MY GAIN (PRODUCT NOTE)

SALIENT FEATURES OF MYGAIN

Tenure:

MyGain shall be on ongoing facility attached to a **registered home purchase.**

Eligibility:

Customers will need to **register** the Agreement for sale.

Minimum prepayment:

- Acceptance of minimum 1 slab as minimum payment for MyGain across projects.

- Our Aspi and High- End Relationship Managers to pitch minimum 1 unbilled slab. However, if they do have specific requests from their customers to accept amounts lower, as a gesture from our end, the amount to not be less than 2% of the CV.

Maximum prepayment:

The upper limit cannot exceed 80% of the unbilled Consideration Value.

Start of benefit:

RTGS:

In case of RTGS transactions, the rebate calculation shall start on the same date as the RTGS getting credited to our account.

Cheques/demand drafts:

In case of cheques/demand drafts, the rebate calculation shall start on SAP entry date + 1 day. In case the SAP entry is done on the last working day of the week, the benefit calculations shall start on the next working day of the forthcoming week.

% of Rebate: 12% post tax

Usage counter:

The customer can make at most 5 payments in the entire life cycle of the booking and the total of the same shall need to add up to at least 3 unbilled slabs.

Documentation:

Relationship Managers to prepare a pdf version of the MyGain calculator based on the last received construction forecast from the Planning team. Post an advance payment, the customer would need to sign the MyGain letter within 3 working days of making the payment. In case the client chooses to make a payment in multiple tranches, the customer would need to sign a single MyGain letter after making the last payment. In the interim, legal will provide us with an undertaking which legitimizes the previous transactions as a genuine advance payment. This will avoid the hassle of the client signing multiple MyGain letters.

Checks and balances:

Each MyGain calculation shall be checked by the concerned Project Head before being shared with the client. Similarly the MyGain letter would need to be checked by the Project head before being sent to the client for signatures. All applicants for the concerned unit shall need to sign.

Adjustment:

The benefit which the advance payment has earned shall be adjusted at each eligible slab's Due date. The adjustment formula shall be:

Advance payment + Rebate earned on the same from Advance payment (start of benefit date) date till slab's due date – (Slab Amount + Service Tax on the slab) = Closing Balance (which shall continue to earn the prevailing % benefit till the next slab's due date).

In case the unutilized advance + the rebate on the same exceed the unbilled Consideration Value, then the rebate shall first be consumed fully towards the CV followed by the unutilized advance. The balance advance which remains after complete adjustment of CV shall be adjusted towards the Society and other charges of the customer. Any balance that still may remain will need to be refunded to the customer immediately.

Frequently Asked questions

1. *Which are the investment products that can be compared to this product? How is this product superior?*

Answer: Bank Fixed Deposits and Liquid Funds. Calculator has more details on how MyGain is twice as good.

2. *Will post possession payments be covered under the advance? Can these payments be adjusted from the advance in case the returns + investment do exceed the CV?*

Answer: The post possession payments are in the nature of maintenance etc and such monies are generally accounted on behalf of the proposed societies and accounts are generally submitted to them. The advance amount or the benefits on the same therefore, will NOT be adjusted towards these post possession expenses as it can create complications.

3. Will there be a signed contract between Lodha and the customer?

Answer: Yes, the MyGain letter will be jointly signed by all applicants and GM, Customer Care.

4. Which documents will be shared with the customers?

Answer: (a) PDF version of the excel sheets can be shared with clients along with requisite and sufficient disclaimers (b) If the customer makes an advance payment, then the MyGain letter will be shared with the customer (c) On each demand being raised, a MyGain statement, MyGain payment receipts will be shared with the customers.

5. Will the advance also include Service Tax or will Service tax need to be paid separately?

Answer: Customers will have the option to either pay ST on all slabs being covered separately along with the advance amount or allow us to deduct the ST from the advance amount. This is because ST becomes payable on "payment received" in this case.

6. Can a customer who has booked in 2 eligible projects, transfer his/her advance between these projects?

Answer: No, if a customer has multiple bookings in an eligible project, he will be allowed as many advances for each booking. MyGain advances or benefits on any MyGain payment CANNOT be transferred between the 2 bookings.

7. Is switching between ADF and this scheme allowed?

Answer: No.

8. Will MyGain benefit be applicable on overdue slabs as well?

Answer: No, MyGain is not applicable on overdue slabs. MyGain is only applicable on unbilled slabs.

9. Will we accept third party cheques?

Answer: To be discouraged, but yes for genuine cases, along with relevant documentation as per current process.

10. What is the frequency of advances allowed within the launch window? (No of RTGS transactions allowed for NRI clients as they have a limit to the amounts they can transfer in a single transfer)

Answer: Local customers can make at most 5 payments in the entire life cycle of the booking and the total of the same shall need to add up to at least 3 unbilled slabs (limited to <=80% of unbilled CV). No cap for NRI customers (as NRI clients may have regulatory 0constraints on the no of payments they can make in a single transfer/day).

11. What is the maximum % of outstanding that customer can pay in this scheme?

Answer: 80% of the UNBILLED or OUSTANDING CV.

12. Why is there a cap? Why can the customer not clear the entire CV?

Answer: Since the advance will earn benefit as time passes, it is possible that due to an unforeseen delay in construction the benefit becomes so large that the advance payment + benefit on the same exceeds 100% of CV in which case the excess portion becomes a deposit which we cannot legally accept since we are not a NBFC

13. When does the Benefit calculation start from?

Answer: For Cheque/Demand Drafts payments – SAP entry date + 1 day. In case SAP entry date is the last working day of the week, then the Benefit shall start from the next working day after the SAP entry date.

For RTGS Online payments – same day as credit in Lodha Account

14. What will be the date of the MyGain letter?

Answer: The date of start of MyGain benefit shall be the date of the MyGain letter.

15. Tell us more about the MyGain letter?

Answer: The MyGain letter has to be printed on a plain A4 page (not a letter head). The letter can be converted into PDF and sent to the customer. The customer needs to take a print after all applicants have signed, and scan the same and resend back to us. The same then needs to be countersigned by GM, Customer Care. Original document to go in the customer's file and a copy needs to go to the customer.

Benefit:

16. What would the pitch and the offer document say about the guaranteed % returns being offered?

Answer: 12% post tax returns compounded on the due date of every actual Construction linked payment milestone. The 12% post tax returns are equivalent to approximately 17.36% pre-tax returns which no short term instrument in the market will offer.

17. Will the benefit be given until Demand Date or Due Date?

Answer: Till Due Date, Adjustments from the advance will happen on the Demand date but the returns/benefits shall be calculated till the due date i.e 15 days extra benefit shall be given.

18. Will there be Service Tax on the credit / benefit given to the customer for the advance?

Answer: Yes, we are offering MyGain benefit on the Service Tax portion of the advance payment also. The premise here is that the client is paying the Service tax in advance as well.

19. What about service tax? How does ST need to be paid?

Answer: Service Tax becomes due on the entire advance payment you give us. However, we shall pay this service tax from our pocket and recover the same from your advance payment as and when the demands get raised later. The special benefit here is that we shall offer your returns on this ST amount as well even though we are paying it upfront.

20. 1% TDS – how will this impact the mechanics of this scheme?

Answer: If the customer allows us to pay the TDS on his/her behalf, then we shall invest the entire advance payment into MyGain and offer benefit on the entire amount. However, if the customer deducts TDS on the advance payment, then we shall only offer MyGain benefit on the actual 99% payment we get. The customer will need to send us the challan asap for SAP entry else there will be a shortfall in the future.

21. What if I pay you from my personal funds and my bank keeps paying the demands. So don't adjust my prepayment from my demands and use my bank disbursement to pay for the demands?

Answer: We can't do so as we will end up accepting funds from you which are in excess of the CV. Since we can't accept deposits from you, this cannot be accommodated. The money that you pay us will have to be adjusted against the demands. You may ask your bank to take lesser disbursements from the bank.

Customer Communication:

22. Usage of words over email or any written communication?

Answer:

TO USE / ALLOWED -Benefit, Rebate, Discount

NOT ALLOWED / BANNED- Interest, Deposit, Taxes, Returns, Pre tax, post tax

23. What will the process of MyGain activation be?

Answer: Step 1 – Telephonic pitch Step 2 – Email with MyGain info + MyGain benefit calculation.

24. Can you send the excel working to me?

Answer: We will be happy to share the PDF of the excel calculation with you. What I will do is that I shall send you the maximum working and you may decide to invest the same or a lower amount. No bank shares excel calculators for their financial products/facilities. On the same lines, we will be unable to share the excel calculator with you. Happy to share the pdf **Banking:**

25. Will we approach banks for tie ups for partial ADFs?

Answer: No, the customers will need to approach the banks and convince them to do accelerated funding or partial ADFs

26. Will banks require corporate guarantee and/or TPA for accelerated funding?

Answer: Yes banks may ask for the same, but we will not share TPAs or Corporate guarantees. Clients need to push the bankers to disburse without the need for these docs.

27. Can money once disbursed from a bank be refunded back for any reason whatsoever?

Answer: No, money once disbursed cannot be refunded.

28. Why don't you coordinate with the bank for the partial ADF? I don't have time to speak to the banker as you only had done the document pick-up etc for my first disbursement.

Answer: In essence, this facility was to answer a customer need. We would request you to coordinate with the bank for this partial ADF or ask one of your associates to coordinate with the bank. We will provide you with the demand letter for partial advance disbursement. But we will be unable to provide you with any Corporate Guarantees or Third Party Agreements.

SAP:

29. How will the periodic statements go out? Who will make them?

Answer: MyGain statement and MyGain receipts shall go each time a demand is raised. The RM to be solely responsible for ensuring these docs goes out to customers on time.

30. What is the impact on the demand letter?

Answer: The demand letter shall show the MyGain advance being utilised to pay off complete or part of the demanded amount.

Frequently Accessed Links

Cancellation & Retention Policy Possession process Registration Process Name Change Policy Demand Generation process
Payment Handling Process Transfer Policy Customer Interaction Management Policy Customer Interaction Tagging - L1, L2 & L3 Customer DNC Process