

# SAHARA HOUSINGFINA CORPORATION LIMITED

## POLICY ON FAIR PRACTICES CODE (FPC)

### 1 INTRODUCTION

The Guidelines on Fair Practices Code for Housing Finance Companies (HFCs) primarily defines the fair practices standards to be abided while dealing/building relationships with prospective/existing customers, and has to be framed in line with the directions of NHB (including amendments from time to time), all with the intent to inculcate the best corporate practice/s within the sector.

In accordance with the regulatory guideline, **Sahara Housingfina Corporation Ltd (SHCL)** has a “Fair Practice Code” in place. However, in view of the changing dynamics of the industry, the Guidelines on Fair Practice Code were reviewed in order to incorporate certain imperative changes that were deemed necessary to be included in line with regulatory guidelines. The basic essence of Fair Practices Code is to assist both the company and the customer(s). It shall be applicable to all the products and services offered from all the operating/service locations of SHCL i.e. Branch, Region, Corporate Office & Satellite office (if any). Needless to mention that the Code must be strictly followed by all the authorized functionaries, Counsellor(s), Partner(s) and others across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method of marketing or promotion which may be put in use by the company at present or in future.

### 1.1 OBJECTIVES & APPLICATION

At the core of all the activities of SHCL, it is our sincere endeavor to promote our products and services and make it available to all intending, eligible and qualified applicants without making any discrimination on the basis of face, caste, colour, creed, religion, sex, martial status, age or handicap. In light of the above, our authorized representatives provide assistance, encouragement and service in a fair, equitable and consistent manner. The Company for the benefit and convenience of the applicant(s)/borrower(s) shall up-load the code in its official website.

SHCL shall ensure that charges/fees which affect the interest of the applicant(s)/borrower(s) are appropriately informed and further the terms and conditions pertaining to the facility is conveyed to the applicant(s)/borrower(s). The Company shall endeavor/ensure that all disputes arising out of the lending decisions be resolved by an appropriate “**Grievance Redressal Mechanism**”. In view of the above, the primary objectives of the Fair Practice Code shall be:

- **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;
- **Encourage market forces**, through competition, to achieve higher operating standards;

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- **Promote a fair and cordial relationship** between customer and the Company; and
- **Foster confidence** in the housing finance system.

### 1.2 **APPLICATION OF THE CODE**

The Company will ensure that the implementation of the Fair Practices Code is the responsibility of the entire organization. The Company's fair lending practices shall apply across all aspects of operations including marketing & customer relationship, loan origination & processing, servicing & collection activities and back-office management. Further, the Code will apply for services and products offered over the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method/medium that is prevalent or may be utilized in future. Our commitment to the Fair Practice Code would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

The Company's Board of Director and the Management Team is responsible for establishing practices designed to ensure that our line of activity reflect our strong commitment to fair lending and that all employees are aware of the commitment.

### 2. **TO ACT FAIRLY AND IN TRANSPARENT MANNER**

The company will act fairly and reasonably in all dealings with the customers by ensuring that:

- our products, services, procedures and practices thoroughly meet the commitments and standards in this Code.
- our products and services meet the relevant laws and regulations in letter and spirit.
- our dealings with customers rest on ethical principles of integrity and transparency.

The Company will ensure that the staff and other authorized representatives are trained & equipped to provide relevant information about the Code and that the Code is put to practice.

- 2.1 The company shall transparently disclose to the borrower(s) all information regarding fee/charges payable for processing the loan application, the amount of fees refundable if loan amount is not sanctioned/dispensed or rejected, prepayment options and charges therein, if any, penalty for delayed repayment if any, conversion charges for switching loan from fixed to floating rates or vice versa, existence of any interest re-set clause and any other matter which affects the interest of the borrower(s). In other words, the company will 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."

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### **3 ADVERTISING, MARKETING AND SALES**

The Company shall ensure that :

- All advertising and marketing done by the Company will be truthful and no tolerance can be provided for misleading information or poor descriptions of the services. The Company shall take maximum steps to ensure that all advertising and promotional material is clear, and not misleading.
- In any advertising or in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, the Company shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- It will provide information on interest rates, common fees and charges through putting up notices in their branches, through telephones or help-lines, on the company's web-site, through designated staff/help desk or providing service guide/tariff schedule.
- In case of engagement of third party/ies for the purpose of providing support services, the company shall ensure that the third party/ies do handle the customer's personal information with the same degree of confidentiality and security as when the exercise may have been shouldered by the company on its own.
- The Company shall from time to time, communicate to its 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/they has/have given his/her/their consent to receive such information/service either by mail or by registering for the same on the website or on customer service number.
- The Company shall apply/prescribe the code of conduct to their Counselors/Agents/Channel Partners etc., if any, 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.
- In the event of receipt of any complaint from the customer, that company representative/courier or marketing agents has/have engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complain/grievance.

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### 4 LOANS TO CUSTOMERS

#### 4.1(i) **Applications for loans and their processing:**

- The Loan Application Form of the company shall amongst other important parameters include necessary information which may affect the interest of the borrower so that it facilitates the customer to draw a meaningful comparison with those of other companies and eventually takes an informed decision. Further, the list of preliminary documents required to process the loan application will be mentioned in the Loan Application Form.
- The Company will devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

#### 4.1(ii) **Loan appraisal and terms/conditions:**

- Normally all particulars required for processing the loan application shall be collected by the Company at the time of application. In case it needs any additional information, the customer should be told that he would be contacted immediately again.
- The Company shall convey in writing to the customer the loan sanctioned or otherwise, the amount of the loan sanctioned along with the terms and conditions thereof which will include annualized rate of interest, method of application, EMI terms. Further, the company will obtain written acceptance of these terms and conditions from the customer for records.
- Company shall supply authenticated copies of all the loan documents executed by the customer at our Company' cost along with a copy each of all enclosures quoted in the loan document on request if so demanded.

#### 4.1(iii) **Communication of rejection of Loan Application:**

- In case of rejection of loan application, the customer will be communicated in writing of the company's inability to offer him/her/them the loan along with the reasons(s) for rejection

#### 4.1(iv) **Disbursement of loans including changes in terms and conditions:**

- The company will make certain that disbursement is made in accordance to the agreed disbursement schedule (original or revised)/sanction letter.
- The company shall give advance notice to its customers of change in the terms & conditions including disbursement schedule, interest rate, service charges, prepayment charges, other applicable fees/charges etc. Moreover, the company will make certain that changes to interest rates and charges are imposed only "prospectively" and in this regards necessary clause is incorporated in the loan agreement.

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- Normally, changes will be made with prospective effect giving notice of at least one month. If the changes are to the disadvantage of the customers, he/she/they may close the account at any time (without notice) within 60 (sixty) days without having to pay any extra charges or revised interest.
- Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities, the Company should give notice to borrowers in consonance with the loan agreement.
- The company will release all securities immediately on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim company 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 Company are entitled to retain the securities till the relevant claim is settled /paid

### 4.2 **GUARANTORS**

The Company must inform the following information to the person considering to be a guarantor to a loan,

- his/her liability as guarantor;
- the amount of liability he/she will be committing him/herself to the company;
- circumstances in which the Company will call on him/her to pay up his/her liability;
- whether the 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; and
- time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which the Company will notify him/her about this

The 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.

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### **4.3 PRIVACY AND CONFIDENTIALITY**

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers]. The Company will not reveal transaction details of the customers' accounts, to a third party, including entities in the group, other than in the following exceptional cases when the Company are allowed to do:

- If the Company have to give the information by law
- If there is a duty towards the public to reveal the information.
- If the Company's interests require to give the information [for example, to prevent fraud) but the Company will not use this as a reason for giving information about its customer or its customers accounts [including name and address] to anyone else, including other companies in the group, for marketing purposes.
- If the customer ask it to reveal the information, or if company has the customers' permission to provide such information to group/associate/entities or other companies when they have tie-up arrangements for providing other financial service products.
- If written permission has been obtained from the customer to provide reference of the respective customer.
- The customer shall be informed the extent of their rights under the existing legal framework for accessing the personal records held by the company.
- Consequent to receipt of customer's approval to use their personal information for marketing purposes by anyone including HFCs.

### **4.4 CREDIT REFERENCE AGENCIES**

Subsequent to the commencement of business relationship with a customer, the Company:

- shall inform the customer when it may pass his/her/their account details to credit reference agencies and the checks the Company may make with them.
- may give information to credit reference agencies about the debts the customer owes them 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 are satisfied with, for repaying his / her debt, following Company's formal demand

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- In these cases, the Company shall intimate the customer in writing its plan to give information about the debts the customer owes them 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 them his / her permission to do so.
- A copy of the information given to the credit reference agencies shall be provided by the Company to a customer, if so demanded.

### **4.5 COLLECTION OF DUES**

4.5.1 The Company shall inform customers about the repayment schedule well in advance. However, if the customer does not adhere to repayment schedule, the Company must inform the customers by sending notice or by making personal visits and / or repossession of security if any.

4.5.2 The Company's collection policy should be built on courtesy, fair treatment and persuasion. The staff appointed for the collection of the dues must follow the guidelines given below:

- The collection staff must identify himself / herself and display the authority letter issued by the Company and upon request, display his / her identity card
- The company shall provide the customer with all the information regarding their dues and further endeavor to give sufficient notice for payment of dues.

4.5.3 The following guidelines shall be strictly followed by all staff members or authorized personnel of the company conferred the responsibility of collection and / or security repossession:

- 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.
- Customer's privacy should be respected.
- Interaction with the customer shall be in a civil manner
- The 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.
- Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.

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- Time and number of calls and contents of conversation would be documented.
- All assistance should 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 should be maintained.
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.

### 4.6 COMPLAINTS AND GRIEVANCES

#### **Internal Procedures**

If at any stage, a customer is not satisfied with the service given, the first point of contact for redressal of any complaint will be our Branch Heads who are fully capable of redressing customer grievances satisfactorily. For this purpose all branches shall be provided with “**Complaint & Redressal Register**”. It will be our sincere endeavor to resolve your query/grievance within 7 (seven) working days of receiving your letter or email ([info.saharahousingfina@sahara.in](mailto:info.saharahousingfina@sahara.in)) or telephonic information at the branch level. If we are unable to resolve your query within 7 (seven) working days then we would explain you the reason why the Company would need more time to respond. If he/she does not receive a reply within 7 working days from the Branch Head, or if he/she is not satisfied with the reply received him/her, **PLEASE FOLLOW THE BELOW LISTED STEPS TO ESCALATE THE GRIEVANCE FORWARD:**

#### **STEP 1:**

In case you are not satisfied with the response from our Branch level, you can write/approach to the Region Business Head (RBH) of your region/branch. The name & contact detail of your RBH is available in the Branch on demand and also displayed on the Notice Board.

#### **STEP 2:**

If you are still not satisfied, you can write to the **Corporate Manager – Corporate Affairs**, Sahara Housingfina Corporation Limited, 46 Dr. Sundari Mohan Avenue, Kolkata – 700 014, West Bengal, Landline: +913322890148 / 6708, Email: [vivek.kapoor@sahara.in](mailto:vivek.kapoor@sahara.in);

Alternatively, you can also write to the **Chief Executive Officer (Nodal Officer)**, Sahara Housingfina Corporation Limited, 46 Dr. Sundari Mohan Avenue, Kolkata – 700 014, West Bengal, Landline: +913322890148 / 6708, Email: [dhrubajyoti.bagchi@sahara.in](mailto:dhrubajyoti.bagchi@sahara.in)



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### STEP 3:

#### **ESCALATION TO REGULATOR, NATIONAL HOUSING BANK (NHB):**

If you do not receive response from the Company within 30 days of your complaint or are dissatisfied with the response received then you may approach our regulator, NHB at the following address:

**National Housing Bank, Department of Regulation & Supervision (Complaint Redressal Cell) 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi-110 003.** Such complaint may also be e-mailed at <https://grids.nhbonline.org.in>

The comprehensive **Grievance Redressal Mechanism (GRM)** is uploaded in the official web-site of the company for perusal of its present and prospective customers.

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#### **GENERAL**

##### **The company shall follow as below:**

- 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 their residence and/or business addresses through agencies appointed for the purpose only when deemed necessary.
- The customer will be informed to cooperate in case need is felt to investigate a transaction on the customer's account and with the police/other investigative agencies.
- The company will advise its customers that if they act fraudulently, he/she/they will be responsible for the losses and that if the customer act without reasonable care which may lead to loss, the customer will be held responsible for the same.
- The company will provide information of their product and services in any one or more of the following languages: Hindi, English or appropriate local language.
- The company shall not discriminate on grounds of sex, caste and religion in the matter of lending.
- Company shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.

In order to publicize the Code, the company shall:

- Provide the existing and new customers with a copy of the Code.
- Make the Code available on request either over the counter or by electronic communication or mail.

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- Make this Code available at every branch and on the company's website.
  - Impart training to the staff members and authorized representatives so that relevant information about the Code can be provided to the customers and that the code is put to practice.
- 6 The Board of Directors of the company shall review the compliance of the Code and the functioning of Grievances Redressal Mechanism at intervals of half year i.e. while adopting the Accounts & Financials for the period ended March and September every financial year. For the purpose the executive management of the company shall provide the Board with a half yearly report for necessary review.

*Note: The statement disclosing the applicable fee based services and related charges & levies thereon, levied by the Company as a part of the Most Important Terms and Conditions (MITC) and disclosed in conformity of this Code can be downloaded from our website [www.saharahousingfina.com](http://www.saharahousingfina.com) or obtained from the concerned branch on request.*

Sd/-  
**(D. J. Bagchi)**  
**CEO**

**Date: 08/02/2019**  
**Place: Kolkata**