



AKME FINTRADE (I) LTD.

LOAN AND ADVANCES POLICY

This policy document on loans and advances outlines the guiding principles in respect of formulation of various products offered by the AFIL and terms and conditions governing the conduct of the account. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

Company Profile and Asset Financing Activities

Our Company Akme Fintrade (I) Ltd. is a leading Deposit taking Non Banking Financial Company of Rajasthan registered with RBI under Sec 45IC of RBI Act 1934 in the FY1999 as an “ASSET FINANCE COMPANY” The company whose seeds were planted to cater the needs of rural people, labour class, farmers etc has now grown into a remarkable brand in Rajasthan. The company is among the only one of the 3 such companies in the state of Rajasthan permitted by RBI to accept Public Deposits. It is one of the most trusted and respected company as it has a large database for finance and public deposits.

Asset Finance

As our company is registered with RBI as an “ASSET FINANCE COMPANY” we can extend loans for any kind of asset like two wheeler, four wheeler, earth movers, heavy machineries, house hold articles, general purpose machineries etc either by way of pledge, mortgage, hypothecation or charge etc

Personal Loan

Our company’s main object is to asset finance but in rare cases at the company’s directors own discretion provides personal loan also looking to the credit worthiness of customer, urgent need and his/her long association with the company on a very selective basis. As with respect to personal loan risk is high Thus, it is decided to fund such loans and advances at interest rate between 15% to 20% p. a. to be charged on flat rate basis for the entire tenure.

Know Your Customer (‘KYC’) and Anti-Money Laundering (‘AML’) Policy

AFIL has formulated its KYC and AML policy and accordingly the same is follow during the disbursements of the loans and advances. All documents like identity proof, address proof, etc are to be collected from borrowers and guarantors of loans and advances in accordance with the said policy.



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Selection of Customer

We are in the field of finance for more than 20 years and having a large quantum of customer base spread over all the ten districts of Udaipur Division. We are well versed with the topography, geographical boundaries as well habit and habitat of this area and hence through our staff network we get business & this makes selection of prospective customers easy.

The following aspects are given attention for selection of a prospective customer:

1. His/her social, family, religious, political background and genuineness of requirement.
2. His /her source of income &repaying capacity.
3. His/ her track record of taking loans from Banks, finance institutes and adherence to repayment schedule.
4. His/her confidential report through our source.
5. Age of the customer should not be more than sixty years so as to ensure the repayment schedule to be fixed keeping in view the average age criteria of the geographical region.

Selection of a right customer is the most important aspect of any financial activity hence all prudent safe guards are to be adopted.

Restrictions on Funding

There are no specific restrictions on the funding of loans and advances with regard to the customer profile, area/address/type of the borrower or guarantor, etc. But general prudence is to be observed during the field investigation and enquiry about the customer. AFIL shall insist on, but not stick to, lower funding and lower repayment tenure for loans and advances.

Interest Rates and Loan Tenure

The management understands that considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. Thus, it is decided to fund the loans and advances between 9% to 18% p. a. to be charged on flat rate basis for the entire tenure. Further, at their own sole discretion, Directors and CEO can approve the interest rate for any loan/advance outside the range above.



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The minimum tenure of loan will be six month and maximum tenure will be up to two years depending upon the quantum of loan and the repayment capacity of the borrower.

Processing Loan Application

1. Provide the person with a printed list of papers to be submitted by him pertaining to himself, co borrower and guarantors.
2. Companies official or an executive must do spot verification & submit his report in this regard for further consideration.
3. If proposal is cleared for sanction up to this stage the application form is filled in.
4. The original Documents of asset is to be verified by the Company.
5. The credentials of guarantor are also examined to find out the facts.
6. All paper formalities are completed in presence of borrower and his guarantor, also their signatures are obtained in presence of company's representative.
7. The matters like repayment of loan, its tenure, rate of interest etc. should be discussed with the borrower so as to fix the repayment schedule and EMI in accordance with his/her income and capacity to pay.

Sanction and LTV

After completing all above formalities the file must be put before appropriate sanctioning authority i.e. Board of Directors or any representative of the Company for approval and sanctions along with the feasibility report and recommendations from the department concerned.

The LTV (Loan-to-Value) ratio is defined as the ratio of a possible loan amount against the value of asset. It is a key indicator up to which the company can financed the vehicle/asset.

The limit of LTV up to which the asset is financed is 80%

Creation of Hypothecation on Vehicle

After the complying the all formalities hypothecation has to be created on vehicle/Asset in the name of Company with the RTO department.

Disbursement

After the sanction of Loan company disbursed loan to customer or dealer of the Vehicle as per sanction agreement.



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Other Charges and Rebates

Other charges like stamping, franking, legal suit filing etc. on Actual Basis

The Penal Interest related to unpaid installment is to be charged as notional Interest just to build up pressure on the borrower to remain regular in repayment of its installment and the same is not to be included as policy in overdue amount and is to be settled at the time of finalization of account.

Further, at their sole discretion, the management of AFIL can reduce or waive all or any of the charges so applied considering the best interest of the customer.

Furthermore, the management has all powers to even give rebate of interest to the valuable customers at their best judgement.

CIBIL

Going forward, AFIL shall obtain the membership of Credit Information Bureau of India Limited ('CIBIL') and further shall implement changes in the system accordingly so as to submit data to CIBIL on regular intervals. This would help AFIL to share the financial details of irregular customers with other financial institutions who are also member of CIBIL.

Though the membership will also help AFIL to download credit reports after complete installation of software for the future customers, AFIL shall not reject any customers merely because of negative credit report or credit profile received from CIBIL.

Overriding Powers of Directors and CEO

AFIL has been operating in very close vigilance and supervision of its higher management consisting of its Directors and CEO. Thus, Directors and CEO are given overriding powers to approve or disapprove, add or modify any of the provisions of this policy to the best interest of the Company.

Grievances and Complaints

All customers – borrowers or guarantors, current or past, can and should contact AFIL for any grievances or complains (including complains against any policy, employee or representative, etc.) by following means:

1. Write a mail to akmefintrade@yahoo.co.in
2. Write a letter to out Registered Office at



AKME FINTRADE (I) LTD.

Akme Fintrade (I) Limited
4-5, Subcity Center,
Savina Circle
Udaipur (Raj) -313002

3. Reach at any of our office/collection point and write in complains / suggestions book of the Branch.
4. Call us at +0294 2489501-502

For Akme Fintrade (India) Limited

Nirmal Kumar Jain
Managing Director
DIN 00240441