

Dear Customer,

Thank you for your interest in availing of our services.

Conatus Finserve Private Limited (Conatus/ CFPL/ the NBFC/ the Company) is a Non-Banking Financial Company registered with the Reserve Bank of India (Reg. No. N- 02.00306), providing loans for the purpose of Business Expansion, Income Generation, Agriculture Allied Activities and various personal needs of financially underserved enterprises and households. The Registered Office of the NBFC is at:

Building No 9, Veersaro Maleege, No 78, 1st floor, Bellary Main Road, Near CBI Office, Ganganagar, Bangalore – 560032. Tel: 080-29905615. Email: care@conatusfin.com

The Company offers various loan products to the customers as per the policies approved by its Board of Directors within the regulatory direction of the Reserve Bank of India.

The information provided in this document can be useful for you at the time of loan application and subsequently during various stages of the loan process, loan repayment and loan closure. However, the information given herein is subject to regular updates/changes and you are requested to visit our website- www.conatusfin.com or the nearest Conatus Branch for complete and updated details of the NBFC, its products and services, rate of interest, schedule of fees and charges and the Fair Practices Code as well as Grievance Redressal Policy for Customers.

Please note that mere fulfilment of the criteria and submission of the information and documents mentioned in this document or any checklist/ form provided by the NBFC does not guarantee the sanction of the loan facility. The outcome of the loan application will be informed to the applicant/co-applicant(s) by SMS/e-mail/ Letter or any other suitable mechanism in due course of time.

Salient Features of Our Loan Against Property Product (please visit www.conatusfin.com for the latest updates):

Sl.	Particulars	Details
1	Product Details	Secured Business Loan
2	Loan Purpose	<p>Business Requirements:</p> <ul style="list-style-type: none"> i. Business Expansion ii. Infra Creation for Business iii. Stock Purchase iv. Agri and Allied activities such as Purchase of cattle/Agri Implements/Agri Shed/ Godown Construction etc. <p>Personal use:</p> <ul style="list-style-type: none"> i. Debt Reconsolidation ii. Personal Use- Marriage/ Education/ Medical/ Home Improvement/ extension property. <p>Mixed use of Business Requirements and Personal use is also allowed</p>
3	Loan Amount	₹ 2 Lakh to ₹ 15 Lakh
4	Tenor of the facility	Min Tenor 36 months Max Tenor 120 months
5	Type of facility	<ul style="list-style-type: none"> i. Term loans repayable by monthly instalments. ii. The instalment date is 5th, 10th, 15th of every month. <p>If the disbursement happens in tranches, the facility of pre EMIs covering only the interest portion may be extended to the customer, if feasible.</p>
6	Eligible Entities	<ul style="list-style-type: none"> i. Individuals ii. Proprietorship iii. Partnership Firms iv. LLP
7	Co- Applicant	Co-applicant is mandatory for all the loans:

		<p>i. Individuals: Any/all family members with minimum one female Co-applicant is mandatory (Preferably Spouse/mother if applicant is married/ single).</p> <p>ii. Non-individuals: All the Partners along with the spouse or mother.</p> <p>Relationships acceptable: Parents/parents -in- law/ grandparents/ Spouse/children/siblings can be allowed on case- to-case basis.</p> <p>Any exception/deviation to be approved as per deviation matrix.</p>
8	Security Post Dated Cheques (SPDC)	Five SPDCs to be obtained, of amount equivalent to 1st/ 2nd /3rd /4th & full amount.
9	Collateral Security	All properties will be mortgaged either through Equitable Mortgage or Registered Mortgage, as applicable, and the mortgage documents will be registered with the jurisdictional SRO. State's specific norms of equitable / registered mortgage to be followed.
10	Collateral Type & Ownership	<p>Property must be owned by the Applicant/ Co- Applicants.</p> <p>i. Residential –Self occupied</p> <p>ii. Commercial- Self occupied</p> <p>iii. Mixed Usage Property-</p> <ul style="list-style-type: none"> • Partly rented & partly self-occupied. • Partly Residential & Partly Commercial <p>iv. Under-construction property at min. plinth height (applicable conditions: loan amount will be disbursed in tranches and the final tranche will be released only after the customer has moved into the property)</p> <p>Properties considered as additional Collateral along with SORP/SOCP:</p> <p>i. Open Plot</p> <p>ii. Fully Rented out Property</p> <p>iii. Vacant Property</p> <p>Multiple properties allowed to the extent of 3 Properties on case- to-case basis. In case both the residence and business premises are rented – Not to Proceed.</p>
11	Insurance	<p>i. Life insurance of the applicant</p> <p>ii. Property Insurance</p> <p>General Insurance for hospitalization is optional to reduce economic distress in the family.</p>
12	Balance Transfer	<p>Balance transfer proposals are to be evaluated in line with the applicable credit parameters.</p> <p>i. BT should be considered only from Scheduled Commercial Banks, Co-operative Banks, Private Banks, and NBFCs.</p> <p>ii. The Standard takeover process must be followed.</p> <p>Balance Transfers may be considered either for the outstanding amount or for an enhanced loan amount, as per eligibility and approval.</p>
13	Repayment Mode	<p>i. NACH/e-NACH</p> <p>ii. SPDC's (All CTS format cheques) – 5 cheques for applicant/ co-applicant of the account in which repayment NACH is set.</p> <p>iii. SI (Standing Instruction)/ECS Mandate duly filled and signed by the account holder</p> <p>iv. NEFT/ RTGS transfer.</p>
14	Legal & Technical Report	For all cases, legal report, legal vetting report and technical valuation shall be needed.
15	ContactPoint Verification (CPV)	Field verification is mandatory for residence, collateral, business premises and employment of the applicant & co-applicant (if income is considered).

		Verification may be conducted either by internal credit staff or by authorized external agencies.
16	Loan Eligibility & EMI	The decision will be based on the loan amount applied for, FOIR, LTV, and other criteria as specified in the credit parameters.
17	End Use Monitoring	End-use monitoring will be conducted in a timely manner by the team, based on the stated purpose of the loan. The findings should be documented in the prescribed format.
18	CERSAI Check	CERSAI check must be completed for all cases before disbursement. Only properties found clear on CERSAI shall be accepted as security. Mortgage charge in favor of CFPL will be created and filed with CERSAI, though disbursement is not a precondition for charge filing. In takeover cases, if the proposed collateral is the same as that with the existing lender, mortgage creation will be done post-disbursement, as per the takeover process.
19	Valuation of property	Valuation to be done by Empaneled Valuer. The Valuer shall conduct physical verification and value the property.
20	Credit Bureau Check	<p>i. Credit Bureau check mandatory for Applicants, Co- Applicant(s)</p> <p>ii. In case applicant is a firm-Proprietor/ Partner/ Director/ Promoter, credit bureau check shall be conducted.</p> <p>iii. Credit Bureau report of any of the four Credit Bureau (CIBIL/ CRIF/ Equifax/ Experian) may be used.</p> <p>iv. In case of positive match (Good match) all the active loans to be included in the obligation while calculating the FOIR unless the customer has declared the intention to close the loan.</p> <p>In case of multiple enquiries found in customer bureau report, the same may be discussed by the credit team during PD. Any alerts should be noted in the CAM or else it can be ignored.</p>
21	Business & Residence verification	<p>i. The Credit team to visit the residence and business/office premises of the Applicant and Co- Applicant.</p> <p>ii. Photographs of Business and Residence (photographs of the residence from outside, photographs of kitchen etc.) to be submitted as a part of PD Sheet.</p> <p>Record Ownership status such as rented/owned, duration of occupancy, nature of business, neighbor check, and other occupants etc. Conclude with overall remarks. All findings to be documented in the CAM.</p>
22	ContactPoint Verification	Field verification is mandatory for residence, collateral, business premises and employment of the applicant & co-applicant (if income is considered). Verification may be conducted either by internal credit staff or by authorized external agencies.
23	Reference check	BC to conduct the relevant reference check and capture the contact details of the supplier/buyers, neighbors, neighboring shops etc. and mention the same in the CAM. Minimum two reference checks are mandatory.
24	Restrictions	<p>i. IPO Funding- The NBFC will not provide loans to borrowers for financing</p> <p>ii. Loans against NBFC's own shares- The NBFC shall not lend against its own shares.</p> <p>iii. Loans against NBFC's own Debentures- The NBFC shall not extend loans against the security of its own debentures (issued either by way of private placement or public issue)</p>

Indicative Checklist of the Information and Documents to be submitted by the Applicant & Co-applicants:

- Proofs of Identity & Addresses- as per the KYC guidelines issued by the Reserve Bank of India and the KYC policy approved by the Board of Directors of the NBFC

- Latest Photographs (including live photos or/and videos)
- Proofs of Business Activities & Incomes (including but not limited to ITRs, GST Returns, Salary Slips, Form 16, Provident Fund Statements etc.)
- Business Address & Details/ Employment & Employer Details/ Agri Land Details/ Vehicle & Machinery Details
- GPS Tagged Photographs & Videos of Business Premises/ Residence/ Place of Employment and Income Generation/ Properties proposed to be Mortgaged
- Proofs of Asset Ownership including Title Deeds/ Land Records/ Tax Records/ other documents
- Bank Account Statements, Transaction Records, Banking Data through Account Aggregators
- Technical Evaluation and Legal Opinion on the property
- Names and Contact details of Reference Persons in the neighbourhood, business acquaintances and workplace.
- Other information sought by the Agencies empaneled by the NBFC for the purpose of verification/ loan appraisal
- On case-to-case basis, additional documents and/or information will be sought by the NBFC in order to process the loan application

Important points of our Interest Rate Policy (please visit www.conatusfin.com for the latest updates):

CFPL is committed to transparent and responsible lending practices. This Interest Rate Policy outlines the principles governing the determination of interest rates for our financial products, in accordance with the regulations set forth by the Reserve Bank of India (RBI).

CFPL shall adhere to all applicable RBI regulations and guidelines regarding interest rates, ensuring compliance with the statutory framework governing financial institutions.

Interest Rate Determination

Interest rates for our financial products will be determined based on a combination of factors, including but not limited to:

- **Cost of Funds:** The interest rates will reflect the cost of obtaining funds to finance lending activities.
- **Risk Premium:** The level of risk associated with the borrower and the nature of the financial product will be considered in determining interest rates.
- **Market Conditions:** Interest rates may be influenced by prevailing market conditions, ensuring competitiveness within the financial industry.
- **Operational Costs:** The costs associated with the administration, processing, and servicing of financial products will be factored into interest rate calculations
- **Margins:** CFPL introduces appropriate margin levels to cover expenses, mitigate risks, and ensure long-term financial sustainability. However, given our early-stage operations and current loss-making position, margins may temporarily be negative as we prioritize sustainable growth and scalability.

CFPL, as a currently loss-making entity, aims to balance competitiveness and profitability while maintaining customer-centric practices.

The below rate of interest will be charged for loans sanctioned on or after 02 Sep 2025.

- 16% to 26% per annum charged on reducing balance
- Any deviations- To be approved by the authorities as mentioned in the delegation/approval matrix approved by the Managing Director/ Whole time Director

- The NBFC will not levy any 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
- The NBFCs shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

Communication of Interest Rates

The NBFCs shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record. Any changes to interest rates during the loan tenure will be communicated in accordance with regulatory requirements.

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

The Interest Rate Policy will be displayed on the website of the NBFC. Please visit www.conatusfin.com for the updated information.

Review & Revision

CFPL will periodically review and, if necessary, revise its interest rate policy to align with regulatory changes, market conditions, and internal considerations.

Grievance Redressal

Customers are encouraged to bring any concerns or grievances related to interest rates to the attention of CFPL through our established grievance redressal mechanism. This Interest Rate Policy is designed to ensure transparency, fairness, and compliance with regulatory standards. CFPL remains committed to providing responsible financial solutions to our customer.

Schedule of Fees & Charges (please visit www.conatusfin.com for the latest updates):

The following expenses are incurred during the life of the loan.

- a. Sourcing costs at the time of application – These costs are incurred by the company before the customer takes his loan disbursement and will be covered through processing fee. These costs include acquisition, verification, legal & valuation, credit appraisal etc.
- b. Cost incurred during the currency of the loan - Besides interest, other financial charges like cheque bouncing charges, additional interest for late payment, re-scheduling charges, part disbursement charges, cheque swap charges, security swap charges, charges for issue of statement account etc., would be levied by the company from time to time wherever considered necessary. Besides these, statutory charges and service tax / GST* and other cess would be collected at applicable rates from time to time. Any revision in these charges would be implemented prospective basis with due communication to customers.
- c. Cost incurred at the time of loan closure – These will include pre- payment & foreclosure charges subject to RBI guidelines, repossession and other legal expenses related to recovery of overdues.
- d. All charges and any revisions to the same will be approved by the Board of Directors of Conatus Finserve Private Limited (CFPL/ the Company/ the NBFC).

S. No.	PARTICULARS	Applicable Fees & Charges (Taxes/cess, as applicable, will be payable by the applicant, over and above the fees & charges)
1	Processing Fees	Up to 4% of Sanctioned Loan Amount
2	Valuation Fees	Up to Rs. 3000 per property
3	Legal Fee	Up to Rs 5000 per property
4	Stamp Duty on Agreement/Deeds/ Documents	As Per actuals/ Directly payable by the customer
5	Penal charges, if any, in case of delayed payment (Note-Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.)	3% Per Month on Overdue Amount
6	Login Fee	Up to Rs. 5000
7	Cheque/ECS/ACH Bounce (dishonour) Charges	Up to Rs 1000 per instance
8	Document retrieval charges on Pre - Closure	Up to Rs 2000
9	Cheque Swapping/ ACH re-mapping Charges	Up to Rs 1000 per instance
10	Statement of Account	Up to Rs 500 per instance
11	Rate Reset Fees (applicable per instance)	Up to 1% of the total outstanding principal
12	List of Documents- issuance charges	Up to Rs 2000 per instance
13	Copy of Title Deeds- issuance charges	Up to Rs 2000 per instance
14	Recovery Charges (Legal/ Repossession/ Incidental)	As Per actuals
15	Full or Part Pre-closure Charges	<ul style="list-style-type: none"> Up to 2% of the amount paid towards Pre-closure, if paid through Own Funds. Up to 5% of the amount paid towards Pre-closure, if paid through balance transfer through any other financier/bank.
16	CERSAI	As per actuals
15	Full or Part Pre-closure Charges	<ul style="list-style-type: none"> Up to 2% of the amount paid towards Pre-closure, if paid through Own Funds. Up to 5% of the amount paid towards Pre-closure, if paid through balance transfer through any other financier/bank.
16	CERSAI	As per actuals
17	NeSL Charges (Subject to changes notified by NeSL)	As per Actuals
18	Mortgage Charges / Registration Fee/ De-mortgage charges	Payable by the customer
19	Collection Visit Charges	Up to Rs 200 per visit
20	No Dues Certificate	1 st time free for a loan, duplicate issuance-up to Rs 500 per instance
21	Sanction Revalidation Charges	Up to Rs 5000 per instance

	In case the facility sanctioned is not availed (disbursed) within 60 days of date of sanction, a revalidation of the sanction will be required	
22	Collection Charges, Legal Expenses, Recovery Charges for Overdue Accounts	On Actual Basis

Any deviations- To be approved by the authorities as mentioned in the delegation/approval matrix approved by the Managing Director/ Whole Time Director

Communication of Fees & Charges

- a. Fees & Charges applicable to each financial product will be clearly communicated to customers before the loan agreement is finalized. Any changes to the schedule of fees & charges during the loan tenure will be communicated in accordance with regulatory requirements.
- b. The quantum and reason for penal charges shall be clearly disclosed by the NBFCs to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of NBFCs under Interest rates and Service Charges.
- c. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.
- d. The NBFCs shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The NBFCs shall also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard will be incorporated in the loan agreement.

Review & Revision

CFPL will periodically review and, if necessary, revise its schedule of charges to align with regulatory changes, market conditions, and internal considerations. The revisions will be presented to the board of directors and implemented as approved.

Grievance Redressal

Customers are encouraged to bring any concerns or grievances related to Fees & Charges to the attention of CFPL through our established grievance redressal mechanism.

This Interest Rate Policy is designed to ensure transparency, fairness, and compliance with regulatory standards. CFPL remains committed to providing responsible financial solutions to our customers.

Fair Practices Code & Grievance Redressal Policy (please visit www.conatusfin.com for the latest updates):

The Reserve Bank of India (RBI) has issued guidelines on Fair Practices Code for Non- Banking Financial Companies (NBFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. Conatus Finserve Private Limited. (CFPL/ the Company/ the NBFC) hereby furnishes the Fair Practices Code (“the FPC”) based on the guidelines issued by RBI. The Company shall also make appropriate modifications in the FPC from time to time to conform to the standards that may be prescribed by RBI from time to time. Considering the nature of business of the Company, it is proposed to establish the following as the Fair Practices Code for the Company’s lending activities.

The Board of Directors of the NBFC shall also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institution’s functionaries are heard and disposed of at least at the next higher level.

1. Key Objectives of the Code

The code has been developed with an objective of:

- i. Ensuring fair practices while dealing with customers
- ii. Greater transparency enabling customers in having a better understanding of the product and taking informed decisions.
- iii. The Company will make every attempt to ensure that its customers would have trouble-free experience in dealing with it. However, in case of error of commission and/or omissions, it shall:
 - Deal with the errors promptly and effectively.
 - Deal with the Grievances redressal in a quick and efficient manner and to the satisfaction of the customers;
 - Promptly handle Complaints;
 - Have Escalation process, in the event of dissatisfaction of the borrower in handling his complaint(s)

2. APPLICABILITY OF FAIR PRACTICE CODE(FPC)

The FPC will be applicable to the following broad areas:

- i. Loan applications and processing thereof
- ii. Loan appraisal and terms/conditions
- iii. Disbursement of loans including changes, if any, in terms and conditions
- iv. General provisions
- v. Grievance Redressal Mechanism
- vi. Regulation of Excessive interest charged

3. Applications for Loans and their processing

- The 'Application Form / appropriate documents' of CFPL will include all information that is required to be submitted by the Borrower. Necessary information will be provided by CFPL to facilitate the Borrower in making a meaningful comparison with similar terms and conditions offered by other Non-Banking Financial Companies (NBFCs) and taking an informed decision based on the aforesaid comparison.
- The 'Application Form/ appropriate documents' of CFPL may also indicate the list of documents required to be submitted by the Borrowers along with the Application form.
- CFPL has a mechanism of giving an acknowledgement for receipt of Application form to its Borrower for availing loans. CFPL would inform the Borrower about its decision within reasonable period of time from the date of receipt of all the required information in full.
- All communication with the borrowers shall be in the vernacular language or in a language understood and confirmed by borrowers.
- Loan facilities to the physically/visually challenged by the NBFC- The NBFC shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of the NBFC shall render all possible assistance to such persons for availing of the various business facilities. The NBFC shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels. Further, the NBFC shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

4. Loan appraisal and terms/ conditions

The Company shall consider all the loan applications keeping in mind the risk-based assessment procedures adopted by it. The Company, before sanctioning the loan, would assess the ability of the borrowers to repay the loan.

CFPL shall convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of limit sanctioned along with all the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on CFPL's record. A copy of the loan documents including loan agreement and annexures thereof shall be made available to the borrower.

The Company shall comply with the instructions contained in the RBI circular on 'Key Facts Statement (KFS) for Loans & Advances, as updated from time to time.

5. Penal charges in loan accounts

Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no

further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

The NBFC shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.

The NBFC has a Board approved policy on Fees & Charges, including penal charges. The quantum of penal charges are reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category.

The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', are not higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.

The quantum and reason for penal charges shall be clearly disclosed by the NBFC to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of the NBFCs under Interest rates and Service Charges.

Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.

6. Disbursement of loans including changes in terms and conditions

Disbursement of amount of loans sanctioned may be made available to the borrowers on demand subject to completion of all formalities including execution of loan documents.

Any change in the terms and conditions, disbursement schedule, interest rate, service charges, prepayment charges, etc. shall be notified to the borrowers in writing in the vernacular language or a language as understood by the borrower.

Change in the interest rates and service charges shall be made applicable prospectively. The loan agreement shall contain a specific clause in this regard.

Decision to recall/ accelerate payment or performance under the Agreement will be in consonance with the respective loan Agreement. The Company shall give reasonable time to the borrowers before recalling the loan or asking for accelerating the payment or performance subject to the terms and conditions contained in the Loan Agreement and other related documents.

CFPL will release all securities of its Borrower only on repayment of all dues by such Borrower, or only on realization of the outstanding amount of the Borrower's availed limit, subject to any legitimate right or lien for any other claim which CFPL may have against its Borrower. If such right of set off is to be exercised, the Borrower will be given notice about the same with full particulars about the remaining claims and conditions under which CFPL will be entitled to retain the securities till the relevant claim is settled or paid by the Borrower. No-objection certificate will be issued to the customer on fulfilment of said terms within 15 working days of completion of formalities.

7. Release of movable/immovable property documents on repayment/ settlement of personal loans

The NBFC shall 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.

(ii) The borrower shall be given the option of collecting the original movable/ immovable property documents either from the banking outlet/branch where the loan account was serviced or any other office of the NBFC where the documents are available, as per her/his preference.

(iii) The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.

(iv) In order to address the contingent event of demise of the sole borrower or joint borrowers, the NBFC shall have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. For this purpose, the legal heir will have to submit the 'Legal Heir Certificate' issued by the competent authority/ Court of Law and make the full repayment/settlement of the loan account.

(v) Compensation for delay in release of movable/immovable property documents

-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 NBFC shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the NBFC, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.

- In case of loss/damage to original movable/immovable property documents, either in part or in full, the NBFC 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 clause above. However, in such cases, an additional time of 30 days will be available to the NBFC to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

-The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

8. General

- CFPL will refrain from interference in the affairs of its Borrower except for the purposes provided in the terms and conditions of the respective loan agreement (unless new information, not earlier disclosed by the Borrower, which may come to the notice of CFPL).
- The Company shall not discriminate on the grounds of gender, caste or religion in its lending policy and activities.
- In case of receipt of request from the Borrower for transfer of Borrowed account, the consent or otherwise i.e., objection of CFPL, if any, is generally conveyed to such Borrower within 21 days from the date of receipt of the Borrower's request. Such transfer will be as per transparent contractual terms in consonance with all the applicable laws.
- In the matter of recovery of outstanding dues of its Borrower, CFPL does not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans/dues, etc. Training will be imparted to ensure that staff is adequately trained to deal with customers in an appropriate manner.
- CFPL shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.
- Outsourcing arrangements shall not affect the rights of a customer against the NBFC, including the ability of the customer to obtain redress as applicable under relevant laws. The NBFCs' Grievance Redressal Machinery will also deal with the issue relating to services provided by the outsourced agency.

9. Regulation of excessive interest charged by NBFCs

i. The NBFC has a Board Approved Interest Rate Policy covering an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.

ii. The rates of interest and the approach for gradation of risks shall also be made available on the website of the NBFC. The information published on the website shall be updated whenever there is a change in the rates of interest.

iii. The rate of interest is an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

10. Key Facts Statement for Loans & Advances

i. The NBFC shall provide a KFS to all prospective borrowers to help them take an informed view before executing the loan contract, as per the standardised format given in the [applicable](#) RBI directions/circulars. The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that they have understood the same.

ii. The KFS shall be provided with a unique proposal number and shall have a validity period of at least three working days.

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

iii. The KFS shall also include a computation sheet of annual percentage rate (APR), and the amortisation schedule of the loan over the loan tenor. APR will include all charges which are levied by the NBFC. Illustrative examples of calculation of APR and disclosure of repayment schedule for a hypothetical loan are given below:

Illustration for computation of APR for Retail and MSME loans

Sl. No.	Parameter	Details
1	Sanctioned Loan amount (in Rupees) (Sl. No. 2 of the KFS template – Part 1)	20,000
2	Loan Term (in years/ months/ days) (Sl. No.4 of the KFS template – Part 1)	
a)	No. of instalments for payment of principal, in case of non-equated periodic loans	-
b)	Type of EPI Amount of each EPI (in Rupees) and nos. of EPIs (e.g., no. of EMIs in case of monthly instalments) (Sl. No. 5 of the KFS template – Part 1)	Monthly 970 24
c)	No. of instalments for payment of capitalised interest, if any	-
d)	Commencement of repayments, post sanction (Sl. No. 5 of the KFS template – Part 1)	30 days
3	Interest rate type (fixed or floating or hybrid) (Sl. No. 6 of the KFS template – Part 1)	Fixed
4	Rate of Interest (Sl. No. 6 of the KFS template – Part 1)	15%
5	Total Interest Amount to be charged during the entire tenor of the loan as per the rate prevailing on sanction date (in Rupees)	3,274
6	Fee/ Charges payable (in Rupees) <i>Note: Where such charges cannot be determined prior to sanction, NBFCs may indicate an upper ceiling</i>	400
A	Payable to the NBFC (Sl. No.8A of the KFS template-Part 1)	240
B	Payable to third-party routed through NBFC (Sl. No.8B of the KFS template – Part 1)	160
7	Net disbursed amount (1-6) (in Rupees)	19,600
8	Total amount to be paid by the borrower (sum of 1 and 5) (in Rupees)	23,274*
9	Annual Percentage rate- Effective annualized interest rate (in percentage) (Sl. No.9 of the KFS template-Part 1) <i>Note: Computed on net disbursed amount using IRR approach and reducing balance method</i>	17.07%
10	Schedule of disbursement as per terms and conditions	Detailed schedule to be

		provided
11	Due date of payment of instalment and interest	DDMMYYYY
<p>* The difference in repayment amount calculated from the total of instalments given under the detailed repayment schedule i.e., ₹23,280 (=970*24) vis-à-vis the amount of ₹23,274 (₹20,000 (loan amount) + ₹3,274 (Interest charges) mentioned under (8) is due to rounding off the instalment amount of ₹969.73 to ₹970 under the detailed repayment schedule.</p>		

Illustrative Repayment Schedule under Equated Periodic Instalment for the above-mentioned hypothetical loan

Instalment No.	Outstanding Principal Rupees)	(in	Principal (in Rupees)	Interest (in Rupees)	Instalment Rupees)	(in
1	20,000		720	250	970	
2	19,280		729	241	970	
3	18,552		738	232	970	
4	17,814		747	223	970	
5	17,067		756	213	970	
6	16,310		766	204	970	
7	15,544		775	194	970	
8	14,769		785	185	970	
9	13,984		795	175	970	
10	13,189		805	165	970	
11	12,384		815	155	970	
12	11,569		825	145	970	
13	10,744		835	134	970	
14	9,909		846	124	970	
15	9,063		856	113	970	
16	8,206		867	103	970	
17	7,339		878	92	970	
18	6,461		889	81	970	
19	5,572		900	70	970	
20	4,672		911	58	970	
21	3,761		923	47	970	
22	2,838		934	35	970	
23	1,904		946	24	970	
24	958		958	12	970	

- iv. Charges recovered from the borrowers by the NBFC on behalf of third-party service providers on actual basis, such as insurance charges, legal charges etc., shall also form part of the APR and shall be disclosed separately. In all cases wherever the NBFC is involved in recovering such charges, the receipts and related documents shall be provided to the borrower for each payment, within a reasonable time.
- v. Any fees, charges, etc. which are not mentioned in the KFS, cannot be charged by the NBFCs to the borrower at any stage during the term of the loan, without explicit consent of the borrower.
- vi. The KFS shall also be included as a summary box to be exhibited as part of the loan agreement.

11. Grievance Redressal Mechanism

In order to make CFPL's redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

a. Machinery to handle customer complaints/ grievances

Customers who wish to provide feedback or send in their complaint may use the following channels between 9:30 am and 6:00 pm, from Monday to Friday (except on national holidays).

The Company has **provided for three tier Grievance Redressal Mechanism to resolve any of its customers query / grievance.**

Level 1:

The customer may register his/her query/ complaint to the Company which shall be addressed to the Grievance Redressal Officer in connection with any matter pertaining to business practices, lending decisions, credit management, recovery and complaints relating to updation/ alteration of credit information. The details of the Grievance Redressal Officer are given as follows:

Name of the Grievance redressal officer	Ms Savitri Mete
Address	Conatus Finserve Private Limited Building No 9, " Veersaro maleege ", no 78, 1st floor, Bellary main road, Near CBI office, Ganganagar, Bangalore - 560032
Tel No	080 29905615
Email id	hr@conatusfin.com

Level 2:

If the complaint is not resolved within 15 days, **the customer shall complaint to the Chief Executive Officer of the Company** at his following email id: bhaskar@conatusfin.com

Level 3:

If the complaint / dispute is not redressed within a period of one month from date of its receipt, the customer may appeal to:

Deputy General Manager,
Department of Non-Banking Supervision
Reserve Bank of India
Regional Office, 10/3/8, Nrupathunga road, Bangalore 560001, Karnataka Tel
No. 080 22180667

b. Mandatory display requirements

CFPL has the following in all our branches:

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

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

The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website

c. Time frame

If the complaint has been received in writing, CFPL will endeavor to send an acknowledgement / response within a week. Once the matter is examined, CFPL endeavor's to either send a final response to the customer or an intimation seeking more time within one month upon receipt of complaint. Generally, a time limit of 30 days may be given to the customers for preferring their complaints/grievances.

- Complaints that are received at our end will be seen in the right perspective and would be analyzed from all possible angles.
- The communication of CFPL's stand on any issue will be provided to the customers. Complaints that require some time for examination of issues involved will be acknowledged promptly.
- The Board of Directors shall also provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. Accordingly, the Status Report on all complaints shall be placed before the Board of Directors for their review on quarterly basis.
- The aforesaid policy will be reviewed periodically /revised as and when there are any new changes incorporated by CFPL in handling complaints / grievances of the customer which includes introduction of new grievance channels, if any. and risk premium for determining rate of interest to be charged for loans and advances.
- The rate of interest to be charged depends much upon the gradation of the risk of borrower viz. the financial strength, business, regulatory environment affecting the business, competition, past history of the borrower etc.
- The rate of interest will be annualised so that the borrower is aware of the exact rates that would be charged to the account.

We request you to go through this document carefully and seek assistance from our staff for any explanations or clarifications. Please understand the contents of this document carefully and completely before providing the One Time Password(s) or putting you Signature(s) to proceed with the loan application.

Yours sincerely,

Conatus Finserve Private Limited

