

TATA CAPITAL HOUSING FINANCE LIMITED

FAIR PRACTICES CODE

[Version 3.0]

Approved by	Board of Directors
Last date of Renewal/Version No.	February 3, 2025 (Version 2.0)
Current Revision Date/Version No.	January 19, 2026 (Version 3.0)
Frequency of review	Annually or whenever there is any change in the regulations.
Revision & Modification	Any revision or modification in this Code in line with the revision in regulatory guidelines to be approved by Chief Compliance Officer and should be placed to the Board of Directors in the ensuing Board Meeting. Any other changes to be approved by the Board of Directors.

1. OBJECTIVES AND APPLICATION

Tata Capital Housing Finance Limited (**TCHFL / the Company**) has adopted the Fair Practices Code (**the Code**) to provide for transparency in its transactions with the customers, present as well the prospective. TCHFL, through this Code, intends to extend protection to its customers by explaining how the Company and its representatives are expected to deal with them during day-to-day operations. The Code has been prepared based on the Reserve Bank of India (Housing Finance Companies) Directions, 2025 read with Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time.

1.1. Objectives of the Fair Practices Code:

The Code has been adopted to:

- a) To promote good and fair practices by setting minimum standards in dealing with customers;
- b) To increase transparency so that the customers can have better understanding of what they 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 customers and TCHFL;
- e) To foster confidence in housing finance system.

1.2. Application of the Code

This Code applies to all the products and services offered by TCHFL or Digital Lending Platforms (self-owned and / or under an outsourcing arrangement) across the counter,

TATA CAPITAL HOUSING FINANCE LIMITED

over the phone, by post, through interactive electronic devices, on the internet or by any other means. It shall also apply to all the employees of TCHFL.

Note:

In case of outsourced lending platforms, the Company would meticulously follow regulatory instructions on outsourcing of financial services and IT services.

2. TCHFL'S COMMITMENT TO CUSTOMERS

2.1 We shall act fairly, efficiently and reasonably in our dealings with all our customers by ensuring that –

- a) The commitments and standards prescribed in this Code are met for all products, services we offer and the procedures and practices our staff follow.
- b) Our products and services meet relevant laws and regulations.
- c) Our dealings with customers rest on the ethical principles of integrity and transparency.

3. ADVERTISING, MARKETING AND SALES

3.1. We shall –

- a) Ensure that all advertising and promotional material is clear, factual and not misleading.
- b) 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, we 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 of the Company.
- c) We shall provide information on interest rates, common fees, and charges (including penal charges, if any) through any one or more of the following mode:
 - (i) Putting up notices in all our branches;
 - (ii) Through telephone or help-lines;
 - (iii) On the Company's website;
 - (iv) Through designated staff / helpdesk; or
 - (v) Providing tariff schedule / service guide.
- d) If we avail of the services of third parties for providing support services, we shall require 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 we would.
- e) We may, from time to time, communicate to customers various features of our products availed by them. Information about our other products or promotional offers in respect of products/services, shall be conveyed to the customers only if they have given their consent to receive such information / service either by mail or by registering for the same on the website or on the Customer Service Number.

TATA CAPITAL HOUSING FINANCE LIMITED

4. CODE OF CONDUCT FOR DIRECT SELLING AGENTS (DSAs) / DIRECT MARKETING AGENTS (DMAs)

The Company has adopted a Model Code of Conduct for our Direct Selling Agents (**DSAs**) / Direct Marketing Agents (**DMAs**) (**'Code'**) as per the format prescribed by the RBI, whose services are availed to market products/services which, amongst other matters, require them to identify themselves when they approach the customer for selling our products physically or through phone. The Code *inter alia* provides for following:

- i. Upon adoption and inclusion as part of agreement between the Company and the DSA / DMA, this Code will apply to person/ legal entity involved in marketing and distribution of any loan or other financial products or services of the Company.
- ii. The DSAs/DMAs and their employees/representative shall provide a declaration-cum-undertaking to abide by this Code prior to undertaking any activity on behalf of the Company. If this Code is violated DSAs/DMAs and their employees/representatives may be blacklisted.
- iii. DSAs/DMAs shall comply with RBI's guidelines on Unsolicited Commercial Communications and the National Do Not Call Registry.
- iv. DSAs/DMAs shall contact the prospect only under permitted circumstances for sourcing of the Company's product/services and during the prescribed hours following proper introduction and sharing of contact details
- v. DSAs/DMAs shall not mislead prospects about products or services, misrepresent themselves as employees of the Company, make unauthorized commitments on behalf of the Company and offer or accept gifts, bribes, or any form of inducement.
- vi. DSAs/DMAs shall follow the Telemarketing Etiquette before calling, during the call and post call.
- vii. During visits, DSAs/DMAs shall respect prospect's privacy, maintain professional distance, wear formal attire and restrict the discussions to business matters only.
- viii. DSAs/DMAs and their employees shall undergo two-day preliminary training before engagement and annual refresher training organized by the Company, and the record of the same shall be maintained by the Company.
- ix. Agreement for engagement of DSAs/DMAs i.e., Outsourcing Agreement shall define terms and conditions and be vetted by the Company's legal counsel. It shall include scope of activities, service standards, confidentiality clauses, prohibition of further outsourcing by DSAs/DMAs, audit rights of the Company and regulatory authorities, termination clauses and preservation of customer data and confidentiality even after termination.
- x. DSAs/DMAs shall report any fraud committed by their employees to the Company and the employees involved in fraud shall be permanently barred from future engagement.

In the event of receipt of any complaint from the customer that our 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.

TATA CAPITAL HOUSING FINANCE LIMITED

5. LOANS

5.1. Applications for loans and their processing:

- a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b) We shall transparently disclose to the borrower(s) all information about the interest rates applicable, as also the fees / charges, if any, 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, if any and any other matter which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Housing Finance Companies (HFCs) can be made and informed decision can be taken by the borrower. Thus, we shall disclose 'all in cost' inclusive of all charges involved in processing/ sanction of loan application in a transparent manner. It shall also be ensured that such charges/fees are non-discriminatory.
- c) Loan application forms shall include necessary information which affects the interest of the borrower and a list of documents required to be submitted along with the application form shall be mentioned in the loan application form and / or hosted on the website of the Company i.e. www.tatacapital.com.
- d) The Company shall issue an acknowledgement receipt for all loan applications. Loan applications shall be disposed of within 15 (fifteen) days or such extended time as may be mutually agreed between the borrower and the Company from the date of receipt of the application form complete in all respects.

5.2 Loan appraisal and terms/conditions

- a) Normally all particulars required for processing the loan application shall be collected by us at the time of application. We shall keep the customer informed that the customer would be contacted immediately again, in case we need any additional information;
The customer would be informed in the vernacular language or in a language as understood by the borrower by means of a written sanction letter or otherwise, the amount of loan sanctioned along with all terms and conditions including annualised rate of interest, method of application, EMI Structure, penal charges (if any) and prepayment charges, etc., and we shall keep the written acceptance of these terms and conditions by the borrower on our record;
- b) We shall furnish a copy of the loan agreement along with a copy of each of the enclosures quoted in the loan agreement to every borrower at the time of sanction or after disbursement of loans against acknowledgement. The penal charges for late repayment shall be mentioned in bold in the loan agreement.

TATA CAPITAL HOUSING FINANCE LIMITED

- c) Key fact statement (KFS) in a standardized format which is a part of the MITC is provided to the borrower for acceptance before the execution of the contract for all digital lending products.

5.3 Communication of rejection of Loan Application

If we are not in position to provide the loan to the customer, we shall communicate in writing the reason(s) for rejection.

5.4 Disbursement of loans including changes in terms and conditions

- a) We shall disburse the loans in accordance with the disbursement request made by the customer or the disbursement schedule given in the Loan Agreement/ Sanction Letter.
- b) We 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, penal charges (if any), other applicable fee/ charges etc. We shall also 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.
- 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, shall be in consonance with the loan agreement.
- e) We shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled /paid.

5.5 Release of Movable / Immovable property documents on Repayment/ Settlement

- (a) We shall release all original movable/immovable property documents submitted by a borrower/ security provider to the Company for creation of security interest and shall remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- (b) The borrower shall be given the option of collecting the original movable / immovable property documents either from the Company's branch where the loan account was serviced or any other office of the Company where the documents are available, as per the borrower's preference.

TATA CAPITAL HOUSING FINANCE LIMITED

- (c) The timeline and place of return of original movable / immovable property documents shall be mentioned in the loan sanction letters issued on or after December 1, 2023.
- (d) In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay, as amended from time to time.
- (e) In case of loss/ damage to original movable/immovable property documents, either in part or in full, the Company shall assist the borrower in obtaining duplicate/ certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as mentioned above in point no. (e). However, in such instances, an additional time of 30 days will be available to the Company to complete this procedure and the delayed period penalty would be calculated thereafter (i.e., after a total period of 60 days).
- (f) The compensation provided under point no. (d) and (e) shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.
- (g) 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 which shall be displayed on the website of the Company for customer information along with other similar policies and procedures.

6. **KEY FACT STATEMENT (KFS):**

- (a) The Company shall provide a KFS to all prospective borrowers (i.e. for all retail and MSME term loan products) to help them to take an informed view before executing the loan contract, as per the standardized format as given in Annexure I of Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time. 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.
- (b) The KFS shall be provided with a unique proposal number and shall have a validity period of at least three (03) working days for loans having tenor of seven days or more, and a validity period of one (01) working day for loans having tenor of less than seven days. The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the Company.

Note: [Validity period refers to the period available to the borrower, after being provided with the KFS by the Company, to agree to the terms of the loan. The Company shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.]

- (c) Charges recovered from the borrowers by the Company on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form

TATA CAPITAL HOUSING FINANCE LIMITED

part of the APR and shall be disclosed separately. In all cases wherever the Company is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.

- (d) Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the Company to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
- (e) The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

7. EXCESSIVE INTEREST CHARGED BY THE COMPANY:

- a. The Board of the Company has adopted an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances in this regard please refer 'Policy for determining Interest Rates, Processing and other Charges' as hosted on the website of the Company. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- b. The rates of interest and the approach for gradation of risks shall also be made available on the website of the companies or published in the relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest.
- c. The rate of interest shall be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.
- d. Instalments collected from borrowers should clearly indicate the bifurcation between interest and principal.
- e. The rate of interest shall not be usurious and the Company shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges (including penal charges, if any). In this regard the directions in this Code about transparency in respect of terms and conditions of the loans are to be kept in view. The Company shall also put in place an internal mechanism to monitor the process and the operations so as to ensure adequate transparency in communications with the borrowers.

8. PENAL CHARGES IN LOAN ACCOUNTS:

The Company would adhere to following instructions for charging penal charges on loans:

- a. 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 penal charges. However, this will not affect the normal procedures for compounding of interest in the loan account. Therefore, the Company may charge interest on unpaid interest

TATA CAPITAL HOUSING FINANCE LIMITED

(including on unpaid EMI) at the contracted rate of interest till the date of remediation, and not at the penal rate of interest.

Notes:

- (i) *The material terms and conditions, as defined/prescribed in the credit policy of the Company, may vary from one category of loan to another, and also, from lender to lender based on their own assessment.*
 - (ii) *Default in repayment by the borrower is also a type of non-compliance of material terms and conditions of loan repayment contract by the borrower and penalty, if charged, for such default shall be levied in the form of penal charges and not penal interest. Such penal charges shall be reasonable and levied by the lenders only on the amount under default in a non-discriminatory manner as per the Board approved policy. Further, it shall be ensured that there is no capitalization of the penal charges i.e., no further interest computed on such charges.*
 - (iii) *Additional / fresh penal charges cannot be levied on the earlier outstanding amount of penal charges.*
 - (iv) *The Company shall follow the instructions and clarifications, if any, issued by Central Board of Indirect Taxes & Customs (CBIC) with regard to applicability of GST on penal charges.*
- b. The Company shall not introduce any additional component to the rate of interest on account of penal charges and ensure compliance to the RBI guidelines in both letter and spirit.
 - c. The Company has formulated a Board approved policy on penal charges.
 - d. The quantum of penal charges shall be reasonable and commensurate with the noncompliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

Notes:

- (i) *The penal charges can be different within the same product category depending upon the amount of loan and the Company may adopt a suitable structure of penal charges subject to adherence to the above stipulations. The structure of penal charges within a particular loan / product category should be uniform irrespective of the constitution of the borrower.*
 - (ii) *Although no upper limit / cap for penal charges has been prescribed, the Company, while formulating its Board approved policy on penal charges, have kept in mind that the intent of levying penal charges is essentially to inculcate a sense of credit discipline and such charges are not meant to be used as a revenue enhancement tool.*
- e. 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 nonindividual borrowers for similar non-compliance of material terms and conditions.
 - f. The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers upfront in the loan agreement and Most Important Terms & Conditions (MITC) / Key Fact Statement (KFS) as applicable, in addition to being displayed on the company's website under Interest rates and Service Charges. Further, providing a reference to the schedule of penal charges displayed on the website of the Company in the sanction letter and loan agreement shall not be sufficient.

TATA CAPITAL HOUSING FINANCE LIMITED

- g. 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.
- h. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date.

9. RESET OF FLOATING INTEREST RATE ON EQUATED MONTHLY INSTALMENTS (EMI) BASED PERSONAL LOANS

- I. At the time of sanction of EMI based floating rate personal loans, the Company shall take into account the repayment capacity of borrowers to ensure that adequate headroom/ margin is available for elongation of tenor and/ or increase in EMI, in the scenario of possible increase in the external benchmark rate/ interest rates during the tenor of the loan. The Company shall put in place an appropriate policy framework meeting the following requirements for implementation and compliance:
 - a. At the time of sanction, the Company shall clearly 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. Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels (i.e., through E-mail, SMS, letters, etc.).
 - b. At the time of reset of interest rates, the Company may, at its option, provide a choice to the borrowers to switch over to a fixed rate as per the 'Reset of Floating Interest Rate on EMI based Personal Loans' adopted by the Board of the Company. The policy, inter alia, specifies the number of times a borrower will be allowed to switch during the tenor of the loan.
 - c. The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ pre-payment penalty shall be subject to extant instructions.

Notes:

- Whenever there is a reset of interest rates for an entire class of borrowers in a particular loan category, (for example, home loan), due to increase in the reference benchmark; the Company shall provide the following options to the borrowers:*
 - i. *Either enhancement in EMI or elongation of number of EMIs, keeping the EMI unchanged or a combination of both options;*
 - ii. *Switch to fixed interest rate for the remaining portion of the loan, where such an option is provided by the bank; and*
 - iii. *To prepay, either in part or in full, at any point during the residual tenor of the loan.*
- d. All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the Company from time to time. The applicable charges shall, as approved by the Board be displayed on the website of the Company.

TATA CAPITAL HOUSING FINANCE LIMITED

- e. The Company shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
 - f. The Company shall share / make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate 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 statements are simple and easily understood by the borrower.
- II. Apart from the equated monthly instalment loans, these instructions would also apply, mutatis mutandis, to all equated instalment-based loans of different periodicities, irrespective of whether they are linked to an external benchmark or an internal benchmark. In case of loans linked to an external benchmark, the Company shall put in place adequate information systems to monitor transmission of changes.
- III. All existing borrowers shall be sent a communication, through appropriate channels, intimating the options available to them.

10. GUARANTORS

When a person intends to be Guarantor for a loan, they should be informed about the following:

- 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 monies in the Company if they fail to pay up as a Guarantor;
- e) whether their liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- f) time and circumstances in which their liabilities as a guarantor will be discharged as also the manner in which we will notify them about this and;
- 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

We shall keep the Guarantor informed of any material adverse change/s in the financial position of the borrower to whom they stand as a guarantor.

11. PRIVACY AND CONFIDENTIALITY

- 11.1. We shall treat all personal information of customers as private and confidential [even when the customers are no longer our customers], and we shall be guided by the following principles and policies.

We shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies / entities in our group, other than in the following exceptional cases:

- a) If the information is to be given by law.

TATA CAPITAL HOUSING FINANCE LIMITED

- b) If there is a duty towards the public to reveal the information.
 - c) If our interests require us 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's accounts [including customer name and address] to anyone else, including other companies in the group, for marketing purposes.
 - d) If the customer asks us to reveal the information, or with the customer's permission.
 - e) If we are asked to give a reference about a customer, we shall obtain his / her written permission before giving it.
- 11.2. The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that we hold about him / her.
- 11.3. We shall not use customer's personal information for marketing purposes by anyone including ourselves unless the customer specifically authorizes us to do so.

11.4. Credit Reference Agencies

- a) When a customer opens a loan account with us, we shall inform him/her when we may pass his / her account details to Credit Reference Agencies and the checks we may make with them.
- b) We may give information to Credit Reference Agencies about the personal debts the customer owes us if:
 - the customer has fallen behind with his/her payments;
 - the amount owed is not in dispute; and
 - the customer has not made proposals that we are satisfied with for repaying his / her debt, following our formal demand.
- c) In these cases, we may intimate the customer in writing that we plan to give information about the debts the customer owes us to Credit Reference Agencies. At that time, we will explain to the customer the role of Credit Reference Agencies and the effect the information they provide can have on customer's ability to get credit.
- d) We may give Credit Reference Agencies other information about the customer's account if the customer has given us his / her permission to do so.
- e) A copy of the information given to the Credit Reference Agencies shall be provided by us to the customer, if so demanded.

12. COLLECTION OF DUES

- 12.1 Whenever loans are given, we 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 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.
- 12.2 Our collection policy is built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long-term relationship. Our staff or any person

TATA CAPITAL HOUSING FINANCE LIMITED

authorized to represent us in collection of dues or / and security repossession shall identify himself/herself and display the authority letter issued by us and upon request, display his/her identity card issued by the Company or under authority of the Company. We shall provide customers with all the information regarding dues and shall endeavour to give sufficient notice for payment of dues.

- 12.3 In the matter of recovery of loans, we shall not resort to undue harassment viz., persistently bothering the borrowers at odd hours, using muscle power for recovery of loans etc. We shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- 12.4 The Board of the Company has adopted 'Code of Conduct for Collection Outsourced Vendors and Collection Agents' for engagement of the Recovery Agents ('Code') which *inter alia* provides for the following:
- a. The Company shall be responsible for actions of its recovery agents and must ensure strict adherence to the Code and the Fair Practice Code by agents and its own employees during recovery.
 - b. The Company shall have a robust due diligence process for onboarding recovery agents, including verification of antecedents of employees (e.g., pre-employment police verification) and decide periodicity at which re-verification of antecedents should be resorted to.
 - c. Recovery agents must be trained to handle customers with care and sensitivity, particularly on calling hours and privacy. All agents shall complete training prescribed by Indian Institute of Banking and Finance and obtain certification within one year and the service providers shall employ only such certified personnel.
 - d. The Company shall prominently display the list of empanelled recovery agencies (names and tenure) on its website/branches/app and shall inform the borrowers of agency details while forwarding default case details. The agents must carry an identity card, authorization letter, and copy of the notice changes.
 - e. All recovery-related calls shall be recorded with the customer's knowledge, and customers shall be clearly intimated that calls are being recorded.
 - f. The contracts with the recovery agent shall not induce adoption of uncivilised, unlawful and questionable behaviour or recovery process.
 - g. The possession of mortgaged property shall be taken only through legal means, including compliance with SARFAESI Act and Security Interest (Enforcement) Rules, 2002. Any pre-possession clause must be legally valid, comply with the Indian Contract Act, be clearly disclosed at execution, and contracts shall specify: notice period, waiver circumstances, possession procedure, final repayment opportunity prior to sale/auction, repossession procedure, and sale/auction steps.
 - h. The Company shall place an appropriate mechanism to utilize the service of credit counsellors to provide appropriate counselling where borrowers warrant sympathetic consideration.
 - i. Complaints against the Company/ agents are viewed seriously (including by NHB/courts). The Company shall not forward cases to recovery agencies until borrower complaints are finally disposed of, except when the Company is

TATA CAPITAL HOUSING FINANCE LIMITED

convinced (with appropriate proof), that the borrower is continuously making frivolous/ vexatious complaints.

- j. The Company shall periodically review the recovery mechanism to learn, improve, and suggest enhancements to the Reserve Bank.
- k. The Company at least annually review, service providers' financial and operational condition.
- l. Conduct regular audits by internal / external auditor of the Company to assess risk management adequacy, oversight of outsourcing arrangements, and compliance with the Code.
- m. In the event of termination of an outsourcing agreement, publicize the termination to prevent customers from continuing to deal with the service provider.

12.5 All the members of the staff or any person authorized to represent us in collection and / or security repossession shall 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 shall be made known to the customer at the first instance.
- c) Customer's privacy should be respected.
- d) Interaction with the customer shall be in a civil manner.
- e) Our representatives shall contact the customers between 8.00 a.m. to 7.00 p.m. for recovery of overdue loans.
- f) Customer's request to avoid calls at a particular time or at a particular place shall be honoured, as far as possible.
- g) Time and number of calls and contents of conversation would be documented.
- h) All assistance should 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 shall be maintained.
- j) Only employees of the Recovery Agency shall visit the borrower's premises for the recovery/ collection activity and no other person shall accompany such Recovery Agent.
- k) Inappropriate occasions such as bereavement in the family or such other calamitous occasions, or marriage functions, festivals etc. should be avoided for making calls / visits to collect dues.
- l) The written communication sent by the collection agent to the borrower shall have the approval of the Company.
- m) The Company would only interact with the customer/ borrower or the guarantor (only if so required) and shall not approach any other relatives/ contacts of the borrower.

13. RESPONSIBILITY OF BOARD OF DIRECTORS

TATA CAPITAL HOUSING FINANCE LIMITED

- a) The Board of Directors of the Company has laid down appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a mechanism shall 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.
- b) The Board of directors of the Company provides for review of the compliance of the Fair Practice Code on an annual basis and review of the functioning of the grievances redressal mechanism at various levels of management on quarterly basis. A consolidated report of such reviews shall be submitted to the Board of Directors of the Company on an annual basis.

14. COMPLAINTS AND GRIEVANCES

Internal Procedures –

- a) If the customer wants to make a complaint, he / she will be told:
 - How and where to make a complaint?
 - When to expect a Reply?
 - Whom to approach for redressal?
 - What to do if the customer is not happy about the outcome?
- b) Our staff shall help the customer with any relevant questions the customer has. If a complaint has been received in writing from a customer, we will endeavour to send him / her acknowledgement / response containing the name and designation of the official who will deal with the complaint within a week. If the complaint is relayed over phone at our 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.
- c) After examining the matter, we shall send the customer our final response or explain why it needs more time to respond and shall endeavour to do so within six weeks of receipt of a complaint and he / she should be informed how to take his / her complaint further if he / she is still not satisfied.
- d) The 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 shall be made available on the Company's website. Further, at all the branches / Head Office of the Company and on the website of the Company, notice will be put up informing the customers that in case the complainant does not receive response from the company within a period of **01 month** or is dissatisfied with the response received, the complainant may approach the Complaint Redressal Cell of the National Housing Bank through the following modes of communication:

Online Mode: The complainant may click on following link for registering complaint: <https://grids.nhbonline.org.in>

TATA CAPITAL HOUSING FINANCE LIMITED

Offline Mode: In offline/ physical mode by lodging complaint through post at the below mentioned address in the prescribed format available at the following weblink of NHB:

<https://www.nhb.org.in/grievance-redressal-officer/>

Address:

The Officer-in Charge,
National Housing Bank
The Complaint Redressal Cell
Department of Regulation & Supervision
National Housing Bank,
4th Floor, Core 5-A, India Habitat Centre,
Lodhi Road,
New Delhi - 110 003

The aforesaid modes / address of NHB are also applicable for lodging insurance related grievances and the Company shall take appropriate measures to ensure that all insurance related grievances are resolved **within 14 days**.

- e) Details of escalation mechanism for Customer Grievances as mentioned above are available on the website i.e. www.tatacapital.com under Customer Grievances tab.
- f) The Nodal officer/Grievance Redressal Officer and also the escalation mechanism as mentioned above in clause (e) shall deal with issue relating to services provided by the outsourced agency and with FinTech/ digital lending related complaints/ issues raised by the borrowers. Grievance redressal officer shall also deal with complaints against their respective DLAs. Contact details of grievance redressal officers are prominently displayed on the websites of the Company, its LSPs and on DLAs and also in the KFS provided to the borrower.
- g) Complaints relating to updation, correction, or alteration of credit information reported to Credit Information Companies (CICs) shall be treated on priority and resolved within prescribed timelines.
- h) Grievances pertaining to credit information shall form an integral part of the Company's grievance redressal framework and customer service policy, and shall be monitored through existing grievance management systems.

15. PRE-PAYMENT CHARGES ON LOANS

- (a) We shall not charge pre-payment levy or penalty on pre-closure of housing loans under the following situations:
 - (i) Where the housing loan is on floating interest rate basis and pre-closed from any source.
 - (ii) 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.

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

TATA CAPITAL HOUSING FINANCE LIMITED

- (b) 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. It is also clarified that a fixed rate loan is one where the rate is fixed for entire duration of the loan.
- (c) In case of existing loans sanctioned or renewed on or before December 31, 2025, the Company shall not impose pre-closure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
- (d) The Company shall adhere to the following 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:
 - i. For all floating rate loans granted for purposes other than business to individuals, with or without co-obligant(s), the Company shall not levy pre-payment charges.
 - ii. For all floating rate loans granted for business purpose to individuals and Micro and Small Enterprises (MSEs), as defined in Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, with or without co-obligant(s), the Company shall not impose any pre-payment charges on loans with sanctioned amount / limit upto Rs. 50 lakh.
- (e) The Directions as mentioned in point (c) and (d), above shall be applicable irrespective of the source of funds used for pre-payment of loans, either in part or in full, and without any minimum lock-in period.
- (f) Applicability of Points (c) and (d) would depend on whether the loan is on floating rate at the time of pre-payment. In cases other than those mentioned in Point (c) and (d) above, prepayment charges, if any, shall be as per the approved policy of the Company. However, in case of term loans, pre-payment charges, if levied by the Company, shall be based on the amount being prepaid.
- (g) In case of cash credit/ overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied on an amount not exceeding the sanctioned limit. However, in case of cash credit/ overdraft facilities, pre-payment charges shall not be applicable if the Borrower intimates the Company of his/ her/ its intention not to renew the facility before the period as stipulated in the loan agreement and gets the facility gets closed on the due date.
- (h) The Company would not levy any charges where pre-payment is effected at the instance of the Company.
- (i) The applicability or otherwise of pre-payment charges shall be clearly disclosed in the sanction letter and loan agreement. Further, in case of loans and advances where Key Facts Statement (KFS) is to be provided as specified in paragraph 29 of the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, the same shall also be mentioned in the KFS. No pre-payment charges which have not been disclosed as specified herein shall be charged by the Company. Further, the Company would not levy any charges / fees retrospectively at the time of prepayment of loans, which were waived off earlier by the Company.

TATA CAPITAL HOUSING FINANCE LIMITED

16. LOAN FACILITIES TO THE PHYSICALLY/ VISUALLY CHALLENGED

We shall not discriminate in extending products and facilities including loan facilities to physically / visually challenged applicants on grounds of disability. All our branches shall render all possible assistance to such persons for availing of the various business facilities. We shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels. Further, we would ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by us.

The Company would follow the following guidelines for loan facilities to visually challenged applicant, as applicable and appropriate:

- a. All products, services, facilities, etc. offered by the Company shall be made available to visually impaired persons and shall be offered at all branches/ offices of the Company as are offered to other customers and impairment of vision should not be a criterion for sanctioning/ denying a loan.
- b. The Company must provide the same facilities to a visually impaired customer as it would to any other customer and 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.
- c. No additional burden of interest payment, collateral and other terms shall be imposed on the visually impaired customer.
- d. Co-borrower/Guarantor, if not required for other customers under the credit policy, it shall not be insisted upon for visually impaired customers.
- e. Visually impaired customers shall not be equated with illiterate customers.
- f. Services shall not be denied, including where customers use thumb impressions if necessary a Declaration of Thumb Impression may be taken at the Company's discretion.
- g. Additional facilities like reading and filling up of forms, slips, etc. shall be provided to a visually impaired customer. The Officer/ Manager of the branch/ office shall read out the rules of business and other terms and conditions in the presence of a witness, if required by the customer.
- h. The Company shall allow loans/other facilities jointly with anyone the customer chooses, including visually impaired persons.
- i. The Officer/Manager shall inform the customer of rights and liabilities before offering the product.
- j. 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".
- k. Provide digital copies of all documents on request; provide KFS and MITC in braille or text-readable PDF if desired by the customer.

TCHFL would undertake appropriate measure (as applicable) to ensure compliance with Hon'ble Supreme Court Order dated April 30, 2025 in the matter of Pragya Prasun and Ors. vs Union of India and Ors. (W.P.(C) 289 of 2024) and Amar Jain vs Union of India and Ors. (W.P.(C) 49 of 2025).

TATA CAPITAL HOUSING FINANCE LIMITED

17. GENERAL

- a) We shall verify the details mentioned by the customer in the loan application by contacting him/her at his/her residence and / or on business telephone numbers and / or physically visiting his/her residence and/or business addresses through agencies appointed for this purpose, if deemed necessary by the Company;
- b) We shall refrain from interference in the affairs of the borrower except for the purpose provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- c) The customer is expected 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.
- d) If the customer acts fraudulently, he/she will be responsible for all losses on his/her account and if the customer acts without reasonable care and this causes losses, the customer may be responsible for the same.
- e) We shall display the information about our products and services in Hindi, English or the appropriate local language.
- f) We shall not discriminate between our customers on the basis of sex, age, race, caste, gender, marital status, religion, or disability in the matter of lending. We shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude us from instituting or participating in schemes framed for different sections and age groups of the society.
- g) The Company 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 a request from the borrower for transfer of the 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 such request. Such transfer shall be as per transparent contractual terms in consonance with law.
- h) Further, to facilitate quick and good understanding of the other major terms and conditions of housing loan agreed upon between the Company and the individual borrower, the Company shall additionally obtain a document containing the other most important terms and conditions (MITC) of such loan (i.e., other than the details included in KFS) in all cases in the format prescribed by the RBI. The document will be in addition to the existing loan and security documents being obtained by the Company. We 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 should be handed over to the borrower under acknowledgement.
- i) Display of various key aspect such as service charges, interest rates, Penal charges (if any), services offered, product information, time norms for various transactions and grievance redressal mechanism, etc., is required to promote transparency in the operations of the Company. The Company shall follow the instructions on "Notice

TATA CAPITAL HOUSING FINANCE LIMITED

Board”, “Booklets/ Brochures”, “Website”, “Other Modes of Display” and on “Other Issues” as per the format prescribed by the RBI from time to time.

- j) The Fair Practices Code, (which shall preferably be in the vernacular language or a language as understood by the borrower) shall be put in place by the Company with the approval of the Board and the same shall be disclosed on the Company’s website i.e. www.tatacapital.com for the information of various stakeholders. To publicise the Code, 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 its website;
 - d) ensure that its staffs are trained to provide relevant information about the Code and to put the Code into practice.
