

MUTHOOT HOMEFIN (INDIA) LIMITED

FAIR PRACTICES CODE

Muthoot Homefin (India) Limited (“MHIL” or “the Company”) has adopted Fair Practices Code (“the Code”) to provide transparency in its transactions with the customers, present as well as prospective. MHIL, through the Code, intends to extend protection to its customers by explaining how the Company and its representatives are expected to deal with them during the day to day operations. The Code has been prepared based on the Guidelines issued by the National Housing Bank on Fair Practices Code

1. OBJECTIVES OF THE CODE

The Code has been developed to:

1. **promote good and fair practices** by setting minimum standards in dealing with borrowers;
2. **increase transparency** so that the borrower can have a better understanding of what he/she can reasonably expect of the services;
3. **encourage market forces**, through competition, to achieve higher operating standards;
4. **promote a fair and cordial relationship** between borrower and MHIL; and
5. **foster confidence** in the housing finance system.

2. APPLICATION OF THE CODE

All parts of this Code apply to all the products and services, whether they are provided by **MHIL** or subsidiaries across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

3. TO ACT FAIRLY AND REASONABLY IN ALL DEALINGS WITH BORROWERS, BY ENSURING THAT:

1. We meet the commitments and standards in this Code for the products and services we offer and in the procedures and practices our staff follows.
2. Our products and services meet relevant laws and regulations in letter and spirit.
3. Our dealings with borrowers rest on ethical principles of integrity and transparency.

4. ADVERTISING, MARKETING AND SALES:

1. We shall ensure that all advertising and promotional material is clear, and not misleading.
2. Where a reference to an interest rate is made, we shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
3. We shall provide information on interest rates, common fees and charges through putting up notices in our branches; through telephone or help-lines; on the company’s website; through designated staff / help desk; or providing service guide / tariff schedule.
4. If we avail of the services of third parties for providing support services, we shall require that such third parties handle borrower’s personal information (if any available to such third parties) with the same degree of confidentiality and security as MHIL would.
5. We may, from time to time, communicate to borrowers 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 borrowers 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 borrower service number.

6. We shall prescribe a code of conduct for our Direct Selling Agencies (DSAs) whose services are availed to market products / services which amongst other matters require them to identify themselves when they approach the borrower for selling products personally or through phone.
7. In the event of receipt of any complaint from the borrower that MHIL'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 to make good the loss.

5. LOANS

(i) Applications for loans and their processing

1. At the time of sourcing a Loan product, we will provide information about the interest rates applicable, as also the fees/charges, if any, payable for processing, pre-payment options and charges, if any, and any other matter which effects 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.
2. We shall follow a system of giving Acknowledgment for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of would also be indicated in the Acknowledgment, keeping in mind the level of Authority to which the Loan Proposal would be forwarded for final decision.

(ii) Loan appraisal and terms/conditions

1. Normally all particulars required for processing the loan application shall be collected by MHIL at the time of application. In case we need any additional information, the borrower would be told that he would be contacted immediately again.
2. MHIL shall convey in writing to the borrower the Loan Sanction along with the terms and conditions thereof.
3. MHIL shall 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.

(iii) Communication of rejection of Loan Application

MHIL shall communicate in writing the reason(s) for rejection of the loan application.

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

1. Disbursement shall be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.
2. We shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/ charges etc. We 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.
3. If such change is to the disadvantage of the borrower, he/she may within 60 days and without notice close his / her account or switch it without having to pay any extra charges or interest.

4. Before taking a decision to recall / accelerate payment or performance under the agreement or seeking additional securities, we shall give notice to the borrower in consonance with the loan agreement.
5. We shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim we 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 we are entitled to retain the securities till the relevant claim is settled /paid.

6. GUARANTORS

When a person is considering to be a guarantor to a loan, he/she will be informed about

1. his/her liability as guarantor;
2. the amount of liability he/she will be committing him/herself to the company;
3. circumstances in which we will call on him/her to pay up his/her liability;
4. whether we have recourse to his/her other monies in the company if he/she fail to pay up as a guarantor;
5. whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
6. time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which we will notify him/her about this

We 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.

7. PRIVACY AND CONFIDENTIALITY

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

1. If the information is to be given by law
2. If there is a duty towards the public to reveal the information
3. If our 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 borrower or borrower accounts [including borrower name and address] to anyone else, including other companies in the group, for marketing purposes
4. If the borrower asks us to reveal the information, or with the borrower's permission
5. If we are asked to give a reference about borrowers, we shall obtain his / her written permission before giving it.
6. The borrower shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that we hold about him /her.
7. We shall not use borrower's personal information for marketing purposes by anyone including us unless the borrower specifically authorizes them to do so.

8. CREDIT REFERENCE AGENCIES

1. When a borrower opens an account, we shall inform him / her when they may pass his / her account details to credit reference agencies and the checks we may make with them.

2. We may give information to credit reference agencies about the personal debts the borrower owes them if:
 - i. The borrower has fallen behind with his / her payments;
 - ii. The amount owed is not in dispute; and
 - iii. The borrower has not made proposals that we are satisfied with, for repaying his / her debt, following our formal demand
3. In these cases, we shall intimate the borrower in writing that we plan to give information about the debts the borrower owes them to credit reference agencies. At the same time, we shall explain to the borrower the role of credit reference agencies and the effect the information they provide can have on borrower's ability to get credit.
4. We may give credit reference agencies other information about the borrower's account if the borrower has given them his / her permission to do so.
5. A copy of the information given to the credit reference agencies shall be provided by us to a borrower, if so demanded.

9. COLLECTION OF DUES:

9.1 Whenever loans are given, we shall explain to the borrower the repayment process by way of amount, tenure and periodicity of repayment. However, if the borrower 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 borrower by sending him / her notice or by making personal visits and / or repossession of security if any.

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

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

1. Borrower 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.
2. Identity and authority to represent MHIL shall be made known to the borrower at the first instance.
3. Borrower's privacy would be respected.
4. Interaction with the borrower shall be in a civil manner
5. Our representatives shall contact the borrowers between 0700 hrs and 1900 hrs, unless the special circumstances of the borrower's business or occupation require otherwise.
6. Borrower's request to avoid calls at a particular time or at a particular place shall be honoured as far as possible.
7. Time and number of calls and contents of conversation would be documented.
8. All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
9. During visits to borrower's place for dues collection, decency and decorum should be maintained.
10. Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.

10. COMPLAINTS AND GRIEVANCES:

Internal Procedures

1. We shall have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of our offices.
2. The Board of Directors of MHIL shall lay down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.
3. Borrower would be told where to find details of MHIL's procedure for handling complaints fairly and quickly.
4. If the borrower wants to make a complaint, he/she shall be told:
 - I. How to do this
 - II. Where a complaint can be made
 - III. How a complaint should be made
 - IV. When to expect a reply
 - V. Whom to approach for redressal
 - VI. What to do if the borrower is not happy about the outcome.
 - VII. MHIL's staff shall help the borrower with any questions the borrower has.
5. If a complaint has been received in writing from a borrower, we shall endeavor to send him/her an acknowledgment / response within a week. The acknowledgment shall contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at our designated telephone help desk or borrower service number, the borrower shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
6. After examining the matter, we shall send the borrower its final response or explain why it needs more time to respond and shall endeavor to do so within six weeks of receipt of a complaint and he/she shall be informed how to take his/her complaint further if he/she is still not satisfied.
7. We shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

11. GENERAL

We shall give the borrower information:

1. Verify the details mentioned by him/her 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 us.
2. The borrower shall be informed to co-operate if we need to investigate a transaction on the borrower's account and with the police/ other investigative agencies, if we need to involve them.
3. We shall advise the borrower that if the borrower acts fraudulently, he/she will be responsible for all losses on his/her account and that if the borrower acts without reasonable care and this causes losses, the borrower may be responsible for the same.
4. About our products and services in any one or more of the following languages: Hindi, English or the appropriate local language.

5. We shall not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude us from instituting or participating in schemes framed for different sections of the society.
6. We shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
7. To publicize the code we shall:
 1. provide existing and new borrowers with a copy of the Code, if requested
 2. make this Code available on request either over the counter or by electronic communication or mail;
 3. make available this Code at every branch and on their website; and
 4. ensure that our staff are trained to provide relevant information about the Code and to put the Code into practice.
8. The Code will be reviewed at yearly intervals or as and when felt necessary by the Board of Directors of MHIL
