



ANAND HOUSING FINANCE PRIVATE LIMITED

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FAIR PRACTICES CODE

ANAND HOUSING FINANCE PRIVATE LIMITED

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1. **Introduction:**

This Fair Practices Code has been formulated by Anand Housing Finance Private Limited (henceforth referred as “AHFPL [Anand Housing Finance Company]”) pursuant to the Guidelines issued by the National Housing Bank on Fair Practices Code for Housing Finance Companies vide its Master Circular Bearing No. NHB(ND)/DRS/REG/MC-03/2015 dated September 9, 2015.

The Code has been prepared based on the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for HFCs as contained in the aforesaid NHB Circular. It 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.

2. **Objectives of the Code:**

- ☐ To **promote good and fair practices** by setting minimum standards in dealing with customers;
- ☐ To **increase transparency** so that customers can have a better understanding of what they can reasonably expect of the services;
- ☐ To **encourage market forces**, through competition, to achieve higher operating standards;
- ☐ To **promote a fair and cordial relationship** between customers and AHFPL;
- ☐ To **foster confidence** in housing finance system.

3. **Application of Code:**

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

4. **Commitments of AHFPL:**

- AHFPL shall act fairly and reasonably in all dealings, by ensuring that they meet commitment and standards in this code and services they offer and policy and procedure their staff follows.
- AHFPL shall ensure that its products and services meet relevant laws and regulations.
- AHFPL’s dealing with customer should be on ethical principles of integrity and transparency to meet the standard prevalent in housing finance Industry.
- AHFPL will deal quickly in correcting mistakes, if any, and attend to customer’s complaints in light of the objectives of this code;
- AHFPL will transparently disclose to the borrower all the information about fees or charges payable for processing the loan application, the amount of fees is refundable if loan amount is not sanctioned/disbursed, pre- payment options and charges, 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 reset clause and all such matters that affect the interest of the borrower. Such fees/charges shall be non-discriminatory.

5. Advertising, Marketing and Sales:

- AHFPL will ensure that all advertising and promotional material is clear, and not misleading.
- In any advertising in any media and promotional literature that draws attention to service or product and includes a reference to the interest rate, AHFPL would indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- AHFPL would provide information on indicative interest rates, common fees and charges through:
 1. putting up notices in branches
 2. through telephones or help lines
 3. its website
 4. providing service guide/tariff schedule.
 5. through designated staff/help desk
- AHFPL will ensure that third parties whose services may be availed for providing support services shall handle customer's personal information with the same degree of confidentiality and security as handled by AHFPL.
- AHFPL from time to time will communicate to the customers various features of the products availed by them. Also, information about its other products offerings or promotional offers will be conveyed to the customer only if they have given their consent to receive such information or service to AHFPL either by mail or by registering on the website or customer service number, or any other means.
- AHFPL shall prescribe a code of conduct for Direct Selling Agencies (DSAs) whose services it may avail to market its products/ services which amongst other matters requires them to identify themselves when they approach the customer for selling our products personally, through phone or through any other electronic media.
- In the event of receipt of any complaint from customers that the representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, AHFPL will take appropriate steps to investigate the matter and for making good the loss incurred to the aggrieved person.

6. Loans:

A) Application for loans and their processing:

- AHFPL shall make available and disclose all necessary information in Application Form, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other HFCs can be made and informed decision can be taken by the borrower.
- The Application Form/ appropriate documents of AHFPL may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.
- AHFPL shall give an acknowledgement for receipt of all Applications to its Borrower for availing loans with the time frame in which the application would be disposed.

B) Loan appraisal and Terms and Conditions:

- Normally all particulars required for processing the loan application will be collected by AHFPL at the time of application. However, in case any additional information is required AHFPL will contact the customers immediately.
- AHFPL 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.

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- AHFPL will invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to every borrower at the time of sanction / disbursement of loans.

C) Communication of rejection of loan application:

AHFPL shall communicate in writing to the customer whose application has been rejected containing the reasons for rejection.

D) Disbursement of loans including changes in terms and conditions:

- AHFPL shall make disbursement in accordance with the terms and conditions mentioned in the Sanction Letter / Loan Agreement.
- AHFPL would give its 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. It would also ensure that changes in interest rates and charges are affected only prospectively, a suitable condition in this regard will be incorporated in the Loan Agreement.
- If such change is to the disadvantage of the customers, (except in the case of increase in interest rate in a floating loan) they may within 60 days and without notice close their account or switch it without having to pay any extra charges or interest.
- Decision to recall / accelerate payment or performance under the loan agreement or seeking additional securities, would be in consonance with the loan agreement.
- AHFPL shall 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 AHFPL 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 AHFPL is entitled to retain the securities till the relevant claim is settled or paid.

7. Guarantors:

When one is considering being a guarantor to a loan, AHFPL will inform them vide Sanction Letter and subsequently signed Guarantee agreement about:

- Liability as guarantor;
- the amount of liability that one will be committing to AHFPL;
- circumstances in which AHFPL will call on guarantors to pay up their liabilities;
- whether AHFPL has recourse to their other monies in the company if they fail to pay up as a guarantor;
- whether their liabilities as a guarantor are limited to a specific quantum or are they unlimited;
- time and circumstances in which their liabilities as guarantors will be discharged and the manner in which AHFPL will inform them about the same; and

AHFPL will keep them informed of any material adverse change in the known financial position of the borrower to whom they stand as a guarantor.

8. Privacy and Confidentiality:

AHFPL will treat all personal information of the customers as private and confidential [even when the customer is no longer a customer of AHFPL] and will be guided by the following principles and policies. AHFPL 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:

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- If the information is required by law;
- If there is a duty towards the public to reveal the information;
- If its interests requires to give the information (for example, to prevent fraud) but it 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;
- If customer asks / informs to reveal the information, or with the customer's permission;
- If AHFPL is asked to give a reference about customer, a written customer's consent is required before giving it;
- Customer will be informed about the extent of the rights under the existing legal framework for accessing the personal records that AHFPL holds about the customer
- AHFPL shall not use customer's personal information for marketing purposes unless customer provides consent for the same.

9. Credit Reference Agencies:

1. When customer applies for the loan, the application form will have an inherent approval to AHFPL to seek credit references from the Credit Reference Agencies prior to the sanctioning of the loan
2. AHFPL will share information with the Credit Reference Agencies about the performance of the borrower towards the loan. (This can also be included in the loan agreement, if not already done)

10. Collection of Dues:

Whenever AHFPL gives loans, it 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 repossession of security, if any.

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

All the members of the staff or any person authorized to represent AHFPL 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) Interactions with the customers would be in civil manner and no derogatory words would be used.
- e) Normally, our representatives will contact customers between 07:00 hours and 19:00 hours, unless the special circumstances of your business or occupation demands otherwise.
- f) Customers' requests to avoid calls at a particular time or at a particular place would be honored as far as possible.

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- g) Time and number of calls and contents of conversation would be documented.
- h) All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- i) During visits to customer's place for dues collection, decency and decorum would be maintained
- j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.

11. Grievance Redressal Mechanism:

At AHFPL, customer service is given due importance. There is a belief that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones.

AHFPL provides customers with easy access to information, products and services, as well as the means to get their grievances redressed.

Step 1

- In case of any complaint/grievance regarding the loan, the customer may approach Branch -In-charge of the business location where he/she had his/her account and make an entry in the Complaint Register maintained at the Branch (During the working hours from 9.30 am to 6 pm).
- On registering the complaint, the customer should obtain complaint number and date for future reference.
- Customer may also write / communicate with the concerned location for redressal of the grievance. The complaint would be resolved **within 15 working days of receipt of the same if possible.**

Step 2

If the customer is still not satisfied with the resolution he/she receives or the customer does not receive any response for the complaint within 15 working days, the customer may contact our Head Office. The customer can:

- Send an email to admin@anandhousing.com; or
- Call us at between 10:00 a.m. – 6:30 p.m. from Monday to Friday (Except Public Holidays)
- Write to us at: A-103/B-102, Somaiya house, Near Navinbhai Thakkar Hall, N. P. Thakkar Road, Vile Parle East, Mumbai – 400 057.

We assure you that the complaint will be looked into at the earliest.

Step 3

If the complaint still remains unresolved for 30 days, the customer may directly approach the regulatory authority of Housing Finance Companies, National Housing Bank ('NHB') for redressal of the complaint at below address:

National Housing Bank
Department of Regulation and Supervision
(Complaint Redressal Cell)
4th Floor, Core 5-A, India Habitat Centre,
Lodhi Road, New Delhi 110 003

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The customer can also approach the Complaint Redressal Cell of NHB by lodging the complaint at the link <https://grids.nhbonline.org.in> or e-mail them at crccell@nhb.org.in.

12. **General:**

- AHFPL shall verify the details stated by the customer in his/her loan application form by telephonic verification or through field investigation at his/her residence, and/or business address and/ or physically visiting his/her residence and or business address through its staff or agencies appointed for this purpose, if deemed necessary.
- The customers shall be informed to co-operate, if AHFPL needs to investigate a transaction, on customers account and with the police/other investigative agencies, if AHFPL needs to involve them.
- AHFPL shall advise the customer that if the customer 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 responsible for the same.
- AHFPL shall give information of its products and services in any one or more of the following languages: English/Hindi or the appropriate local language.
- AHFPL shall not discriminate on grounds of Sex, caste, religion, race, marital status, age or disability in the matter of lending. However, this does not preclude AHFPL from instituting or participating in schemes framed for different sections of the society.
- AHFPL shall process the request for transfer of loan account, either from the borrower or from a bank/ financial institution, in the normal course.

To publicize the code, AHFPL shall:

- Provide the existing and new customers with a copy of the code.
- Make available this code on request either over the counter or by electronic communication or mail.
- Make available this code at every branch and on the website.
- Ensure that its staff is trained to provide relevant information about the code and to put the code into practice.

This policy has been revied in board meeting held on 17th June 2023.
