



Branch Address Seal



Registered Office: 29/1, Sir. M N Krishna Rao Road, Basavanagudi, Bengaluru – 560 004
Grievance Escalation: For unresolved grievances please write to the Grievance Redressal Office at the above address or E-mail: grievance.redressal@canfinhomes.com

FAIR PRACTICES CODE

A) BACKGROUND AND OBJECTIVE

1 Background

Can Fin Homes Ltd. ("**Can Fin Homes**" or "**Company**") is a public limited company sponsored by Canara Bank and incorporated under the Companies Act, 1956. The Company is a Housing Finance Company ("**HFC**") registered under Section 29A of the National Housing Bank Act, 1987. Can Fin Homes, as an HFC, it is required to comply with the regulatory directions prescribed by the Reserve Bank of India ("**RBI**") and supervisory instructions prescribed by the National Housing Bank ("**NHB**").

As per the Fair Practice Code prescribed under the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI HFC Directions**"), an HFC is required to formulate a Fair Practices Code ("**FPC**" or "**Code**"). Accordingly, this Code has been formulated and adopted by Can Fin Homes Ltd. ("**Can Fin Homes**" or "**Company**").

2 Objective

The objective of the Code is to ensure fair and transparent transactions with all our customers. This Code intend to facilitate the customers to have a better understanding about our products and the various charges levied by the Company.

This FPC/ Code is meant to promote good and fair practices, increase transparency, encourage market forces, and promote fair and cordial relationship between the borrower/ customer and the Company. This Code endeavors to foster confidence of the customer in the Company.

3 Scope of the Code

This Code shall apply to all the products and services, whether they are provided by the Company, its subsidiaries or Digital Lending Platforms (self-owned and/or under an outsourcing arrangement) across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. Accordingly, it shall be applicable to loans for purchase/ construction/ extension/ repairs/ renovation of houses/ apartments etc., loans for purchase of residential site/ dwelling units and other mortgage related loans (other than housing finance). This Code shall also apply to the Company's public deposit acceptance activities.

For the applicability of this Code, the term '**Customer(s)**' shall mean a person/ entity who has either availed a credit facility/ service from the Company or has placed deposit with the Company.

The Code is applicable under normal operating environment except in the event of any force majeure. The code is based on the ethical principles of integrity and transparency and all actions and dealing shall follow the spirit of the Code.

B) FAIR PRACTICES CODE FOR PUBLIC DEPOSITS

4 Disclosures with Respect to Public Deposits

The Company, in terms with the regulatory requirements, shall disclose, in the deposit application as well as in the advertisement soliciting deposits, various terms and conditions relating to the deposit, the applicable rate of interest, the terms of renewal, premature withdrawals, loans against deposits, nomination facilities, schemes available for the special accounts of senior citizens.

5 Deposit Schemes

Various deposit products offered by the Company shall be disclosed in the deposit application form as well as in the advertisement soliciting deposits. For details of Deposits, the Customer may refer to the Company's website www.canfinhomes.com.

6 Renewal of Public Deposits and Transfer to the Investor Education & Protection Fund

The deposits are accepted for a fixed period by the Company and it is the responsibility of the depositor to renew the deposit from time to time. If the deposits are not renewed for 7 years, the overdue deposit will be transferred to Investor Education & Protection Fund ("IEPF") on completion of 7 years from due date of the deposit and thereafter, the depositor may claim for refund of the deposit directly from IEPF.

C) LOAN APPLICATION, SANCTION, DISBURSEMENT AND COMMUNICATION OF TERMS & CONDITIONS OF A LOAN

7 Applications for Loans and Their Processing

- 7.1** The loan application form of the Company shall transparently disclose to the borrower 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 important matter which affects the interest of the borrower.
- 7.2** The loan application form shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other HFCs can be made and an informed decision can be taken by the borrower. The list of documents required to be submitted is provided along with loan application.
- 7.3** The Company shall devise a system of giving acknowledgement for receipt of all loan applications. In the acknowledgement, it will also indicate the time frame within which loan applications will be disposed.

8 Loan Appraisal, Sanction/ Rejection of the Loan Application and Communication of Terms/ Conditions of the Loan

- 8.1** The Company, generally, would collect all particulars required for processing the loan application at the time of application. The Company would verify the loan applications within a reasonable period of time. If additional details/ documents are required, it would intimate the applicants/borrowers immediately thereafter.
- 8.2** The Company would ensure that there is proper assessment of credit applications submitted by the applicants /borrowers.
- 8.3** The Company would carry out proper due diligence on creditworthiness of applicants/ borrowers notwithstanding the stipulation of any security and margin made by it. In this process, the Company may pass the customer's information/ account details to Credit

Information agencies/TPAs/ Statutory/ Regulatory Authorities for this purpose.

- 8.4** The Company would make proper assessment of the credit needs of the borrowers in order to take care that the credit limits which are sanctioned, meet the genuine requirement of such borrowers.
- 8.5 Sanction Letter:** The borrower shall be informed, through a written sanction letter or otherwise, of the amount of loan sanctioned along with all terms and conditions including annualized rate of interest, method of application, EMI structure, prepayment charges etc. Further, for its records, the Company shall keep written acceptance of such terms and conditions by the borrower in writing if such terms & conditions are accepted by the borrower. The copy of the FPC is also provided along with sanction letter for the information of the applicants/ borrowers.
- 8.6** While conveying the terms & conditions and other covenants governing the loan details stipulated by the Company in writing to the applicant/ borrower, the name and designation of the Authority of the Company, as per whose orders the sanction communication has been released, would also be duly indicated therein.
- 8.7** The Company shall furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to every borrower at the time or after disbursement of loans, against acknowledgement.
- 8.8 Communication of Rejection, wherever applicable:** If the Company is not in position to provide the loan to the customer, the Company shall communicate in writing (including through any of the valid electronic means of communication like e-mail, SMS, WhatsApp etc.) the reason(s) for rejection.

9 Disbursement of Loans including Changes in Terms and Conditions

- 9.1** The Company would ensure timely disbursement of loans sanctioned in conformity with the terms & conditions mentioned in the sanction letter and loan agreement and compliance of such terms & conditions by the borrower/s/ Guarantors.
- 9.2** The Company shall give notice to the borrower of any change in the terms and conditions including changes in terms & conditions relating to disbursement schedule, interest rates, service charges, prepayment charges, other applicable fees/ charges etc. The Company shall also ensure that changes in interest rates and charges are affected prospectively after notification to the customer.
- 9.3** If a change in terms & conditions of the loan is to the disadvantage of the customer, he/she may within 60 days and without notice close his / her account or switch the loan account without having to pay any extra charges or interest.
- 9.4** Decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, shall be in consonance with the loan agreement.
- 9.5** The Company shall provide Key Fact Statement ("**KFS**") and Most Important Terms & Condition ("**MITC**") to its borrowers as prescribed by the RBI.

D) PROVISIONS RELATING TO THE INTEREST RATE APPLICABLE TO A LOAN

10 Policy/ Model for Determining Interest Rate

- 10.1** The Company shall, with the approval of the Board, adopt an interest rate model/ policy for determining interest rates to be charged for loans and advances taking into account relevant factors such as cost of funds, margin and risk premium.
- 10.2** 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/ customer in the application form and communicated in the sanction letter. The rate of interest for each category of the loan and the customer is based on the risk score of the borrower/s computed at the time of sanction of the loan. The risk rating and the rate of interest is also subject to review by the Company at periodical intervals.

- 10.3** The rate of interest shall be annualized rate so that the borrower is aware of the exact rates that would be charged to the account.
- 10.4 Fixed Rate of Interest:** Wherever fixed rate of interest is offered, interest remain fixed for entire loan tenor, unless borrower(s) opts for switch over to floating/ variable rate of interest as per this Code.
- 10.5 CFHL Prime Lending Rate:** The rate of interest for all loans will be decided from time to time. The prime lending rate of Can Fin Homes Ltd ("**CFHL Prime Lending Rate**" or "**CHFL PLR**") is based upon the cost of funds, tenure of the loan, borrowing/ market conditions and the risk category of the borrower etc.
- 10.6 Variable/ Floating Rate of Interest:** The variable/ floating rate of interest shall be linked to the CFHL PLR and be dependent on movement of CHFL PLR.
- 10.7** Card Rate of interest (card rate) for all products will be published on the Company's website (www.canfinhomes.com) and its branch notice board from time to time. Further, as and when changes (upward or downward) in card rates are effected, then such revised card rates will be published on the Company's website and its branch notice board from time to time. For all the new loans, the card rate will be applicable prospectively i.e. from the date of disbursement.
- 10.8** Interest is charged on daily products of the loan under Daily Diminishing Balances (DDB) Method only and compounded monthly. Interest is debited to all loan accounts at monthly intervals and at the time of closure, if the loan is closed before the end of the month.
- 10.9** Whenever revision in the rate of interest for loans is effected, same is applicable prospectively to all loans including those already sanctioned and outstanding on the date of change in ROI as per Para 11 below. Further, for such revisions, an electronic communication on such revised ROI will be sent to the mobile number/ email id registered with the Company through any of the valid electronic means of communication like e-mail, SMS, WhatsApp etc.
- 10.10** In the case of loans where repayments are not forthcoming, NACH/ECS/PDC's are returned, perfection of securities not completed within stipulated time, accounts reported in SMA category, then such accounts, at the discretion of the Company, will be reviewed at periodical intervals and will be re- risk rated (S1/S2+/S2/S3) as the case may be and ROI applicable to the respective risk category will be charged. Enhancement in the ROI, if any, consequent upon such risk rating will be communicated to the borrower (on the mobile number/ email id registered with the Company) through any of the valid electronic means of communication like e-mail, SMS, WhatsApp etc.
- 10.11 System of Risk Rating:** The automated system of risk rating on anniversary basis and reset of ROI on quarterly basis which facilitates quarterly resetting of ROI on the basis of risk rating has come in to force effective from 01/01/2024.

As per this process, the following actions are taken:

- (i) The risk rating of all the live loan accounts under annual rate of interest reset mode and quarterly rate of interest reset mode are reviewed and re-risk rated on an anniversary basis.
- (ii) The accounts are reviewed, and rate of interest is reset according to the risk rating

of the borrowers.

11 Variable/ Floating Rate of Interest

11.1 Whenever upward/ downward revision is effected in the rate of interest (card rates) for loans, the same shall be applicable for fresh loans to be granted prospectively.

11.2 For existing loans, applicable provisions shall be as under:

(a) Treatment of Loans availed before April 01, 2017:

- (i) The borrowers who have availed loan before 01/04/2017 (not switched over to annual reset scheme between 01/04/17 to 31/12/23) have been given an option to switch over to the quarterly rate of interest resetting mode by executing a link letter which forms a part of the loan documentation. If the borrower executes the link letter, then quarterly frequency for reset of the rate of interest shall become applicable on his/ her loan with effect from the month subsequent to month of submission of the link letter (without Interest Adjustment Charges).
- (ii) If the borrower doesn't execute the link letter, the loan account shall not be eligible for the quarterly rate of interest reset scheme and the account shall carry the existing rate till the next revision.

(b) Loans under Annual Reset Scheme as on December 31, 2023:

- (i) All loans availed after 01/04/17 to 31/12/23 and loans availed before 01/04/17 (which are under annual reset scheme by submitting link letter) will be due for resetting after 1 year to the prevailing card rate and so on.
- (ii) The ROI will remain the same for one year from the date of grant of the loan/ effective date of annual reset and in case of any revision in rate of interest by the Company during the anniversary period shall not be applicable to those loans before the reset date.
- (iii) All borrowers who are under annual reset scheme are eligible to opt for switch over to quarterly rate of interest resetting mode by executing the link letter which will form a part of the loan document.
- (iv) During the anniversary period, in case of further reduction in ROI, the borrower has the option to get the benefit of the reduced rate by switching over to quarterly rate of interest resetting scheme by executing the link letter. Such reduced rate will remain in force for three months from the date of such reset and account will become due for reset of ROI after three months from that date.
- (v) If the borrower executes the link letter at any time after 01/01/24, then the quarterly rate of interest reset scheme will become applicable from the subsequent month of submission of the link letter.
- (vi) The revised ROI (i.e. the card rate for the product as on the first day of the succeeding month) shall become applicable from the subsequent month and will continue for three months from the date of reset. Any revision in rate of interest during the quarterly period will not be applicable.
- (vii) If the borrower does not submit the signed link letter such accounts are not eligible for the quarterly rate of interest reset scheme and the accounts shall continue under annual reset scheme till such time they switch over to quarterly rate of interest resetting by executing the link letter.

(c) Loans sanctioned after 01/01/24

- (i) All loans availed after 01/01/24 will be due for rate of interest resetting after

3 months, i.e. from May, 2024 onwards. For example, a loan granted during January, 2024 will be reviewed and reset on 01/05/24 to the prevailing card rate and so on.

- (ii) The ROI will remain the same for three months from the date of grant of the loan and in case of any revision in rate of interest by the company during the quarterly period shall not be applicable to those loans before the reset date.
- (iii) During the quarterly period, in case of further reduction in ROI, the borrower has the option to get the benefit of the reduced rate after payment of applicable interest adjustment charges without any ceiling (i.e. 0.50% of the loan outstanding without any ceiling) such reduced rate will remain in force for three months from the date of such reset and the account will become due for review after three months from that date.

11.3 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 the applicable annualized rate of interest for the loan.

12 Provisions relating to Upward Revision in Interest Rates

12.1 Whenever there is any upward revision/ reset in ROI, borrower shall have the following options:

- (a) To pay the applicable enhanced EMI prospectively.
- (b) To extend the tenure of the loan subject to maximum tenure extendable under the respective loan product/ purpose or highest income holder reaching age of maximum 70 years, and the eldest borrower whose income is not considered reaching age of maximum 85 years, whichever is earlier.
- (c) To pay applicable lump sum prepayments (to be arrived/provided by the company) and continue the same EMI; or to prepay either in part or in full.
- (d) Continue the same EMI/ enhancement in EMI and extend the tenure of the loan subject to maximum tenure extendable under the respective loan product/ purpose or highest income holder reaching age of maximum 70 years, and the eldest borrower whose income is not considered reaching age of maximum 85 years, whichever is earlier.

12.2 Any increase in the EMI/ tenure or both on account of revision/reset in ROI will be communicated to the borrower (on the mobile number/ email id registered with the Company) through any of the valid electronic means of communication like e-mail, SMS, WhatsApp etc.

12.3 It shall be the responsibility of the borrower to visit/ contact the branch and opt any one of four options (listed at Para 12.1 above) in writing. If the borrower does not visit/ contact, then the option Para 12.1(d) will be exercised by the company automatically /prospectively and, in this regard, an intimation shall be sent to the borrower (on the mobile number/ email id registered with the Company) through any of the valid electronic means of communication like e-mail, SMS, WhatsApp etc.

12.4 At the time of sanction, the Company shall communicate to the borrowers about the possible impact of a change in 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.

13 Provisions relating to Downward Revision in Interest Rates

Whenever downward revision is effected in the ROI (card rates) for loans, the same is applicable for new loans granted prospectively. In respect of old loans, borrowers will

have the option of availing the benefit of reduced interest rate as detailed at Para 11 above.

14 Other Provisions relating to Interest Rates

- 14.1 Composite Loans:** If the construction does not start and borrower fails to avail the loan towards construction within 12 months/6 months only for loan product 245 / complete within 36 months and not fully availed the loan sanctioned, then the loan will be converted to site loan and Rate of interest as applicable to a plot/ site loan on the date of conversion will be charged with prospective effect. If the customer fails to avail the loan and construct the house, the loan shall be converted into a site loan immediately after completion of 12/6 months.
- 14.2** In respect of loans for construction of houses/flats, pre-EMI interest at card rates shall be remitted till date of completion of moratorium period or actual completion whichever is earlier.
- 14.3** During reset of ROI, borrowers have an option to switch over from floating to fixed and fixed to floating, upto two times during entire loan tenor with a cooling period of 2 years & switch over charges of 0.50% of the loan outstanding plus applicable GST, subject to revision from time to time.
- 14.4** The applicable charges for switching of loans from floating/ variable rate to fixed rate or vice versa and any other service charges/ administrative costs incidental to exercise of the above options shall be transparently disclosed in the sanction letter/ Key Fact Statement ("**KFS**"). Further, latest charges shall be displayed on the Schedule of Fee and Charges published on the website of the Company (www.canfinhomes.com) and, also, on the notice board of its branches.
- 14.5** Installments collected from borrowers shall clearly indicate the bifurcation between interest and principal.

E) PROVISIONS RELATING TO REDUCTION OF EMI AND RELEASE OF PROPERTY PAPERS

15 Request for reduction of EMI shall be considered only in the following circumstances:

- (a) Any pro-rata reduction in the amount of EMI on account of restriction of the loan amount/ cancellation of un-availed limit at the specific request of the borrower to keep the same tenure of the loan.
- (b) Any pro-rata reduction in the amount of EMI at the specific request of the borrower on account of bulk/ lump sum pre-payment of the loan by the borrower to keep the same tenure of the loan. In respect of Prepayment, customer will have the option of reduction in EMI only in cases where such prepayment is equivalent to minimum 5 EMIs.
- (c) It is the borrower's responsibility to register the correct postal address, E-mail ID, Telephone Number & Mobile Number and any other means of communication with the relevant branch of the Company, intimate any changes and get the same registered in the relevant branch. Proper acknowledgement of intimation of such changes shall be obtained from the branch by the borrower.
- (d) The Company will publish FPC/ MITC updated from time to time covering Schedule of

Charges, changes in terms and conditions etc. on the Company's official website www.canfinhomes.com from time to time, besides displaying on the notice board of the branch.

- (e) The Company would promptly attend to any "lender-related" genuine difficulty/ies that the borrowers may face. The Company will be concerned with sanction and disbursement of the loan, but will not offer any warranty for the property/ property related issues and the borrower should satisfy himself with the title of the property, quality of the construction, progress of the project etc.

16 Release of all Movable/ Immovable Property/ Security Documents

16.1 The Company would release all securities on closure of loans subject to any legitimate right or lien for any other claim the Company may have against Borrowers as guarantors/ co-applicant/co-owners. If such right of set off is to be exercised, the borrower would be given notice about the same with full particulars about the remaining claims and documents under which the Company is entitled to retain the security till the relevant claim is settled/ paid.

16.2 In this regard, the Company shall adhere with the following:

- (a) The Company would release all the original movable/ immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- (b) A borrower will be given an option for collecting the original property documents either from the home branch where the loan account was serviced or from Central Documents Storage Center branches (CDSC branches), as per her/his preference.
- (c) The timeline and place of return of original movable/ immovable property documents shall be mentioned in the respective loan sanction letters.
- (d) In order to address the contingent event of demise of the sole borrower or joint borrowers, the Company has adopted a well laid-out procedure for return of original movable/ immovable property documents to the legal heirs. The same has been displayed on the website of the Company for customer information.

16.3 The documents are stored in the fireproof Central Deposit Storage Centres ("CDSC") at Uttarahalli in Bengaluru (for South zone branches in Karnataka, Kerala and Tamil Nadu), Gachibowli in Hyderabad (AP, Telangana, East and West zone branches) and Gurgaon in Haryana (for North zone branches). Such CDSC may be increased or reduced by the Company as per its internal policies and business requirements without any intimation to its borrowers.

16.4 Upon closure of loan, the documents will be returned. The customers will be duly intimated by the branches to collect back the documents within 15 days of closure of the loan. If the documents are urgently required (say within a few days), then actual courier charges+ GST or an amount, as notified from time to time, will have to be remitted.

16.5 If the borrower requests for copies of any property documents during pendency of the loan, a minimum of 15 days' notice should be given to the concerned branch for retrieval of the requested documents, by paying actual courier charges+ GST or an amount, as notified from time to time, will have to be remitted.

16.6 If the documents are not taken delivery by borrower, then safe custody charges, as notified from time to time, will be levied while delivering the documents.

16.7 The title deeds deposited by the borrower/s or guarantor/s for creation of mortgage will be returned to the said persons or their legal heirs only on closure of the entire loan liabilities of the borrowers /guarantors due under the loan/s availed directly or indirectly

against the security of such properties.

- 16.8** The Company takes proper care and caution while dealing with the property documents submitted by the borrower. If for any reasons, the documents are lost or damaged for the reasons beyond the control of the Company and the Company is not able to produce such documents, the Company will arrange for providing certified copies of such documents as permissible under Law/ Policy of the Company.

17 Compensation for Delay in Release of Movable/ Immovable Property Documents

- 17.1** 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.
- 17.2** 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 indicated at sub-paragraph (i) above. However, in such cases, an additional time of 30 days will be available to the Company to complete this procedure, and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- 17.3** The compensation provided shall be without prejudice to the rights of the borrower to get any other compensation as per any applicable law.

F) FEE AND CHARGES

18 Policy for Fees and Charges

The Company may levy fees and charges for various services and instances with respect to the loans and services provided by it. Illustrative lists of various fees and charges are provided in **Annexure 1** of this Code.

19 Penal Charges

- (a) The Company may charge a penalty in form of 'penal charges' for non-compliance with the material terms and conditions of loan contract by the borrower.
- (b) The penal charges shall not be added to the rate of interest charged on the advances and there shall be no capitalization of penal charges i.e., no further interest computed on such charges. Nonetheless, this will not affect the normal procedures for compounding of interest in the loan account, if any.
- (c) The Company shall not introduce any additional component to the rate of interest and ensure compliance in both letter and spirit.
- (d) The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/ product category.
- (e) The quantum and reason for penal charges shall be disclosed by the Company to the customers in the loan agreement and the MITC/ KFS, in addition to being displayed on the Company website under Interest rates and Service Charges.
- (f) 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.

20 Prepayment Charges

20.1 The Company 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 fixed interest rate basis and the loan is pre-closed by the borrower out of their own sources.

Please Note:

- (a) *The expression "own sources" for the purpose means any source other than by borrowing from a bank/ HFC/ NBFC and/or a financial institution.*
- (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.*
- (c) *It is also clarified that a fixed rate loan is one where the rate is fixed for entire duration of the loan.*

20.2 The Company shall not impose foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned.

20.3 In case of receipt of request from the borrower for transfer of the loan account, the Company shall convey consent or otherwise i.e. objection, if any, within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.

G) CUSTOMER SERVICE

21 Grievance Redressal Mechanism

21.1 The Company has a systematic Grievance Redressal Mechanism. The Company aims to ensure quick and effective handling of customer grievance, as well as prompt corrective & preventive action in order to avoid recurrence.

21.2 If a Customer has some query and grievance with respect to the product and services offered by the Company, the Customer may contact his/her home branch for quick resolution of grievance.

21.3 If the branch fails to resolve the grievance or the customer is dissatisfied with the resolution offered, complaint can be raised through any of the following channels:

- (a) **Call** at **09606084362** (10 am to 5 pm)
- (b) **Email** to: grievance.redressal@canfinhomes.com
- (c) **Letter** to: Registered Office No.29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560 004
- (d) **Grievance Redressal Portal:** A Customer can update his/ her grievance into the Grievance Redressal Portal at the official website of the Company at <https://www.canfinhomes.com/Grievance/GrievanceForm>.
- (e) **Grievance Redressal Officer:** Shri. Jagadish U Bhat, Vice President

21.4 Details to be provided while making a query/ complaint: The customers must

provide necessary loan details i.e. account number, complaint/ grievance details, and valid contact information along with email id and product details while lodging a query or complaint through these channels.

21.5 Escalation within the Company: In case of delayed or no response from the above channels within the specified timelines, the complaint can be escalated to the Grievance Redressal Officer of the Company: Grievance Redressal Officer, Can Fin Homes Ltd, No 29/1, Sir. M N Krishna Rao Road, Basavanagudi, Bengaluru- 560004.

21.6 Turn Around Time (TAT): 30 days from the date of acknowledgement of the grievance. In case of delay beyond 30 days, an interim reply with reasons for delay will be given and the grievance will be redressed within next 15 days.

21.7 Escalation to the NHB

In case that the complainant is not satisfied with the resolution by the Company or if the issue is not resolved within 30 days from the date of acknowledgment of the complaint, the customer may approach the NHB through any of the following modes:

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

(b) Offline Mode: In offline/ physical mode by post, the customer may write in the prescribed format available at link <https://nhb.org.in/grievance-redressal-officer/> to the following address:

- The Grievance Redressal Department, National Housing Bank, 3rd Floor to 5th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi- 110 003

22 The Company is having the customer portal facility in its website and the customer can access the accounts through such facility for obtaining Provisional/ Final Interest Paid Certificate for IT purposes by properly registering the passwords with the branch of the Company where he/she is having his/her dealings. The borrower can also make payment of loan instalments by accessing Company's website www.canfinhomes.com.

H) OTHER PROVISIONS OF THE FAIR PRACTICES CODE

23 Privacy and Confidentiality

23.1 The Company in the normal course, would endeavor not to interfere in the affairs of its borrowers which are not either directly or indirectly related to its extending the credit facilities unless new information, not earlier disclosed by the borrowers concerned has come to the notice of the Company.

23.2 Can Fin Homes shall treat all the personal information of the customers (including the Customers whose loan accounts are closed) as private & confidential.

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

- (a) If the information is to be given by law.
- (b) If there is a duty towards the public to reveal the information.
- (c) If the Company's interest requires it to give the information (for example, to prevent fraud) but the same will not be used by the Company as a reason for giving the information about the customer or customer's accounts to anyone else, including other companies in the group, for marketing purposes.
- (d) If the customer asks the Company to reveal the information, or with his / her permission by way of acceptance to the terms and conditions of the loan

agreement or otherwise, to provide such information to the group companies or other entities with whom the Company may have tie-up/ arrangement for providing other financial service products.

- (e) If any Court / regulatory/enforcement authorities so direct or require under any law/ act.
- (f) The Company shall not give a reference about customers, unless the Company has obtained the customer's written permission before giving it.

23.4 The customer shall be informed the extent of his/ her rights under the existing legal framework for accessing the personal records that the Company holds about him/ her.

23.5 The Company shall not use the Customer's personal information for marketing purposes by anyone, unless the customer specifically authorizes them to do so.

24 Credit Reference Agencies/ Credit Information Companies (CICs)

24.1 At the time of appraisal of the loan application or later, the Company may pass the Customer's information and loan application details to CICs and may undertake other checks, as may be required, in this regard as per declaration.

24.2 The Company shall submit the data/ information pertaining to the borrower, his/ loan and repayment records etc. with CICs as may be required from time to time. Further, the Company shall ensure compliance with the regulatory requirements with respect to reporting/ updation/ rectification of credit information of its Customers with the CICs.

24.3 The Company shall provide relevant information given to CICs if demanded by the Customer.

25 Conduct of the Loan Account and Collection of Dues

25.1 The Company, through loan documents, shall inform the borrower with respect the repayment process by mentioning amount, tenure and periodicity of repayment. However, if the borrower does not adhere to the repayment schedule, the Company shall follow normal legitimate recovery procedures like sending SMS alerts, telephone calls, emails, visiting the customer's residence/ office, re-possession etc. of the property without resorting to undue coercion.

25.2 The Company's collection policy/ process shall be built on courtesy, fair treatment and persuasion. The Company's staff or any person 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.

25.3 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) The 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) The Customer's privacy would be respected.
- (d) Interaction with the customer shall be in a civil manner.
- (e) The Company's representatives shall contact the customers between 10.00 AM and 5.00 PM, unless the special circumstances of the Customer's business or occupation require otherwise.

- (f) The Company will endeavor to consider the customer's request to avoid calls at a particular time or at a particular place and such requests shall be honoured, as far as possible.
- (g) All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- (h) During visits to the Customer's place for dues collection, decency and decorum shall be maintained.
- (i) Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls / visits to collect dues.

25.4 The Company shall adhere to the RBI Directions on Treatment of Wilful Defaulters and Large Defaulters and submit the list of wilful defaulters and list of large defaulters on a monthly basis to all Credit Information Companies ("**CICs**"). The Company shall report details/ information relating to such wilful borrower(s)/ guarantors to all CICs and details of whom may be displayed by the CICs, the Company and the RBI/ NHB as may be prescribed by the RBI.

25.5 The Company and The Customer shall act fairly and diligently in dealing with each other. If the customer acts fraudulently/ negligently and/or suppresses any information, he/ she will be responsible for all the losses caused to the Company and liable for criminal/ legal action.

26 Guarantors

When a person considers to be a Guarantor for a loan availed from the Company, he / she shall be informed, through a document/ letter/ deed of guarantee or otherwise, about:

- (a) His/ her liability as a guarantor;
- (b) The amount of liability he / she will be committing to the Company;
- (c) Circumstances in which the Company will call him / her to pay up his / her liability;
- (d) Whether the Company will have recourse to his / her other monies in the Company if he/ she fails to pay up as a Guarantor;
- (e) Whether his/ her Liabilities as a Guarantor are limited to a specific quantum or are they unlimited;
- (f) The time and circumstances in which his/ her liabilities as a Guarantor will be discharged as also the manner in which the Company will notify him/ her about this;
- (g) Wherever, the Company make a claim on the guarantor on account of the default made by the principal debtor, the liability of the guarantor is immediate. In case the said guarantor refuses to comply with the demand made by the Company, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a willful defaulter.
- (h) Further, the Company shall keep the guarantor informed of any material adverse change/s in the financial position of the borrower to whom he/ she stands as a Guarantor.

27 Engagement of Direct Selling Agent ("DSA")

- (a) The Company has engaged DSAs in various branches, authorizing them to source loan proposals from eligible customers on the Company's behalf. For such DSAs, separate identity cards are issued by the Company.
- (b) It should be noted that these DSAs are not the employees of the Company. They will assist the applicants by giving clarifications about the Schemes/Charges and other

details.

- (c) The proposals routed through DSA's. Processing Charges are indicated point no.3 of Annexure-1(Fee and Charges) and the Processing Fees shall be paid by way of account payee cheque in favour of Can Fin Homes Ltd.
- (d) The appraisals of the proposals sourced by the DSA's will be done by our Company only and sanction/ rejection of the proposal will be at the sole discretion of the Company. Though the Legal Scrutiny/ Title verification is done by the Company through the empaneled Advocates, the Company will not give any warranty of title of the borrower. Once the loan is sanctioned, the customer is required to Deposit the title deeds in the notified branch/place and visit the concerned branch of CFHL to execute the EMT/loan documentation.
- (e) No charges are payable by customers to DSAs. Processing Fees is required to be directly paid to Can Fin Homes Ltd. It is to be noted that the DSAs are not authorized to claim any types of fees/charges directly from the customers. If any deviation is observed, same may be referred to Branch Manager for further action.
- (f) The Company shall bind its DSAs for compliance with the Code of Conduct adopted by it.

28 Insurance Cover for Loans

- (i) Insurance cover for both property and life of the borrower/s for the loans is not mandatory. However, the Company may facilitate the borrower in availing insurance cover if he/ she decides to avail insurance cover at the request of the borrower which shall be obtained from the approved insurance companies at the borrower's cost. The borrower may also directly take insurance cover for mortgaged property or his/ her life and accidental cover at his/ her cost with the approved insurance companies, the cost of which shall be borne by the borrower himself/ herself. Such insurance policy should be assigned in favor of the Company.
- (ii) The above insurance policies shall be renewed by the borrower periodically and the same shall be shared with the Company to keep the records updated.

29 No Discrimination Policy

- (a) The Company will not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of society.
- (b) There shall be no discrimination in extending products, services, facilities etc., including loan facilities to physically challenged/ visually impaired persons on the grounds of disability. The Company shall take special efforts to make it easy and convenient for customers like senior citizens, illiterate persons and physically challenged/ visually impaired persons in their dealings with us.

30 Compliance with the Know Your Customer ("KYC") and Anti Money Laundering ("AML") Measures

The customers shall submit or provide necessary documents or proofs viz., PAN details, proof of identity, address, educational qualification, employment etc.as and when called for by CFHL as per the KYC norms, either at the time of applying for the loan and also at any later stage before closure of the account.

31 Disclosures to be Made by the Company

- (a) The Company shall display/ disclose information relating to its products, services, rate of interest, fee & charges, customer grievance redressal mechanism etc. on its website and in its branches as mandated by the RBI.
- (b) The Company will publicize this Code by putting it on its website, by making the Code available at branches and, also, by providing existing and new customers with a copy of the Code to its customers on request. The Company will also ensure that its staff is adequately trained to provide information about the code.
- (c) To facilitate quick and good understanding of the major terms and conditions of the housing loan agreed upon between the Company and the individual borrower, the Company shall get the MITC of the loan, as per the prescribed format, signed by the borrower and provide a copy of the same to the borrower under acknowledgement.
- (d) The rates of interest and the approach for gradation of risks, and penal charges/ penal interest (as may be applicable) shall also be made available on its website. The information published on the website shall be updated whenever there is a change in the rates of interest.
- (e) The Company shall display on its website the interest rate range of contracted loans for the past quarter for different categories of advances granted to individual borrowers along with mean interest rates for such loans.
- (f) The Company shall display the required information in any one or more of the following languages: Hindi, English or the appropriate local language.

32 Miscellaneous Provisions

- (a) Upon the specific request of the customer, the Company shall provide the facility of electronic transfer of loan proceeds through NEFT/RTGS to the account of the beneficiary/ builder/ vendor and the Company.
- (b) Generally, all the data/ documents pertaining to any account of the customer will be purged after 8 years from the closure of the loan/account and the Company will not entertain any request for providing any information/data of such accounts after 8 years.
- (c) After disbursement of the loan and issue of DD in the name of the borrower/ vendor, as per the instruction of the borrowers, if the purchase transaction could not be completed for whatever reasons and the DD is recredited to the loan account, the borrower shall pay the interest at applicable rate for the period between date of debit to the loan account and closure of the loan.
- (d) In the case of loans for which the Company has availed refinance from NHB (LUH/GRHS etc.), all the terms and conditions including rate of interest advised by NHB for such loans shall be stipulated. In case, any of such loans for which refinance is availed becomes ineligible for such refinance from NHB (NPA or any other reasons), the rate of interest applicable to general scheme including penal charges, if any, shall be charged by the Company after giving due notice to the borrower/s from the date of such account becoming ineligible for refinance. Proper notification of revision in the rate of interest shall be communicated to the borrower.

FEE AND CHARGES

1. Interest Adjustment charges

In respect of existing loans availed on or before 31/12/2023 and not in quarterly reset mode, who are willing to avail the benefit of the quarterly reset of ROI shall avail the same by getting fresh risk rating done by the branches as per norms, and signing the link letter, without any charges. In respect of loans availed on or after 01/01/2024 and other loan which are under quarterly reset mode, IAC of 0.50% of the outstanding liability plus GST shall be applicable if the borrower wants to avail the benefit of any reduction in ROI before the quarterly reset period.

The Branch Manager/ RO shall permit such conversions subject to rules of the Company advised from time to time.

2. Penal Charges

- i) Penal charges at 2% p.a. over and above the prevailing ROI in the loan account plus applicable tax will be levied for delayed Installments without capitalization of penal charges.
- ii) In respect of purchase of properties, non-receipt of sale deed within 30 days from the date of registration of the property will attract penal charge of 2% p.a. plus applicable tax on outstanding liability from the due date for receipt of title deeds till the actual receipt of title/ sale deed.
- iii) If the construction is not completed within 36/60/72 months as the case may be, then the un-availed limit will be cancelled and penal charge @ 2% p.a. plus applicable tax on outstanding liability to be levied from 37th /61st /73rd month respectively.
- iv) All the above referred Penal charges, will be levied at monthly intervals along with applicable GST without capitalization i.e., no further interest compounded on such charges.

3. Processing Charges (PC)

The applicable Processing Charges (PC) are given below:

Sl. No	Names of the Product	Category	Slab	Proposals received directly from customers	Proposals routed through DSA/
1	Housing Loans/ Site Loans/ Composite Loans/ CHL/ Flat under construction/ IHL cash salary/ AHL- U /AHL R	S & P	No slab	0.50% + GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/- GST	0.75% + GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/-+GST
		SENP	No slab	0.75% + GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/- +GST	1%+ GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/- +GST
2	Mortgage loan	S & P	No slab	0.75% + GST of loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/-+ GST	1% + GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/-+GST
		SENP	No slab	1% + GST of loan amount, with a minimum of Rs.15000/-	1.25%+ GST of the loan amount, with a minimum of

Sl. No	Names of the Product	Category	Slab	Proposals received directly from customers	Proposals routed through DSA/
				+ GST & a maximum of Rs.20000/- +GST	Rs.15000/- + GST & a maximum of Rs.35000/- +GST
3	LRR/Flexi LAP	S & P	No slab	0.75% + GST of loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/- +GST	1% + GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/-+GST
		SENP	No slab	1.00% + GST of loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/- + GST	1.25%+ GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/- +GST
4	Personal loan	S & P	Up to Rs. 50 lakhs (including exiting loan liability)	0.75% + GST of loan amount, with a minimum of Rs.5000/- + GST & a maximum of Rs.15000/-+ GST	1% + GST of the loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/-+ GST
			Rs. 50 lakhs & above (including exiting loan liability)	0.75% + GST of loan amount, with a minimum of Rs.7500/- + GST & a maximum of Rs.15000/-+ GST	1% + GST of loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/-+ GST
		SENP	Up to Rs. 50 lakhs (including exiting loan liability)	1% + GST of loan amount, with a minimum of Rs.7500/- + GST & a maximum of Rs.20000/-+ GST	1.25%+ GST of the loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/- + GST
			Rs. 50 lakhs & above (including exiting loan liability)	1% + GST of loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.20000/- + GST	1.25%+ GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/- + GST
5	LCP	S & P	No slab	1% + GST of loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/-+ GST	1.25% + GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/-+ GST
		SENP	No slab	1% + GST of loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.20000/- + GST	1.25%+ GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/- + GST
6	LCE	S & P	Up to Rs. 50 lakhs (including exiting loan liability)	Rs. 5000/- + GST irrespective of loan amount	1% + GST of the loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/-+ GST
			Rs. 50 lakhs & above (including exiting loan liability)	Rs. 7500/- + GST irrespective of loan amount	1% + GST of loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/-+ GST

Sl. No	Names of the Product	Category	Slab	Proposals received directly from customers	Proposals routed through DSA/
		SENP	Up to Rs. 50 lakhs (including exiting loan liability)	Rs. 5000/- + GST irrespective of loan amount	1.25%+ GST of the loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/- + GST
			Rs. 50 lakhs & above (including exiting loan liability)	Rs. 7500/- + GST irrespective of loan amount	1.25%+ GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/- + GST
7	Builder's Loan/LOC	Builder	No slab	1.75 % + GST of loan amount, with a minimum of Rs.50,000/- + GST no cap on upper limit.	DSA/ MO not applicable
8	CFHL- Nishchint	Pensioners	No slab	Rs. 10000/- + GST irrespective of loan amount	1% + GST of loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs. 15000/-+ GST.
9	CFHL -TOPUP	S & P	Upto Rs. 50 lakhs (including exiting loan liability)	Rs. 5000/- + GST irrespective of loan amount	1% + GST of the loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/-+ GST
			Rs. 50 lakhs & above (including exiting loan liability)	Rs. 7500/- + GST irrespective of loan amount	1% + GST of loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/-+ GST
		SENP	Up to Rs. 50 lakhs (including exiting loan liability)	Rs. 5000/- + GST irrespective of loan amount	1.25%+ GST of the loan amount, with a minimum of Rs.10000/- + GST & a maximum of Rs.35000/- + GST
			Rs. 50 lakhs & above (including exiting loan liability)	Rs. 7500/- + GST irrespective of loan amount	1.25%+ GST of the loan amount, with a minimum of Rs.15000/- + GST & a maximum of Rs.35000/- + GST
10	I-Secure Loan	All categories	No slab	Nil	Nil
11	Rooftop Solar Loan Scheme	All categories	No slab	NIL PF, if loan is availed within 6 months of IHL sanctioned. Rs.2,000/- Plus applicable GST if loan is availed after 6 months of IHL sanctioned.	NIL PF, if loan is availed within 6 months of IHL sanctioned. Rs. 2,000/- Plus applicable GST if loan is availed after 6 months of IHL sanctioned.

4. Revalidation Charges

Sanction is valid for 30 days from the date of delivery of the sanction communication to the applicant. ₹500/- will be charged towards revalidation for all loans other than Builder's loan if applicant comes forward to revalidate the sanction after the due date.

5. Pre-payment/ Foreclosure Charges

Pre-closure charges are NIL /Not applicable to individual borrowers for term loans for both Housing Loan and Non-Housing Loan. However, the Company at its discretion will charge commitment charges on certain category of Non-Housing Loans builder/project loan(s), if the sanctioned limit is not utilized as per the sanction terms.

The company at its discretion will charge the pre-closure charges at 2% plus applicable GST on outstanding liability where the loan accounts are on fixed interest rate during the loan tenure, in case the loans are taken over by other banks/financial institutions. However, no pre-closure charges will be collected if the borrowers close the loans out of their own funds

6. Commitment charges

At the time of sanctioning Builder/ Project loan, the sanctioning authority shall stipulate drawdown schedule for disbursement based upon Cash flow statement. In case, the disbursements are not made as per draw down schedule/ limit not availed, commitment charge of 1% plus applicable GST on undrawn portion of drawdown schedule in Builder Loan category will be collected.

7. Project Appraisal Report/ Techno Economic Evaluation report

Applicant should pay the following charges by way of cheque/ DD, in respect of projects involving Techno Economic Evaluation/ Project appraisal report by the Panel Valuer:

Loans from ₹1 Crore to ₹3 Crore	₹25000 + GST
Loans for above ₹3 Crore up to ₹5 Crore	₹40,000 + GST
Loans above ₹5 Crore	₹50,000 + GST

The applicant shall directly obtain the copies of valuation report from empanelled Consultant including one for him.

8. Miscellaneous Charges

Other charges, which are in the nature of reimbursement are tabulated below shall be paid by the applicant/ borrower Wherever charges are recovered by debiting the respective loan accounts, charges will not be capitalized i.e., no further interest compounded on such charges:

S. N.	Type of Charge	Amount	Payment/reimbursement for
1.	Cheque (PDC) Return Charges	₹750/- + GST	Each cheque dishonor, recoverable by debiting the respective loan accounts.
2.	ECS/ NACH Return Charges	₹750/- + GST	Each ECS return, recoverable by debiting the respective loan accounts.
3.	Cancellation of DDs	₹250/- per instrument	
4.	Issuance of duplicate DD/ Stop payment	₹500/- per instrument	
5.	Revalidation of instruments up to ₹10 Lakh	₹1,000/- per instrument	
6.	Revalidation of instruments above ₹10 Lakh	₹2,000/- per instrument	
7.	National E-governance Service Ltd (Nesl) upload charges	Rs. 25 /-+GST and Rs. 10/- + GST	Rs. 25/- +GST for 1st five years of loan tenure, there after Rs. 10/- +GST for every year till the loan closure.

S. N.	Type of Charge	Amount	Payment/reimbursement for
8.	Charges for Retrieval of Documents from Centralized Deposit Storage Centers (CDSC)	Actual Courier charges + ₹300/- per withdrawal + GST	Towards courier & handling cost of getting the documents from CDSC to the branch & returning the same back to CDSC during the pendency of loan (i.e. before actual closure of loan)
9.	Safe Custody Charges Of the loan documents in respect of closed accounts	₹200/- pm + GST from the date of closure till the date of actual delivery of documents back to customers	Cost of keeping the documents in safe custody if the customer does not come forward to collect the documents after loan closure (despite sending our notice) within 2 months from the date of loan closure, should be paid by the borrowers before delivery of the documents back to them.
10.	Encumbrance Certificate	The actual cost + minimum OPE	To be paid by the borrowers or recovered by debiting the loan accounts.
11.	Search Report from SRO	Actual search fee incurred as per SRO receipts along with minimum OPE	To be paid by the borrowers or recovered by debiting the loan accounts
12.	Certified copies of documents	Actual fee incurred	To be paid by the borrowers or recovered by debiting the loan accounts
13.	Charges for Sale of Property through recovery agents.	2% to 7.5% depending on Assets classification	
14.	Property Inspection charges	₹300 + GST per inspection of the property, (from 2nd inspection onwards)	To be debited to the loan account & paid up front for inspection carried out in construction cases where disbursements are made on the basis of progress in construction. Also inspection of the property [Prime and/or Collateral] shall be carried out annually for all the loan accounts which are outstanding as at end of March in each year and Rs 300/- as inspection charges shall be debited centrally, once in a year till the closure of the loan.
15.	Recovery Visit Charges	₹500 + GST per visit	To be debited to the loan account & paid-up front

9. Recovery Charges: If the account becomes NPA, such charges shall be required to be paid by the borrower

S. N.	Type of Charge	Amount	Payment/reimbursement for
a)	<u>Under Civil Law:</u> a) Registered/ Notice/ Through Courier b) Lawyer's/Legal Notice Charges c) Suit Filing/ Execution Petition Expenses	₹50/- + GST per notice, per borrower ₹500/- + GST per notice, per account Actual charges as applicable under State laws	Cost of each Registered Notice is recoverable from the borrowers. Cost of Legal Notice is recoverable from the borrowers. Cost of Suit filing/Execution Petition expenses should be debited to the borrowers' loan account.
b)	<u>Under SARFAESI Act:</u> SARFAESI related Notices Publication in Paper Taking Physical Possession, Safe guarding of property after taking physical possession. Pre-inspection/ Pre-enforcement activities.	Actual cost +GST Actual cost +GST Minimum of ₹2,500/- + GST & maximum of ₹ 7500/-+ GST	Recoverable from Borrowers Recoverable from Borrowers Recoverable from Borrowers
	For obtaining orders from District Magistrate /CJM /CMM /ACMM, any other Competent Authority	Minimum of 10,000/- + GST & maximum of 50,000/- + GST.	Recoverable from Borrowers
	Assistance of agents/ Agencies in taking symbolic possession of property.	Actual Cost up to a maximum of ₹ 10,000/- + GST	Recoverable from Borrowers
	Caveat charges/fees,	Minimum of Rs.3000/- & Maximum of Rs.10,000/-	Recoverable from Borrowers
	Fees prescribed by the Competent authority in the matters related to taking physical possession under SARFAESI	Actual Cost+ GST	Recoverable from Borrowers
	Other SARFAESI related expense like change of Court commissioners /Advocate commissioner /court receiver, revalidation of magistrate orders, Re-possession to the borrower etc.	Up to a maximum of Rs.25,000/-	Recoverable from Borrowers

All the charges stated above are subject to revision by the Company from time to time.

10. System of Remittance/Refund of Processing Charges (PC)

- (a)** Entire Processing Charges should be invariably paid at the time of submitting the application. However, if the applicant, for some valid reasons, is not paying the entire amount, application can be submitted by paying minimum charges as detailed in point no. 3 of Annexure-1 i.e. Fee & charges. (non-refundable) for all loans. Balance/remaining Processing Charges should be paid before documentation/ first disbursement.
- (b)** After inwarding the proposal and collection of Processing Charges (full or minimum charges as detailed in point no. 3 of Annexure-1 (Fee & charges) as the case may be), if the loan is not sanctioned or rejected by us, then the processing charges already collected less minimum charges as detailed in point no. 3 of Annexure-1 (Fee & charges) + GST will be refunded to the applicant.

11. Refund of Processing Charges under Referral Scheme

Whenever a customer pays processing charges for his loan (either by direct application or through DSA), then he has the option of claiming refund, either part or in full, of the processing charges paid by him upon introduction and sanction, disbursement of loans to his relatives/ friends in our Company. If existing customer (say Mr. A), introduces new loan customers (say Mr. B, C & so on) to us who subsequently get their loans sanctioned and upon disbursement of such loan, then existing customer (Mr. A) is eligible for reimbursement of Processing Charges up to the extent of what he has already remitted to the Company subject to the condition that the new customer loan should remain with us for a period of six months.

The reimbursement will be @ 0.15% of disbursements in new loan accounts of new customers (i.e. Mr. B, C and so on) on pro rata basis and such amount will be credited to his loan account at quarterly intervals. For details, refer branch manager.

12. Fee and Charges relating Retrieval of Property Documents

- (a)** Upon closure of loan, the documents will be returned. The customers will be duly intimated by the branches to collect back the documents within 15 days of closure of the loan. If the documents are urgently required (say within 4 days), then actual courier charges (up to ₹300/- + GST) has to be remitted.
- (b)** If the borrower requests for copies of any property documents during pendency of the loan, a minimum of 15 days' notice should be given to the concerned branch for retrieval of the requested documents, by paying the actual courier charges + ₹300/- + GST.
- (c)** If the documents are not taken delivery by borrower, then safe custody charges @ ₹200/- p.m. + GST will be levied while delivering the documents
- (d)** The title deeds deposited by the borrower/s or guarantor/s for creation of mortgage will be returned to the said persons or their legal heirs only on closure of the entire loan liabilities of the borrowers /guarantors due under the loan/s availed directly or indirectly against the security of such properties.
- (e)** The Company takes proper care and caution while dealing with the property documents submitted by the borrower. If for any reasons, the documents are lost or damaged for the reasons beyond the control of the Company and the Company is not able to produce such documents, the Company will arrange for providing certified copies of such documents as permissible under Law/ Policy of the Company.

Place: Bengaluru
Date:

Sd/-
General Manager