

HOME PLUS FINANCE PRIVATE LIMITED

FAIR PRACTICES CODE

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Introduction:

Home Plus Finance Private Limited (hereinafter referred to as “Company”) is a private limited company incorporated under the provisions of the Companies Act, 2013 and is a Non-Deposit Accepting or Holding Non-Banking Financial Company, Registered with the Reserve Bank of India.

Company is engaged in the business of extending loans to entrepreneurs engaged in micro, small and medium enterprises with limited access to formal financial services, employees working in MSME Sector as a semi-skilled and skilled workers, regular salaried customers, small time professional, etc

This Code has been formulated by pursuant to the Guidelines issued by the Reserve Bank of India on Fair Practices Code for Non-Banking Financial Companies – Non systematically important, Non-Deposit taking Company vide its RBI Master Direction, DNBR.PD.007/03.10.119/2016-17/ Dated September 01, 2016. Wherein Reserve Bank of India (RBI) has summarized the guidelines on Fair Practices Code for NBFCs and in accordance with the Master Direction - Non-Banking Financial Company – Non - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

This sets Fair Practice 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.

This policy applies to all customers including those with any complaints / enquiries as posted on social / any other media and we encourage all customers to reach out to the below platforms as required.

This Policy is displayed on the website of the Company, Notice Board of all Branches for the information of the public. This Policy will be displayed in Vernacular Languages as understood by the Borrower in the notice board of all Branches.

Objective:

The code has been developed with an objective of:

- Ensuring fair practices while dealing with customers by developing, training and implementation of Fair practices code
- Greater transparency enabling customers in having a better understanding of the product and taking informed decisions
- Building customer confidence in the company through a mechanism for constantly receiving feedback/grievances from customers.

Operating Guidelines:

1. Applications for Loans and their processing

- I. Company official language for all communications within the Company or with third parties shall be English / Vernacular Language.
- II. All communications to the borrower shall be in English or in vernacular language
- III. The Company offers financial product of short and medium term financing with or without the security of residential or commercial or vacant land property or any other adequate security primarily to the small and medium enterprises engaged in the business of manufacturing, services and agriculture, self-employed professionals, salaried employees, traders, retailers, businessmen, agents, distributors, companies, corporate and individuals for their requirement relating to expansion of business, working capital needs and or personal needs.
- IV. The 'Application Form with checklist of documents' of Company will include all information and documents that is required to be submitted by the Borrower. Necessary information will be provided by Company to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Finance Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.
- V. The 'Application Form with checklist of documents' of Company also indicates the list of documents required to be submitted by the Borrowers along with the Application form.
- VI. Company has a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. Company would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information and documents.

2. Loan appraisal and terms/ conditions

- I. Company shall convey in writing to the borrower in English or in vernacular language by way of a sanction letter or otherwise, the amount of loan / limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and shall keep the acceptance of these terms and conditions by the borrower on Company's record.
- II. Any clause relating to penal interest charged for late repayment will be specified in bold in the Loan Agreement.
- III. Company at the time of sanction / disbursements of loans will furnish a copy of loan agreement to the borrower.
- IV. Company ensures to convey and explain in detail all the terms and conditions of Sanction letter, agreement etc., in the language preferred by the customer.

3. Disbursement of loans including changes in terms and conditions.

- I. Through its published website or as appropriate if specific to a customer, Company will give Notice to its Borrower(s), of any change in the terms and conditions of the sanction. Company will also ensure that changes in interest rates, fees and charges will be effected only prospectively.

- II. Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement.
- III. Company will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which Company may have against its 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 conditions under which Company will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. No-Dues/objection certificate will be issued to the customer on fulfillment of said terms within 15 working days of completion of relevant requirements.

4. GUARANTORS

When a person intends to be Guarantor for a loan, he / she will be informed about his/her Liability as Guarantor.

5. PRIVACY AND CONFIDENTIALITY

- I. All personal information of borrower/s shall be treated as private and confidential [even when the borrower/s are no longer customers of Company and shall be guided by the following principles and policies. We shall not reveal information or data relating to borrower/s account, whether provided by the borrower/s 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.
 - b. If there is a duty towards the public to reveal the information.
 - c. If our interests require them to give the information (for example, to prevent fraud) but it should not be used as a reason for giving information about borrower/s or borrower/s accounts [including borrower/s name and address] to anyone else, including other companies in the group, for marketing purposes.
 - d. If the borrower/s asks us to reveal the information, or with the borrower/s permission.
 - e. If we were asked to give a reference about borrower/s, we shall obtain his / her written permission before giving it.
 - f. The borrower/s 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.

6. COLLECTION OF DUES / RECOVERY

- I. Whenever loans are given, we shall explain to the borrower/s the repayment process by way of amount, tenure and periodicity of repayment. However if the borrower/s does not adhere to the 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 borrower/s by sending him / her notice or by making personal visits and / or repossession of security, if any.
- II. Our collection strategy will be built on courtesy, fair treatment and persuasion. We will provide borrower/s with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.



- III. All the members of the staff or any person authorised to represent the Company in collection and/or security repossession shall be adequately trained to deal with the borrower/s in an appropriate manner and shall follow the guidelines set out below:
- IV. Borrower/s 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.
- V. Identity and authority to represent the Company will be made known to the customer at the first instance.
- VI. Borrower/s privacy would be respected.
- VII. Interaction with the borrower/s shall be in a civil manner.
- VIII. Company's representatives shall contact the Borrower/s between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise.
- IX. Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- X. Time and number of calls and contents of conversation would be documented.
- XI. All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- XII. During visits to customer's place for dues collection, decency and decorum shall be maintained.
- XIII. Inappropriate occasions such as bereavement in the family or such other calamitous occasions shall be avoided for making calls/visits to collect dues.

7. General:

- I. Company will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of Company).
- II. In case of receipt of request from the Borrower for transfer of Borrowal account, the consent or otherwise i.e. objection of Company , if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- III. At present, the company does not have floating rate term loans, if the company introduces such a product in the future, the company as a policy shall not charge foreclosure charges/pre-payment penalties on the floating rate term loans sanctioned to its individual borrowers.

8. Regulation of Excessive Interest Charged:

- I. Pursuant to notification no. DNBS.204/CGM (ASR)-2009 dated 2 January 2009 in respect to regulation of excessive interest charged by NBFCs, the Company has laid down appropriate internal principles and procedures in determining interest rates and processing and other charges.
- II. The Company has adopted an interest rate model taking into account cost of funds, margin and risk premium for determining rate of interest to be charged for loans and advances.
- III. The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc
- IV. The rate of interest will be annualized so that the borrower is aware of the exact rates that would be charged to the account.

9. EFFECTIVE DATE

The Fair Practices Code has been reviewed and adopted by the Board of Directors on 15th October and shall come into force with immediate effect.

10. Grievance Redressal Mechanism:

- I. 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.
- II. At Company, 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.
- III. 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 regulation.

11. Grievance redressal framework for handling customer complaints / grievances:

Stage 1 – Grievance Redressal at Branch level

The customer may register his/her query/ complaint to Company which shall be addressed by the Branch Manager by email or through phone. The customer can also personally visit the branch office and make the complaint in writing to the Branch Manager in the complaint register available in the branch. On registering the complaint customer shall be provided a Reference number for the complaint lodged with Company for future correspondence.

Stage 2 - Grievance redressal framework at Head Office

If the customer is not satisfied with resolution provided by the local branch office, the customer may provide feedback or send in their complaint using the following channels between **9:00 am and 5.00 pm, from Monday to Friday (except on national holidays)**

Call our Customer Care Helpline 0452-4347489.



Home Plus Finance (P) Ltd

Email us to reach us @homeplusfinance.co.in

Write to us at the below mentioned address

CUSTOMER CARE DEPARTMENT

HOME PLUS FINANCE PRIVATE LIMITED

Shop No.C8, 4th Floor, West Side, Door No 564/1,

12th East Cross Street, Anna Nagar, Madurai – 625020.

Stage 3 - Escalation

- In case the complaint is not resolved within given time or if the customer is not satisfied with the solution provided, the customer can approach the Complaints Redressal Officer.
- The name and contact details of the Complaint Redressal Officer is as follows:

MANI RAJARAM

HOME PLUS FINANCE PRIVATE LIMITED,

Name:

C8 Door No 564/1, 12th East Cross Street , Anna nagar, Madurai -625020

Email id – manirajaram@homeplusfinance.in

Ph: 0452-4347489

Stage – 4 – Escalation with Ombudsman

Ombudsman Scheme for Non-Banking Financial Companies, 2018

Salient Features.

In case of grievance, the customer may prefer a written complaint with the Regional office of the Company, in respect of the following, provided the matter is not referred to any court or forum:

- Interest/Deposit not paid OR paid with delay
- Cheque not presented OR done with delay
- Not conveyed the amount of loan sanctioned, terms & conditions, annualised rate of interest, etc.
- Notice not provided for changes in agreement, levy of charges
- Failure to ensure transparency in contract/loan agreement
- Failure/ Delay in releasing securities/ documents
- Failure to provide legally enforceable built-in repossession in contract/ loan agreement
- RBI directives not followed by NBFC
- Guidelines on Fair Practices Code not followed

12. At the end of one month:

- I. If reply is not received from the Company within one month, OR,
- II. the customer remain dissatisfied with the reply,
- III. The customer may file a complaint with NBFC Ombudsman (not later than one year after the reply from the Company)

13. At Ombudsman Office:

- I. Proceedings before Ombudsman are summary in nature;
- II. Settlement thro' conciliation;
- III. If not reached, issue Award/Order;
- IV. If customer is not satisfied with the decision of Ombudsman, he may prefer an appeal with the Appellate Authority namely Deputy Governor, RBI.
- V. NBFC may go in for appeal within 30 days from the date of receipt of the letter of Award;
- VI. This is an Alternate Dispute Resolution Mechanism and the customer is at liberty to approach any other court/forum/authority for the redressal at any stage.
- VII. Name and address of the NBFC Ombudsman are given below:



A. Name and address of the NBFC Ombudsman:

Centre	Address of the Office of NBFC Ombudsman	Area of Operation
Chennai	C/o Reserve Bank of India Fort Glacis, Chennai 600 001 STD Code: 044 Telephone No : 25395964 Fax No : 25395488 Email : nbfcchennai@rbi.org.in	Tamil Nadu, Andaman and Nicobar Islands, Karnataka, Andhra Pradesh, Telangana, Kerala, Union Territory of Lakshadweep and Union Territory of Puducherry
Mumbai	C/o Reserve Bank of India RBI Byculla Office Building Opp. Mumbai Central Railway Station Byculla, Mumbai-400 008 STD Code: 022 Telephone No : 23028140 Fax No : 23022024 Email : nbfc Mumbai@rbi.org.in	Maharashtra, Goa, Gujarat, Madhya Pradesh, Chhattisgarh, Union Territories of Dadra and Nagar Haveli, Daman and Diu
New Delhi	C/o Reserve Bank of India Sansad Marg New Delhi -110001 STD Code: 011 Telephone No: 23724856 Fax No : 23725218-19 Email : nbfcnewdelhi@rbi.org.in	Delhi, Uttar Pradesh, Uttarakhand, Haryana, Punjab, Union Territory of Chandigarh Himachal Pradesh, and Rajasthan and State of Jammu and Kashmir
Kolkata	C/o Reserve Bank of India 15, Netaji Subhash Road Kolkata-700 001 STD Code: 033 Telephone No : 22304982 Fax No : 22305899 Email : nbfcokolkata@rbi.org.in	West Bengal, Sikkim, Odisha, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Bihar and Jharkhand

14. Mandatory display requirements

- I. Company has the following in all our Regional Offices and branches:
- II. Fair Practices Code
- III. Appropriate arrangement for receiving complaints and suggestions.
- IV. Display of the name, address and contact number of the Complaint Redressal Officer. The process of the complaints redressal unit will ensure closure of all complaints to the customers' satisfaction.
- V. 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 that the Company reaches a situation where its customers don't have to complain to senior management to get an effective redressal the Company has 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.

15. Time frame

- I. To register complaints, the customers may use any of the channels mentioned above (refer point (a) on Internal Machinery to handle the customer complaints). If the complaint has been received in writing, Company will endeavor to send an acknowledgement / response within a week. Once the matter is examined, Company endeavours to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint.
- II. Complaints that are received at the Company's end will be seen in the right perspective and would be analyzed from all possible angles.
- III. The communication of Company's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.
- IV. The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by Company in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any.