



COUNCIL FOR
FAIR BUSINESS PRACTICES

CFBP TIMES

NOVEMBER - DECEMBER, 2018

OUR MISSION

"We shall promote the highest ethical practices, by business and professionals, in order to provide complete satisfaction to consumers and other stakeholders."



L-R : Mr. Vineet Bhatnagar, Mr. Shekhar Bajaj,
IPP Ms. Kalpana Munshi,
President Mr. Swapnil S. Kothari,
Mr. Niranjan Jhunjhunwala, Ms. Swarn Kohli
and Mr. Anand Patwardhan

New President Mr. Swapnil S. Kothari taking charge from IPP Ms. Kalpana Munshi at the Executive Committee Meeting.





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VIKESH WALLIA



SUSHIL MORE

HEARTFELT FROM THE PRESIDENT

As the year draws to a close, having taken on the mantle of this illustrious organization, I must say that I have a rich legacy behind me – a legacy of fifty-two years imbued with vision, execution and achievement. CFBP has made great progress in the past few years, and we shall endeavour to do so still further. Close to our heart is the advancement of “consumer awareness”, which we want, should reach every possible nook and cranny of this great democracy.

We started the year with a seminar on a topic that concerns us all – both as individuals and as spectators – Aadhaar Security. Two eminent speakers addressed us on “What Aadhaar means for us – An Analysis” and enlightened us on many aspects, which hitherto had been unknown to us. Simplification of a complex topic is what we at CFBP attempt to do – be it through our seminars or articles or any other form of dissemination. We understand that Health, Education and Women’s Rights are key areas where impactful strides have to be made – we shall leave no stone unturned on that. Our next seminar shall be on Education. Experts on the subject have brought to our notice that the examination system either needs an overhaul or should be done away with. Also, the school-bags nowadays are so heavy that children are often likened to beasts of burden!

One of the things that people look forward to in the New Year is the Budget. All of us as citizens expect that we are able to both spend and save a little more than we did last year. Hopefully, the Budget shall allow us one of the luxuries if not both. CFBP hopes to have a classroom session where we may just invite only one speaker who shall teach us the finer aspects of it when the Budget comes out.

Health has been one of the major concerns of today. With internet and digitization connecting us like never before and that too with breakneck speed, has resulted in many urban diseases like anxiety, depression and other neurological disorders besides, of course, diabetes and blood pressure. We intend to bring the top practitioners, and possibly, hold a Debate educating the people on the do’s and don’ts in a fast-paced world!

Women’s rights have been significantly blurred and one-half of our population still goes abegging for basic dignity in some form or the other. Of what use is the slogan, “Jago Grahak



SWAPNIL S. KOTHARI
PRESIDENT



IPP conferring the trophy of “Welcome to the new President” at the Film Festival

Jago”, if most of us remain in perennial slumber even after rape screams, molestation shrieks and promotion hiccups. The #MeToo movement has gained currency across the globe and has now taken centre-stage in India – thanks to the courageous women who came out and revealed their bruises and the media, who heard them patiently and gave them a platform to ventilate their grievances. I have personally ensured that there are a significant number of women on my team and intend to bridge the gap further as we go along. Equality begins at home!

I learnt long ago that “a journey of thousand miles begins with a single step” – we took that step fifty-two years ago and have steadily galloped a few hundred miles! I have many more things in the pipeline to carry forward the vision of our torchbearers. I have had the privilege to cherry-pick with pride my team both on the Executive Committee and the Advisory Board. I have the assistance of my Executive Committee and the wisdom of my Advisory Board. But I need your support and best wishes along the way. I wish you all a very Happy and a Prosperous 2019!

What Aadhaar means for us

CFBP had an evening talk on “What Aadhaar means for you – An analysis” on 07 December 2018 at IMC between 6 pm and 7.30 pm. The speakers were Dr Rakesh Goyal, PhD in Cyber Security and MD of Sysman Computers and Mr. Ritesh Bhatia, Founder Director of V4Web CyberSecurity.

Following is the synopsis of the talk by Dr. Rakesh Goyal:-

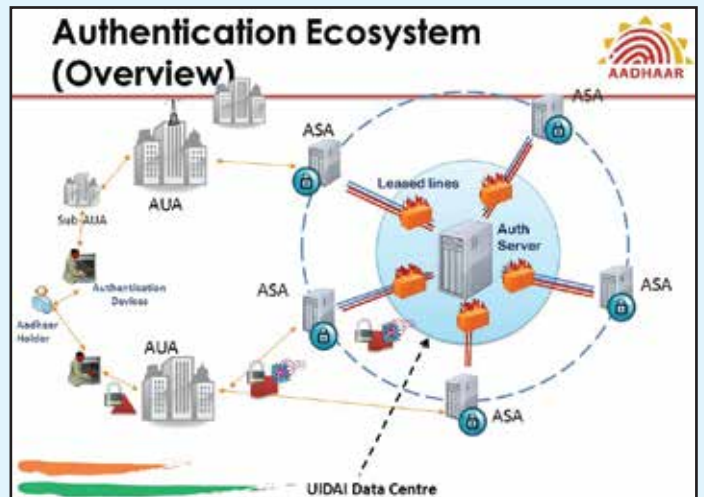
Aadhaar eco-system - Dr. Rakesh Goyal started by explaining about Aadhaar eco-system. In Aadhaar eco-system, each resident of India is assigned a 12 digit number, called Aadhaar number, with his/her/it’s biometric and other demographic data attached to this number. Aadhaar eco-system have three components – (a) Enrolment; (b) Storage of Aadhaar number, demographic data (Name, address, gender, date of birth, mobile phone number, email address and photo) and biometric data in CIDR – Central Identity Data Repository of UIDAI and (c) Authentication. In enrolment, the Indian residents are required to enroll into Aadhaar eco-system by providing their demographic data, photo and biometric of all 8 fingers and thumb of hand and iris of both eyes, whatever available. This should be done with due and proper KYC. After successful enrolment, the data is stored in UIDAI CIDR. In authentication, the resident is authenticated for delivery of various services either (a) using Aadhaar number with biometric Or (b) Aadhaar number with OTP on registered mobile device. Residents can be authenticated using Aadhaar number with biometric and/or OTP and that authentication becomes KYC compliance. Based on this KYC, defined services can be provided.

Aadhaar Act - The Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 or popularly known as Aadhaar Act provided legal framework for Aadhaar eco-system. It was passed as Finance Bill in Lok Sabha as it was projected that subsidies and benefits will be debited to consolidated fund of India. In this Act, Section 57 allowed private and corporate entities to use Aadhaar for authentication for various other services such as eKYC for banking or telecom or insurance or financial services or education, etc. The Act was challenged in Supreme Court and in September 2018, the Supreme Court declared the constitutional validity of Aadhaar to a limited extent but struck down section 57 as unconstitutional and null and void. With this,

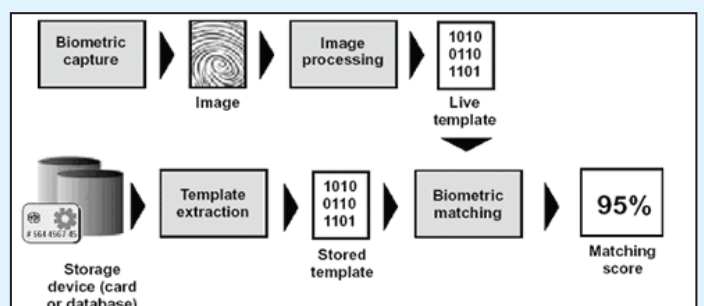
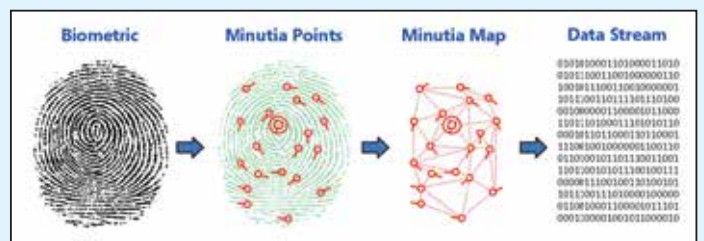
eKYC using Aadhaar by other and private companies becomes illegal and ceases to exist. Currently, Aadhaar authentication is valid for any service delivered for subsidies and benefits along with Income Tax purposes.

Another highlight of Aadhaar Act is that the act defined storage of Aadhaar number and biometric by anyone other than UIDAI, as criminal offence.

How Aadhaar eco-system works – Dr. Goyal explained the working of Aadhaar authentication eco-system with the help of image as below



He also explained – the process of biometric capture, conversion in digital format and storage; and also the process of comparing biometric for authentication with images as below



1. Your data is at risk – It is possible to compromise your data available along with Aadhaar number



Mr. Niranjan Jhunjhunwalal, Ms. Shelly Gupta, Mr. Ritesh Bhatia, President Mr. Swapnil S. Kothari & Dr. Rakesh Goyal

Risks in Aadhaar authentication process :

Dr. Goyal explained in detail with images, various risks to Aadhaar holders, in Aadhaar eco-system especially in authentication and enrolment. The details of these risks were submitted by him, in an affidavit filed by him, before Supreme Court in Writ Petition (Civil) No.494 of 2012 (Justice K.S. Puttaswamy (Retd.) & Another Versus Union of India & Others).

These risks are as below :

1. Biometric data stealing from fingerprinting device
2. Biometric data stealing from Iris scanner device
3. Biometric data stealing from PC/Laptop
4. Storage of biometric data in temporary storage by AUA
5. Illegal modification in application
6. Biometric data theft due to not up-to-date technology and patching

He explained these risks in detail and also explained similar risks in enrolment process. He also explained - how UIDAI asked enrolment agencies to delete the already stored biometric data after enactment of Aadhaar Act but biometric data may still be available in various backups.

Implications - He then explained the implication of these risks to Aadhaar holders. These are

2. Your identity is at risk – It is possible to compromise your biometric. In that case, your identity is at risk.
3. Biometric is not substitutable – If your password, etc is compromised, it can be substituted. But, biometric is not substitutable and once compromised, you are victim forever.
4. If I have your biometric, I am YOU for all legal and logical purposes – If someone has your biometric and use it, that person can impersonate you. For all legal and logical purposes, that person will be you.
5. OTP is authentication of mobile, not human. What if mobile is compromised, which is quite possible given current technology?



Mr. Swapnil S. Kothari & Dr. Rakesh Goyal

Ritesh Bhatia's summary

Aadhaar may have been declared as one of the most successful projects by the Government of India. However, the programme also has its own sets of problems which has led to exclusion, thefts and in few cases, deaths.

Unique Identification Authority of India (UIDAI) issues the 12 digit Aadhaar number. This number is seen on the bottom of the card printed on a glossy paper. The card also carries the applicants photograph, name, date of birth and address. This identity card looking like document can also be downloaded from the UIDAI's website. Once downloaded, any person having basic knowledge of photo editing can replace the actual persons photograph with someone else's. This is known as Identity Theft which can lead to various crimes and misuse. For example, one can travel on someone else's train or airplane ticket as long as his age is similar.

Although UIDAI has time and again informed citizens that biometrics are safe, last year six employees of a large telecom service provider were arrested for the fraudulent use of fingerprints to activate and sell SIM cards. This is just one of the many ways Aadhaar has been misused.

Last mile connectivity has led to many people not getting their rations. There have been several instances where villagers have walked miles and they have been asked to go back because of lack of connectivity.

In hundreds of cases, the biometrics of people

weren't recognised due to which these citizens could not get their dues.

One should also not forget the identity documents given at the time of enrollment. Many people gave fake documents and got an Aadhaar number. So while the biometrics might be theirs, the address is not. Hence companies that provide loans need to be very vigilant.

The government definitely needs to resolve the above issues at the earliest to enable 100% inclusion of those for whom the programme was created.

Post the supreme court verdict, Aadhaar is now mandatory for linking with it with Pan Cards, for filing IT Returns and for availing government schemes.

It is no longer mandatory for getting a new sim card or opening of a new bank account, for linking your current sim card and bank account, school admissions and entrance exams. In fact please keep in mind that no private organisation can now ask for your Aadhaar Card. But you can voluntarily provide it to avail any service. It is safe to use it as an identity proof at airports and railway stations. However it is not advisable to give at hotels during check ins because of identity theft.



Ms. Shelly Gupta, Mr. Ritesh Bhatia, President Mr. Swarnil S. Kothari & Dr. Rakesh Goyal

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*Includes the clients and assets of PhillipCapital group worldwide

One out of every three malnourished child in the world is an Indian (UNICEF 2012) and has high rates of women suffering from anaemia (WHO 2008). 70% of the population lives in Rural India where development is sorely lagging.

Gramothan (Rural uplifting) is a response to this crisis. To meet the challenges of malnourishment and anaemia, our full time 7000 + Volunteers travel to remote Rural and Tribal communities across India, and work closely with Tribal communities across India, We work in 78,000 + Tribal Villages, on all India Level, to empower them towards a Healthier, Prosperous and Progressive Life. We are helping them become aware of their rights and providing access to education and techniques for sustainable development to help them become economically Independent.

We educate the villagers to adopt Eco-Friendly life, train Farmers on Organic Farming and high value crops, husbandry and promoting agro based local entrepreneurship. The training to farmers is imparted for organic farming through production and use of vermin compost and organic pesticides, commercial crops, tools for packaging marketing and water conservation etc.

Creating a sustainable agricultural development path means improving the quality of life in rural area, ensuring enough food and generating sufficient income for the farmers.

Such initiatives have significant potential to reduce poverty and promoting economic growth.

Farmers' involvement is the key to sustainable agriculture. Given the right incentives and government support, farm Tribal families can and are making significant progress towards managing their land and water sustainability.

Villagers can produce organic manure as well as organic pest repellents through locally available materials.

We also help the tribal villagers to set up market linkage so that they can sell their organic products in the market, at the right rate.

Over the years, such initiatives have helped the



ASHOK BHANSALI
Jt. Secretary Friends of Tribals Society

farmers to become self-reliant and earn livelihood in vicinity of their villages, avoiding urban migration. Through our NGO 'FRIENDS OF TRIBALS SOCIETY', we have addressed this issue under our Gramothan initiative.

Mr. ASHOK BHANSALI

Jt. Secretary Friends of Tribals Society,
Cell:098200 45480

"Realise one's True Self and Serve Others Selflessly"

'HOME DELIVERY IS MY BIRTHRIGHT'

Indians love to be served at home, like rajas and ranis

Slowly, silently but strongly, the segment of 'home delivery' is growing by leaps and bounds in India. Indians are royal people and influenced by thousands of years of culture and legacy, they like to be served at home – like rajas and ranis.

'Home delivery is my birthright'! That is what every Indian feels and expects. Whether it be early morning or evening or night, we want, we desire and we expect 'home delivery', of product brands and service brands. Any brand which does not have the 'home delivery feature', is missing out a huge amount of sales and revenue and customer satisfaction.

Across categories of products and services, 'home delivery' is regarded as the birthright of every Indian. Whether it be in major cities or Class I towns, or smaller towns or villages, 'home delivery', Indian consumers feel, is just and a must.

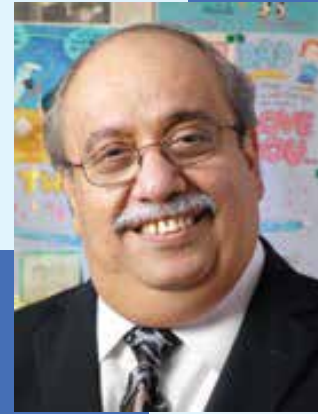
Let us begin with the morning. For years together, newspapers and milk go through the route of 'home delivery'. It is expected. It is delivered. Can you imagine your day beginning, with a newspaper and milk not being delivered to your doorstep? Day after day, year after year, newspapers and milk are delivered to your home, diligently. This helps start the day well, with cup of tea or coffee and reading of the newspaper – whether it be in English or any other Indian language. Just like charity begins at home, the 'home delivery' system begins at home and, that too, early in the morning.

There are many services we take for granted. Like the postman who delivers mail at home or the courier with his technological devices delivering important packages at home.

Why is respecting this consumer behaviour so important? Why is 'home delivery' a major marketing strategy element? Well, there could be many reasons. One of them probably is that we Indians are obsessed with the royal heritage of being served at home like Rajas and Ranis, like kings and Queens.

The second reason could be that we are lazy. At every stage, we want convenience and why not? Thirdly, technology is now a growing enabler, helping out companies with the support of logistics and manpower, to reach your desired product brand or services brand home.

The 'home delivery' revolution is at our doorstep! During the course of the day, there



JAGDEEP KAPOOR
Chairman & Managing Director
Samsika Marketing Consultants Pvt. Ltd.

could be a grocery delivery from 'Big Basket' or even from the neighbourhood kirana. Along the way, all through the day, there could be a pharma delivery from 'Netmeds' or 'Pharmeasy', or the wonderful neighbourhood chemist, or the day and night 'Wellness Forever' chemist chain. If we need furniture, there could be delivery from 'Pepperfry' and 'Urban ladder', delivered at home. If we need electronics, there is 'Croma' with a 'home delivery feature'. In terms of service, if we need a blood test done, hospitals like 'Hiranandani' will send their team home, without having the patients visit the hospital, which helps creating an easy and relaxed method, in the comfort of your home.

Then, of course, there is the huge 'Amazon' and 'Flipkart' revolution delivering brands at home, based on the consumer's needs, wants and desires. If you would like to order dinner or eats, then the highly successful 'Swiggy' and 'Zomato' help out. Individual restaurants also deliver home. And, if it is groceries, there is 'D'mart' or 'Godrej Nature's Basket'. Even if it is a bulb or a tube light from the neighbourhood electrical store, 'home delivery' is expected, and in many cases delivered.

In some cases, there is a minimum order value requirement which, to my mind, is silly. Why miss out a chance to penetrate the household, even if it is a small order? In fact, big chains need to learn that today's small order could be tomorrow's big order, and day after tomorrow's regular order, allowing the consumer to invite you to his home and get served. In fact,

neighbourhood stores have much to teach the big modern trade chains, because they deliver even a loaf of bread. This is because penetrating a household is a great opportunity and building relationships with the consumer is a bigger opportunity.

I may have missed out many categories or brands, but the 'home delivery' revolution is permeating and spreading like wildfire. Marketers must not miss this wave, which is taking the shape of a longterm consumer behaviour trend.

There are many product categories where people may hesitate to provide 'home delivery'. This does not have to be the case. Even a product category like 'ice-cream' can be delivered at home with the right type of packaging and consumed at the right temperature. 'Natural ice-cream,' is a great example of providing a 'home delivery' service.

In the case of services, 'home delivery', has been in practice for many years. Home tuitions are an example. The proportion of 'home delivery' sales to sales in store has been increasing. If there are companies or marketers who miss out the home delivery strategy, they need to consider this as a part of their marketing arsenal.

CITIZENS OF MAHARASHTRA CAN NOW INSPECT GOVERNMENT RECORDS UNDER RTI

Written By Press Trust Of India | Mumbai |
Published: December 04, 2018 07:35 IST

Residents of Maharashtra can now inspect government records in district-level offices and local bodies under the Right to Information (RTI) Act for two hours every Monday. A government resolution (GR) to this effect was issued by the General Administration Department (GAD) last week.

The move is aimed at increasing transparency and to cut down the number of RTI applications and appeals in the government offices. The GR would not be applicable to Mantralaya, the state secretariat.

"This provision to allow inspection of records will not only ensure transparency, but it will also reduce the number of first and second appeals filed under the Right to Information (RTI) Act," stated the GR dated November 26.

It referred to a similar initiative launched earlier by the Pune Municipal Corporation (PMC).

"Residents can inspect government records in district level offices and local bodies such as municipal corporations and councils between 3 pm to 5 pm every Monday. In case of a public holiday on Monday, the inspection will be allowed on the next working day," it stated.

When contacted, Chief Minister Devendra Fadnavis told PTI that the move was aimed at



Contributed by
NIRANJAN JHUNJHUNWALA
Secretary

ensuring transparency and reducing applications under the RTI Act. RTI activists have welcomed this initiative of the government.

"Citizens must use this facility extensively and consistently to ensure its implementation," former chief information commissioner (CIC) Shailesh Gandhi said. Mumbai-based activist Anil Galgali said "they were awaiting such a move".

"Success of this much-awaited initiative depends on its smooth implementation by the state," he said. Another activist Manoranjan Roy said, "the order should have applied to all departments of the government".

"Leaving out higher offices like the state secretariat would hardly serve its purpose," he argued.

HOME LOANS – MAKE AN INFORMED CHOICE

RAVI SUBRAMANIAN

(Managing Director and CEO)

(Shriram Housing Finance Limited),

(Author and Advisory Board Member)

Introduction

Real estate is normally the largest investment by an Indian household. With the growing urbanization and increase in the nuclear family concept, the inclination of buying one's own house is on a rising trend. A variety of benefits accompany the ownership of a property such as the benefit of appreciation in real estate prices, savings on rent paid and tax benefits on a home loan. With nationalized Banks, private sector Banks and 100+ HFC's operating in the market for providing home loans clubbed with the government subsidy schemes, decision to buy one's own dream home is not a distant reality for any individual.

Drawing up a household budget that will consider the expanded future income as well as higher expenses as your family grows is first step towards planning for the amount of EMI one can pay. If you have decided to buy, consolidate your finances and figure out how much money you can raise for the down-payment of the house known as margin money in loan parlance. In terms of an immediate financial requirement, you must be ready with the down-payment to the tune of around 20% of the cost of the house. In top metro cities in India, 5-6 years of savings are needed to fund the down-payment of an average property for a typical middle income group household. In Mumbai, this number goes up to 12 years of savings.

The first home is generally for the purpose of self-occupation, which allows the lenders in this sector to lend in higher proportions to the property cost, which further assists first time home buyers.

Factors to be considered

Factors that Home Buyers should usually consider are:

- i) Choice of buying an under-construction property or ready property. Ready property could be new property from a builder or an old property in resale. The under-construction property through a builder will attract GST, thereby increasing the cost of the property. This also would have an inherent risk of builder not completing the property on time as per the given schedule. Delays have ranged from 1-2 years to up to 5-6 years. This is why a large majority (66%) want to buy ready-to-move-in property and only 22% are willing to consider under-construction flats or pre-launch offers. The home buyer will have to pay interest known as PEML to the lender for the loan component disbursed to the builder as per the stage of construction. The EMI generally starts after the disbursement of the full loan amount. For property being purchased from builder, the documents of builder can be verified from RERA portal. Also the Banks generally approve the project of the builder, and hence the borrower has to worry less on the legality of the property / project. In case of resale transactions, the buyer should personally check the property ownership documents and ensure that they are in good condition and there is no loss of documents in the entire chain. If the seller is running a loan on this property, the same should be informed to your lender since some lenders do not fund such transactions or follow a different process for disbursement of the loan. The clear title of the property is a pre requisite for any home loan disbursement.
- ii) Choice of a lender
For availing a loan, the lender's name and reputation is equally important while making a decision to buy the property. For salaried individuals, the Bank where the salary account is operational could be the easiest choice. For self-employed segment, typically who have some issues on the income document front, there are lenders who sanction the loan on the basis of risk profiling. Few parameters to be considered while choosing a loan for first home purchase are listed below.

a) Rate of Interest affects your overall EMI and lower rates are preferred. The rates range between 8.8% to as high as 17% depending on your overall risk profile.



RAVI SUBRAMANIAN

b) Fixed Obligation to Income ratio is the income which an individual or household can typically spend towards the EMI of the loan, calculated by setting aside home expenses and other fixed monthly loan obligations. A ratio of 50% of your income towards the EMI payment is generally considered by most of the lenders.

c) Loan to Value (LTV) is the ratio of Loan amount funded by a lender to the total property cost. Maximum funding of 90% of your property cost is allowed for loan up to 30 Lakhs, 80% for loans above 30 Lakhs and up to 75 lakhs & 75% for loans above 75 lakhs. You should check with your lender on the LTV you will be eligible for and the components of property cost like amenities, society maintenance, legal charges etc. being included for loan amount. Accordingly you need to shell out this unfunded component from your pocket. The remaining part of the property purchase cost, which is not funded by the lender, has to be arranged by the buyer and is known as own contribution / margin money. The buyer should be aware that cash payments to the seller are not considered as valid payment by majority of lenders. The lender also independently values the property before arriving at the final loan amount.

iii) Credit-worthiness

It is mandatory for all the lenders to submit the performance of the loan a/c including credit card and non EMI based loans of all its borrowers to the Credit Bureaus. Before sanctioning you the loan, the lender will pull out your credit history. Any irregularity in your trade lines may lead to decline of your loan application or adversely impact your ROI / LTV etc. This may also restrict your choice of lenders.

iv) Time to disbursement

The time from the loan application to actual disbursement has to be as low as possible to avoid any hassles to make payment to the seller. The seller may also forfeit the amount you have paid to him if the timelines of the transaction are not honoured.

v) Additional Charges

Since home loan is a long tenure loan, it is worth looking at the charges like penal interest, bounce charges, prepayment penalty, foreclosure charges, account statement charges, documents retrieval charges, etc. any other fees that may get levied over a period of time. The processing fees charges and mortgage charges are also to be borne by the borrower. Clarity needs to be taken on the same from the lender. These charges can form a considerable chunk of your overall repayment costs.

vi) Government Subsidy Schemes to Lighten the Pocket

As a part of the "Housing for all by 2022" initiative by the Government of India, there has been a Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme implemented since June 2015. The beneficiaries eligible under this scheme are granted subsidy against the interest paid on the Home Loan availed for first home purchase. The subsidies for various income groups can be up to maximum limit of Rs. 2,67,280. This can considerably bring down the EMI, thereby, encouraging first time home buyers to go for better property choices.

Conclusion

Considering the long life cycle of the home loan product and the emotional quotient attached with the property buying decision, especially for the first home buyer, one should take an informed choice and not be taken in by false promises of the selling agent, sales person or the fine print in the loan documentation. Buying a home is one of the most significant decisions one makes in a lifetime – make it a pleasurable one.

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To market, to market, to build a big Brand ?



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