

# INFORMATION BOOKLET



**SRG HOUSING FINANCE LIMITED**

321, S.M. Lodha Complex, Near Shastri Circle, Udaipur (Rajasthan)-313001

CIN: L65922RJ1999PLC015440; Website: [www.srghousing.com](http://www.srghousing.com);

Email : [info@srghousing.com](mailto:info@srghousing.com), [srghousing@gmail.com](mailto:srghousing@gmail.com) Phone No: 0294-2561882, 2412609

**1. CUSTOMER SERVICE INFORMATION**

(i) **Rate of Interest:** Our key interest rates on Loans range between 15% to 24 % depending upon the risk of the case or as decided by the management. Our Interest is calculated on daily products at monthly rests.

(ii) **Charges/ Fees of SRG Housing Finance Limited:**

<b>Schedule of Charges</b>		
<b>Sr.</b>	<b>Charge Type</b>	<b>Charge Description</b>
1	Login Fee <i>(Non refundable)</i>	Rs.1600/- <b>(Inclusive of applicable taxes)</b>
<b>UPFRONT CHARGES (CHARGES BEFORE /DURING DISBURSEMENT)</b>		
2	Processing Charges	Upto 3% + applicable taxes (on the sanctioned value) to be collected before disbursement or deducted from first disbursement.
3	Non Postal Stamp / Stamp Duty	As per applicable law of the state
4	Non-encumbrance Certificate / Search Report (per property)	Rs.2000/- + applicable taxes Rs.4000/- + applicable taxes ( in Maharashtra State)
5	Technical Fee /Valuation Fees (per property)	Rs.2000/- + applicable taxes
6	CERSAI: At the time of Disbursement : Creation of Charge (per property)	Upto Rs. 100/-+ applicable taxes
7	Credit Report charges	100/-+ applicable taxes
8	Property Inspection charges	Rs.500/-+ applicable taxes
<b>CUSTOMER SERVICE CHARGES</b>		
9	CERSAI: At the time of Modification of Charge ( in case of Top Up)	As per the charges levied by CERSAI+ applicable taxes
10	Prepayment Charges	<p><b>A) Part- Prepayment/ Foreclosure of Home Loan on Fixed Rate of Interest:</b></p> <p>➤ No Prepayment Charges, If The Loan Is Foreclosed Through Own Source.</p> <p><b>B) However if the payment is made by borrowing from a Bank/ HFC/ NBFC and/ or a Financial Institution:</b></p> <p>5% + applicable taxes as Pre-Closure Charges would be levied on principle o/s &amp; all part prepayments done in case loan is closed within 12 months of the first disbursement. (In case of Loan Closure /part payment)</p> <p>3% + applicable taxes as pre-closure charges would be levied on principle o/s &amp; all part prepayments done in last 12 months in case loan is closed after 12 months of the first disbursement. (In case of Loan Closure /part payment)</p>
11	Cheque/ECS/NACH Bounce Charges/ Late payment charges (Per Instrument/Transaction)	INR 500/- + applicable taxes per instrument/per transaction

12	Late Payment Interest/Addition Interest for Default	3% per month compound for no. of days delayed in PEMI / EMI payment.
13	LOD (List of document) charges	Rs.550/- + applicable taxes
14	Duplicate No Dues Certificate	Rs.500/- + applicable taxes
15	Copy of Property Papers	Rs.500/- + applicable taxes
16	Duplicate Annual Account Statement, Provisional Certificate	Rs.500/- + applicable taxes
17	Loan prepayment/Foreclosure Statement Charges	Rs.500/- + applicable taxes
18	Each Personal Visit to customer's place for collection of dues	Rs.500/- per visit plus applicable taxes
19	Legal Charges	as per Actual + applicable taxes (if any)
20	Recovery Charges	As actual+ applicable taxes (if any)
21	Custodial fee for Keeping property document of closed account	Rs. 500 per month (post 60 days from loan closure date) + applicable taxes
22	CERSAI: At the time of Loan Closure: - Satisfaction of Charge (removal of lien)	NIL
23	Insurance of Property & Borrower	Deducted from disbursed amount on Actual basis

### **Time Norms for Transactions**

1	Loan Account statement	Within 03 Working days
2	Photocopy of Title Documents or L.O.D.	Within 7 Working days
3	Foreclosure of Loan	Within 07 Working days
4	Return Of Original Documents on Closure Of Loan / transfer of loan	Within 25 Working days
5	No Objection Certificate	Within 10 Working days
6	Time norms for common transactions	From 10:30 am to 5:00 pm (other than Sundays and National holidays and other holidays)

### **2. SERVICE CHARGES**

As mentioned in point no. 1 above.

### **3. LIST OF BRANCHES**

SR. NO.	NAME OF BRANCHES	ADDRESS
1	Banswara	Plot No.- 4, Above HDFC Bank, Mohan Colony, Banswara
2	Sagwara	Near United India Insurance Office, Dungarpur Road, Sagwara (Raj.)-314025
3	Salumber	Near Sbi Bank, Udaipur Road, Salumber-314022
4	Rajsamand	1st floor, Near Baithak Restaurant & Kotak Mah. Bank, 100 ft Road, Civil Lines area The. & Dist. Rajsamand-313324
5	Bhilwara	67, Nagori Garden Opp. Central Bank Of India, Near

		Mahaveer Park, Bhilwara- 311001 (Rajasthan)
6	Aspur	Opposite Hotel Kailash, Bus Stand, Aspur, Dungarpur, Rajasthan
7	KOTA	1st Floor, above ICICI/HDFC Bank ATM, Near Pathak Caterers, Tulsi Market, , Cad Circle, Kota-324009
8	SIROHI	Palace Road, Pinjaro ka Vas, 2nd Floor, Krishna Kunj, Sirohi - 307001
9	Jodhpur	Qureshi Tower, Opp- New Kohinoor Cinema, Choupasani Road, Jodhpur (Raj)
10	Jaipur	Hari Alokik Hight, D 50, Subhash Marg, 501, 5thFloor C Scheme, Near Ahinsa Circle, Jaipur 302001
11	Mandsaur	Sunder Palace, Lakkad Pitha Road, Mandsaur -458001
12	Neemuch	Office No-15, 1st Floor, Jaroli Trade Centre, Tagore Marg, Neemuch, 458441
13	MUMBAI	1046, Hubtown Solaris, Telli Gulli, N.S Phadke Marg, Andheri (E.), Mumbai 400 069
14	Chittorgarh	G-13, Ambe Market, Opp. Ritu Raj Vatika Near Roadways Bus Stand, Chittorgarh
15	Ratlam	Shop no 42, Stadium Market Do Bati Ratlam MP 457001
16	Ahmedabad	607 6th Floor, Amaranath Business Park-1, Sardar Patel Nagar Society, Near Ganga Jamuna Flats, Navrangpura, Ahmedabad-380009
17	Shamgarh	Garoth Road, Shamgarh, Mandsaur
18	Palanpur	2nd Floor Surgeon Complex, Shop No.5, Village Palanpur
19	Sumerpur	Near Bheru Chowk, Sumerpur
20	Mehsana	303 2nd floor, Chandraprabhu Corporate House Wing B Behind Sale India, Modhera Char Rasta, Mehsana 384002
21	Surat	Office No: 111 Times Square Building Kadodara- Bardoli Road, Magob, Surat- 395008
22	Bijainagar	Near Private Bus Stand, Bijainagar
23	Ujjain	Second Floor No: 203, Dolce Plaza, B-26/6 Ved Nagar, Indore Road, Ujjain MP 456010

24	Manasa	Mandsaur Checkpost opp- M.R.F Showroom, First Floor Manasa, Neemuch- Madhya Pradesh-458110
25	Vadodara	SF 216 Siddharth Complex, R.C. Dutt Road, Alkapuri, Vadodara-390007
26	Nadiad	403 Centre Sqaure, Santrum Road, Nadiad, Dist. Kheda, Gujarat-387001
27	Indore	406, 407 DM TOWER 21/1 RACE COURSE ROAD, indore, Madhya Pradesh
28	Ashta	Alipur, Ashta, Madhya Pradesh - 466116
29	Dhar	171, Bakhtawar Marg, Dhar, Madhya Pradesh
30	Udaipur	140 Ground Floor, S.M. Lodha Complex, Near Shastri Circle, Udaipur Rajasthan-313001

#### **4. LIST OF PRODUCTS OFFERED BY THE COMPANY**

##### **Home Loan Products**

##### **a. Individual Home Loans**

###### **1. SRG Dream Home**

It is offered to customers for the purpose of purchase of house or flat.

###### **2. SRG Construction Loan**

It is offered to customers who wish to seek this facility for construction of Residential Property.

###### **3. SRG Home Revision Loan**

It is offered to customers who wish to repair, renovate, and/or extend the existing accommodation.

###### **4. SRG Plot Loans**

It is offered to the customer for outright purchase of plots for the construction of a house.

###### **5. NRI Housing Loan**

It is offered to Non Resident Indians for construction and purchase of Residential properties in India.

##### **b. Loans against Property**

The basic concept behind providing loan against property is – “Don’t let your valuable property sit idle. Let it work for you.”

The various schemes in the loan against properties are as under:-

###### **1. SRG Wealth Loan**

It is offered to Salaried Person or businessmen against mortgage of immovable properties for such purposes as may be desired by the borrower.

###### **2. SRG New Avenue Loan**

It is the loan for purchase and/or construction of non-residential and commercial property.

**c. Builder/ Project Loan**

In these segments we are financing to builders for their housing projects for purchase of land, conversion and development of land, development of housing colonies, construction of flats, houses, etc. with repayment linked with sale of flats or on EMI basis.

**5. GRIEVANCE REDRESSAL**

1. If you have any grievance/ complaints, please approach our Compliance Officer/ Grievance Redressal Officer at SRG Housing Finance Limited, 321, SM Lodha Complex, Near Shastri Circle, Udaipur (Raj.) -313001, Phone: 0294-2561882, or write to us at [cgrcell@srghousing.com](mailto:cgrcell@srghousing.com).
2. In case your complaint does not receive response from the company within reasonable time or is dissatisfied with the response received, you may approach the Complaint Redressal Cell of National Housing Bank by lodging its complaints in Online mode at the link <https://grids.nhbonline.org.in> OR in offline mode by post, in prescribed format available at link <http://www.nhb.org.in/Grievance-Redressal-System/Lodging-Complaint-Against-HFCs-NHB%E2%80%93Physical-Mode.pdf>, to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi -110003 or email at [cecell@nhb.org](mailto:cecell@nhb.org).

**6. FAIR PRACTICE CODE**

**FAIR PRACTICE CODE**

**(The Policy is formulated as per directive of NHB)**

**I. REVISION HISTORY**

**REVISED/AMMENDED**

(As approved by the Board of Directors of the Company in its 96th Meeting held on 07<sup>th</sup> December 2011 previously and further amended by the Board of Directors of the Company in 106th Meeting of the Board of Directors held on 10th May, 2012. Further Board of Directors in its meeting held on 27.02.2014 reviewed the policy, in line with Directions of NHB. Board of Directors in their meeting held on 25<sup>th</sup> May, 2015 reviewed the policy. Further Board of Directors reviewed the policy as on 02.11.2015. Further Board of Directors in their meeting held on 13.07.2016 reviewed the policy. Further Board of Directors in their meeting held on 16.03.2017, 24.10.2017, 28.05.2018 reviewed the policy. Further Board in their meeting held on 25.03.2019 reviewed the policy. )

**I. INTRODUCTION**

The purpose of this document is to define the Fair Practice Code (FPC) of the Company in accordance with the NHB Directions for Housing Finance Companies.

Pursuant to the guidelines issued by the National Housing Bank on Fair Practices Code guidelines vide its notifications/Circular and in line with the amendment in the guidelines issued time to time, the Board of Directors of the Company, had approved and adopted the “**Fair Practice Code**” accordingly to provide transparency in business dealing with the customers of the Company, which came into force with immediate effect.

The said code deals to promote good and fair practice, increase transparency, encourage market forces; promote a fair and cordial relationship between borrower / Customer and the Company and to foster confidence of the customer in the Company.

This is living document and supposed to be updated on a regular basis. Any regulatory change that would impact the FPC aspects of the company would be reflected here.

**II. GOVERNING LAWS**

This policy shall be governed by Pursuant to the guidelines issued by the National Housing Bank on Fair Practices Code and other applicable laws.

### **III. SHORT TITLE**

This Code shall be known as “Fair Practice Code”.

### **IV. OBJECTIVES OF THE CODE**

1. To serve the customers as part of best services and to provide transparency in business practices.
2. To promote fair and cordial relationship between the customers and company.
3. To foster confidence in the housing finance system.
4. To encourage the market forces through competition to achieve higher operating standards.
5. To promote good and fair practices.

### **V. COMMITMENTS**

To Act fairly and reasonably in all their dealings with their Customers SRGHFL shall meet the commitments and standards set in this Code for the products and services offered and make sure that products and services meet relevant laws and regulations in letter and spirit in order to ensure that dealings with customer rest on ethical principles of integrity and transparency.

### **VI. APPLICATION OF THE CODE**

The code shall be applicable across all aspects of operations including marketing, loan origination processing and servicing and collection activities. Our commitment to Fair Practice Code would be demonstrated in terms of employee responsibility, efficiency, monitoring and auditing programmes, training and technology.

Through regular meetings, training programmes etc. and other modes of the communication employees would be made aware of the code so that there is a strong commitment for fair and quality lending and efficient and fair services.

### **VII. DISCLOSURE AND TRANSPARENCY**

Company shall act fairly and reasonably in all dealings with customers, by ensuring that:

- a) It meets the commitments and standards in this Code for the products and services it offer and in the procedures and practices its staff follows.
- b) Its products and services meet relevant laws and regulations in letter and spirit.
- c) Its dealings with customers rest on ethical principles of integrity and transparency.

Company (SRGHFL) should 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-payments options and charges, if any, penalty for delayed repayment if any, conversion charges for switching loan from fixed to floating rates or vice-versa (if applicable), existence of any interest re-set clause and any other matter which affects the interest of the borrower. In other words, Company must disclose ‘all in cost’ inclusive of all charges involved in processing /sanction of loan application in a transparent manner. It should also be ensured that such charges/fees are non discriminatory.

### **VIII. KEY ELEMENTS**

#### **1. To Act fairly in all their dealings with their Customers company shall:**

- a. Provide clear information, without any ambiguity, to the customer in understanding Products and services together with its terms and conditions including interest and service charges.
- b. Treat all personal information of customers as private and confidential and shall not divulge any information to third person unless required by any law or Government authorities including

Regulators or Credit agency or where the sharing of information is permitted by the customer.

- c. Not discriminate its customers on the basis of age, race, caste, gender, marital status, religion or disability. However the restrictions if any, as mentioned in the loan products, shall continue to apply.
- d. Provide, on request, copy of the Code to the existing borrowers and new customer prior to commencement of business transaction.
- e. Deal quickly and sympathetically in correcting mistakes if any, and attend to customer's complaints in light of the objectives of this code.

**With respect of Prospective Customers Company shall :**

- a. Provide clear information explaining the key features of services and products that customers are interested in.
- b. Provide information on any type of product and service which they offered and that may suit customer's needs.
- c. Tell the customers about the various mediums of offering Products and services for example, through internet, over the phone etc.) and information about how they find them.
- d. Tell the customers what information they need from him/her to prove his/her identity and address, for Company to comply with legal, regulatory and for other applicable policies requirements.

**2. To provide information on interest rates, common fees and charges etc through:**

- a. Putting up notice in Head office/ Satellite Centres/branches;
- b. Customers can ask to see this free of cost by providing tariff schedules etc. at offices.
- c. A list of services which are rendered with fee and free of charges.
- d. Through telephone or on company's website;

**3. INTEREST RATES:**

Company shall inform their customers about the change in interest rates on their products and also give information to the customer on:

- a. The interest rates which apply to his/her accounts and when interest is charged on his / her loan accounts.
- b. How interest is applied to his / her account and method of calculation of interest etc.

**4. Uniformity of Charging interest:**

For the growth of a healthy and sound housing finance limited, it is considered necessary that pricing of the products by the lending institutions are transparent , non discriminatory and objective.

In case if floating rate basis applicable in future, the company must ensure to apply uniform rates of interest to the old & new borrowers, who have the same credit/risk profile.

**5. FEES & CHARGES :**

Company shall transparently disclose to the borrower all information about:-



- a. Fees/ charges payable for processing the loan application,
- b. The amount of fees refundable if loan amount is not sanctioned / disbursed,
- c. Pre-payment options and charges, if any
- d. Penalty for delayed repayment, if any
- e. Conversion charges for switching loan from fixed to floating rates or vice-versa if applicable in company.
- f. Existence of any interest re-set clause and any other matter which affects the interest of the borrower.

The company would disclose “all in cost” inclusive of all charges involved in processing / sanction of loan application in a transparent manner. It would also be ensured that such charges/fees are non-discriminatory.

Company shall give their customer all details in their tariff schedule of any charges applicable to the products and services chosen by him / her.

Company should provide their customers information about the penalties liable to be levied in case of non-observance / violation of any of the terms and conditions governing the product / services chosen by them.

If Company increases any of these charges or introduce a new charge, it will be notified in stipulated time prior to the revised charges being levied / becoming effective.

## **6. Advertising, Marketing and Sales**

**Company shall make sure that :**

- a. All advertising and promotional material is clear, and not misleading.
- b. In any of its advertisement in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available to you on request.
- c. Provide information on interest rates, common fees and charges through putting up notices in its branches/ satellite centers; through telephone or help-lines; on the company’s website; through designated staff / help desk; or providing service guide / tariff schedule.
- d. If avails of the services of third parties for providing support services shall require that such third parties handle customer’s personal information (if any available to such third parties) with same degree of confidentiality and security as the Company would.
- e. May from time to time, communicate to customers various features of their products availed by them. Information about their other products or promotional offers in respect of products / services may be conveyed to customers only if he / she have 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. Shall prescribe a code of conduct for the Direct Selling Agencies (DSAs) whenever applicable to company whose services are availed to market products / services which amongst other matters require them to identify themselves when they approach the customer for selling products personally or through phone.
- g. In the event of receipt of any complaint from the customer that the Company's representative or DSA (if any ) has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complaint and to make good the loss.

## **7. Loans To Customer**

**a. Applications for loans and their processing Company shall Make sure:**

- i. At the time of sourcing a loan product, company will provide information about the interest rates applicable, as also fees / charges, if any, payable for processing, pre-payment options and charges if any and any other matter which affects the interest of the borrower.
- ii. Company would devise a system of giving acknowledgement of receipt of all loan applications. Preferably, the time frame within which loan application will be disposed of should also be indicated in the acknowledgement.
- iii. Company would disclose all the charges involved in processing/sanctioning loan in a transparent manner. All the fees/charges would be non-discriminatory in nature. The borrower will be disclosed following information –
  - a) Fees/charges payable for processing of the loan application.
  - b) The amount of fees refundable if the loan amount is not sanctioned or disbursed,
  - c) Pre-payment options and charges, if any.
  - d) Penalty for delayed repayment, if any.
  - e) Conversion charges for converting loan from floating rate to fixed rate and vice-versa (if applicable).
  - f) Existence of any interest re-set clause.
  - g) Any other matter that affects the interest of the borrower.
- iv. All loan applications will be disposed of within a stipulated period from the date of receipt of duly completed loan applications i.e. with all the requisite information/papers.

**Communication of rejection of Loan Application**

In case of rejection of loan application, irrespective of category of loans or threshold limits, the same would be conveyed along with the reason(s), which led to rejection of the loan application.

**b. Loan appraisal and term & conditions**

- i. Normally all the particulars required for processing the loan application shall be collected by Company at the time of Loan application. In case it needs any additional information, the customer should be told that he would be contacted immediately again.
- ii. Inclusion of all necessary information affecting the interest of the borrower in the loan application form.
- iii. Company will convey in writing to the customer by means of sanction of letter or otherwise, the amount of loan sanctioned along with all terms & conditions including annualized rate of interest, method of application, EMI terms & conditions by the customer on its record.
- iv. Company will supply authenticated copies of all the loan documents executed by the customer at its cost along with a copy each of all enclosures quoted in the loan document on request.
- v. Repayment of loan will be done through payment of MMR (Minimum Monthly Repayment) on monthly basis. The Borrower is required to pay its MMR or EMI on the respective due date if any delay has been made then company will charge additional interest as decided by the company, as a penal interest for the period of default.

**c. Disbursement of loans including changes in terms and conditions**

- i. Disbursement of loans sanctioned is to be made immediately on total compliance of terms and conditions including execution of loan documents governing such sanction.
- ii. Conveying, in writing, to the borrower the loan sanctioned and terms thereof including the annualized rate of interest, method of application, EMI structure. A copy of the Loan agreement is to

be given to all the borrowers (if required) at the time of disbursement of loan. The acceptance of such terms should be kept on record by the company.

- iii. Any change in terms and conditions, including interest rate and service charges, will be informed to the borrowers in case of account specific changes and in case of others by Public Notice/display on Notice Board at the branches/ satellite centers/on the Company's website from time to time.
- iv. Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively. A suitable term has to be incorporated in the loan agreement wherever necessary.
- v. If such change is to the disadvantage of the customer, he/she may within 60 days and without notice close his / her account or switch it without having to pay any extra charges or additional interest.
- vi. Consequent upon such changes any supplemental deeds documents or writings are required to be executed, the same shall also be advised. Further, availability of facility will be subject to execution of such deeds documents or writings.

#### **Post disbursement supervision**

- i. Post disbursement supervision would be constructive with a view to taking care of any genuine difficulties that the borrower may face.
- ii. Before taking a decision to recall/accelerate payment or performance under the agreement or seeking additional securities the Company would give reasonable notice to the borrower.
- iii. All securities pertaining to the loan would be released on receipt of full and final payment of the loans subject to any legitimate right or lien and set off for any other claim that the Company may have against the borrowers. If such right is to be exercised, borrowers would be given due and proper notice with requisite details.

#### **d. Guarantors :**

#### **Company shall make sure that-**

Guarantor means a person who has taken obligation in support of borrower. Preferably Guarantor should be government servant or any other person. Company will inform the person acting as guarantor about:

- i. His/her ability as guarantor;
- ii. The amount of liability he/she is committed to;
- iii. Circumstances in which he/she may be called upon by Company to pay off the liability;
- iv. Whether 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 are restricted to specific quantum or are unlimited;
- vi. Time & circumstances under which his/her liabilities as a guarantor would be discharged and the manner of notification by Company. Further he/she would be kept informed about the financial position of the borrower.
- 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 willful defaulter.

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.

#### **e. Collection/Recovery of dues :**

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

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

All the members of the staff or any person authorized to represent the company in collection or / and security repossession should follow the guidelines set out below:

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

#### **8. Other Relevant Terms and conditions :**

- i. Customer availing a product / service for the first time should be advised the relevant terms and conditions for the service he / she have asked Company to provide.
- ii. All terms and conditions shall be fair and will set out respective rights and liabilities & obligations clearly and as far as possible in plain and simple language.

##### **a. Know Your Customer (KYC) & AML Policy**

The Company shall carry out due diligence as required under "Know Your Customer" (KYC) & AML policy of our Company before opening and operating customer's account and in furtherance of the policy. The customer will be asked to submit or provide necessary documents or proofs for the same. The Company shall ensure obtaining only such information so as to meet Company's KYC, Anti Money Laundering or any other statutory requirements.

The Company shall provide the Loan application form and other material and the same shall contain all details of essential information required to be furnished and documents to be produced for verification and/or for record for meeting the KYC requirements.

The Company shall explain the procedural formalities and provide necessary classifications sought by the customer while opening a loan account.

**b. Pre-payment of Loans:**

- i. Prepayment of the loan can be done on reasonable grounds of the case. Nominal charges as per sanction letter subject to NHB Directions.
- ii. As directed by NHB Company should not charge prepayment levy or penalty on pre-closure of housing loans under the following situations:
  - a. Where the housing loan is on floating interest rate basis (pre-closed through any source).
  - b. Where the housing loan is fixed interest rate basis and the loan is pre closed by the borrowers out of their own sources.

In this regard The expression 'own sources' means any source other than by borrowings from a bank /HFC/ NBFC & /or a financial Institutions.

**c. Changes to Terms and Conditions:**

Customers should be informed of changes to terms and conditions through any of the following channels :-

- i. Personal intimation
- ii. Putting up notices in the Registered office /branches(if any);
- iii. Internet, including email and website
- iv. Newspaper
- v. Normally, changes should be made with prospective effect giving due notice
- vi. Major change or a lot of minor changes in any one year, shall be informed to the customer on request and provide a copy of the new terms and conditions or a summary of the changes.

**IX. PRIVACY AND CONFIDENTIALITY:**

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers], and shall be guided by the following principles and policies. Company 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:

- i. If the information is to be given by law;
- ii. If there is a duty towards the public to reveal the information;
- iii. If the Company's 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 customer or customer accounts [including customer name and address] to anyone else, including other companies in the group, for marketing purposes;
- iv. If the customer asks the Company to reveal the information , or with the customer's permission;
- v. If company is asked to give a reference about customers, it shall obtain his/her written permission before giving it;
- vi. The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that a company holds about him /her;
- vii. Company shall not use customer's personal information for marketing purposes by anyone including company unless the customer specifically authorizes them to do so;

**Credit reference agencies**

Customer are hereby informed that at the time of opening a new account, the Company will pass his / her account details to credit reference agencies and the checks the Company may undertake in this regard. Company may give information to credit reference agencies about the personal debts the customer owes it if:

- i. The customer has fallen behind with his / her payments;
- ii. The amount owed is not in dispute; and
- iii. The customer has not made proposals that the company is satisfied with, for repaying his / her debt, following company's formal demand.

The Company will provide information to credit reference agencies about the personal debts, the customer owe to it. In these cases, the Company shall intimate customer in writing (if required) its plan to give information about the debts he/she owe it to credit reference agencies. At the same time, the Company shall explain to the customer the role of the credit reference agencies and the effect the information they provide can have on your ability to get credit.

The Company may give credit reference agencies other information about the customer's account if he/she has given permission to do so.

The Company shall provide the customer with a copy of the information which the Company has given to the credit reference agencies about the customer, if so demanded by him/ her.

## **X. COMPLAINTS AND GRIEVANCES**

### **Internal Procedures:**

- i. Company would have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- ii. Company's Board would lay down a grievance Redressal mechanism to resolve complaints. Such a system would try to dispose off and settle disputes at the next higher level.
- iii. Company would let customer know where to find the company's procedure of handling complaints fairly and quickly.
- iv. If the customer wants to make a complaint, he/she should be told:
  - a. How to do this
  - b. Where a complaint can be made
  - c. How a complaint should be made
  - d. When to expect a reply
  - e. Whom to approach for Redressal
  - f. What to do if the customer is not happy about the outcome.
  - g. Company's staff shall help the customer with any questions the customer has.
- v. If a complaint has been received in writing from a customer, Company shall endeavor to send him/her an acknowledgement / response within a week. The acknowledgement should contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at HFC's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- vi. After examining the matter, Company shall send the customer its final response or explain why it needs more time to respond and shall endeavor to do so within six weeks of receipt of a complaint and he/she should be informed how to take his/her complaint further if he/she is still not satisfied.
- vii. To redress their grievances, applicants / borrowers may write to the designated senior officials at the address below or on Company's website, clearly stating the nature of their grievance along with necessary documents, if any. A copy of the same will be returned to the borrower with dated acknowledgement.

By letter:

To Manger/officer in charge,  
SRG Housing Finance Limited  
321 S.M. Lodha Complex, Near Shastri Circle  
Udaipur (Rajasthan)-313001.

By e-mail: [cgrcell@srghousing.com](mailto:cgrcell@srghousing.com)



- viii. Complaints will be entertained after verification with the complainant within a reasonable time. To enable us to contact and verify the information person's correct contact details is essential.
- ix. In case your complaint does not receive response from the company within reasonable time or is dissatisfied with the response received, you may approach the Complaint Redressal Cell of National Housing Bank by lodging its complaints in Online mode at the link <https://grids.nhbonline.org.in> OR in offline mode by post, in prescribed format available at link <http://www.nhb.org.in/Grievance-Redressal-System/Lodging-Complaint-Against-HFCs-NHB%E2%80%93Physical-Mode.pdf>, to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi -110003.

## **XI. GENERAL**

Company shall:

- i. Explain the key features of its loan products including applicable fees and charges while communicating the sanction of the loan. Company would provide information about products & services in English. In case of demand it may be provided in Hindi or other language.
- ii. Advise what information/documentation required from customer to enable him / her to apply. Customer would also be advised regarding what documentation is needed from him / her with respect to customer's identity, address, employment, etc. and any other document that may be stipulated by statutory authorities (e.g. PAN details) in order to comply with legal and regulatory requirements.
- iii. Verify the details mentioned by the customer in the loan application by contacting them at their residence and / or on business telephone numbers and / or physically visiting his/her residence and/or business addresses through agencies appointed for this purpose, if deemed necessary by the Company.
- iv. Customer would be informed to co-operate if the Company needs to investigate a transaction on his/her account and with the police/ other investigative agencies, if the Company needs to involve them.
- v. The Company would advise the customer that if he/ she act fraudulently, he/she will be responsible for all losses on his/her account and that if he/she act without reasonable care and this causes losses, he/she may be responsible for the same.
- vi. The Board of Director of company provide for periodical review of the compliance of the fair practices code at various levels of management. A consolidate report of such reviews (if required) may be submitted to the Board at regular intervals, as may be prescribe by it.
- vii. Company shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further Company shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude Company from instituting or participating in schemes framed for different sections of the society.
- viii. Company shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
- ix. To publicize the code, company shall:
  - a. Provide existing and new customers with a copy of the Code.
  - b. make this Code available on request either over the counter or by electronic communication or mail;
  - c. make available this Code at every branch/ satellite centers and on their website; and
  - d. Ensure that their staff are trained to provide relevant information about the Code and to put the

Code into practice.

- x. The Company reserves to itself the right to alter/delete/add to these codes at any time without prior individual notice and such alterations /deletion/addition shall be binding.

Sd/-  
**Vinod K. Jain**  
Managing Director

## 7. KYC & AML/CFT POLICY

### KYC & AML/CFT POLICY (The Policy is formulated as per directive of NHB)

#### REVISION HISTORY

#### REVISED/AMENDED

(As approved by the Board of Directors of the Company in its 96<sup>th</sup> Meeting held on 07<sup>th</sup> December 2011 previously and further amended by the Board of Directors of the Company in 106<sup>th</sup> Meeting of the Board of Directors held on 10<sup>th</sup> May, 2012. Further the Board of Directors of the company in their meeting held on 27<sup>th</sup> February, 2014 amended the policy in view of NHB Circular no: NHB (ND)/DRS/PoI. Circular No.60/2013-14. Further the Board in their meeting held on 25<sup>th</sup> May, 2015 reviewed the Policy. Further the Board of Directors in their meeting held on 02.11.2015 reviewed the policy. Further Board of Directors in their meeting held on 13.07.2016 reviewed the policy. Further Board of Directors in their meeting held on 16.03.2017, 24.10.2017, 28.05.2018 reviewed the policy. Further Board of Directors in their meeting held on 25.03.2019 reviewed the policy.)

#### I. INTRODUCTION

Pursuant to the guidelines issued by the National Housing Bank vide its notifications/Circular for KYC & Anti Money Laundering Measures and in line with the amendment in the guidelines issued time to time , the Board of Directors of the Company had revised ,approved and adopted the “**Know Your Customer & Anti Money Laundering / Combating of Financing of Terrorism Policy( KYC & AML/CFT)**” accordingly to know/understand its customers and their financial dealings better which in turn help manage risks prudently and prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities.

These guidelines aims at preventing the Company from being used intentionally or unintentionally by criminal elements for committing financial frauds, transferring or deposits of funds derived from criminal activity or for financing terrorism.

Accordingly, the Company had prepared the policy on ‘Know Your Customer and Anti-Money Laundering /CFT Measures’ which are applicable to Company and Satellite Offices/ branches and are duly complied with by all the Officials Managers, and the staff dealing with the customers. Considering the importance of the measures, the top management will be directly involved in the various aspects of accounting related issues.

#### II. GOVERNING LAWS

This policy shall be governed by guidelines issued by the National Housing Bank vide its notifications/Circular for KYC & Anti Money Laundering Measures and other applicable laws.

#### III. SHORT TITLE

This policy shall be known as “Know Your Customer & Anti Money Laundering / Combating of Financing of Terrorism Policy (KYC & AML/CFT)”.

#### IV. OBJECTIVES OF POLICY



1. To lay down explicit criteria for acceptance of customers;
2. To establish procedures to verify the bona-fide identification of individuals/ non individuals customers;
3. To establish processes and procedures to monitor high value cash transactions and /or transactions of suspicious nature;
4. To develop measures for conducting due diligence in respect of customers & reporting of such transactions;
5. To manage the risk.

#### V. KEY ELEMENTS

KYC AML/CFT procedures enable the Company to know/understand its customers and their financial dealings better which in turn help manage risks prudently. The policy has the following key elements:

- a) Customer Acceptance Policy;
- b) Customer Identification Procedures;
- c) Monitoring of Transactions; and
- d) Risk Management

#### Definition of Customer

A Customer, for the purpose of the Policy is defined as:

1. a person or an entity that maintains an account and/or has a business relationship with the Company;
2. one on whose behalf the account is maintained (i.e. the beneficial owner);
3. beneficiaries of transactions conducted by professional intermediaries, such as Stock Brokers, Chartered Accountants, Solicitors etc. as permitted under the law, and
4. any person or entity connected with a financial transaction which can pose significant reputation or other risks to the company, say, a wire transfer or issue of a high value demand draft as a single transaction.

#### a. CUSTOMER ACCEPTANCE POLICY (CAP):

Company's Customer Acceptance policy (**CAP**) lays down the criteria for acceptance of customers. The guidelines in respect of the customer relationship in the Company broadly are:

1. No account is to be opened in anonymous or fictitious/ benami name(s).
2. Parameters of risk perception are clearly defined in terms of the location of customer and his clients and mode of payment, volume of turnover, social and financial status, etc. to enable categorization of customer into low, medium and high risk.
3. Clients-authenticity of his business will be checked through his genuine clients. Documentation requirements and other information will be collected in respect of different categories of customers depending on perceived risk and guidelines issued from time to time;
4. The Volume of turnover of the customer if he is into business would be checked from his /her company's balance sheets for three consecutive years
5. Customer will be subjected to the requirements of PML Act 2002 and guidelines issued by NHB from time to time. All documents as required in the application form of company will be obtained and verified.
6. No account will be opened where company is unable to apply appropriate customer due diligence measures. These will include verification of identity of customer and documents submitted by

him/her. Non co-operation of customer and non-reliability of data information furnished to company will automatically disapprove the customer.

7. No person will be allowed to act on behalf of the customer. In the following circumstances, the account may be operated by a mandate holder or the account may be opened by an intermediary in a fiduciary capacity hence the customer is permitted to act on behalf of another person/entity, in conformity with the established law and practices:
  - i. if applicant is NRI/PIO
  - ii. If applicant is a limited company.
  - iii. if applicant is a partnership firm or in accordance with prevailing law
8. Necessary possible checks will be applied before opening a new account so as to ensure the identity of customer. It will be assured that identity of customer does not match known criminal background or with banned entities such as terrorists or other hardened criminals.
9. For existing customers who wish to pre-close their loan account with company following will be collected:
  - i. Permanent Address proof (as per guidelines)
  - ii. A declaration from the customer regarding source of funds being used for pre-closure of the loan account.
  - iii. Closure of the loan account authority will be restricted to authorized person.
10. Company will keep customer profile indicating information of customer's identity, social/financial status, nature of business activity, information about his clients business and their location etc. This document will be confidential.
11. During the credit appraisal based on risk categorization as defined by company. The customer profile will contain information relating to the customer's identity, social/financial status, nature of business activity, information about his clients' business and their location, etc. The nature and extent of due diligence will depend on the risk perceived by the Company. At the time of credit appraisal of the applicant the details are recorded along with his profile based on meeting with the applicant apart from collection of applicable documents; this will be as per our credit and product norms which are incorporated in the operation manual and are in practice. However, while preparing customer profile, the Company will seek only such information from the customer which is relevant to the risk category and is not intrusive.

**A. Risk Categorization:**

As per KYC policy, for acceptance and identification, customers are categorized broadly into:

**(i) Low risk customers**

For the purpose of this policy, will be individuals and entities whose identities and sources of wealth can be easily identified, have structured income and transactions in whose accounts by and large conform to the known profile. Illustrative examples of low risk customers could be:

- (a) Salaried applicants with salary paid by cheque.
- (b) People belonging to government departments,
- (c) People working with government owned companies, regulators and statutory bodies etc.
- (d) People belonging to lower economic strata of the society whose accounts show small balances and low turnover
- (e) People working with Public Sector Units
- (f) People working with reputed Public Limited companies & Multinational Companies.

**(ii) Medium Risk customers**

would include:

- (a) Salaried applicants with variable income/unstructured income receiving salary in cheque
- (b) Salaried applicants working with Private limited companies.
- (c) Self Employed professionals other than HNIs
- (d) Self Employed customers with sound business and profitable track record for a reasonable period
- (e) High Net worth Individuals with occupational track record of more than 3 years.

**(iii) High risk customers**

That are likely to pose a higher than average risk to us may be categorized high risk customers depending on customer's background, nature and location of activity, country of origin, sources of funds and his client profile, etc. The Company will examine the case in details based on the risk assessment. Examples of high risk customers requiring higher due diligence may include:

- (a) Non-resident customers,
- (b) High net worth individuals, without an occupational track record of more than 3 years.
- (c) Trusts, charities, NGOs and organizations receiving donations.
- (d) Companies having close family shareholding or beneficial ownership,
- (e) Firms with 'sleeping partners'
- (f) Politically exposed persons (PEPs) of foreign origin,
- (g) Non-face to face customers
- (h) Those with dubious reputation as per available public information, etc

For customer acceptance, KYC is a prerequisite for a risk grading. Company would involve the senior management & seek its approval to continue business relationship with the customer.

However, exceptions will be made for financially and socially disadvantaged. Stricter norms will be applied to persons having dubious records or whose record is not easily verified.

**b. CUSTOMER IDENTIFICATION PROCEDURE (CIP):**

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information to the satisfaction of the company.

The true identity and bona-fide of the existing customers and new potential customers opening accounts with the Company and obtaining basic background information would be of paramount importance. The Company will obtain sufficient identification data to verify

- i. The identity of customer
- ii. his/her address/location and
- iii. his/her recent photograph.

SRG Housing Finance Limited needs to obtain information necessary to establish, the identity of new customers.

**Officially valid document** is defined to mean the Passport, the Driving License, the Permanent Account Number card, the Voter's Identity Card issued by the Election Commission of India, letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number or any other document as may required by the Company.

**1. Documents to be required for Identification :**

The detail of information required for opening of account by Individual, Corporate, Partnership firms etc. is mentioned below:

<b>Features</b>	<b>Documents to be required for Identification (Certified copy)</b>
<p><b>Accounts of individuals</b></p> <ul style="list-style-type: none"> <li>• Legal name and any other names used</li> <li>• Correct Permanent address</li> </ul>	<p>(I) Passport (ii) PAN Card (iii) Voter's Identity Card (iv) Driving License (v) Aadhar Letter (vi) Letter from a recognized public authority or public servant verifying the identity and residence of the customer to the satisfaction of company .</p> <p>(i)Telephone bill (ii) Bank account statement (iii) Letter from any recognized public authority (iv) Electricity Bill (v) Ration Card (vi) Letter from employer (vii) Passport &amp; photograph etc.</p>
<p><b>Accounts of Companies</b></p> <ul style="list-style-type: none"> <li>• Name of the Company</li> <li>• Principal place of business</li> <li>• Mailing address of the Company</li> <li>• Telephone/Fax Number</li> </ul>	<p>(i)Certificate of incorporation and (ii) Memorandum &amp; Articles of Association (iii) Resolution from the Board of Directors and Power of Attorney granted to its managers, officers or employees to transact business on its behalf (iv) an officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf (vi) Telephone Bill.</p>
<p><b>Accounts of Partnership firms</b></p> <ul style="list-style-type: none"> <li>• Legal Name</li> <li>• Address</li> <li>• Names of all Partners and their address</li> <li>• Telephone numbers of the firm and Partners</li> </ul>	<p>(i) Registration Certificate, if registered (ii) Partnership deed (iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf (iv) Any officially valid documents, identifying the Partners and the persons holding the Power of Attorney and their addresses (v) Telephone bill in the name of firm/partner.</p>
<p><b>Accounts of Trusts &amp; Foundations</b></p> <ul style="list-style-type: none"> <li>• Names of Trustees, Settlers, beneficiaries and signatories</li> <li>• Names and address of the Founder, the Managers/Directors and the Beneficiaries</li> <li>• Telephone/Fax Number</li> </ul>	<p>(i) Certificate of registration, if registered (ii) trust deed (iii) Power of Attorney granted to transact business on its behalf (iv) Any officially valid document to identify the Trustees, Settlers, beneficiaries and those holding Power of Attorney, Founders/ Managers/ Directors and their address (v) Resolution of the managing body of the foundation/ association (vi) Telephone bill.</p>
<p><b>Unincorporated association or a body of individuals</b></p>	<p>(i)Resolution of the managing body of such association or body of individuals (ii) Power of Attorney granted to him transact on its behalf (iii) An officially valid documents in respect of the persons holding an attorney to transact on its behalf (iv) and such other information as may be required by company to collectively establish the legal existence of such as association or body of individuals.</p>

The customer identification will be through an introductory reference from an existing customer with a satisfactorily conducted account or a person known to the Company and on the basis of documents provided by the customer or through staff members knowing the potential customer or any other document.

In addition to the above, the Company must also ask the applicants to give an additional document e.g. a letter from the employer giving the correct address, Bank Statement, credit card statement etc. In case of

joint account, applicants who are not closely related to each other would be required to establish their identity and address independently.

In respect of NRI accounts, introduction and authentication/ verification of signatures will be made by a bank/Indian embassy/ High Commissioner/ Consulate/ Notary Public/ Persons known to the Company.

For establishing identity or proof of residence Ration Card will normally not be used as document. However, in the event of non-availability of any other document, Ration Card may also be accepted as proof of residence from Minors/Illiterate persons or house wives etc. who are unable to produce other documents.

If the address provided by the customer is the same on the document submitted for identity proof, the document may be accepted as a proof of both identity and address.

However, if the current address mentioned by the customer is different from the address indicated on the document submitted for proof of identity, a separate proof of current address shall be obtained.

SRGHFL may, if the Board thinks fit, accept e-KYC services as prescribed by NHB and may also accept e-Aadhaar downloaded from UIDAI website as an officially valid document subject to such conditions as may be prescribed by NHB.

#### **CKYC:**

SRGHFL has taken steps to register into CKYC portal and upload the data of existing and new clients in a time bound manner with Central KYC Registry. The data of the existing clients of the Company shall be uploaded on CKYC Portal during or after the financial year 2017-18.

#### **Accounts of Legal Persons or Entities**

The Company shall verify the legal status of the legal person/ entity through proper and relevant documents.

The Company shall verify the identity of any person purporting to act on behalf of the legal person/entity and whether he/ she is so authorized and understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.

In case of client accounts opened by a professional intermediary the Company will not only identify the client / beneficial owner but also satisfy itself that the intermediary is regulated and supervised and has adequately system in place to comply with KYC norms.

The decision to open accounts of a Politically Exposed Person (PEP) will be taken only in consultation with the level of the respective authorities. The PEPs will be defined as individuals who are or have been entrusted with prominent public functions in a foreign country e.g. Heads of States or of Governments, Senior politicians, Govt./ Judicial/ Military officers, senior executives of State owned corporations, important political party officials etc.

In the case of non-face-to-face customers, apart from applying the usual customer identification procedures, adequate care must be taken to mitigate the higher risk involved. Certification of all the documents presented must be insisted upon and, if necessary, additional documents may be called for.

For various types of non individual the documents stated against their names in Annexure and any other documents/ introduction that the Company feels necessary to comply with KYC guidelines will be obtained for identification.

#### **c. MONITORING OF TRANSACTIONS**

The Company shall pay special attention to all complex, unusually large transactions and all unusual patterns which have no apparent economic or visible lawful purpose. The Company shall also have understanding of the normal and reasonable activity of the customer so that they have the means of identifying transactions that fall outside the regular pattern of activity in order to effectively control and reduce the risk. The Company may prescribe threshold limits for a particular category of accounts and pay particular attention to the transactions which exceed these limits. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should be noted and must be reported to the Office. Very high account turnover inconsistent with the size of the balance maintained may indicate that funds are being 'washed' through the account.

High-risk accounts have to be subjected to intensified monitoring. Company shall set key indicators for such accounts, taking note of the background of the customer, such as the country of origin, sources of funds, the type of transactions involved and other risk factors. The Company should put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures.

The Company shall ensure that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of the Prevention of Money Laundering Act (PML) Act, 2002. It may also be ensured that transactions of suspicious nature and/or any other type of transaction notified under section 12 of the PML Act, 2002, is reported to the appropriate law enforcement authority, within the stipulated time frame.

The Company shall ensure that proper records of all cash transactions of Rs. 10 Lakhs and above. The cash transactions will be monitored in the following manner:

The transactions involving cash withdrawals and/ or cash deposits for Rs.10 lacs and above or Rupee equivalent in Foreign Currency in deposit or loan accounts as well as all series of cash transactions integrally connected to each other which have been valued below rupees ten Lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten Lakhs; will be monitored closely and the record of details of such transactions will be kept in separate register and must be reported to the respective/Principal Officer.

### **1. Suspicious Transactions**

means a transaction whether or not made in cash which, to a person acting in good faith-

- (i) Gives rise to a reasonable ground of suspicion that it may involve the proceeds of crime; or
- (ii) Appears to be made in circumstances of unusual or unjustified complexity; or
- (iii) Appears to have no economic rationale or bonafide purpose.

All the transactions of suspicious nature, irrespective of any monetary ceiling (whether more than ten lakh or not), whether or not made in cash should be reported to the Principal Officer of the Company. The reporting formats of suspicious transactions are attached to the Circular No. NHB (ND)/DRS/ POL-No-14 /2006 dated July 25, 2006

#### **• ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO HOUSING LOANS:**

- a. Customer is reluctant to provide information, data, documents;
- b. Submission of false documents, data, purpose of loan, details of accounts;
- c. Refuses to furnish details of source of funds by which initial contribution is made, sources of funds is doubtful etc;
- d. Reluctant to meet in person, represents through a third party/Power of Attorney holder without sufficient reasons;
- e. Approaches a branch/office of a HFC, which is away from the customer's residential or business address provided in the loan application, when there is HFC branch/office nearer to the given address;



- f. Unable to explain or satisfy the numerous transfers in the statement of account/ multiple accounts;
- g. Initial contribution made through unrelated third party accounts without proper justification;
- h. Availing a top-up loan and/or equity loan, without proper justification of the end use of the loan amount;
- i. Suggesting dubious means for the sanction of loan;
- j. Where transactions do not make economic sense;
- k. There are reasonable doubts over the real beneficiary of the loan and the flat to be purchased;
- l. Encashment of loan amount by opening a fictitious bank account;
- m. Applying for a loan knowing fully well that the property/dwelling unit to be financed has been funded earlier and that the same is outstanding;
- n. Sale consideration stated in the agreement for sale is abnormally higher/lower than what is prevailing in the area of purchase;
- o. Multiple funding of the same property/dwelling unit;
- p. Request for payment made in favour of a third party who has no relation to the transaction;
- q. Usage of loan amount by the customer in connivance with the vendor/builder/developer/broker/agent etc. and using the same for a purpose other than what has been stipulated.
- r. Multiple funding / financing involving NGO / Charitable Organization / Small / Medium Establishments (SMEs) / Self Help Groups (SHGs) / Micro Finance Groups (MFGs)
- s. Frequent requests for change of address;
- t. Overpayment of installments with a request to refund the overpaid amount.

• **ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS PERTAINING TO BUILDER/PROJECT LOANS:**

- a. Builder approaching the HFC for a small loan compared to the total cost of the project;
- b. Builder is unable to explain the sources of funding for the project;
- c. Approvals/sanctions from various authorities are proved to be fake.

**d. Risk Management**

SRG Housing Finance Limited has adopted effective KYC programme by establishing appropriate procedures and ensuring their effective implementation. Responsibility has been explicitly allocated so that the policies and procedures are implemented effectively. The company has a system for creating risk profile of its existing and new customers and applies measures to stop Money Laundering.

**1. Internal Audit:**

The Company's internal audit will evaluate and ensure adherence to the KYC policies and procedures. As a general rule, the compliance function will provide an independent evaluation of the Company's own policies and procedures, including legal and regulatory requirements. Internal Auditors may specifically check and verify the application of KYC procedures and comment on the lapses observed in this regard. The compliance in this regard will be put up before the Audit Committee of the Board along with their normal reporting frequency. A compliance confirmation will be obtained by the Principal Officer.

**2. Employee Training:**

The Company will have employee training program so that the members of the staff are adequately trained in KYC procedures. Training requirements will have different focuses for staff dealing with new customers so that all those concerned fully understand the rationale behind the KYC policies and implement them consistently.

**3. Customer Education**

Implementation of KYC procedures requires Company to demand certain information from a customer which may be of personal nature or which has hitherto never been called for. The Company will educate

the customer on the objectives of the KYC Programme so that customer understands and appreciates the motive and purpose of collecting such information.

#### 4. Introduction of new Technologies

Company should pay special attention to any money laundering threats that may arise from new or developing technologies including on-line transactions that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes.

Company should make maximum use of the electronic mode of settlements, viz e-payments and e-receipts, on priority basis, to include all borrowers.

Customers are encouraged to avail maximum use of e-payment facilities through their nearest bank branches.

#### 5. KYC for the Existing Accounts

Company should apply the KYC norms to all the existing customers in a time bound manner. While the revised guidelines will apply to all new customers, Company should apply the same to the existing customers on the basis of materiality and risk. However, transactions in existing accounts should be continuously monitored and any unusual pattern in the operation of the account should trigger a review.

It may, however, be ensured that all the existing accounts of companies, firms, trusts, charities, religious organizations and other institutions are subjected to minimum KYC standards which would establish the identity of the natural/legal person and those of the 'beneficial owners'. Company may also ensure that accounts of similar nature are treated as new accounts at the time of renewal and subjected to revised KYC procedures.

#### 6. Non-Cooperation by the customer in respect of KYC norms:

Where the Company is unable to apply appropriate KYC measures due to non-furnishing of information and /or non-cooperation by the customer, The Company will follow up with the existing identified customers for KYC compliance, Closure decision if at all is required will depend upon our internal assessment and will be taken at a Senior Level and above only after issuing due notice to the customer explaining the reasons for taking such a decision.

#### 7. Appointment of Principal Officer

Company may appoint a senior management officer to be designated as 'Principal Officer'. Principal Officer shall be located at the head/satellite/branch office/Corporate Office of the company and shall be responsible for monitoring and reporting of all transactions and sharing of information as required under the law. He will maintain close liaison with enforcement agencies, Company and any other institution which are involved in the fight against money laundering and combating financing of terrorism. It should also be ensured that there is proper system of fixing accountability for serious lapses and intentional circumvention of prescribed procedures and guidelines.

#### 8. Maintenance of records of transactions

Company should introduce a system of maintaining proper record of transactions prescribed under Rule 3, of the Prevention of Money-Laundering and value of transactions, the procedure and manner of maintaining and verification and maintenance of records of the identity of the clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005, as mentioned below:

- i. all cash transactions of the value of more than rupees ten lakh or its equivalent in foreign currency;



- ii. all series of cash transactions integrally connected to each other which have been valued below rupees ten lakh or its equivalent in foreign currency where such series of transactions have taken place within a month and the aggregate value of such transactions exceeds rupees ten lakh;
- iii. all transactions involving receipts by non-profit organizations of rupees ten Lakhs or its equivalent in foreign currency;
- iv. all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine and where any forgery of a valuable security has taken place;
- v. All suspicious transactions whether or not made in cash and by way of as mentioned in the Rules.

SRGHFL will ensure that its branches, if any, will maintain proper record of all cash transactions (deposits and withdrawals) of Rs.10 Lakhs and above. The internal monitoring system should have an inbuilt procedure for reporting of such transactions and those of suspicious nature whether made in cash or otherwise, to controlling/head office on a fortnightly basis.

#### **9. Information to be preserved**

Company is required to maintain the following information in respect of transactions referred to in rules mentioned:

- i. The nature of the transactions;
- ii. The amount of the transaction and the currency in which it was denominated;
- iii. The date on which the transaction was conducted; and
- iv. The parties to the transaction.

Company should take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, Company should maintain for at least for reasonable years (generally ten) from the date of cessation of transaction between SRGHFL and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Company should ensure that records pertaining to the identification of the customer and his address (e.g. copies of documents like passports, identity cards, driving licenses, PAN, utility bills etc.) obtained while opening the account and during the course of business relationship, are properly preserved after the business relationship is ended for at least 5 years. The identification records and transaction data should be made available to the competent authorities upon request.

Records of all transactions referred to in clause (a) of Sub-section (1) of section 12 read with Rule 3 of the PML Rules is required to be maintained for a period of ten years from the date of transactions between the clients and the housing finance company.

#### **VI. REPORTING TO FINANCIAL INTELLIGENCE UNIT-INDIA**

It is advised that in terms of the PMLA rules, Company is required to report information relating to cash and suspicious transactions to the Director, Financial Intelligence Unit-India (FIU-IND).

##### **Suspicious Transaction Reports**

Every banking company, financial institution and intermediary shall furnish to FIU-IND information of all suspicious transactions whether or not made in cash. Suspicious transaction an attempted transaction, whether or not made in cash which, to a person acting in good faith –

- (a) gives rise to a reasonable ground of suspicion that it may involve proceeds of an offence specified in the Schedule to the Act, regardless of the value involved; or
- (b) Appears to be made in circumstances of unusual or unjustified complexity; or
- (c) Appears to have no economic rationale or bonafide purpose; or

(d) gives rise to a reasonable ground of suspicion that it may involve financing of the activities relating to terrorism;

Broad categories of reason for suspicion and examples of suspicious transactions are indicated as under:

#### **Identity of Client**

1. False identification documents
2. Identification documents which could not be verified within reasonable time
3. Non-face to face client
4. Doubt over the real beneficiary of the account
5. Accounts opened with names very close to other established business entities

#### **Suspicious Background**

1. Suspicious background or links with known criminals

#### **Multiple Accounts**

1. Large number of accounts having a common account holder, introducer or authorized signatory with no rationale
2. Unexplained transfers between multiple accounts with no rationale.

#### **Activity in Accounts**

1. Unusual activity compared to past transactions
2. Use of different accounts by client alternatively
3. Sudden activity in dormant accounts
4. Activity inconsistent with what would be expected from declared business
5. Account used for circular trading

#### **Nature of Transactions**

1. Unusual or unjustified complexity
2. No economic rationale or bonafide purpose
3. Source of funds are doubtful
4. Appears to be case of insider trading
5. Investment proceeds transferred to a third party
6. Transactions reflect likely market manipulations
7. Suspicious off market transactions

#### **Value of Transactions**

1. Value just under the reporting threshold amount in an apparent attempt to avoid reporting
2. Large sums being transferred from overseas for making payments
3. Inconsistent with the clients apparent financial standing
4. Inconsistency in the payment pattern by client
5. Block deal which is not at market price or prices appear to be artificially inflated/deflated

The information to be furnished at the following address by the Principal Officer of the Company:

**Director, FIU-IND, Financial Intelligence Unit-India, 6th Floor, Hotel Samrat, Chanakyapuri, New Delhi-110021**

A copy of information furnished shall be retained by the Principal Officer for the purposes of official record.

- (a) The information in respect of the transactions referred to in clause(A), (B) and (BA) of sub-rule (1) of rule 3 of the PML Rules ( i.e. clauses (i) , (ii) and (iii) referred to in Paragraph 19 supra) is to be submitted to the Director every month by the 15th day of the succeeding month.
- (b) The information in respect of the transactions referred to in clause(C) of sub-rule (1) of rule 3 of the PML Rules ( i.e. clause(iv) in Paragraph 19 supra) is to be furnished promptly to the Director in writing, or by fax or by electronic mail not later than seven working days from the date of occurrence of such transaction.
- (c) The information in respect of the transactions referred to in clause(D) of sub-rule (1) of rule 3 of the PML Rules ( i.e. clause(v) in Paragraph 19 supra) is to be furnished promptly to the Director in writing, or by fax or by electronic mail not later than seven working days on being satisfied that transaction is suspicious.

Provided the company and its employees maintain strict confidentiality of the fact of furnishing/ reporting details of suspicious transactions.

It has been advised by the FIU-IND, New Delhi that HFCs need not submit 'NIL' reports in case there are no Cash/Suspicious Transactions, during a particular period. HFCs are advised to take note and act accordingly.

The required information is to be furnished by the HFCs directly to the FIU-IND, through the Principal Officer designated by the housing finance company under the Prevention of Money Laundering Act, 2002.

## **VII. GENERAL**

1. Verify the details mentioned by the customer by contacting them at their residence and / or on business telephone numbers and / or physically visiting his/her residence and/or business addresses through agencies appointed for this purpose, if deemed necessary by the Company.
2. Customer would be informed to co-operate if the Company needs to investigate a transaction on his/her account and with the police/ other investigative agencies, if the Company needs to involve them.
3. The Company would advise the customer that if her / she act fraudulently, he/she will be responsible for all losses on his/her account and that if he/she act without reasonable care and this causes losses, he/she may be responsible for the same.
4. Company shall not discriminate on the basis of age, race, caste, gender, marital status, religion or disability.
5. In case of any doubt or mistake it can be brought to the notice of the company and if there is any shortfall / mistake it will be rectified immediately.
6. The Company reserves to itself the right to alter/delete/add to these codes at any time without prior individual notice and such alterations /deletion/addition shall be binding.

**Sd/-  
Vinod K. Jain  
Managing Director**

**8. NHB CERTIFICATE**

# राष्ट्रीय आवास बैंक NATIONAL HOUSING BANK

Wholly owned by the Reserve Bank of India



पंजीकरण प्रमाणपत्र

**CERTIFICATE OF REGISTRATION**

(जनता की जमा राशियां स्वीकार करने के लिए वैध नहीं)

**[NOT VALID FOR ACCEPTANCE OF PUBLIC DEPOSITS]**

सं 0 / No. 02.0056.04

1987 के राष्ट्रीय आवास बैंक अधिनियम की धारा 29ए के तहत  
राष्ट्रीय आवास बैंक को प्रदत्त शक्तियों का प्रयोग करते हुए

**एस आर जी हाउसिंग फाइनेन्स लिमिटेड**

को दूसरी तरफ उद्धृत शर्तों पर

**जनता से जमा राशियां स्वीकार किए बिना**

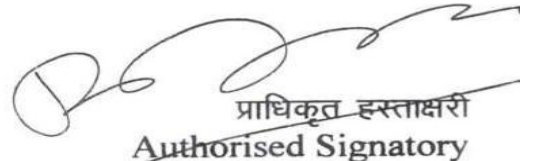
आवास वित्त संस्थान का व्यापार प्रारंभ करने / करते रहने के लिए  
यह पंजीकरण प्रमाण पत्र एतद्वारा जारी किया जाता है।

In exercise of the powers conferred on the National Housing Bank by  
Section 29A of The National Housing Bank Act, 1987

**SRG Housing Finance Limited**

is hereby granted Certificate of Registration  
to commence / carry on the business of a housing finance institution  
\* **without accepting public deposits**  
subject to the conditions given on the reverse.

मेरे हस्ताक्षर के अधीन नई दिल्ली में आज वर्ष दो हजार चार  
के अप्रैल माह के पन्द्रहवें दिन जारी किया गया।  
Given under my hand at New Delhi this Fifteenth day of the month of  
April in the year two thousand Four



प्राधिकृत हस्ताक्षरी  
Authorised Signatory