com))
- The Company shall display about their products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- The 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.
- The company shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
- To publicize the code, the Company shall:
  - provide existing and new customers with a copy of the Code

- make this Code available on request either over the counter or by electronic communication or mail;
  - make available this Code at every branch and on their website; and
  - ensure that their staff are trained to provide relevant information about the Code and to put the Code into practice.
- The Board of Directors of the Company should provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

#### 14 Abbreviations

<b>Abbreviations</b>	<b>Details</b>
DSA	Direct Selling Agent
IHFL	Indiabulls Housing Finance Limited
HFC	Housing Finance Company