

HDFC Credila's Fair Practice Code

Ver – October 2022

HDFC Credila Financial Service Limited

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Review cycle:

The policy shall be reviewed annually and as and when required.

Last Reviewed by the Board in Annual Review:

April 17, 2023

1 Fair Practices Code

This Code has been formulated by HDFC Credila Financial Services Limited (“HDFC Credila”) pursuant to the Guidelines issued by the Reserve Bank of India (“RBI”) on Fair Practices Code for Non Banking Finance Companies vide the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

It is, and shall be, the policy of HDFC Credila to make all its financial products available to all eligible qualified applicants, without discrimination on the basis of race, caste, color, religion, sex, marital status, age or handicap. HDFC Credila’s policy is to treat all the customers fairly. HDFC Credila will also communicate its Fair Practices Code (FPC) to its customers by making the FPC available to everybody on its website and displaying the FPC at all its branches. A copy of the said FPC would be made available on request and would be provided in respective regional language prevalent in the particular state in which HDFC Credila operates in on request. All communications to the borrower shall be in the vernacular language or a language as understood by the borrower

HDFC Credila will ensure that the implementation of the FPC is the responsibility of the entire organization. HDFC Credila’s fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities.

HDFC Credila’s Board of Directors and the management team are responsible for implementing the fair practices hereinafter detailed, and also ensure that its practices reflect its strong commitment to all the stakeholders for offering, in a fair and equitable manner, the various financial services and products and that all employees are aware of this commitment.

1.1 Key Commitments

The key commitments which HDFC Credila promises to follow in its dealings with its customers are:

- To act fairly and reasonably in all dealings with its customers by ensuring that:
 - a. Its products, services, procedures and practices will meet the commitments and standards in this FPC
 - b. Its products and services will meet relevant laws and regulations as applicable
 - c. Its dealings with its customers will rest on its ethical principles of honesty, integrity and transparency.

- To assist its customers in understanding how its financial products and services work by:
 - a. Providing information about them in a language and manner as understood by them
 - b. Explaining their financial implications
- To ensure its customers have a trouble-free experience in dealing with it and in case of any errors of commission or omission, HDFC Credila would deal with the same quickly and sympathetically.

1.2 Applications For Loans & Loan Application Processing

1. HDFC Credila's website and loan application forms with supporting documents include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The website and loan application form with supporting documents will also indicate the documents required to be submitted with the application form.
2. HDFC Credila will provide appropriate acknowledgement for receipt of loan applications. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

1.3 Loan Appraisal & Terms/Conditions

HDFC Credila will convey in writing to the borrower by means of sanction letter, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. HDFC Credila shall also mention the penal interest for late repayment in bold in the loan agreement.

The aforesaid rate of interest applicable to customers would be based on HDFC Credila's Benchmark Lending Rate which in turn is dependent on factors such as cost of funds, margin, etc. plus a spread which is determined on the risk profile of the case which vary on account of a number of factors such as student's academic background, employability of the selected course from a selected college and country of study, financial strength of the co-borrower, loan repayment capability, credit history, collateral offered or not, serviceability of the loan through HDFC Credila's branch network, cost/s associated with underwriting and servicing the loan, etc.

1.4 Change In Terms & Conditions

1. HDFC Credila will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges,

prepayment charges etc. HDFC Credila will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard has already been incorporated in the loan agreement.

2. HDFC Credila will furnish a copy of the loan agreement, either electronically or physical paper copy, to all the borrowers upon disbursement of the loan.
3. The decision of HDFC Credila to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.
4. HDFC Credila will 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 HDFC Credila may have against the 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 HDFC Credila is entitled to retain the securities till the relevant claim is settled/paid.

1.5 General

1. HDFC Credila will refrain from interference 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 HDFC Credila).
2. In case of receipt of request from the borrower for transfer of the loan account, the consent or otherwise i.e. objection of the HDFC Credila, if any, will be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per the transparent contractual terms entered into with the borrower in consonance with law.
3. In the matter of recovery of loans, HDFC Credila or its agents will resort only to remedies which are legally and legitimately available to it and will not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their 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 calling the borrower and/ or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, and will not resort to use of muscle power for recovery of loans, etc. HDFC Credila will make all efforts so that its staff is adequately trained to deal with the customers in an appropriate manner.
4. HDFC Credila will not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s), in line with the regulatory requirement.

1.6 Grievance Redressal Mechanism

HDFC Credila has laid down the appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard which ensures that all disputes arising out of the decisions of HDFC Credila's functionaries are heard and disposed of at the next higher level.

The Board of Directors shall also periodically review 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 shall be submitted to the Board at periodic intervals.

1. HDFC Credila will guide customers who wish to lodge a complaint and also provide guidance on what steps can be taken in case the customer is unhappy with the outcome.
2. After examining the matter, HDFC Credila will send a response as soon as possible; HDFC Credila will also guide the customer on how to take the complaint further if the customer is not satisfied.
3. A Grievance Redressal Officer shall be appointed for the redressal of grievances of the customers including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery, who would in consultation with senior management officials oversee the Grievance Redressal Mechanism. The name and contact details of the Grievance Redressal Officer shall be displayed on the website of HDFC Credila and for the benefits of its customers, the same shall also be displayed prominently on the notice board at its branches/ offices where business is transacted.
4. If the customer's complaint / dispute is not redressed by the Grievance Redressal Officer within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of the Department of Non-Banking Supervision (DNBS) of the Reserve Bank of India (RBI), Mumbai under whose jurisdiction the registered office of HDFC Credila falls. The name and contact details of the Officer-in-Charge of the Regional Office of the DNBS, RBI shall be displayed on the website of HDFC Credila and for the benefits of its customers, the same shall also be displayed prominently on the notice board at its branches/ offices where business is transacted.

1.7 Ombudsman Scheme

HDFC Credila will display prominently, for the benefit of their customers, at their branches/ places where business is transacted, the name and contact details (Telephone/ Mobile numbers as also email addresses) of the PNOs/NOs/GROs and the name and contact details of the Ombudsman, who can be approached by the customer.

HDFC Credila will prominently display the salient features of the Scheme (in English, Hindi and Vernacular language) at all their offices and branches in such a manner that a person visiting the office or branch has easy access to the information.

HDFC Credila shall appoint the Internal Ombudsman and adhere to the relevant guidelines issued by the Reserve Bank of India.

1.8 Force Majeure

The various commitments outlined and made by HDFC Credila are applicable under the normal operating environment. In the event of Force Majeure, HDFC Credila will not be able to fulfill the commitments under the FPC to the entire satisfaction of the customers and the other stakeholders.