



Fair Practice Code

SEWA Grih Rin Limited

| SN | Version No. | Release Date | Approval Date | Prepared By | Approved By | Remarks |
|----|-------------|--------------|---------------|-------------|--------------------|---------|
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1. PREFACE

This document provides details of the practices which need to be followed by the Company to ensure fair and transparent dealings with its customers who approach it for obtaining a loan and for transactions with customers after the loan has been granted. This fair practice code (“**Code**”) will enable employees to provide better customer service and maintain transparency in business dealings with its customers. This Code has been drafted in accordance with the Fair Practices Code of the Reserve Bank of India (Housing Finance Companies) Directions, 2025 bearing Circular No. RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26 dated November 28, 2025. The Code has the following key elements.

2. OBJECTIVES OF THE CODE

- (a) To promote good and fair practices by setting minimum standards in dealing with customers;
- (b) To increase transparency so that the customer can have a better understanding of what he/she can reasonably expect of the services;
- (c) To encourage market forces, through competition, to achieve higher operating standards;
- (d) To promote a fair and cordial relationship between the customer and the Company;

- (e) To foster confidence in the housing finance system;
- (f) To provide professional, efficient, courteous, diligent and speedy services;
- (g) To be fair and honest in any advertisement and marketing of loan products;
- (h) To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transactions;
- (i) To attempt in good faith to resolve any disputes or differences with customers by setting up complaint redressal system within the organization.

3. APPLICATION OF THE CODE

This Code shall apply to all the products and services, whether they are provided by the Company, its subsidiaries or Digital Lending Platforms (self-owned and/or under an outsourcing arrangement) across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

4. DEFINITIONS

- (a) **“Board”** shall mean the board of directors of the Company;
- (b) **“Borrower”** shall mean a person/ entity who has availed financial facilities from the Company;
- (c) **“Company”** shall mean Sewa Grih Rin Limited;
- (d) **“HFCs”** shall mean housing finance companies;
- (e) **“RBI Directions”** shall mean the Reserve Bank of India (Housing Finance Companies) Directions, 2025 (Circular No. RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26) dated November 28, 2025, as may be amended or supplemented from time to time.

5. OUR COMMITMENT

The Company shall adhere to this Code to act fairly and reasonably in all dealings, on the ethical principle of integrity and transparency, to meet the standard practices prevalent in the housing finance industry.

- (i) The Company will provide clear and transparent information to customers so as to enable them to understand:
 - (a) Terms and conditions of the products and services offered including the interest rate and service charges;
 - (b) Benefits available to customers.
- (ii) Products and services of the Company will meet relevant laws and regulations in both letter and in spirit.

- (iii) The Company will act quickly in correcting the mistakes and attend to complaints lodged by its customers in light of objectives of this Code.
- (iv) The Company shall not discriminate in the matter of lending amongst its prospective/existing customers on the basis of age, race, caste, gender/ sex, marital status, religion or disability. Further, the Company shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc.

Further, the Company adopts the guidelines for loan facilities to visually challenged applicants, as set out under the RBI Directions.

However, this does not preclude the Company from instituting or participating in schemes framed for different sections of the society, and the restrictions, if any, as mentioned in the loan products, shall continue to apply.

- (v) The Company shall:
 - (a) provide existing and new customers with a copy of the Code;
 - (b) make this Code available on request either over the counter or by electronic communication or mail;
 - (c) make available this Code at every branch and on their website; and
 - (d) ensure that the staff are trained to provide relevant information about the Code and to put the Code into practice.
- (vi) The Company shall take special efforts to make it easy and convenient for customers like senior citizens, physically challenged persons and illiterate persons to deal with the Company.

6. **DISCLOSURE AND TRANSPARENCY**

- (a) In respect of prospective customers, the Company shall:
 - (i) provide clear information explaining the key features of the services and products that customers may be interested in;
 - (ii) assist the customers in selecting products and services that may suit the customers' needs;
 - (iii) apprise the customers about various means through which products and services of the Company are offered (for example, on the Internet, over the phone, in branches and so on) and inform them about the sources and means to get more information about these products and services; and
 - (iv) inform the customers about the requisite information and documents required from him / her to prove his / her identity and address, for complying with legal, regulatory and internal policy requirements.
- (b) To those who have become customers, the Company shall:

- (i) provide further, new, and updated information that may be developed, generated, or derived by the Company in relation to key features of the products, including applicable interest rates / fees and charges;
 - (ii) provide extra and updated information on rights and responsibilities of the customers;
- (c) Customers shall be given an option to opt-out of promotional or marketing related telephone calls / SMSs / emails about any new product / service on Company website and Customer Portal.

(d) Interest rates

The Company shall give requisite information to the customers on:

- (i) the interest rates calculated on an annualized rate which applies to his/her loan accounts:
- (ii) how interest is applied to his / her account and method of calculation of interest as well as EMI payable by the customer.

(e) Change in Interest Rates

The Company shall inform well in advance to the customers about its decision to make changes in interest rates on the products offered by the Company and the changes so made in interest rates shall be made applicable prospectively. A suitable condition in this regard shall be incorporated in the Sanction Letter, loan agreement, etc.

(f) For reset of floating interest rate on EMI based Personal Loans (including Housing Loans):

At the time of sanction, the Company shall communicate to the Borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both through a simulation. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the Borrower immediately through appropriate channels.

The Company shall also communicate the applicable conversion charges from Floating to Fixed or vice-versa in the sanction letter. Any changes thereafter shall also be communicated to the applicable Borrowers.

At the time of reset of Interest Rates the Company shall:

- (i) provide options to the Borrowers to switch over from floating rate loan to a fixed rate loan as per its policy, subject to a maximum times of switch allowed as per Company's policy.
- (ii) provide the Borrower the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) prepaying, either in part or in full, at any point during the tenor of the loan (subject to charges as mentioned under the latest MITC).
- (iii) Applicable fees and charges will be communicated to the Borrowers in the Sanction Letter and at the time of revision of such fees and charges.

Subsequently, any increase in the EMI / tenor or both on account of the above shall be communicated to the Borrower immediately / in-advance through appropriate channels.

The Company shall make accessible the Loan Statements and / or Repayment Schedules of the Borrowers on a quarterly basis enumerating the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan.

The Company shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.

(g) Fees & Charges

- (i) The Interest Rate Policy is displayed on the Company's website under Policies and Documents section.
- (ii) The Company shall display in all its branches a notice about the fees and charges (as part of MITC) which the customers would be allowed to see free of cost.
- (iii) The fees and charges given to the customers in respect of the products and services chosen by him/her shall contain all details about the charges as applicable to, and which the customer shall be liable to pay for availing the products and services so chosen by the customers.
- (iv) The Company shall provide to the customers information about the penalties which shall be levied on him/her in case of non-observance / violation of any of the terms and conditions governing the product / services chosen by them.
- (v) The List of Penal & other Charges will also be disclosed by the Company in the Sanction Letter, loan agreement and most important terms & conditions in addition to being displayed on the Company's website.
- (vi) The Company's laid down policy for penal interest/ charges (if any) has been annexed herewith as Annexure-1 which shall also be made available on the website and shall be updated periodically.

(h) Changes in fees & charges

If the Company decides to increase any of the charges or introduce a new charge, it will be notified in advance and prior to the revised charges/new charges being levied / becoming effective.

(i) Terms and conditions

- (i) The Company shall suitably advise the customer availing a product / service for the first time, about the relevant terms and conditions for the products/services he / she has asked the Company to provide; and
- (ii) The terms and conditions governing the products and services of the Company shall be fair and shall set out respective rights (including right of nomination). The said terms and

conditions shall spell out the liabilities and obligations clearly, and shall be prepared and presented in plain and simple language.

(j) Changes in the Terms and Conditions

Any change in the terms and conditions shall be communicated to the customers through any of the following channels: -

- (i) personal intimation;
- (ii) notice board at branches;
- (iii) internet, including email and website or through messaging;
- (iv) newspaper, whenever required.

(k) Key Fact Statement

- (i) The Company shall provide Key Fact Statement (KFS) in the standardised format to all the Borrowers availing Retail or MSME term loan products before executing the loan contract.
- (ii) The KFS shall be written in a language understood by such Borrowers. Contents of KFS shall be explained to the Borrower and an acknowledgement shall be obtained that they have understood the same.
- (iii) Computation sheet of annual percentage rate (APR), and the amortisation schedule shall also be included in the KFS. The KFS summary box shall also be included in the loan agreement.

7. PRIVACY & CONFIDENTIALITY

The Company shall collect personal information that it believes to be relevant and required to understand the customer's profiles and conduct its business. The Company shall treat all personal information of customers, both present and past, as private and confidential and the Company shall be guided by the following principles and policies:

- (i) The Company shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies/entities in their group, other than in the following exceptional cases:
 - (a) if the information is to be given by law;
 - (b) if there is a duty towards the public to reveal the information.
 - (c) if the Company's 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 customer or customer accounts (including customer name and address) to anyone else, including other companies in the group, for marketing purposes.
 - (d) if the customer asks the Company to reveal the information, or with the customer's

permission.

- (e) if the Company is asked to give a reference about customers, it shall obtain his / her written permission before giving it.
- (ii) The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that the Company holds about him /her.
- (iii) The Company shall not use the customer's personal information for marketing purposes by anyone including other HFC's unless the customer specifically authorizes them to do so.
- (iv) If the Company avails services of any third party for providing support services, the Company shall require that such third parties handle customers' personal information with the same degree of confidentiality and security as the Company would.

8. ADVERTISING, MARKETING AND SALES

- (i) The Company shall ensure that all advertising and promotional material is clear and factual, and not misleading. The Code shall apply to Sales Associates/ representative of the Company in dealing with customers to the extent it is applicable.
- (ii) The Company may, from time to time, communicate to customers various features of its products availed by them. Information about its other products or promotional offers in respect of products / services may be conveyed to customers 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 customer service number.
- (iii) In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, the Company shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request or on the website.
- (iv) The Company shall provide information on interest rates, common fees and charges (including penal charges, if any) through putting up notices in their branches; through telephone or help-lines; on the Company's website and/or through email communication; through designated staff/ help desk; or providing service guide/ tariff schedule.
- (v) The Company shall prescribe a code of conduct for its Direct Selling Agencies (DSAs) / Direct Marketing Agents (DMAs) whose services are availed to market products/ services which amongst other matters require them to identify themselves when they approach the customer for selling products personally or through phone.
- (vi) The Company has adopted the Model Code of Conducts for Direct Selling Agents (DSAs)/ Direct Marketing Agents (DMAs) as per the RBI Directions, with the approval of the Board. In the event of receipt of any complaint from the customer that Company'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.

9. LOANS

A. APPLICATION FOR LOANS AND THEIR PROCESSING:

- (i) All communications to the Borrower shall be in the vernacular language or a language as understood by the Borrower.
- (ii) The Company shall transparently disclose to the Borrower all information regarding the rate of interest charged from customer as also the other information about fees/ charges 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, penal charges for delayed repayment, if any, conversion charges for switching loan from fixed to floating rates or vice-versa, existence of any interest reset clause and any other matter which affects the interest of the Borrower. In other words, the Company will disclose 'all in cost' inclusive of all charges involved in processing/ sanctioning of loan application in a transparent manner. The Company will ensure that such charges/ fees are non-discriminatory.
- (iii) Loan application forms shall include necessary information which affects 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. The loan application form shall indicate the list of documents required to be submitted with the application form.
- (iv) The Company shall provide acknowledgment for receipt of all loan applications within 48 working hours, and the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement.

B. LOAN APPRAISAL, TERMS / CONDITIONS AND COMMUNICATION OF REJECTION OF LOAN APPLICATION:

- (i) Normally all particulars required for processing the loan application will be collected by the Company at the time of application. In case it needs any additional information, the customer will be informed that he would be contacted immediately again.
- (ii) The Company will convey in writing to the Borrower (in vernacular language or a language as understood by the Borrower) 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 keep the written acceptance of these terms and conditions by the Borrower on its record.
- (iii) The Company shall mention the penal charges charged for late repayment in bold in the loan agreement.
- (iv) The Borrower shall be entitled to a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement at the time of sanction / disbursement of loans.
- (v) In case of rejection of loan sanction/disbursement, the decision will be communicated to the Borrower in writing. The reason for rejection in the opinion of the Company after due consideration, which has led to rejection of the loan applications, would also be communicated in writing. In case the proposal does not meet the internal product parameters of the Company, the Borrower would be intimated accordingly.

C. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS:

- (i) Disbursement shall be made in accordance with the disbursement schedule given in the loan agreement/ sanction letter.
- (ii) The Company shall give notice to the Borrower in the vernacular language or a language as understood by the Borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/ charges etc. The Company will 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. 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.
- (iii) Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities which is in consonance with the loan agreement, the Company shall give notice to the Borrower(s) in consonance with the loan agreement.

10. RESPONSIBILITY OF BOARD OF DIRECTORS

- (i) The Board has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. The mechanism ensures that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.
- (ii) The Board shall periodically and atleast on a half-yearly basis, review the compliance of the 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.

11. LANGUAGE AND MODE OF COMMUNICATING FAIR PRACTICE CODE

- (i) The Code as established by the Company is in vernacular language or a language as understood by the Borrower and is based on the RBI Directions and guidelines.
- (ii) This Code has been drafted in no way sacrificing the spirit underlying the RBI guidelines and directions.
- (iii) The Code shall be put up on the Company's website, for the information of various stakeholders.

12. REGULATION OF EXCESSIVE INTEREST CHARGED BY HFCs:

- (i) The Board has adopted an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determines the rate of interest to be charged for loans and advances.
- (ii) The Company shall disclose to customers the rate of interest and the approach for gradation of risk and rationale for charging different rates of interest to different categories of Borrowers in the application form and communicate the same explicitly in the sanction letter.
- (iii) The rates of interest and the approach for gradation of risks shall also be made available on the

website of the Company or published in the relevant newspapers. The information published in the website or otherwise published shall be updated whenever there is a change in the rates of interest.

- (iv) The rate of interest and penal interest (if any) shall be annualised so that the Borrower is aware of the exact rates that would be charged to the account.
- (v) Instalments collected from Borrowers shall clearly indicate the bifurcation between interest and principal.

13. EXCESSIVE INTEREST CHARGED BY HFCs

- (i) The Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges (including penal interest, if any).
- (ii) The Company has put in place an internal mechanism to monitor the process and the operations so as to ensure adequate transparency in communications with the Borrowers.

14. CLOSURE OF LOAN ACCOUNT AND RELEASE OF SECURITIES/DOCUMENTS:

The Company shall release all original movable / immovable property documents and securities and remove any charges registered with any registry such as CERSAI, ROC, etc. within a period 30 days from repayment of all dues and on realization / settlement of the loan accounts, as per terms and conditions stipulated in the sanction letter, subject to any legitimate right or lien for any other claim of the Company against the Borrower. Where the Company decides to exercise its right of set off, the Borrower shall be given notice 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.

In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company shall have a well laid out procedure for return of original movable / immovable property documents to the legal heirs. Such procedure shall be displayed on the Company website.

15. GUARANTORS

- (i) When a person is considered being a guarantor to a loan, the Company shall inform him/her the following under acknowledgement:
 - (a) their liability as guarantor;
 - (b) the amount of liability they will be committing themselves to the Company;
 - (c) circumstances in which the Company will call on them to pay up their liability;
 - (d) whether the Company has recourse to their other monies in the Company if he/ she fail to pay up as a guarantor;
 - (e) whether their liabilities as a guarantor are limited to a specific quantum or are they unlimited;
 - (f) time and circumstances in which their liabilities as a guarantor will be discharged as also

the manner in which the Company will notify them about this; and

- (g) in case the guarantor refuses to comply with the demand made by the Company, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter.
- (ii) The role of guarantor along with terms and conditions applicable for guarantor shall be as per the document to be executed at time of providing guarantee against a loan.
- (iii) The Company shall keep him/her informed of (i) any material adverse change/s in the financial position of the Borrower to whom he/ she stands as a guarantor; (ii) any default in the servicing of the loan by the Borrower to whom he/she stands as a guarantor; and (iii) any changes in the terms and conditions of the Loan.

16. CREDIT BUREAU/ REFERENCE AGENCIES

The Company may give information to Credit Bureau/ Reference agencies about the personal debts, the customer owes to it if:

- (a) The customer has fallen behind with his / her payments;
- (b) Legal proceedings have been initiated against the customer to recover the dues;
- (c) Debts settled through legal resources against the customer;
- (d) It is mandated by law to provide the information of all such customers to such agencies. A clause to this effect has been included in the Loan Agreement seeking the customer's consent to share information on his loan with Credit Bureaus approved by NHB.

17. COLLECTION OF DUES

- (i) Whenever loans are given, the Company shall explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However if the customer does not adhere to the repayment schedule, a defined process in accordance with the laws of the land and the customer's contract with the Company will be followed for recovery of dues. The process will involve reminding the customer by sending him / her a notice or by making personal visits and / or repossession of security if any.
- (ii) Company staff or any person authorized shall identify himself through ID card or by any other medium while representing the Company for collection of dues or / and security repossession.
- (iii) Company shall provide customers with all the information regarding dues and shall endeavour to give sufficient notice for payment of dues.
- (iv) All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- (v) During visits to customer's place for dues collection, decency and decorum shall be maintained.
- (vi) In the matter of recovery of loans, the Company would not resort to undue harassment or use of

force, viz., persistently bothering the Borrowers at odd hours, use muscle power for recovery of loans etc. The Company shall ensure that its staff is adequately trained to deal with the customers in an appropriate manner.

- (vii) The Company has adopted the guidelines for engaging recovery agents as per the RBI Directions, with the approval of the Board.

18. COMPLAINTS AND GRIEVANCES

- (i) The Company strives for customer satisfaction within the framework of law, adopted policies and procedures and lays down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances as per the Reserve Bank of India guidelines.
- (ii) In case of any grievance, the customer may approach the In-Charge of the business location where he / she has his / her account and register the complaint in the 'Complaint Register' available with the In-Charge. On registering the complaint, the customer should obtain complaint number and date for future reference. Alternatively, the Borrower may raise an online request at [customer.care@sgrlimited.in/complaints@sgrlimited.in.] or call on [Toll Free Number: 1800113909].
- (iii) If the complaint has been received in writing from a customer, the Company shall endeavour to send him/ her an acknowledgement/ response within a week. The acknowledgement should contain the name & designation of the official who will deal with the grievance.

If the complaint is relayed over phone at the Company's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.

- (iv) After examining the matter, the Company shall send the customer its final response or explain why it needs more time to respond and the Company shall endeavour to resolve the complaint within [two weeks] of receipt of complaint.
- (v) If the customer is not satisfied with our customer service team resolution within [two weeks], he/ she can redirect his/ her complaint to our Grievance Redressal Officer.

| | |
|--|------------------------------|
| Name of Grievance Redressal Officer | Ms. Suvrata Mishra |
| Contact No. | Phone: 011-4352-1832 |
| Email ID | suvrata.mishra@sgrlimited.in |

- (vi) In case the response is unsatisfactory, or the response is not received from the Company within a period of 1(one) month, the customer may approach NHB at their following address:

The General Manager
National Housing Bank
Compliant Redressal Cell
4th Floor, Core 5A, India Habitat Centre Lodhi

Road, New Delhi – 110003

Or Customer may lodge complaint to NHB through online grievance lodging system also, called 'GRIDS' (Grievance Registration & Information Database System) through the link at <https://grids.nhbonline.org.in>

- (vii) The Company 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.) for lodging the complaints by the aggrieved Borrower and ensure specifically that it is made available on its website.
- (viii) The Company shall clearly display in all its offices/ branches and on the website that in case the complainant does not receive response from the Company within a period of one month or is dissatisfied with the response received, the complainant may approach the Complaint Redressal Cell of National Housing Bank by lodging its complaints online on the website of NHB or through post to NHB, New Delhi.

19. PREP-PAYMENT CHARGES ON LOANS

- (i) The Company shall impose foreclosure charges/ pre-payment penalties as laid down in the Interest Rate Policy of the Company.
- (ii) The Company shall not charge pre-payment levy or penalty on pre-closure of housing loans under the following situations:
 - (a) Where the housing loan is on a floating interest rate basis and pre-closed from any source.
 - (b) Where the housing loan is on a fixed interest rate basis and the loan is pre-closed by the Borrower out of their own sources.

The expression "own sources" for the purpose means any source other than by borrowing from a bank/HFC/ NBFC and/or a financial institution.

All dual/ special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/ floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate.

In case of a dual/ special rate housing loans, the pre-closure norm for floating rate will apply once the loan has been converted into floating rate loan, after the expiry of the fixed interest rate period. This applied to all such dual/ special rate housing loans being foreclosed hereafter.

It is also clarified that a fixed rate loan is one where the rate is fixed for entire duration of the loan.

- (iii) In case of existing loans sanctioned or renewed on or before December 31, 2025, the Company shall not levy pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
- (iv) The Company shall adhere to the directions laid down in RBI Directions, regarding levy of pre-payment charges on loans and advances (term loans as well as demand loans) sanctioned or

renewed on or after January 1, 2026.

- (v) The Company shall not levy any charges/ fees retrospectively at the time of pre-payment of loans, which were waived off earlier by the Company.

20. GENERAL

- (i) The Company shall refrain from interference in the affairs of the Borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the Borrower, has been noticed).
- (ii) The Company at its discretion shall process requests for transfer of a loan account, either from the Borrower or from a bank/financial institution, in the normal course. 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. Such transfer shall be as per transparent contractual terms in consonance with law.
- (iii) To facilitate quick and good understanding of the major terms and conditions of housing loan agreed upon between the Company and the individual Borrower, the Company shall obtain a document containing the most important terms and conditions (MITC) of such loan (i.e., other than the details included in KFS) in all cases in the suggestive format as per the RBI Directions. The document will be in addition to the existing loan and security documents being obtained by the Company. The Company shall prepare the said document in duplicate and in the language understandable by the Borrower. Duplicate copy duly executed between the Company and the Borrower shall be handed over to the Borrower under acknowledgement.
- (iv) The Company shall display various key aspects such as service charges, interest rates, penal charges (if any), services offered, product information, time norms for various transactions and grievance redressal mechanism, etc. required to promote transparency in the operations of the Company.
- (v) The Company shall follow the instructions on “Notice Board”, “Booklets/ Brochures”, “Website”, “Other Modes of Display” and on “Other Issues” as per the RBI Directions.
- (vi) The Company shall display about its products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- (vii) The Company may 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.
- (viii) The customer will be informed to co-operate if the Company needs to investigate a transaction on the customer's account and with the police/other investigative agencies. 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.

Annexure-1

Policy for Penal Charges

With regards to the Reserve Bank of India (Housing Finance Companies) Directions, 2025 (Circular No. RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26) dated November 28, 2025, the Company is proposing the following norms.

- Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.
- There shall be no capitalization of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding interest in the loan account. Therefore, the Company may charge interest on unpaid interest (including on unpaid EMI) at the contracted rate of interest till the date of remediation, and not at the penal rate of interest.
- The Company shall not introduce any additional component to the rate of interest.
- The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement and most important terms & conditions, in addition to being displayed on the Company's website under Interest Rates and Service Charges.
- Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.
- In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date.
- Authority to waive-off penal charges, rests with the Managing Director who may delegate it further to any official of the Company as deemed appropriate.