



Fair Practices Code and Grievance Redressal Policy

(Last Modified on April, 2024)

Fair Practices Code

Application for loans and their processing:

The Company will issue a numbered application form to all applicants who request the same. The application form will:

- a. Seek information that is material to credit appraisal.
- b. Provide a list of documents that the applicant will have to submit along with the application
- c. Acknowledge any non-refundable fees paid along with the application

Acknowledgement for Loan application:

The Company will issue written acknowledgement for each loan application in the prescribed format immediately on receipt of the application. Time frame within which loan applications will be processed would be indicated in the acknowledgement of such applications.

All valid and complete applications received with minimum documents and meeting minimum credit criteria shall be logged into the loan origination system. The application serial number which is part of the acknowledgement can be used to correspond with the Company.

Detailed appraisal of proposals cleared in principle and sanctioned/ rejected:

The Company would verify the loan applications within a reasonable period of time. If additional details / documents are required, it would intimate the applicant immediately.

In case the application is rejected, the Company will convey in writing, if requested by the loan applicant, the main reason / reasons which, in the opinion of the Company after due consideration, have led to rejection of the loan applications.

Loan appraisals and terms /conditions:

- The Company would ensure that there is proper credit appraisal on all applications. The appraisal would be in line with the Company's credit policies and procedures and relevant regulatory guidelines.

The Company would convey to the borrower by means of a sanction letter the fate of the loan proposal in the language as understood by the borrower. The sanction letter shall include amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and all other upfront charges such as processing fees. The Company will provide copy of the Loan agreement along with a copy each of the enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans in such language as understood by the customer. The sanction letter / Loan agreement will contain all details of fees and charges applicable to the loan. Penal interest for late repayment and other charges shall be mentioned in bold in the loan agreement.

- The Company shall give notice to the borrower in such language as understood by the Customer of any change in the terms and conditions including disbursement schedule, interest

rates, service charges, prepayment charges, cheque bounce charges, swap charges, late payment penalty etc. Changes in interest rates and charges will be effective only prospectively.

- The decision of the Company to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement entered into with the borrower.
- Once the loan agreement is executed, copy of the loan agreement shall be given to the customer for his records.
- In case it is required, borrower will be given an agreement in vernacular language as understood by him.
- The Company 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 it may have against the borrower. If such right of set off is to be exercised, the borrower shall be informed 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.
- The Company would not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).
- In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company would be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

Interest Rate and other Charges

- Loan agreement shall cover the interest charged by the Company to the customer and interest charged and other charges shall be signed by the customer before disbursement.
- Interest Rate on a Loan will be based on Loan amount, tenure, Security / Collateral offered for the Loan, risk parameters, market conditions and cost of funds. The normally applicable Indicative interest rate on loans is available on our website.
- The website of the Company will be updated with any revisions in the Floating Reference Rate and in Service charges which will be effective only prospectively.

Recovery of Loans

- a. The Company would not resort to intimidation or harassment of any kind for recovery of loans, either verbal or physical, against any person in its debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, persistently, making false and misleading representations etc. The employees of the company who contact customers for collections / recoveries will act as per the code of the conduct of the Company. The Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.
- b. Collections for loans sourced to micro finance borrower shall be done in the common place where the borrower can feel free for paying their installments.

- c. Staff shall be allowed to make recovery for loans sourced to micro finance client at the place of residence or work of the borrower only if the borrower fails to appear at the central designated place on 2 or more successive occasions.

Loan against gold Jewellery

- Loan against Gold Jewellery shall be given in consonance of the Gold Loan Policy approved by the Board of Directors of the Company from time to time.
- The Company shall implement an appropriate internal systems to satisfy the ownership of the gold jewellery
- All assaying of jewellery will happen in presence of the applicant and after due satisfaction by the applicant, such jewellery will be accepted as security.
- The Company will take adequate safeguards with respect to jewellery received, and its storage.
- The jewellery accepted as collateral shall be appropriately insured.
- In the event of default, the Company will give adequate notice to the borrower, before disposal of the jewellery. The Company or its employees will not submit any bids for purchase of such jewellery.
- The loan agreement shall also disclose details regarding auction procedure.

Repossession of Security

The Company has a built in re-possession clause in the contract/loan agreement with the borrower. The Loan agreement shall cover the following points:

- notice period before taking possession;
- circumstances under which the notice period can be waived;
- the procedure for taking possession of the security;
- a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the security;
- the procedure for giving repossession to the borrower
- the procedure for giving repossession to the borrower and the procedure for sale / auction of the security

In respect of microfinance loans, Company shall be accountable for inappropriate behaviour, if any, of its employees or of employees of its outsourced vendor against the borrower. In case of any such instance of inappropriate behaviour, the borrower can raise grievance as per grievance redressal process available on <https://www.hdbfs.com/customer-support>".

GRIEVANCE REDRESSAL PROCESS

The quick and effective handling of complaints as well as prompt corrective & preventive actions to improve processes are essential to provide excellent customer service to all segments of customers.

To achieve this, the Company shall strive to maintain the following turnaround time frames for responding / resolution of the customer complaints:

| # | Nature of Complaint | Turn Around Time (TAT) in working days for resolution (excluding point 4) |
|---|----------------------------------|---|
| 1 | Loan agreements and loan related | T + 20 |
| 2 | Waiver/ Refunds | T + 20 |
| 3 | Prepayment & closure documents | T + 20 |
| 4 | Insurance related Grievance | T + 13 |
| 5 | Others | T + 20 |

The grievance redressal process as below, shall be displayed at the branches / places where the business of the Company is transacted, for the benefit of their customers:

- If you have a complaint or a Grievance about our Products and Services including services provided by our Outsourced agencies, please contact our Branch/ Customer Service Team through an email (customer.support@hdbfs.com) or through letter. You may also lodge your complaint on our portal at the below link :

<https://www.hdbfs.com/customer-services/customer-support/feedback-form>

- Information on our grievance handling and escalation of complaints will be available in all our offices.
- All complaints received shall be handled as following:
 - First level Branch Manager/In-charge /Customer Service Team
 - Next Level Customer Service Manager
 - Next Level Grievance Redressal Officer
- Company shall ensure that all the complaints received are recorded and resolved, but shall also ensure effective monitoring / escalation mechanism to the senior functionary responsible so as to make sure that none of the complaints remain unresolved.
- In case the complaint remains unresolved even after 10 days, you can approach the Grievance Redressal Officer either by an e-mail (gro@hdbfs.com) or through a letter.

Customer Complaints received through e-mails shall be responded through e-mail only.

- You can write to:

| Grievance Redressal Officer | Grievance Redressal Officer |
|--|--|
| (for complaints related to digital lending, Fintech related matters & digital lending Apps) | (for complaints other than those related to digital lending, Fintech related matters & digital lending Apps) |
| Mr. Harish Kumar HDB Financial Services Limited New No: 128/4F, Old No: Door No. 53 A, 4th Floor M. N. Office Complex, Greams Road, Chennai - 600006 Telephone - 044 42984542 E-mail: gro@hdbfs.com | Mr. Harish Kumar HDB Financial Services Limited New No: 128/4F, Old No: Door No. 53 A, 4th Floor M. N. Office Complex, Greams Road, Chennai - 600006 Telephone - 044 42984542 E-mail: gro@hdbfs.com |

The Unit shall be responsible for providing adequate resolution to all escalated complaints received at their end.

- Complaints shall be resolved in a proper and time bound manner with detailed advice to the customer. In case the resolution needs time, an interim response, acknowledging the complaint shall be issued.
- All complaints that are partly or wholly rejected by the Company's internal grievance redressal mechanism shall be auto escalated to Internal Ombudsman for a final decision. The internal ombudsman shall handle the complaints as per the Standard Operating Procedure in this regard.
- A grievance against the Company on any one or more of the grounds mentioned below may be made by the complainant (himself or through his authorised representative (other than an Advocate), to the NBFC Ombudsman within whose jurisdiction the Branch/ Registered Office of the Non-Banking Financial Company complained against, is located:
 - i. non-presentation or inordinate delay in the presentation of post-dated cheques provided by the customer;
 - ii. failure to convey in writing, the amount of loan sanctioned along with terms and conditions including annualised rate of interest and method of application thereof;
 - iii. failure or refusal to provide sanction letter/ terms and conditions of sanction in vernacular language or a language as understood by the borrower;
 - iv. failure or refusal to provide adequate notice on proposed changes being made in sanctioned terms and conditions in vernacular language as understood by the borrower;
 - v. failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues;
 - vi. levying of charges without adequate prior notice to the borrower/ customer;
 - vii. failure to provide legally enforceable built-in repossession clause in the contract/ loan agreement;
 - viii. failure to ensure transparency in the contract/ loan agreement regarding (i) notice period before taking possession of security; (ii) circumstances under which the notice period can be waived; (iii) the procedure for taking possession of the security; (iv) a provision regarding final chance to be given to the borrower for repayment of loan

before the sale/ auction of the security; (v) the procedure for giving repossession to the borrower and (vi) the procedure for sale/ auction of the security;

- ix. non-observance of directions issued by Reserve Bank to the non-banking financial companies;
 - x. non-adherence to any of the other provisions of Reserve Bank Guidelines on Fair Practices Code for Non-Banking Financial Companies
- If your complaint / dispute is not redressed within a period of one month, you may file a
- complaint with RBI on <https://cms.rbi.org.in>.
 - complaint can also be filed in physical mode to:
‘Centralised Receipt and Processing Centre (CRPC)’
Reserve Bank of India,
Central Vista, Sector 17
Chandigarh - 160017
- in the [format](https://www.hdbfs.com/sites/default/files/customer-services/Form-of-Complaint.pdf) available at <https://www.hdbfs.com/sites/default/files/customer-services/Form-of-Complaint.pdf>
- If your complaint / grievance pertaining to insurance services remains unresolved you may approach IRDAI by calling on Toll Free no. 155255 or 1800 4254 732 or you can register an online complaint on the website <http://igms.irda.gov.in>.
- If you are not happy with the resolution of your insurance services related complaint and your issue remains unresolved, you may approach the Insurance Ombudsman for Redressal.