



Motilal Oswal Home Finance Limited (MOHFL)

Fair Practices Code

Approved By

Board of Directors at its meeting held on June 10, 2014	
Title	MOHFL Fair Practices Code
Date of Latest Release	July 23, 2025
Reviewed by the Board of Directors at its Meeting held on July 23, 2025	

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VERSION DETAILS

Sr. No.	Details of Changes	Date of Creation/Change	Department	Author	Version Number	Approved By
1.	Original Document	June 10, 2014	Compliance	Company Secretary	Ver. 1.0	Board of Directors
2.	Changes due to amendments in the regulatory provision	November 2, 2017	Compliance	Company Secretary	Ver. 1.1	Board of Directors
3.	Changes due to amendments in the regulatory provisions	May 10, 2019	Compliance	Shivani	Ver. 1.2	Board of Directors
4.	Changes due to points highlighted during Inspection	July 28, 2021	Compliance	Nikita	Ver. 1.3	Board of Directors
5.	Changes due to change in internal process	January 25, 2022	Compliance	Compliance Officer	Ver. 1.4	Board of Directors
6.	Changes due to change in internal process	January 23, 2023	Compliance	Compliance Team	Ver. 1.5	Board of Directors
7.	Changes due to change in internal process	July 26, 2023	Compliance	Compliance Team	Ver. 1.6	Board of Directors
8.	Changes due to amendments in the regulatory provisions	October 27, 2023	Compliance	Compliance Team	Ver. 1.7	Board of Directors
9.	Changes due to amendments in the regulatory provisions	October 25, 2024	Compliance	Chief Compliance Officer	Ver. 1.8	Board of Directors

Motilal Oswal Home Finance Limited

**FAIR PRACTICE CODE
(As approved by the Board of Directors of the Company)**

1. INTRODUCTION

The purpose of Fair Practice Code (“Code”) is to offer transparency in transactions between the Company and the end users and provide well informed business relationships. This policy is with reference to the circular Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (as amended from time to time).

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines on Fair Practices Code for Housing Finance Companies (HFC’s) as contained in the aforesaid Master Direction. This sets 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.

2. OBJECTIVES OF THE CODE

- a) Promote good and fair practices by setting high standards in dealing with Customers;
- b) Increase transparency so that customer can have a better understanding of what they can reasonably expect of the services;
- c) Encourage market forces, through competition, to achieve higher operating standards;
- d) Promote a fair and cordial relationship between customer and Motilal Oswal Home Finance Limited (“MOHFL/Company”); and
- e) Foster confidence in housing finance system.

3. APPLICATION OF CODE

This Code applies to all the products and services offered by the Company or which may be introduced at a future date, whether they are provided across the counter, over the phone, by post, through interactive electronic devices, on the internet, through representative such as Direct Selling Agents or by any other method.

3.1 To act fairly, in a transparent manner and reasonably in all our dealings with Customer by:

- a) The Company meets the commitments and standards in this Code for the products and services it offers as well as in the procedures and practices its staff follows;
- b) Making sure our products and services together with its terms and conditions including interest and service charges meet relevant laws and regulations in letter and spirit;
- c) Ensuring that our dealings with customer rest on ethical principles of integrity and transparency and shall not discriminate on grounds of sex, caste and religion in the matter of lending.

4. ADVERTISING, MARKETING AND SALES

- a) The Company shall ensure that all advertising and promotional material is clear and factual, and not misleading.
- b) 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 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.
- c) The company shall provide information on interest rates, common fees and charges (including penal charges, if any) through all possible means including:
 - Putting up notices in the branches; or
 - through telephones or help-lines; or
 - Through designated staff/ help-desk; or
 - Through company's website; or
 - Providing service guide/ tariff schedule.
- d) If the company avails the services of third parties for providing support services, it shall 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 it would.
- e) Company will from time to time, communicate to the customers the features of their products availed by them. Also, information about other product offerings or promotional offers in respect of product/services will be conveyed to the customer 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 shall prescribe a code of conduct for our Direct Selling Agencies ("DSAs"), (if any), whose services are availed to market the products/ services which amongst other matters requires them to identify themselves when they approach the customer for selling products personally or through any electronic media.
- g) In the event of receipt of any complaint from the customers that the company's representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to resolve the complaint to customer's satisfaction and to make good the loss.

5. LOANS

5.1 Applications for loans and their processing:

- a) The Company 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, penal charges for

delayed repayment, if any, conversion charges for switching loan from fixed to floating rates or vice-versa, existence of any interest reset clause and any other matter which affects the interest of the borrower. The company shall also disclose 'all in cost' inclusive of all charges involved in processing/ sanctioning of loan application in a transparent manner. It should also be ensured that such charges/ fees are non-discriminatory.

b) The 'Loan Application Form / appropriate documents' of the Company for each of the products offered is different depending upon the requirement of each product and will include all information that is required to be submitted by the borrower. Necessary information which affects the interest of the borrower shall be included in the application form to facilitate the borrower in making a meaningful comparison with similar terms and conditions offered by other Housing Finance Companies ("HFCs") and taking an informed decision based on the aforesaid comparison.

c) 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.

The Company shall have a mechanism of giving acknowledgement for receipt of all loan application form and the time frame within which the loan application will be disposed shall be indicated in the acknowledgement.

5.2 Loan appraisal and terms & conditions:

- a) All particulars required for processing the loan application shall be collected by the company at the time of application. However, in case the company needs any additional information it shall contact the customers immediately.
- b) The company shall convey to the borrower in the vernacular language or a language as understood by the borrower in writing 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 charges (if any) and keep the written acceptance of these terms and conditions by the borrower on its record.
- c) The Company shall mention penal charges which are charged for late repayment in bold in the loan agreement.
- d) The company shall 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 loans, against acknowledgement.

5.3 Communication of rejection of loan application:

The Company shall communicate in writing to the customer whose application has been rejected stating the reason(s) for rejection of their application.

5.4 Disbursement of loans including changes in terms and conditions:

- a) 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.

- b) The Company shall give notice to customer in vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, penal charges (if any), service charges, prepayment charges, other applicable fee/ charges etc. The Company 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 documents.
- c) If such change is to customers disadvantage, they may within 60 days and without notice close their account or switch it without having to pay any extra charges or interest.
- d) Decision to recall / accelerate payment or performance under the loan document or seeking additional securities, shall be in consonance with the loan documents.
- e) The company 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 that the company may have against customers. If such right of set off is to be exercised, the customers/borrowers 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.

6. GUARANTORS

When a person is considering being a guarantor to a loan, the company shall inform them about:

- i. His/her liability as guarantor;
- ii. the amount of liability that he/she will be committing to the company;
- iii. circumstances in which the company will call on guarantor to pay up their liability;
- iv. whether the company has recourse to his/her other monies in the company if he/she fail to pay up as a guarantor;
- v. whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited;
- vi. time and circumstances in which his/her 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.
- vii. 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.
- viii. The company shall 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.

7. PRIVACY AND CONFIDENTIALITY

The company will treat all personal information of customer as private and confidential [even when the customer is no longer a customer] and will be guided by the following principles and policies.

The company shall not reveal information or data relating to customer's accounts, whether provided by customer or otherwise, to anyone, including other companies/ entities in its 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 it to give the information (for example, to prevent fraud) but the company shall not use it as a reason for giving information about customer or customer's accounts (including name and address) to anyone else, including other companies in its group, for marketing purposes;
- d) If the customer asks the company to reveal the information, or with the customer's permission;
- e) If company is asked to give a reference about customer, it shall obtain written consent from the customer before giving any such information;

Customer shall 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 shall not use customer's personal information for marketing purposes by anyone including itself, unless customer specifically authorizes it to do so.

8. COLLECTION OF DUES

- 8.1 Whenever loans are given, the company shall 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 and the collection & recovery policy shall be followed for recovery of dues.
- 8.2 The Company's Collection and recovery 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 it in collection of dues and/or security repossession will identify himself / herself and display the authority letter issued by the company and upon request display to customer his/ her identity card issued by the company or under our authority. The company shall provide customer with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.
- 8.3 All the members of the staff or any person authorized to represent the company in collection and/or security repossession would follow the guidelines set out below:
- a) 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.
 - b) Identity and authority to represent the company shall be made known to customers at the first instance.
 - c) Customer's privacy would be respected.
 - d) Professional and formal language will be used in all interactions with the customers.
 - e) The company's representatives will contact Customers between 08:00 a.m. to 07:00 p.m. for recovery of overdue loans.
 - f) Requests to avoid calls at a particular time or at a particular place would be honoured as far as possible.
 - g) Time and number of calls and contents of conversation shall 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) Decency and decorum to be maintained during visits to customers' place.
- j) Only staff or authorized person of the company shall visit the borrower's premises for the recovery/ collection activity and no other person shall accompany such representative/staff.
- k) The company shall approve the written communication sent by the staff/representative of the company for collection to the borrower.
- l) The company shall interact only with the customer/ borrower or the guarantor (only if so required) and shall not approach any other relatives/ contacts of the borrower.

9. GRIEVANCE REDRESSAL MECHANISM

In the present competitive scenario, excellent customer service is an important tool for sustained business growth. Customer complaints are part of the business life in any corporate entity.

Customer service and satisfaction are our prime focus. The Company believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Company has come up with a lot of initiatives that are oriented towards providing a better customer experience and an efficient complaints redressal mechanism with a view to providing enhanced experience to our customers.

In order to make company's 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 regulations.

A. Machinery to handle customer complaints/ grievances

Customers who wish to provide feedback or send their complaints regarding any type of services provided by Company or its representative such as Direct Selling Agents (DSA), Collection agents etc. may contact our branch official to make entry in "**Query Management Module**" available at the branches.

- The company's Grievance Redressal Machinery shall also deal with the issue relating to services provided by the outsourced agency i.e. by DSA, collection agents, if any etc.
- Whenever complaint is received in writing from a customer, the Company shall always provide acknowledgement within one week containing name and designation of the officer who will deal with the complaint or if a complaint is lodged through customer helpline number then company shall provide complaint reference number to the customer and inform them about the status of complaint.
- The company shall after examining the complaint, send final response or explain why it needs more time to respond to customers within six weeks from the receipt of complaints and the customer shall be informed how to take his/her complaint further if he/she is not satisfied.

- The company shall adhere to the applicable timelines of various complaint portal for resolution of complaints.
- If customer is not satisfied with the resolution, then customer may directly lodge their complaint by using the following channels:
 - Calling our Customer Service Helpline on 8291889898 between;
Monday to Friday – 09:30 A.M. to 6:00 P.M.
Saturday – 09:30 A.M. to 6:00 P.M. (First Saturday of the month will be Holiday);
or
 - Email us at hfquery@motilaloswal.com; or
 - Write to us at the **below mentioned address:**

Motilal Oswal Home Finance Limited
Customer Service Cell,
Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel S.T. Depot, Prabhadevi, Mumbai-400025

- In case the complaint is unresolved within the given time or if he/she is not satisfied with the solution provided by the company, the customer can approach to Grievance Redressal Officer. The name and contact of the **Grievance Redressal Officer** is as follows:

Name: Ms. Aalia Shaikh
Tel. No.: +91-22- 50362730
Email Id: hfgro@motilaloswal.com

If the complaint/dispute is unresolved, you may lodge your complaints to National Consumer Helpline at <https://consumerhelpline.gov.in/>

- If the complaint/dispute is not redressed within a period of one month or customer is dissatisfied with the response received, the customer may appeal to the regulatory authority of Housing Finance companies – the National Housing Bank (“NHB”) online on the website of NHB in prescribed format available at below link:

[https://grids.nhbonline.org.in/\(S\(0cixd2l420ampmiuolt4fxz2\)\)/default.aspx](https://grids.nhbonline.org.in/(S(0cixd2l420ampmiuolt4fxz2))/default.aspx)

OR

The Customers may send complaint through post to National Housing Bank on the following address:

National Housing Bank
Complaint Redressal Cell
Department of Supervision

National Housing Bank,
4th Floor, Core-5A, India Habitat Centre, Lodhi Road,
New Delhi - 110 003.

10. MANDATORY DISPLAY REQUIREMENTS

MOHFL has the following in all our branches:

- Appropriate arrangement for receiving complaints and suggestions.
- Display of the Name, address and contact number of the Grievance Redressal Officer.

The process of the complaints redressal unit will ensure closure of all complaints to the customer's satisfaction.

They will ensure that the complaint is escalated to the appropriate levels in case it is not possible to resolve at his/her level. Whilst the ultimate endeavor is to ensure we reach a situation where our customers don't have to complain to senior management to get an effective redressal, we have put in a robust mechanism to handle these complaints, review them from a point of view of understanding reasons for the complaint and for the escalation and working on prevention of recurrence thereof.

11. TIME FRAME

To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Machinery to handle the customer complaints). If the complaint has been received in writing, the Company will endeavor to send an acknowledgement / response within a week. Once the matter is examined, the Company shall endeavor to either send a final response or explain why it needs more time to respond and shall endeavor to do so within six weeks of receipt of complaints and the customer shall be informed how to take his/her complaint further if he/she is still not satisfied.

Complaints that are received at the company's end shall be seen in the right perspective and would be analyzed from all possible angles.

The communication of MOHFL's stand on any issue shall be communicated to the customers.

The Board of Directors of the Company shall periodically review the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism. A consolidated report of such reviews shall be submitted to the Board at regular intervals, as may be prescribed by it.

The aforesaid policy shall be reviewed periodically / revised as and when there are any new changes incorporated by the Company in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.

12. REGULATION OF EXCESSIVE INTEREST CHARGED

The Company shall have appropriate internal principles and procedures in determining interest rates, processing and other charges (including penal charges, if any).

The Board of the Company shall adopt an internal interest rate model. The Company shall disclose to the borrower or customer the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers in the application form and communicate explicitly in the sanction letter.

The board shall laid down policy for penal charges.

The Company shall display on its website or publish in relevant newspapers the rate of interest and the approach for gradation of risks, and penal charges. The same shall be updated whenever there is a change in the rates of interest.

The rate of interest shall be annualized so that the borrower is aware of the exact rates that would be charged to the account.

13. RELEASE / COMPENSATION FOR DELAY IN RELEASE OF ORIGINAL PROPERTY DOCUMENTS

- 13.1 The company shall release all the original property documents obtained at the time of loan disbursement & any post disbursement documents and also remove the charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- 13.2 The borrower shall be given the option of collecting the original property documents either from the branch where loan account was serviced or any other office as per borrower's preference upon full repayment/ settlement of the loan account. The branch address is subject to change from time to time where the revised/new/nearest branch address is made available on the company's website i.e. www.motilalosalhf.com.
- 13.3 In case of delay in releasing of original 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. The same shall be payable by the company to the borrower in her / his loan servicing repayment account.
- 13.4 In case of loss/damage to original property documents, either in part or in full, the company shall assist the borrower in obtaining duplicate/certified copies of the property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such an event the company shall take an additional time of 30 days to complete this procedure and the delayed period penalty will be calculated thereafter (i.e. after a total period of 60 days).

- 13.5 In the contingent event of demise of the property owner borrower, the property documents will be released to the co-borrowers. In the event of demise of borrower and all co-borrowers the property documents shall be returned to the legal heir(s) of the deceased property owner. The legal heir(s) shall have to provide sufficient and valid documents / evidences as applicable under law towards their heirship as per defined process of the company.

14. PENAL CHARGES IN LOAN ACCOUNTS

- 14.1 The delay in payment of EMI or PEMI shall render the borrower liable to pay Late Payment Charges i.e. 2.5% per month, calculated on total overdue PEMI /EMI for the number of days overdue, post the due date of instalment i.e. 30% annualized.

In such event, the Borrower shall also be liable to pay legal charges which is incurred by the company such as legal fees, court fees etc. for such delayed payment.

- 14.2 For Non-compliance of General Terms and Conditions of the Home Loan / Non-Home Loan contract inclusive but not limited to the following, shall attract the charges, subject to change from time to time as per sole discretion of the company, as stated below:

- i. Three Times consecutive bounce of EMI/ PEMI.
- ii. Non-compliance / non-submission of any condition / document as mentioned in the sanction letter / disbursal request letter accepted by the borrower(s) within agreed time from the date of first disbursement.
- iii. Non-submission of any Post Disbursal Documents with regards to the title of security within 60 days from the date of first disbursement.
- iv. Where the loan is partly disbursed and is not drawn-down within 12 months from the date of last disbursement.

- 14.3 The company may levy Monthly penal charges of Rs. 10,000/- (Ten thousand rupees only) till the terms & conditions are not complied in full or to the satisfaction of the company. The levy of the same is on sole discretion of the company.

- 14.4 The borrower is liable to pay the same as and when demanded by the company or its representatives.

- 14.5 The company shall disclose the quantum and reason of penal charges to the customers in the loan agreement, most important terms & conditions, Key Fact Statement (KFS) and display the same on the website of the company.

- 14.6 The company shall send reminders of non-compliance of material terms and conditions to the borrowers along with applicable penal charges and shall also communicate instance of levy of penal charges and the reason therefor.

15. RESET OF FLOATING INTEREST RATE ON EQUATED MONTHLY INSTALMENTS (EMI):

- 15.1 The Company shall communicate to borrower about RPLR, rate of interest charged, type of rate i.e. Fixed or Floating or semi-fixed, loan amount, loan tenure and EMI at the time of sanction of loan through sanction letter and by providing copy of Most important terms & conditions (MITC).
- 15.2 Further any change in interest rate shall be communicated through email/SMS/call on the registered phone/mobile number/updation on company's website/other source of Communication.
- 15.3 The company shall communicate to borrower principal & interest recovered till date, EMI amount, number of EMIs left & annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan on quarterly basis.
- 15.4 The borrower shall be allowed one time per financial year to switch from variable/floating rate to fixed rate or fixed rate of interest to variable/floating rate after paying following ROI conversion/switching charges:
- The borrower shall have the option to switch from prevailing rate of interest type to the new rate of interest type by paying ROI conversion/switching charges up to 3% of Principal Outstanding as on the day of conversion plus applicable statutory taxes. The above is on sole-discretion of MOHFL.
- 15.5 The conversion of ROI type is on sole-discretion of the company and as per prevailing pricing policy/ rate grid of floating / fixed ROI from time to time.
- 15.6 Options available for borrower at reset of interest rate
- a. Enhancement in EMI; or
 - b. Elongation of tenor; or
 - c. Enhancement in EMI and elongation of tenor; or
 - d. To prepay loan in full at any point of time during tenure of loan; or
 - e. To prepay loan in part at any point of time during tenure of loan; or
 - f. Switch from variable/floating rate to fixed rate or vice versa.
- 15.7 The company shall communicate to borrower principal & interest recovered till date, EMI amount, number of EMIs left & annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan on quarterly basis.

16. REVIEW/REVISION OF POLICY

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation

of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy