

Version Control

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1	December 08, 2017	Board of Directors
2	February 08, 2019	Board of Directors
3	June 27, 2020	Board of Directors
4	April 27, 2023	Board of Directors
5	October 25, 2023	Board of Directors
6	July 31, 2024	Board of Directors
7	February 6, 2025	Board of Directors

FAIR PRACTICES CODE

1. Preface

Hiranandani Financial Services Private Limited ("**Company/ HFS**"), in pursuance of the Master Directions issued by Reserve Bank of India on Scale Based Regulation, 2023 for Non-Banking Financial Companies (NBFCs), has adopted the following Code for fair practices while dealing with customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

The Fair Practices Code ("**FPC**") is intended to cover the following areas:

- Applications for loans and their processing
- Loan appraisal and terms/conditions Disbursement of loans, including changes in terms and conditions
- Release of movable/ immovable property documents on repayment/ settlement of loans
- Reset of floating interest rate on Equated Monthly Instalments (EMI) based personal loans
- General provisions
- Grievance redressal mechanism
- Rate of Interest , and
- Penal and other Charges

2. Objective

- Promote good, fair and trustworthy practices by setting minimum standards in dealing with customers
- Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- Promote a fair and cordial relationship between the customers and the Company.

3. Applications for loans and their processing

- a. All relevant information pertaining to the loan/loan facility will be made available in the relevant loan application form(s) or through other modes (term sheet, Sanction letter, Key Fact Statement etc.). The loan application form will also indicate/contain the documents required to be submitted together with the duly completed application form and the timelines within which the application will be disposed of, subject to receipt of necessary documents.

The customer will have the option to receive all the correspondences, loan documents, recall notices etc. relating to loan in vernacular language or in a language as understood by the customer. For this purpose the customer needs to indicate his/her/its preference in the loan application form by selecting the appropriate option.

- b. Receipt of completed application forms will be duly acknowledged within appropriate timeframe.

4. Loan appraisal and terms/conditions

- a. Loan applications shall be assessed in accordance with the Company's credit appraisal process and policies. The customer shall be advised of the outcome of the credit appraisal (approval/rejection) within the period, for appraising the loan application indicated in the acknowledgment to loan application
- b. Upon approval of the loan, the Company shall convey the amount of loan sanctioned, annualized interest rate and other important terms and conditions to the customer by way of sanction letter or otherwise, in the language selected by the customer in the application form for correspondence, etc. The penal charges, if any, to be charged by the Company for late repayment, non-compliance of terms and conditions of loan contract, other covenants etc., shall be levied as per schedule of charges and to be mentioned in bold in the loan agreement, and the same shall be displayed on the website of the Company. An acceptance of such terms and conditions by customer shall be retained by the Company.
- c. The Company shall enter into an agreement indicating the amount of loan sanctioned, annualised rate of interest applicable, summary of key fact statement, schedule of charges along with the terms and conditions with the customer . A copy of the said agreement along with schedule(s) and annexure(s) to the agreement will be provided to the customer .
- d. When penal charges are levied for non-compliance with the material terms and conditions of sanctioned loan, it shall be in compliance with the guidelines issued by RBI from time to time.

5. Disbursement of loans, including changes in terms and conditions

- a. Any changes to the terms and conditions including interest rates, disbursement schedule, etc shall be informed individually to the borrowers in case of account specific changes, and in case of others changes, the same shall be made available at the Registered office / Corporate office or on website of the Company. Changes in the interest rates and charges shall be affected prospectively. A suitable condition to this effect is inserted in the loan agreement.
- b. Decision to recall / accelerate payment or performance under the agreement shall be in accordance with the terms and conditions of the loan documents executed by the borrower with the Company.
- c. All securities pertaining to the loan would be released on receipt of full and final payment of the loan(s), subject to any legitimate or contractual right or lien or right to set-off which the Company or any other person may have under the loan documents against the borrowers. 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 the right to retain or setoff the securities/sale proceeds from the securities or right to transfer the securities or sale proceeds is exercised by the Company. In the event of full and final payment of the loans along with other dues, if any, “No outstanding dues” certificate shall be issued by the Company within a period of 30 days after full repayment / settlement of loan account.

6. Applicant with Disability

The Company shall not discriminate in extending products and facilities including loan facilities to the physically / visually challenged applicants on the grounds of disability. They shall be treated at par with the other applicants and their application shall be dealt on merit as per the credit process and policy of the Company. All possible assistance will be provided to the applicants with the disability (ies) to enable them to understand, select and avail appropriate product or loan facility.

7. General Provisions

- a. The Company shall refrain from interference in the affairs of the borrower, except for the purposes and as provided in the terms and conditions of the loan documents or unless new information, not earlier disclosed by the borrower, has come to the notice of the Company.
- b. In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise, i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of request.
- c. In the matter of recovery of loans, the Company shall not resort to undue harassment viz persistently bothering the borrower at odd hours, use of muscle power for recovery of loans and would operate within the legal framework.
- d. The Company shall not charge foreclosure charges/ pre-payment charges on any floating rate term loans sanctioned, for purposes other than business to individual borrowers with or without co-obligant(s). The foreclosure charges are to be applied as per the regulatory directions issued from time to time.

8. Grievance Redressal

The implementation of the Fair Practices Code shall be the responsibility of the Company. The Company shall make every effort to ensure that its dealing with borrowers / customers is smooth and hassle free. Any complaint brought to the notice of the Company by a borrower / customer will be handled expeditiously.

The Board of Directors of the Company has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. All disputes / complaints arising out of the decisions of the Company’s functionaries would be heard and disposed of at least at the next higher level after it is brought to their notice.

A consolidated report of periodical review with compliance with the Fair Practices Code and functioning of the grievance redressal mechanism at various levels of Management would be submitted to the Board of Directors (or a committee thereof) at regular intervals.

The contact details of the Grievance Redressal Officer (“GRO”) and the contact details of the Regional Office of Department of Non-Banking Supervision of RBI, under whose jurisdiction the registered office of Company falls, which can be approached, if the complaint / dispute is

not resolved within a period of one month will be displayed at all the branches / places where the Company conducts its business.

Detailed process of grievance redressal and escalation matrix forms part of Grievance Redressal Mechanism of the Company which is placed on the website and shall also be available at the branches.

9. Rate of Interest

- The rate of interest is arrived after considering factors like cost of funds, margin and risk premium, etc. To ensure that the customers are not charged excessive interest rate and charges the Company has adopted the “Interest Rate Policy” and same will be available on the website of the Company.
- The information published on the website or otherwise published will be updated, whenever there is a change in the rates of interest.
- The rate of interest would be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

10. Release of Movable / Immovable Property Documents

- Company shall release all the original movable / immovable property documents and remove charges registered with registry within a period of 30 days after full repayment/ settlement of the loan account.
- Company shall provide option to Borrower to collect property documents from Home Branch or any other branch where the documents are available as per Borrower’s preference
- The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters
- In order to address the contingent event of demise of the sole borrower or joint borrowers, Company has a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure is displayed on the website of the Company along with other similar policies and procedures for customer information.
- In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after closure of full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the NBFC, it shall compensate the borrower at rate of Rs 5000/- for each day of delay.
- In case of loss/damage to original movable/immovable property documents, either in part or in full, Company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs. The compensation payable in such cases will be as per the extant regulations.

11. Review of Code

The Fair Practice Code shall be reviewed on an annual basis or as mandated by the regulatory requirement.

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