

**Akme Star Housing Finance Limited**

**FAIR PRACTICE CODE**

## **I. PREAMBLE**

The Fair Practice Code (“Code”) has been formulated by the Company to promote transparency in its business practices and specifically with regard to the transactions between the institutions and the end users. This Code is in line with the “Guidelines on Fair Practices Code for HFCs” issued by the National Housing Bank.

## **II. OBJECTIVE**

This Code has been formulated by the Company to achieve the following objectives:

- To promote good and fair practices by setting minimum standards in dealing with customers;
- To increase transparency so that the customer can have a better understanding of the services that can be expected from the Company;
- To encourage market forces, through competition, to achieve higher operating standards;
- To promote a fair and cordial relationship between the Company and its customers; and
- To foster confidence in the housing finance system.

## **III. SCOPE**

This Code is applicable to all the Products and Services offered by the Company either across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method at any of its offices.

## **IV. POLICY**

### **1. Transparency**

The Company shall stay committed to act in a fairly, reasonably and in a transparent manner in all dealings with its customers, by ensuring that:

- a) The Company meets the commitments and standards of this Code for the products and services offered by it and in the procedures and practices that its staff follows;
- b) The products and services of the Company meet all the relevant laws and regulations in letter and spirit.
- c) The dealings with its customers are based on the ethical principles of integrity and transparency.

## **2. Advertising, Marketing and**

**Sales** The Company shall:

- a. Ensure that all advertising and promotional material(s) are clear, and not misleading.
- b. Ensure that any advertising in any media and promotional literature that draws attention to a service or product of the Company 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, if any, shall be made available on request.
- c. Endeavour to provide the information on interest rates, common fees and charges through putting up notice(s) at its branches/offices; through telephone or help-line; on company's website; through designated staff/ help desk or by providing service guide / tariff schedule.
- d. In case of availing third party services for providing support services, the Company shall ensure that such third parties handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as the Company would.
- e. Communicate to the customers, from time to time, on various features of the products availed by them. Information about the other products/services or promotional offers in respect of its products/services of the Company may be conveyed to customers only if he / she has given his / her consent to receive such information / service, including, by way of an email or by registering for the same on the Company's website or on customer service number of the Company.
- f. Ensure that the Code of Conduct for the Direct Selling Agencies (DSAs) whose services are availed by the Company to market products / services, amongst other matters, specifically requires the DSAs to identify themselves while approaching a customer for selling the products personally or via phone.
- g. Ensure that in the event of receipt of any complaint from the customer that the Company's representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and handle the complaint and to make good the loss caused, if any.

## **3. Loans**

### **3.1 Loan Application and Processing**

- a. The Company shall endeavour at all times to guide its customers about the process and procedures to be followed for availing a loan. It may provide an indicative list of documents required to be submitted along with the loan application form.

- b. The Company shall ensure to provide such information which affects the interest of the customer, to the customer in order to make a meaningful comparison with the terms and conditions offered by other housing finance companies and take an informed decision.
- c. The Company shall disclose to the customer all information pertaining to:
- Fees/ charges payable for processing the loan application,
  - The amount of fees refundable if loan amount is not sanctioned / disbursed,
  - Pre-payment options and charges, if any;
  - Penalty for delayed repayment, if any;
  - Conversion charges for switching loan from fixed to floating rates or vice-versa
  - 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.

- d. Standard schedule of fee/ charges relating to the loan application will be made available to all the prospective customers in a transparent manner.
- e. An acknowledgment for receipt of complete and duly filled application form alongwith the requisite documents shall be provided to the customers, which may include the time – frame within which the loan application will be disposed of by the Company.
- f. However, the Company shall ensure that all loan applications are disposed of within a period of 4 weeks from the date of receipt of duly completed loan applications i.e. with all the requisite information/papers.

### **3.2 Loan Appraisal and its terms/conditions**

- a. All the necessary information/documents will be collected at the time of loan application, however, the customers will be informed that he/she will be contacted immediately, if any additional information or discussion is required, for processing of the loan application;
- b. In accordance with the Company’s prescribed risk based assessment procedures, each loan application will be assessed independently on merit, upon scrutiny of all the information/documents required for verifying the title of the property, identity of the person, the security to be offered, including guarantees.

- c. The sanction of credit limit along with the terms and conditions including the annualized rate of interest, method of application, EMI structure etc. will be conveyed to the customer in writing and customer's acceptance of such terms and conditions will be obtained in writing.
- d. A copy of the Loan agreement along with a copy of each enclosure's quoted in the loan agreement will be furnished to the customer at the time of the sanction/disbursement of loans.

### **3.3 Rejection of Loan Application**

- a. In case of rejection of the loan application, the Company shall communicate to the applicant the reason(s) for rejection in writing.

### **3.4 Loan Disbursement**

- a. Disbursement of loan sanctioned is to be made immediately on complete compliance of the terms and conditions including execution of loan agreement governing such sanction and should be made in accordance with the disbursement schedule mentioned in the loan agreement/sanction letter.
- b. Customers would be informed in case of any change in the terms and conditions, including interest rate and service charges, disbursement schedule, prepayment charges, if any, other applicable fees or charges, etc. either by way of personal intimation, email, notice on the Branch office etc. The Company will ensure that all changes in the interest rates and service charges will be effected prospectively.

Consequent upon such changes, the customers will be informed if any supplemental deed, document or writing is required to be executed.

- c. If any 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 interest.
- d. Before taking a decision to recall / Accelerate Payment or performance under the Agreement or seeking Additional Securities, the Company shall give Notice to Borrowers in consonance with the Loan Agreement.

### **3.5 Repayment of Loan amount**

- a. The Company shall release the securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim that the Company may have against borrower. If such right of set off is to be exercised, the borrower shall be given a notice about the same with full particulars about the remaining claims and

the conditions under which the Company is entitled to retain the securities till the relevant claim is settled /paid.

#### **4. Guarantors**

When a person considers to be a Guarantor for a Loan availed from the Company, he / she shall be informed about:

- a. Letter/ Deed of Guarantee stating the terms of his / her liability as a Guarantor;
- b. The amount of Liability he / she will be committing to the Company.
- c. Circumstances in which the Company will call him / her to pay up his / her Liability.
- d. Whether the Company will have recourse to his / her other monies in the Company if he / she fails to pay up as a Guarantor.
- e. Whether his / her Liabilities as a Guarantor are limited to a specific quantum or are they unlimited.
- f. The time and circumstances in which his / her Liabilities as a Guarantor will be discharged as also the manner in which the Company will notify him / her about this.
- g. Any material adverse change/s in the Financial Position of the customer (borrower) to whom he / she stands as a Guarantor.

#### **5. Privacy and Confidentiality**

The Company shall treat all the personal information of the customers (including the Customers whose loan accounts are closed) as private & confidential and shall be guided by the following principles and policies. The Company shall inform the customers the extent of his / her rights under the existing legal framework for accessing the personal records that the Company holds about him /her and shall not reveal information or data relating to their accounts to anyone, including group companies/ entities in the group, other than in the following exceptional cases :

- If the information is to be given by law;
- If there is a duty towards the public to reveal the information;
- If the Company's interest requires it to give the information (for example, to prevent fraud) but the same will not be used by the Company as a reason for giving the information about the customer or customer's accounts to anyone else, including other Companies in the group, for marketing purposes;
- If the customer asks the Company to reveal the information, or with his / her permission by way of acceptance to the terms and conditions of the loan agreement or otherwise, to provide such information to the group companies where the Company has tie-up arrangements for providing other financial service products;
- If any Court / regulatory/enforcement authorities so direct or require under any law/act.
- The Company will not use customer's personal information for marketing purposes unless the customer has specifically authorized the Company to do so.

#### **6. Credit Reference Agencies**

At the time of opening a new account, the Company will pass the customer's account details to credit reference agencies and may undertake other checks, as may be required, in this regard.

The Company may provide information to credit reference agencies about the personal debts, the customer owes to the Company if:

- a. He/she have fallen behind with the payments
- b. The amount owed is not in dispute; and
- c. He /she have not made satisfactory proposal for repaying the debt, following the Company's formal demand.

In these cases, the Company shall intimate the customer in writing its plan to give information about the debts he/she owes to the 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 their ability to get credit.

Other information about the customer's account may be given by the Company to the credit reference agencies, if he/she has given the consent 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.

## **7. Collections and Recovery**

- a. The Company will ensure to explain it's the customer(s) at the time of giving loan, 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.
- b. ASHFL staff or any person authorized to represent the company in collection of dues or/and security repossession shall identify himself / herself and display the authority letter issued by the ASHFL and upon request, display his/her identity card issued by the ASHFL or under authority of the ASHFL. The company shall provide the customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of such dues.
- c. The employees/authorized representative of the Company in the process of collection or / and security repossession should follow the below guidelines :
  - 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 Company 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. Complaints and Grievances**

- a. The Company has in place proper systems and procedure for receiving, registering and disposing of complaints and grievances of its customers.
- b. The customer may write or call the Branch Operations Manager of the business location where he / she has his / her account clearly stating the nature of grievance along with necessary documents, if any, and the customer will be provided a Complaint Reference Number.
- c. Complaints received in writing from a customer shall be acknowledged / responded within a week. The acknowledgement will contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at Company'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

After examining the matter, we shall send the customer the Final Response or explain why it needs more time to respond and shall endeavor to do so within 7 working days.

The customers may also write/approach to the Central Customer Care

Team. By Letter:



**ASHFL Customer Care**  
**4-5 Subcity Centre, 2<sup>nd</sup> Floor, Savina Circle,**  
**Udaipur – 313002 By e-mail –**  
**akmestarahousing@yahoo.com**  
**Customer Care No. : 0294-2489501-03**

It is advised to the customers to provide Loan details and the details of the matter in brief for quick redressal.

Incase the response is unsatisfactory the customers may approach the Customer Redressal Officer. The details are as under:

**Mr. Ashish Jain – M.D.**  
**4-5 Subcity Centre, 2<sup>nd</sup> Floor, Savina Circle,**  
**Udaipur – 313002 .**  
**Tel No.: 9929962723**  
**Email: ashishjain1811@gmail.com**

In case the customer does not get the response in reasonable time or is not satisfied with the reply of the company he/she may approach the Complaint Redressal Cell of National Housing Bank by lodging its complaint in online mode at the link <https://grids.nhbonline.org.in> Or in offline mode by post in prescribed format available at the given link at the following address.

**National Housing Bank**  
**Department of Regulation and Supervision (Complaint Redressal Cell)**  
**4th Floor, Core 5-A, India Habitat Centre, Lodhi Road, New Delhi – 110003.**

## **9. Other general provisions**

- a. The Company would refrain from interference in the affairs of the borrower except for what is provided in the terms and conditions of loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the ASHFL as lender). However this does not affect the Company's right of recovery and enforcement of security under Law.
- b. The Company shall ensure that there is no discrimination in extending its products, services, facilities.etc. including loan facilities to the visually impaired person / physically challenged person on the grounds of any such disability. Further, it shall ensure to render all the possible assistance to the visually impaired person (s) for availing various products/services offered by the Company.
- c. The Company will not discriminate on the other grounds such as race, gender, caste or religion in its lending policy and activity. However, this does not preclude the Company from instituting or participating in the schemes framed for different sections of the society.

- d. The Company will resort to the usual measures as per laid down guidelines and extant provisions and would operate within the legal framework.
- e. In case of request for transfer of customer's account, either from the customer or from a Bank/Financial Institution, the Company's consent or otherwise shall be conveyed within 21 days from the date of receipt of request.
- f. The Company shall provide an advice what information/documentation is 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.
- g. 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.
- h. 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.
- i. 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.
- j. The Company shall display at its branches/offices, various key aspects relating to the Company's products and services in bilingual language in Hindi speaking states and trilingual language in other states, as required by NHB.

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