



FAIR PRACTICE CODE

1: Introduction

SATYA Micro Housing Finance Private Limited (Formerly known as Baid Housing Finance Private Limited) (hereinafter referred to as “the Company”/”SMHFPL”) is a Private Limited Company incorporated under the provisions of the Companies Act, 1956 and registered as a Housing Finance Company (“HFC”) with the National Housing Bank (“NHB”).

This Code was formulated by the company pursuant to the Guidelines issued by the National Housing Bank (“NHB”) on Fair Practices Code for Housing Finance Companies.

With the shifting of regulation of HFCs from NHB to RBI, now Reserve Bank of India’s (“RBI”) Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, shall apply to all HFCs. Therefore, this Code has been amended by the Company in line with the said RBI Master Directions vide Circular dated February 17, 2021 due to the onset of change in regulations for HFCs.

The Fair Practices Code sets the minimum standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day to day basis.

1.1 Objectives of the Code

Is to promote good and fair practices by setting high standards in dealing with Customers:

- 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 of the services expected.
- To promote a fair relationship between the company and the customer
- To encourage market forces, through fair competition, to achieve higher operating standards.
- To foster confidence in the housing finance system overall.

1.2 Application of Code

- This Code applies to all the products and services offered by the Company or through Digital lending Platforms (self-owned and/or under an outsourcing arrangement), whether they are provided across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.
- Applications for loans and their processing shall be made to borrowers in vernacular language or a language as understood by the borrower.
- The Code is applicable under normal operating environment except in the event of any force majeure.
- The Code is based on ethical principles of integrity and transparency and all actions and dealings will follow the spirit of the Code.

1.3 Commitment to Customer

- The Company will do the best of its ability, act fairly and reasonably in all dealings with the customer, meeting ethical principles of integrity and transparency and always following the relevant laws and regulations in letter and in spirit
- The Company will make sure that all its products and services are explained to its customers fully and ensure complete understanding
- To ensure that the terms are clear and not misleading and understood by the customer
- Its Sales Officers and Branch Managers (BM) or Officers/ sales representatives of the agency (s) working as Direct Selling /Marketing Agency or Recovery Agents under the approved Sales/ Marketing/ Recovery Arrangements, if any, will be the first point of contact for all the queries of the customer and contact information of the branches will also be posted on the company's website
- The Sales Officers and BMs or Officers/ Representatives of the said Agency(s) will help customers understand the terms and conditions, applicable interest rate / service charges all 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 interest/ penalty 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 and also the benefits that can be availed along with their financial implications. The company shall disclose 'all in cost' inclusive of all charges involved in processing/ sanctioning of loan application in a transparent manner and shall also ensure that such charges/ fees are non-discriminatory.
- The Company will maintain a close relationship with the customer, and keep them informed of the products and services and the changes in interest rates, charges or terms and conditions.
- The Company shall give acknowledgement for receipt of all loan applications along with time frame within which loan applications will be disposed.
- The Company will handle customer complaints promptly and help its customers in taking complaints forward if not satisfied
- Every customer would be provided with the details of contact persons, in case of a grievance and complaint. This would be part of the welcome kit given to the customers and also would be prominently displayed at the branches
- The Company will deal quickly with things that go wrong by correcting the mistakes promptly. It will also provide suitable alternatives in case of technological failure
- The Company will treat all customer information as private and confidential unless required by law or if waivers have been signed by the customer
- The Company will provide a copy of this Code, at request, to the customer. The Code will also be displayed and made available on its website and at its head and branches
- The Company will not discriminate on the basis of age, race, caste, gender, marital status, religion or disability unless specific to schemes promoted by the NHB/RBI or by Government to assist weaker sections of society

2: Advertising Marketing and Sales

- The Company will ensure that all advertising and promotional material is clear, and not misleading
- In any advertising in any media and promotional literature that draws attention to service or product and includes a reference to the interest rate, the Company will also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request

- Customers can get information on interest rates, processing fees and charges through any one of following:
 - Calling our branches
 - Through our designated staff
 - From our website
- If the Company avails of the services of third parties for providing support services, the Company will endeavor that such third parties handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as the Company would.
- The Company may from time to time communicate to the customers about the features of the products and also, give information about other product offerings or promotional offers if they have given their consent to receive such information or service. In the event of receipt of any complaint from Customers that our representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, Company will take appropriate steps to investigate and to resolve the complaint to customer's satisfaction

3: Loans

3.1 Applications for loans and their processing

- The 'Application Form/ appropriate documents' of the Company may indicate the list of documents required to be submitted by the Borrowers along with the Application form. Given the nature of the company's customer segment who are mainly from the self-employed and informal segment and may not have normal documentation especially to prove incomes, the company may conduct personal verification and checks subject to relevant guidelines/ directions issued by regulator in this behalf, in addition to collecting available documentation.
- The Company has a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. The Company would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.

3.2 Loan appraisal and terms and conditions

- Normally, all particulars required for processing the loan application will be collected by us at the time of application or at the time of personal verification conducted by the company. However, in case The Company needs any additional information we will contact the Customers immediately
- The Company will convey the customer in the 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, penal interest etc.
- The company will mention the penal interest charged for late repayment in bold in the loan agreement (if any).
- The Company will invariably furnish a copy of the loan document along with a copy each of all enclosures quoted in the loan document to every borrower at the time of disbursement of the loan against acknowledgement.

3.3 Communication of rejection of loan application

- The Company shall communicate verbally or in writing, to the customer whose application has been rejected.

3.4 i. Disbursement of loans including changes in terms and conditions

- Disbursement would be made in accordance with the disbursement request made by Customers as per their requirements subject to standard terms and conditions mentioned in the Sanction letter / loan documents
- Our Customers would be given notice of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/ charges etc. in the vernacular language or a language as understood by the borrower. Changes in interest rates and charges would be in effect prospectively. A suitable condition in this regard should 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.
- Any Decision to recall / accelerate payment or performance under the loan document or seeking additional securities would be in consonance with the loan documents
- All securities would be released on repayment of all due or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim The Company may have against Customers. If such right of set off is to be exercised, the Customers/borrowers will be given notice about the same with full particulars about the remaining claims and the conditions under which The Company are entitled to retain the securities till the relevant claim is settled / paid.

ii. Loans sourced over Digital Lending Platforms

Outsourcing of any activity by the Company does not diminish its obligations, as the onus of compliance with regulatory instructions rests solely with it. Wherever the Company engage digital lending platforms as its agents to source borrowers and/ or to recover dues, it must follow the following instructions:

- Names of digital lending platforms engaged as agents shall be disclosed on the website of the Company.
- Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the HFC on whose behalf they are interacting with him.
- Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued to the borrower on the letter head of the Company.
- A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all borrowers at the time of sanction/ disbursement of loans.
- Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the Company.
- Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

3.5 Guarantee

When one is considering being a guarantor to a loan, we will inform them about:

- Liability as guarantor
- The amount of liability that one will be committing to us
- Circumstances in which we will call on guarantor to pay up their liability
- That we would have right to proceed against the guarantor without first proceeding against the borrower and without exhausting our remedies against the borrower
- Whether The Company has recourse to their other monies if they fail to pay up as a guarantor
- Whether their liabilities as a guarantor is limited to a specific quantum or are they unlimited
Time and circumstances in which their liabilities as a guarantor will be discharged and The Company will keep them informed of any material adverse change in the known financial position of the borrower to whom they stand as a guarantor
- 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.

3.6 Privacy and Confidentiality

The Company will treat all customers' information as private and confidential even when you are no longer a customer, and will be guided by the following principles and policies as mentioned below. We will not reveal information or data relating to customer's accounts, whether provided by customer or otherwise, to anyone, including other companies/ entities in our group, other than in the following exceptional cases:

- If the information is to be given by law
- If there is a duty towards the public to reveal the information
- If our interests require us to give the information (for example, to prevent fraud) but we will not use this as a reason for giving information about customer or customer accounts (including name and address) to anyone else, including other companies in our group for marketing purposes
- If customer ask us to reveal the information, or if we have customer's permission
- If we are asked to give a reference about customer, we will need customer's consent before we give it
- Customer will be informed the extent of the rights under the existing legal framework for accessing the personal records that the Company holds about the customer
- The Company will not use customer's personal information for marketing purposes unless customer provides consent for the same

4: Credit Reference Agencies

- When Customer applies for loan with us, the Company will inform then when we may pass the account details to credit reference agencies and the Company will make checks with them
- The Company will give information to credit reference agencies about the personal debts Customer owe us if:
 - The Customer has fallen behind with the payments
 - The amount owed is not in dispute; and
 - Customers have not made proposals that we are satisfied with for repaying your debt, following our formal demand

- The Company will give credit reference agencies other information about the day-to-day running of your account if customer has given us permission to do so.
- In these cases, the Company may intimate customer in writing that The Company plans to give information about the debts Customers owe to us to credit reference agencies. At that time, the Company will explain to customer the role of credit reference agencies and the effect of the information we provide can have on customer's ability to get credit.
- The Company will provide Customers a copy of the information that the Company has given to the credit reference agencies, or provide their leaflets that explain how credit referencing works, if so demanded.

5: Collection of Dues

Whenever the Company give loans, the Company will explain to customer the repayment process by way of amount, tenure and periodicity of repayment. However, if customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land will be followed for recovery of dues. The process will involve reminding customer by sending notices or by making personal visits and/ or possession of security if any.

Our collection policy is built on courtesy, fair treatment and persuasion. The Company believes in fostering customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or / and security repossession will identify himself / herself and display the authority letter issued by us and upon request display to customer his/ her identity card issued by us or under our authority. The Company will provide customer with all the information regarding dues and will endeavor to give sufficient notice for payment of dues.

All the members of the staff or any person authorized to represent us in collection or/ and security repossession would follow the guidelines set out below:

- Customers would be contacted ordinarily at the place of their choice and in the absence of any specified place, at the place of their residence and if unavailable, at the place of business/occupation
- Identity and authority to represent would be made known to Customers at the first instance
- Customer's privacy would be respected
- Professional and formal language will be used in all interactions with the customers
- Decency and decorum to be maintained during visits to customers' place
- Normally, our representatives will contact Customers between 1030 hours and 1900 hours, unless the special circumstances of your business or occupation demands otherwise
- Requests to avoid calls at a particular time or at a particular place would be honored as far as possible
- The Company will document the efforts made for recovery of dues and the copies of communications sent to you would be kept on record
- All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues

6: Responsibility of Board of Directors

The Board of Directors of the Company shall –

- 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 institution's functionaries are heard and disposed of at least at the next higher level;
- Periodically review a consolidated report on compliances of this Code and the functioning of the grievance redressal mechanism at various levels of management;
- Prescribe a code of conduct for their Direct Selling Agencies (DSAs) 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;
- Approve the Model Code of Conducts for Direct Selling Agents (DSAs)/ Direct Marketing Agents (DMAs) as per RBI Master Directions for adoption of the Company.

7: Compliant/Grievance Redressal Mechanism

Step-1: Feedback / Suggestions / Complaints

At the Company, customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones.

In order to make the redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given framework of rules and regulation.

Machinery to handle complaints/ grievances

Customers who wish to provide feedback or send in their complaint may use the following channels between 10:30 am and 7:00 pm, Monday to Saturday (except on national holidays).

- Email us at customer.care@satyahousing.com
- Contact us at customer care number at 011-44763525
- Write to us at the below mentioned address:

**519, 5th Floor, DLF Prime Tower, Okhla Industrial Area,
Phase-1, New Delhi-110020.**

Step -2

In case the complaint is not resolved within the given time frame of 15 days or if he/she is not satisfied with the solution provided by the Company, the customer can approach the Complaints Redressal Officer. The name and contact of the Grievance Redressal Officer is as follows:

Mr. Ranjeet Kumar Mishra
Grievance Redressal Officer:

519, 5th Floor, DLF Prime Tower, Okhla Industrial Area,
Phase-1, New Delhi-110020
Email ID: nodal@satyahousing.com
Contact No. 7230995522

We assure a response to letters / emails received through this channel within 15 working days. The process of the complaints redressal unit will ensure closure of all complaints to the customers' satisfaction.

Step -3

If the complaint/dispute is not redressed within a period of one month, the customer may approach to the Complaint Redressal Cell of the National Housing Bank 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 https://nhb.org.in/citizencharter/Complaint_form.pdf on National Housing Bank's website. You may fill and send the form along with letters or enclosures, if any, by post or courier at the address given below:

Complaint Redressal Cell

Department of Regulation, and Supervision
National Housing Bank,
4th Floor, Core-5A, India Habitat Centre,
Lodhi Road, New Delhi – 110 003.
Email Id: crcell@nhb.org.in
Website: www.nhb.org.in

8: Grievances Redressal System

Any communication conveying dissatisfaction about an action taken or lack of action (Delay) in respect of any of the services of the Corporation or of its intermediaries in written, Verbal or digital form shall be taken as grievance or complaint and it shall be recorded by the receiving office in its Grievances Register and –

A serial number will be assigned to it together with the date of receipt;

- a) A written acknowledgement to a complainant shall be sent within a week if the complaint received from customers in writing
- b) The acknowledgement shall contain –
 - (i) The name and designation of the officer (if the designated officer is in another office, then the relevant address too) who will deal with the grievance;
 - (ii) Information that necessary action will be taken within fifteen working days from the date of receipt of the grievance by the officer concerned;
 - (iii) Name, address, email-id and phone number of the authority to which the complainant could escalate the matter if his Grievance is not redressed within the specified time frame or if he is not satisfied with the action taken.
- If the office receiving the grievance/ complaint is not the one designated to consider and dispose it, the receiving office shall forward it to the designated office, but after having complied with the requirements at (a) to (c) above.
- The office designated to consider the matter shall make every effort to ensure that grievances / appeals are considered and disposed of within the stipulated period of fifteen days.
If a customer is not satisfied with the any decision by the apex body, company may have to be returned to the complainant with appropriate advise that he has exhausted all in house a venues for redressal of his grievance and informing about his options for further appeal.

9: Publication

The Company shall display various key aspect such as service charges, interest rates, Penal interest (if any), services offered, product information, time norms for various transactions and grievance redressal mechanism, etc. on various modes including “Notice Board”, “Booklets/ Brochures”, “Website”, “Other Modes of Display” and on “Other Issues’. The Company shall also –

- make this Code available on request either over the Counter or by Electronic Communication or Mail;
- make available this Code at each of our Offices & on our Website; and
- ensure that Staffs are trained to provide relevant information about the Code & to put the Code into practice.

The Display of Information by the Company & Most Important Terms and Conditions would be made and maintained in the manner as provided in the Annex XII of the RBI’s Master Directions - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide Circular dated February 17, 2021 or as amended from time to time by RBI.

Review of Code

The above Code has been formulated in compliance with the RBI's Master Directions - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide Circular dated Feb 17, 2021 and would be reviewed and amended due to modifications in Directions by the RBI. The Operating Procedures for implementation of the code, if required at any stage, shall be issued with the approval of the Board of Director.