

**CLIX HOUSING FINANCE PRIVATE LIMITED
(‘CHFPL’ or ‘The Company’)**

POLICY ON

FAIR PRACTICE CODE

Approved on: 15 February, 2018

Effective Date: 15 February, 2018

Approved by: The Board of Directors

Policy Owner: Regulatory and Compliance Leader

Policy Contact: Compliance Leader / Nodal Officer

Version: 1 of 2018

Code / Policy Coverage:

1. Introduction
2. Applicability
3. Objectives
4. The Company will act fairly and in a transparent manner in all dealings with Customers
5. Advertising, Marketing and Sales
6. Loans:
 - a) Loan Products;
 - b) Guarantors;
 - c) Privacy and Confidentiality;
 - d) Credit Reference Agencies;
 - e) Collection of Dues and
 - f) Complaints and Grievances
7. General
8. Miscellaneous

1. INTRODUCTION

This Code sets standards of practices to be followed by Clix Housing Finance Private Limited (“CHFPL” or “the Company”). This Code is as per the National Housing Bank’s (NHB) requirements prescribed under its Master Circular No. NHB(ND)/DRS/REG/MC-03/2017 on Fair Practice Code dated July 1, 2017.

2. APPLICABILITY

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

3. OBJECTIVES

The Code has been developed to:

- **promote good and fair practices** by setting minimum standards in dealing with customers;
- **increase transparency** so that the customer can have a better understanding of what he/she can reasonably expect of the services;
- **encourage market forces**, through competition, to achieve higher operating standards; □
promote a fair and cordial relationship between the customer and the Company; and □ **foster confidence** in the housing finance system.

4. THE COMPANY WILL ACT FAIRLY AND IN A TRANSPARENT MANNER IN ALL DEALINGS WITH CUSTOMERS, BY ENSURING:

- a) Meeting the commitments and standards prescribed in this Code for the products and services that CHFPL offer and in the procedures and practices our staff follows;
- b) Ensuring that CHFPL’s products and services meet the requirements of relevant laws and regulations in letter and spirit;
- c) Dealings with customer’s rest on ethical principles of integrity and transparency.

CHFPL shall transparently disclose to the borrower-

- 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,
- 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.

In other words, CHFPL will disclose ‘all in cost’ inclusive of all charges involved in processing / sanction of loan application in a transparent manner. It shall be ensured that such changes / fees are non-discriminatory.

5. ADVERTISING, MARKETING AND SALES

- a) CHFPL will ensure that all advertising and promotional material is clear, and not misleading.
- b) In any advertising through any media and promotional literature that draws attention to a service or product and includes a reference to an 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.
- c) The Company will provide information on interest rates, common fees and charges through any of the following:
 - i. putting up notices in the branches;

- ii. through telephone or help-lines;
 - iii. on the company's website; iv. through designated staff / help desk; or v. providing service guide / tariff schedule.
- d) If the Company makes avail of the services of third parties for providing support services, the Company will ensure 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.
- e) The Company may, from time to time, communicate to its customers various features of their products availed by them. Information about CHFPL's 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.
- f) The Company has prescribed a code of conduct for its 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.
- g) In the event of receipt of any complaint from the customer that the Company's representative / courier or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps will be initiated to investigate, handle the complaint and to make good the loss.

6. LOANS

a) Loan Products

(i) Applications for loans and their processing

- a) Loan application forms would include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Housing Finance Companies can be made and informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form.
- b) The Company will give acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

(ii) Loan appraisal and terms/conditions

- a) 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 should be told that he would be contacted immediately again.
- b) The Company will convey in writing to 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.
- c) The Company will invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to every borrower at the time of sanction / disbursement of loans.
- d) Display of Information by the Company containing Most Important Terms and Conditions (MITC):
 - 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 will obtain a document containing the most important terms and conditions of such loan in all cases in the suggestive format.

- The document will be in addition to the existing loan and security documents being obtained by the Company.
 - The Company will prepare the said document in duplicate and in the language understandable by the borrower.
 - Duplicate copy duly executed between the Company and the borrower would be handed over to the borrower under acknowledgement.
 - The Company will upload the MITC on its website and confirm the compliance in this regard.
- e) The Company will put in place an internal mechanism to monitor the process and the operations so as to ensure adequate transparency in communication with the borrowers.

(iii) Communication of rejection of Loan Application

If the Company cannot provide the loan to the customer, it shall communicate in writing the reason(s) for rejection.

(iv) Levy of foreclosure charges/prepayment penalties on floating rate term loans

- The Company would not charge pre-payment levy or penalty on pre-closure of housing loans under the following situations:-
 - a) Where the housing loan is on floating interest rate basis and the loan is pre-closed through any source.
 - b) Where the housing loans are on 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.
- The instruction applicable to fixed interest rate housing loans referred above shall apply to the housing loans given on Special Rate basis under different names and on various occasions carrying certain fixed rate of interest in the initial period of the loan followed by floating rate of interest.
- All dual / special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/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.
- Loan in which company, firm, etc. is a borrower or co-borrower is excluded from this.

(v) Disbursement of loans including changes in terms and conditions

- a) Disbursement would be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.
- b) The Company would give notice to 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 would also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard would be incorporated in the loan agreement.
- c) 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.
- d) Decision to recall / accelerate payment or performance under the agreement or seeking additional securities, would be in consonance with the loan agreement.
- e) The Company would 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 the Company may have against borrower. If such right of set off is to be exercised, the borrower will 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.

b) Guarantors

When a person is considering to be a guarantor to a loan, he/she would be informed about: a) his/her liability as guarantor;

- b) the amount of liability he/she will be committing him/herself to the Company;
- c) circumstances in which the Company will call on him/her to pay up his/her liability;
- d) whether the Company has recourse to his/her other monies in the company if he/she fail to pay up as a guarantor;
- e) whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- f) time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which the Company will notify him/her about this
- g) 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.

The Company will keep him/her informed of any material adverse change/s in the financial position of the borrower to whom he/she stands as a guarantor.

c) Privacy and Confidentiality

All personal information of customers will be treated as private and confidential [even when the customers are no longer customers], and will be guided by the following principles and policies. CHFPL will 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 would 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 will obtain his / her written permission before giving it.
- f) The customer will 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.
- g) The Company will not use customer's personal information for marketing purposes unless the customer specifically authorizes them to do so.

d) Credit reference agencies

- a) When a customer opens an account, the Company will inform him / her when the Company may pass his / her account details to credit reference agencies and the checks the Company may make with them.
- b) The Company would give information to credit reference agencies about the personal debts the customer owes them if:
 - i. The customer has fallen behind with his / her payments;
 - ii. The amount owed is not in dispute; and
 - iii. The customer has not made proposals that the Company is satisfied with, for repaying his / her debt, following the Company's formal demand

- c) In these cases, the Company will intimate the customer in writing that the Company plans to give information about the debts the customer owes the Company to credit reference agencies. At the same time, the Company will explain to the customer the role of credit reference agencies and the effect the information it provides can have on customer's ability to get credit.
- d) The Company will give credit reference agencies other information about the customer's account if the customer has given them his / her permission to do so.
- e) A copy of the information given to the credit reference agencies will be provided by the Company to a customer, if so demanded.

e) **Collection of Dues**

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

The Company will ensure that the following terms and conditions are mentioned in the Contract/loan agreement with the borrower:

- Due to the nature of business, actions to repossess assets are used only as a last resort, after all other steps to recover moneys fail.
- Notice period before taking possession;
- Circumstances under which the notice period can be waived;
- The procedure for taking possession of the security;
- A provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the Security;
- The procedure for giving repossession to the borrower; and
- The procedure for sale / auction of the Security
- Appropriate sign offs are to be taken from senior risk/ collections and legal personnel, prior to the Company's initiating legal action against customers.
- Any repossession of equipment, movable or immovable property, or additional collateral, shall be strictly in compliance with the guidelines recommended by Legal and applicable local laws and regulations. All repossessions/ collateral security auction or open market sale shall meet all local legal regulations.
- For any use/ engagement of the third party for repossession of the asset, the business will have to perform appropriate level of due diligence of the repossession vendor and seek India Internal Review Board approval before signing an agreement with the vendor.

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

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

- a) Customer would be contacted 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.

- b) Identity and authority to represent the Company would be made known to the customer at the first instance.
- c) Customer's privacy would be respected.
- d) Interaction with the customer will be in a civil manner
- e) The Company's representatives will contact the customers between 0700 hrs and 1900 hrs., unless the special circumstances of the customer's business or occupation require otherwise.
- f) Customer's request to avoid calls at a particular time or at a particular place will be honored as far as possible.
- g) Time and number of calls and contents of conversation would be documented.
- h) All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- i) During visits to customer's place for dues collection, decency and decorum would be maintained.
- j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues.

f) **Complaints and Grievances**

- a) The Company has a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- b) The Board of Directors of the Company has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a 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. Customer would be told where to find details of the Company's procedure for handling complaints fairly and quickly.
- c) If the customer wants to make a complaint, he/she would be told:
 - a. How to do this
 - b. Where a complaint can be made
 - c. How a complaint should be made
 - d. When to expect a reply
 - e. Whom to approach for redressal
 - f. What to do if the customer is not happy about the outcome
 - g. The Company's staff shall help the customer with any questions the customer has.
- d) If a complaint has been received in writing from a customer, the Company will endeavor to send him/her an acknowledgement / response within a week. The acknowledgement would 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 will be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- e) After examining the matter, the Company will send the customer its final response or explain why it needs more time to respond and will endeavor to do so within six weeks of receipt of a complaint and he/she would be informed how to take his/her complaint further if he/she is still not satisfied.
- f) The Company will publish 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 that it is specifically made available on its website.

The name and contact details of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company are mentioned below:

Grievance Redressal – Contact Details

Mr. Gaurav Pawra,
Grievance Redressal / Nodal Officer,
Email: gaurav.pawra@clix.capital
Phone: 8448260777

Customer may send a written communication to our office at the following address:

Mr. Gaurav Pawra
Grievance Redressal / Nodal Officer
901 B, 9th Floor, Two Horizon Center,
DLF Phase – V, Gurugram- 122002,
Haryana, India

c) The Grievance Redressal Mechanism is placed on the Company's website and enclosed herewith as **Annexure-1**.

The Company will 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
- Offline mode by post, in prescribed format available at link <http://test.nhb.org.in/GrievanceRedressal-System/Grievance-Redressal-System.php> to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi – 110003.

7. GENERAL

- a) The Company will 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 Company.
- b) The customer would 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 Company needs to involve them.
- c) The Company would 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.
- d) The Company will display about its products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- e) The Company will not discriminate on grounds of sex, caste and religion in the matter of lending. [Further, the Company will 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 the Company from instituting or participating in schemes framed for different sections of the society.

- f) The Company will process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
- g) To publicize the code, the Company will:
 - 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 its staff are trained to provide relevant information about the Code and to put the Code into practice.
- h) The Board of Directors of the Company would 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 will be submitted to the Board at regular intervals.

8. MISCELLANEOUS

a) Disbursement of housing loan to individual linked to the stages of construction

- Disbursal of housing loans would be strictly linked to the stages of construction and no upfront disbursal should be made in case of incomplete/un-constructed projects.
- Any non-compliance in this regard will be viewed seriously and may attract penal provisions under the National Housing Bank Act, 1987.
- The Company will also bring the said contents to the notice of its Board and submit a resolution of the Board on the above lines to the NHB.

b) Illustrative Guidelines For Loan Facilities To Visually Impaired Persons

- All products, services, facilities, etc. offered by the Company would be made available to visually impaired persons and would be offered at all branches / offices of the Company.
- All products, services, facilities, etc. must be made available to visually impaired customers as are offered to other customers and their impairment of vision should not be a criterion for sanctioning/denying a loan.



- The Company must provide the same facilities to a visually impaired customer as it would to any other customer.
- The Company must follow the same procedure for extending products, services, facilities, etc. offered by them to a visually impaired customer as it does for its other customers.
- No additional burden of interest payment, collateral and other terms should be imposed on the visually impaired customer.
- If the credit policy of the Company does not insist for a co-borrower or a guarantor for other customers for any type of loan facilities extended by it, the same should not be insisted upon for a visually impaired customer.
- The Company would not equate visually impaired customers with illiterate customers.
- The Company would not deny any services to visually impaired customers including visually impaired customers who use their thumb impression. If necessary, the Company may take a Declaration of Thumb Impression as additional documents from visually impaired customer.
- Additional facilities like reading and filling up of forms, slips, etc. would be provided to a visually impaired customer. The Officer / Manager of the branch / office would read out the rules of business and other terms and conditions in the presence of a witness, if required by the customer.
- The Company must allow the visually impaired customer to take a loan or avail any other facilities offered by it jointly with anybody that he/she chooses including person(s) who is/are visually impaired.
- Visually impaired customers may be allowed to appoint a person/persons as their Power of Attorney or Mandate Holder to operate their account, if the visually impaired customer so desires.
- The Officer / Manager of the branch / office must inform a visually impaired customer / prospective customer of his rights and liabilities before offering the product.
- The documentation requirements of a visually impaired customer must be the same as any other customer. The account has to be clearly marked as "the account holder is visually impaired".
- The Company would provide a copy of all documents to visually impaired customer in digital form also, if required.
- The Company would provide a copy of the Most Important Terms and Conditions (MITC) to visually impaired customer in Braille form or text readable PDF, if so desired by them.
- The Company would preferably provide Electronic Clearing Service (ECS) facility to the visually impaired customer.

It may be kept in mind that these guidelines are only illustrative and by no means exhaustive.

Grievance Redressal Mechanism & Escalation

Home Loans

Call Us

Call us at Clix Housing Customer care +91 124 4545965 / +91 124 3817400 and our executives will be happy to assist you.

Note: Our customer care service is available between 10:00am and 6:00pm from Monday to Friday.

Write To Us

Senior Manager, Clix Housing Finance Pvt Ltd, 901B 9th floor, Two Horizon Centre, Phase-V, DLF City, Gurgaon - 122002 Haryana, India

Email us

At hello@clix.capital (Please mention your Home loan account number and contact number in the subject line. We will respond to you within 5 working days of receiving your letter or email.

Escalation 1:

In case you are not satisfied with the response from our Customer Care / Helpline, you can contact: **Mr. Biren Singh**, 9th floor, Two Horizon Centre, Phase-V, DLF City, Gurgaon- 122002 Haryana, India **Email: biren.singh@clix.capital**

(Please mention the reference number provided to you by the customer care team and your contact number in the subject line).

Escalation 2:

Mr. Gaurav Pawra, Grievance Redressal & Nodal Officer, 901B, 9th floor, Two Horizon Centre, Phase-V, DLF City, Gurgaon - 122002 Haryana, India
Email: gaurav.pawra@clix.capital

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
- Offline mode by post, in prescribed format available at link <http://test.nhb.org.in/Grievance-RedressalSystem/Grievance-Redressal-System.php> to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi – 110003.

*** The End***

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