

**L&T FINANCIAL SERVICES
("LTFS")**

Fair Practices Code

Applicable to L&T Housing Finance Limited

VERSION CONTROL

Version	Date of adoption	Change Reference	Owner	Approving Authority
1.0	October 9, 2012	FPC drafted and approved by the board	Compliance	Board of Director
1.1	October 24, 2017	FPC reviewed and updated as per the latest FPC circular of NHB	Compliance	Board of Director
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IMPORTANT INFORMATION

If at any point a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars/ Directions by the National Housing Bank ("NHB") arise then, interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Directions issued by NHB shall prevail.

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1. Preamble

This Fair Practice Code (“the Code”) has been formulated by L&T Housing Finance Ltd. (“LTHFL”) as a part of good corporate governance and in line with the Guidelines issued by NHB on Fair Practices Code for Housing Finance Companies (“HFCs”) vide its circular bearing No. NHB/ND/DRS/POL- No. 34/2010-11 dated October 11, 2010 and No. NHB (ND) DRS/POL- No. 38/4699/2010-11 dated April 25, 2011 and various amendments made from time to time. The Code aims at promoting good and fair practices, increasing transparency, encouraging market forces, promoting a fair and cordial relationship between LTHFL and its customers and enabling LTHFL in fostering confidence of the customers.

2. Objective of the Code

- To promote good and fair practices by setting minimum standards in dealing with customers.
- To increase transparency so that the customer can have a better understanding on the key terms & conditions governing the grant of Loan facility.
- To encourage market forces, through competition, to achieve higher operating standards.
- To promote a fair and cordial relationship between customer and LTHFL; and
- To foster confidence in the housing finance system.

3. Applicability

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

4. LTHFL’s Commitment to Customers

LTHFL shall-

- Act fairly and reasonably with customers, by following all ethical principles of integrity and transparency.
- Ensure that its products and services meet relevant laws and regulations in letter and spirit.
- Be transparent in providing key & relevant information on the nature and benefits of the financial products and services.
- Explain the important terms and conditions outlined in Loan Documents etc. in English and/or the local language for better understanding of the Customer as and when required.
- Handle customer grievances sympathetically and take all necessary steps to address issues.
- Not discriminate between customers on the basis of age, race, caste, gender, marital status, religion or disability.
- Ensure that all information about fees/charges that is payable for processing the Loan application, the amount of fees 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 re-set clause and all such matters that effect the interest of the borrower are disclosed to him/her. Such fees/charges should be non-discriminatory.

5. Advertising, Marketing and Sales

- Ensure that all advertising and promotional material in any media and promotional literature that draws attention to a service or product is clear and transparent, and not misleading.
- Ensure that all advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, shall also indicate whether other fees and charges will apply and full details of the terms and conditions, if any, will be available on request of the customer.
- Ensure that information on interest rates, common fees and charges is provided by putting up notices on the notice board at the branches; through telephone/helpline, through the Company's website, through designated help desk or by providing a service guide/tariff schedule.
- Ensure that third parties whose services may be availed for providing support services shall handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as handled by LTHFL.
- Communicate to customers various features of products availed by them. Such communication about the products or promotional offers in respect of the products/services may be conveyed to the customers only if/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 the customer service number of LTHFL.
- Ensure that a code of conduct for the Direct Selling Agents (DSA's) whose services are availed by LTHFL to market the products and services is prescribed by LTHFL which specifically requires them to identify themselves while approaching a customer for selling the products personally or via telephone.
- Ensure that in the event any complaint from a customer is received against any LTHFL representative/courier/DSA's for any improper conduct or violation of the code of conduct, then the complaint shall be adequately addressed and appropriate steps shall be initiated for investigation of the complaint and for making good the loss incurred basis the said investigation.

6. Loans

Disclosure and Transparency

- LTHFL shall make available and disclose all material information to the customer, as may be required by the customer to understand the terms and conditions governing the grant of loan facility. The material information shall include all the terms and conditions applicable to the Loan.
- In respect of prospective customers, provide clear information explaining the key features of its services and products that customers are interested in and also the terms and conditions governing the Loan.

Applications for Loans and Their Processing

- Loan application forms to include at the necessary information to compare the

housing loan options available to customer. The Loan application form may indicate the list of documents required to be submitted with the application form.

- An acknowledgement for receipt of all loan applications shall be provided to the customers.

Loan appraisal, disbursement and changes in the terms, conditions, interest rates, charges etc.

- Normally, all particulars required for processing the Loan application will be collected at the time of the Loan application/processing.
- Disbursement should be made in accordance with the disbursement schedule given in the Loan Agreement/Sanction Letter.
- It will be conveyed in writing to the customer, 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 written acceptance of these terms and conditions by the customer shall be kept in the record of LTHFL.
- A copy of the Loan agreement along with a copy each of all enclosures quoted in the Loan agreement will be furnished to every customer at the time of sanction/disbursement of Loans.

Communication of rejection of Loan Application

- On the customer request, a communication in writing containing the reason(s) for rejection shall be provided to the customer.

Disbursement of loans including changes in terms and conditions

- A notice will be given to the customer of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/charges etc. Changes in the interest rates and charges in terms and conditions will be made with prospective effect only. A suitable condition in this regard will be incorporated in the Loan agreements. LTHFL will communicate the change of Benchmark Prime Lending Rate on its website.
- If such change is to the disadvantage of the customer, 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.
- LTHFL 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 LTHFL may have against the customer. If such right of set off is to be exercised, the customer shall be given notice about the same with full particulars about the remaining claims and the conditions under which LTHFL is entitled to retain the securities till the relevant claim is settled /paid.

7. Guarantors – Applicability of the Code

- When a person is considering to be a Guarantor to a Loan, he/she shall be informed about:
 - his/her liability as Guarantor.

- the amount of liability he/she will be committing him/herself to the LTHFL.
- circumstances in which LTHFL will call on him/her to pay up his/her liability.
- the customer has been informed the extent of his/her rights under the existing legal framework for accessing the personal records.
- whether LTHFL has recourse to his/her other monies 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 LTHFL will notify him/her about this.
- any material adverse changes in the financial position of the customer to whom he/she stands as guarantor.
- In case the guarantor refuses to comply with the demand made by the creditor /lender, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter

8. Privacy and Confidentiality

LTHFL shall treat all personal information of customers as private and confidential [even when the customers are no longer customers of LTHFL] and no information or data relating to customer accounts, whether provided by the customers or otherwise, shall be revealed to anyone, including other companies/entities in LTHFL group, unless:

- The information is to be given by law.
- There is a duty towards the public to reveal the information.
- In LTHFL's reasonable opinion or interest, the information is required to be given.
- The customer asks the LTHFL to reveal the information, or the information is given with customer's prior written permission.
- The customer has been informed the extent of his/her rights under the existing legal framework for accessing the personal records.
- LTHFL will not use customer's personal information for marketing purposes unless the customer has specifically authorized LTHFL to do so.

9. Credit Reference Agencies (“CRAs”)

LTHFL shall inform the Customer at the time when the Customer is availing the Loan facility or any time thereafter that his/her account details may be disclosed to CRAs and the checks that may be made through them. Further, provide information to CRAs about the personal debts of the Customer, if:

- The Customer has defaulted with his/her payments of EMI.
- The amount owed is in dispute and
- The Customer has not made satisfactory proposal for repaying the debt, following LTHFL's formal demand.

Additional information about the customer may be given to CRAs if the customer has given his/her permission to do so. A copy of the information given to the credit reference agencies shall be provided to a customer, if so demanded.

10. Collection of Dues

LTHFL's collection policy to be built on courtesy, fair treatment and persuasion, fostering customer confidence and long-term relationship. LTHFL's staff or any person authorized to represent LTHFL in collection of dues or/and security repossession shall identify himself/herself and display the authority letter so issued and upon request, display his/her identity card so issued. Provide customers with all the information regarding dues and endeavor to give sufficient notice for payment of dues.

In the event of default in payment of Loan amount by the Customer, LTHFL and/or its authorized agents:

- Shall contact the customer 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
- Shall display and inform the customer of his/her identity and authority to represent LTHFL in the first instance.
- Shall respect customer's privacy.
- Shall remind the customer by sending him/her notice or by making personal visits.
- Shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.
- Shall use legal means to repossess the Asset – Both immovable and movable property.
- LTHFL and/or its authorized representatives shall not use abusive language and/or force while undertaking collection/repossession activity.
- Shall not speak to anyone else except the customer for recovering the outstanding dues.
- Shall always be polite to all the customers.
- Contact the customer ordinarily at the place of his/her residence and if unavailable at his/her residence, at the place of business/occupation between 0700 hrs. and 1900 hrs. unless the special circumstances of the customer's business or occupations require otherwise.
- Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- Document time and number of calls and contents of conversation.
- Provide all assistance to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- Maintain decency and decorum during visits to customer's places.
- Not visit on inappropriate occasions such as bereavement in the family or such other calamitous occasions to collect dues.

11. Customer Grievances and Redressal Internal Procedures

LTHFL shall-

- Have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- The Board of Directors of LTHFL will lay down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a

mechanism should 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.

- Ensure that the customer is informed where to find details of LTHFL's procedures for handling complaints fairly and quickly.
- Provide complete information like mechanism for receiving/addressing complaints, mode available for complaints, details of Grievance Redressal officer etc. to customer who wants make complaint.
- Endeavor to deal quickly and sympathetically to correct any mistake committed by its staff/system/process.
- Redress customer grievances, for which the customer may write or call the concerned Branch clearly stating the nature of her/his grievance along with necessary documents, if any and he/she will be provided a Complaint Reference Number. If a complaint has been received in writing from a customer, an acknowledgement/response shall be sent to the customer within a week of receiving the complaint.
- Further, after examining the grievance, LTHFL shall send the final response to the customer or explain the reason as to why it needs more time to respond beyond six weeks of receipt of the same. The customer aggrieved by any decision of the aforesaid official may prefer an escalation to the Head Office of LTHFL at the address given below. The grievances will be attended immediately upon such reference.

L&T Housing Finance Ltd.

Brindavan, Plot no. 177,
CST Road, Kalina,
Santacruz (East),
Mumbai - 400 098.

- LTHFL shall publicize its grievance redressal procedure ((e-mail id and other contact details at which the complaints can be lodged, turnaround time for resolving the issue, matrix for escalation, etc.) and ensure that it is specifically made available on its website.
- LTHFL shall clearly display in all its offices / branches and on the website that in case the complaint does not receive response from the company within reasonable time or is dissatisfied with the response received, the complainant may approach the Complaint Redressal Cell of National Housing Bank by lodging its complaints-

- in Online mode at the link <https://grids.nhbonline.org.in>

OR

- in offline mode by post, in prescribed format available at link <http://www.nhb.org.in/Grievance-Redressal-System/Lodging-Complaint-Against-HFCs-NHB%E2%80%9393Physical-Mode.pdf>, to the following address-

Complaint Redressal Cell,
Department of Regulation & Supervision,
National Housing Bank, 4th Floor, Core 5A,
India Habitat Centre, Lodhi Road,
New Delhi – 110 003.

12. General

LTHFL shall

- Verify the details mentioned by the customer 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 the LTHFL.
- Inform the customer to co-operate if LTHFL needs to investigate a transaction on the customer's account and with the police/other investigative agencies, if there is a need to involve the customer.
- 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.
- Inform about the products and services in any one or more of the following languages:
 - Hindi, English or the appropriate local language.
- Not discriminate on grounds of sex, caste and religion in the matter of lending. Further, LTHFL shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude LTHFL from instituting or participating in schemes framed for different sections of the society.
- Shall process requests for transfer of a Loan account, either from the borrower or from a bank/financial institution, in the normal course.
- Publicize the code by :
 1. Publishing on the Website of the company
 2. Making this Code available on request either over the counter or by electronic communication or mail at all the branches of the company
 3. Making available this Code at every branch and on the website and
 4. Ensuring that the LTHFL staff is trained to provide relevant information about the Code and to put the Code into practice.
- The Board of Directors of LTHFL shall provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.