

LOAN POLICY

POLICY FOR "LOAN AGAINST GOLD JEWELLERY"

- **Product:** To provide loans to customers against gold jewellery as collateral security.
- **Nomenclature of the loan:** The loan is given as a demand loan.
- **Tenure of the loan:** All gold loans are sanctioned for a maximum tenor of 12 months unless otherwise specified under a particular scheme.
- **Eligible customer:** Any individual who is the lawful owner of the Gold jewellery offered as security as per the declaration of ownership submitted by him and fulfilling the KYC norms as per RBI guidelines.
- **Purposes:** The loan can be extended to anyone who is having short term fund requirements like working capital for establishment/ expansion of business activity or meeting personal liquidity requirements or domestic needs including medical expenses etc. Loans shall not be used for any speculative or illegal or unlawful purposes violating the laws of the Country.
- **Quantum of finance:** Quantum of finance will be decided on the basis of net weight of gold of 22 carat ornaments tendered as security, its purity and subject to RBI guidelines regarding loan to value.
- **Minimum amount per pledge:** Rs. 1000 (Rupees One Thousand only)
- **Quantum and purity of gold that can be pledged and deductions to be considered:** The minimum net weight of gold jewellery that can be considered for pledge is 1 gram. The ornaments shall be of minimum 22 carat purity. The weight of pearl, coral or any other stone or foreign material other than gold contained or forming part of the ornament irrespective of its value shall be deducted from the gross weight of the ornaments to arrive at the net weight for calculating the eligibility for the loan.
- **Interest and charges:** Interest and other charges to be levied shall be governed by the interest rate policy adopted by the Board. The Board or a committee empowered by the Board shall review the interest rates and other charges periodically and make necessary revisions as per the business requirements. Any revision in interest shall only be with prospective effect.

Interest and other charges to be levied on the loan shall be as per the schemes formulated and amended from time to time. The interest rates shall be decided based on gradation of risk, the underlying principle being higher the risk higher the interest, within the ceiling rate decided by the Board.

The interest shall be calculated for the actual number of days the loan remains outstanding, including the date of loan disbursement and the date of closure. However, if the borrower closes the loan within 7 days from the date of disbursement, then a minimum interest for 7 days shall be payable. If the amount of interest so calculated is less than Rs. 50/- then a minimum interest of Rs. 50/- will be

charged. A rebate in interest rate may be provided for encouraging timely repayment of interest or closure of the loan on or before the specified tenor as per the scheme.

A grace period up to 3 days on due date may be allowed in payment of dues at the discretion of the Company.

For the purpose of calculation of interest, a year will be reckoned as 360 days and a month as 30 days. Interest is calculated on 30 days compounding basis.

- **Penal charges:** In the event of failure on the part of the borrower to close the loan along with interest and other charges on the due date or within the grace period permitted, penal charges as decided by the Company from time to time and intimated to the borrower shall be charged over and above the regular interest prospectively.
- **Other charges:** In addition to interest, the Company may levy other charges as below. The rate at which such charges are to be levied shall be decided by the Board or a Committee empowered by the Board for fixing interest rates and other charges.

- 1.Security Charges
- 2.Processing charges
- 3.Service Charges
- 4.Documentation Charges
- 5.Notice Charges
- 6.Charges for lost tokens
- 7.SMS Charges
- 8.Auction expenses
- 9.Cheque re-issue charges
- 10. Any other charges as decided by the Board or the Committee empowered by the Board.

- **Documentation:**

1. Loan Application
2. Demand Promissory Note and take delivery letter.
3. Terms and Conditions Letter, which also includes declarations and undertakings by the borrower and acknowledged by him and any other documents that may be specified by the Company.
4. Consent to obtain Aadhaar details for authentication with UIDAI for “eKYC” purpose.

Any one or more of the following Documents specified by RBI as address/ ID proof for completing the KYC of the customer:

Identity Proof: Passport/ PAN/ Driving License/ Voter ID card/ Ration Card/ Aadhar Card or any other identity card issued by a government authority, PSU or nationalized bank, containing the photograph of the customer.

Address proof: If any of the documents taken as identity proof also contains the address of the borrower, no separate address proof is insisted upon. In other cases, the following documents can be taken towards address proof:

Ration card/ latest electricity/ landline telephone bills/ bank passbook/ bank/ Aadhaar Card or any

other documents issued by a government authority, PSU or nationalized bank, containing the address of the customer.

- **Jewellery Handling:**

1. Gross weight of the jewellery to be taken and appraised for assessing the purity. Purity Check shall be conducted as per the various methods prescribed by the Company to make sure that the jewellery offered for pledge is of an acceptable level of purity.
2. Net weight of the jewellery to be arrived at after deducting the weight of stones embedded in the ornament. Appraiser to sign the appraisal form as proof of having done the appraisal.
3. Jewellery to be packed securely along with the weight slip and kept in the strong room/ safe.
4. Separate packets to be prepared for each loan.

- **Ownership of gold:** Before disbursement of the loan, branch executives should enquire with the customers about the ownership of the jewellery being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the borrower and his capacity to own that much quantity of gold. In addition to the above, customers are also required to sign a Declaration of ownership of jewellery offered as security for the loan.

In cases where the weight of the gold jewellery pledged by a borrower at any time or cumulatively on various loans outstanding is more than 20 grams, the declaration should also contain an explanation specifically as to how the ownership was vested with the customer (For e.g. Inherited, received as gift, purchased etc.).

- **Issuance of Certificate of Purity:** A certificate of purity of the gold jewellery pledged as security for the loan will be incorporated in the Sanction Letter given to the borrower for the limited purpose of determining the maximum permissible loan and arriving at the reserve price for auction.

Only gold jewellery of 22 carat will be accepted as security for the loan. However, in case the purity of the jewellery is found to be less than 22 carat, an option can be exercised by the Company to translate the collateral into 22 carat and state the exact grams of the security accordingly.

- **Loan to Value:** The ceiling rate for granting the loan will conform to the guidelines issued by RBI from time to time as also the rate per gram under each scheme shall be updated in the CBS and advised to Branches periodically.

Change in rate of interest and schemes will also be updated in the CBS and intimated to branches periodically from Corporate Office.

- **Safety Measures:** Utmost care is to be taken to ensure the safety of the ornaments pledged by the customer. With this in view the following arrangements shall be in place in all the Branches.

1. Strong rooms or FBR safes.
2. Armed guard(s)/ watchman at vulnerable Branches as decided by the Company.
3. Burglar alarms, Closed Circuit Cameras and such other devices as deemed necessary shall be installed in vulnerable Branches.

4. Insurance cover against burglary/ fire/ natural calamities or such other risks the Company may decide to insure against.
 5. The adequacy of the safety measures put in place as also the insurance cover shall be reviewed on an ongoing basis.
- Items not to be considered for accepting as security for the loan:
 1. Melted bar/ Primary Gold
 2. Jewellery of a temple/ church or any religious institutions.
 3. Item specified by the Company in the negative list updated from time to time.
 4. Items where the borrower is unable to give a proof or declaration of ownership.
 5. Items which are not permitted to be taken as security by RBI
 - **Release of Jewellery:** Jewellery shall be released to the same customer on receipt of full dues including the principal, interest, penal interest and other charges, if any. Release, whether partial or in full can be done only after verification of signature, original KYC documents & customer copy of the original pawn ticket (Token). If the token is lost indemnity in stamp paper of required value to be obtained before release of jewellery. In case the customer is deceased, the ornament will be delivered to the legal heirs as per the procedure stipulated by the Company for settlement of Deceased Loan accounts.
 - **Fraud Prevention:** All kinds of fraudulent activities or attempt to defraud, whether it is by the employees or outsiders, must be brought to the knowledge of the Management as soon as it is detected for proper action as per company guidelines.
 - Attempt by any suspicious customer trying to pledge stolen/ spurious jewellery should immediately be reported to the Chief Vigilance Officer at Head Office and to the local police.
 - **Inspection:** All Branches will be periodically inspected and audited by internal audit staff at intervals specified by the Company. The audit Department will, at random, verify the quantity and purity of gold ornaments accepted by Branches for pledge. They will also audit various accounting procedures followed at Branches and ensure that the circular instructions issued by the Company from time to time are strictly being adhered to.
 - **Auction:** If the loan account is not closed on completion of tenure and even after sending reminders through SMS, notices/ Registered notices at frequencies stipulated by the Company as mentioned below, the ornaments will be auctioned.

Notice Date	Letter Type	Purpose of Notice	Mode of Dispatch
366th days	First Auction Letter	To intimate the customers that a further period of 15 (fifteen) days will be provided to clear all the outstanding dues as on date to avoid auction sale and if not, auction	Speed Post

		proceedings will be started from the end of the 15th day from the letter date	
381th days	Final Auction Letter	To intimate the customers that he failed to repay his outstanding dues within the due date including additional 15 days' time and auction proceedings is initiated	Speed Post

The auction will be announced to the public through advertisements published in at least 2 newspapers, one in vernacular language and another in a national daily newspaper. Achievers Finance India Lmtd (the Company), its Group Companies and its other related entities will not be allowed to take part as a bidder in auction to ensure that there is an arm's length relationship in all transactions during an auction process. The borrower, if he chooses, can participate in the auction process complying with the conditions stipulated by the Company/ auctioneer.

The proceeds of auction, net of auction related expenses and incidental charges shall be appropriated towards the loan outstanding. The Company may decide to recover the shortfall, if any, after such appropriation by various steps including legal action. Excess, if any, shall be refunded to the customer. GST as applicable will be recovered.

- **Auction Procedure:** Procedure as outlined in the auction policy approved by the Board to be followed.
- **Staff Training:** All the employees, as soon as they are inducted into the Company, shall be trained on the methods of assessing the purity of the ornaments. A refresher programme will be conducted to keep them updated.

LOAN POLICY FOR GRANTING PERSONAL LOANS
(Amended as on 01st October, 2024)

- **Product:** To provide unsecured loans to individuals for meeting any financial need/purposes
- **Eligible customer:** Personal loans will be extended mainly to salaried employees of Public Sector units, other reputed institutions and self-employed individuals.

Eligibility Criteria:

- Minimum Age- 21 years;
 - Nationality- Indian;
 - Source of Income- Salary/ Business Income/ Profession;
 - Minimum Salary/ Earning from Business – Rs. 25,000/- per month;
 - Loan range – Rs. 5,000/ to Rs. 1,00,000/-;
 - Credit Score- 650+ (varies case to case basis);
 - Good credit history
- **Purpose:** The loan will be granted for meeting any personal purposes including consumption needs. Loans will be granted to individuals only after the Company is satisfied about the credit worthiness, integrity, local standing and repayment capacity of each borrower.

As a general rule, unsecured personal loan will not be granted to any person who does not have regular verifiable income.

- **Nomenclature and tenure of the loan:** The loan will be sanctioned as a Demand Loan, repayable on demand (Bullet Payment/EMI), for a period up to 36 Months (varies from case to case). The Company may, at the request of the borrower, allow repayment in convenient instalments or equated monthly instalments.
- **Quantum of finance:** The quantum of finance will be decided mainly on the basis of the borrowers' repaying capacity.
- **Interest and charges including penal charges:** Interest rates will be fixed on the basis of risk assessment, cost of funds, cost of operations etc and may differ for different schemes and different categories of borrowers. Processing charges as decided from time to time will be recovered.
- **Prepayment:** Prepayment of the loan is allowed, but may incur a prepayment fee depending on the terms of the loan agreement which will be intimated to the client at the time of sanctioning of the loan.
- **Cooling-off Period:** The cooling-off period shall be 3 days for a loan having tenor of 7 days or more and 1 day for loans having tenor of less than 7 days. During this cooling-off period, the

borrower shall be provided an explicit option to exit digital loan by paying the principal and the proportionate APR without any penalty during this period.

- **Documentation:**

The Company may stipulate fulfillment of certain minimum criteria like age, net salary, total years of service, years of service left, owning a house etc depending upon the risk profile of the person and will have the right to reject any application for non-fulfillment of any of the criteria or without assigning any reason.

- **Documentation:**

- PAN card;
- Adhaar card/Voter id card/Passport/Driving licence;
- Last Two months' salary slip;
- Last Six months' bank statement;
- Photo of the applicant;
- Credit score;
- NACH Mandate;
- Loan Agreement;
- Post-dated cheque acknowledgement letter;
- Others, if any required

1. For Residence proof

For own house

Proof of ownership, utility bills

For rented house

- Rent agreement;
- Rent receipts;
- Gas/phone bills/utility bills
- Should be in same residence for at least 1 year

2. For Office address proof:

- Employment proof;
- Employee Code;
- Official email id

The Company may stipulate fulfillment of certain minimum criteria like age, net salary, total years of service, years of service left, owning a house etc. depending upon the risk profile of the person and will have the right to reject any application for non-fulfillment of any of the criteria or without assigning any reason.

Providing Pre-Approved Top -Up Loan to existing customers: With a view to retaining existing personal loan customers a pre- approved top up loan facility can be made available. Existing customers with excellent track record of repayment can be offered pre-approved top up loans as per their eligibility. This will help to build an incremental portfolio growth.

Track record of minimum 12 months or a lesser period EMI payment as found suitable may be used as a yardstick to offer such loans to existing borrowers. The top up loan shall be as a percentage of the original loan depending upon the period of track record of prompt Bullet/EMI repayment reckoned and as decided by the management. Facility of data scrub as mentioned below also can be used to identify track record of repayment of loans from other lending institutions. Such top-up loans can be granted to eligible existing customers in the salaried and other segments

Personal Loans to individuals other than salaried persons: Considering the opportunities available for lending to the above segment, instruments available to measure and mitigate risks, lending to non - salaried segment also can be made. CIBIL score and data scrub on our existing customers by reputed credit information agencies like CIBIL may be used to identify potential customers in this segment with excellent track record and very low / low credit risk profile. Prospective customers identified by Fintech companies through their digital marketing platform can also be considered for financing subject to fulfillment of the eligibility criteria stipulated by the Company for granting unsecured loans

Repayment

By way of Bullet payment/monthly EMI. Bullet payment /EMI can be paid through ACH mandate and credited to a dedicated account. Other modes of repayment also can be made.

Sourcing and Recovery:

Sourcing

- The applicant may file loan application through the website at www.jhatpatloans.com/apply-loan
- The existing borrower's may provide references.

Recovery

- Collection and recovery process should be ethical and as per the guidelines of the RBI.
- If any borrower faces any difficulty, we always encourage them to come forward and share their difficulty with us, so that we can help them with an alternate repayment procedure which varies from case to case basis.

Asset Classification and income recognition:

Asset classification and income recognition in case of all loans sanctioned under the various schemes formulated to cater to different segments, will be as per the norms prescribed by the Reserve Bank of India from time to time.