

POLICY

LOAN POLICY



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The top management of the company uses the loan policy as a road map to ensure the implementation of loan activities within acceptable risk tolerances and the development of a sustainable business model that leads to long-term profitability and value creation for stakeholders. The Company shall comply with the regulatory criteria and guidelines such as those related to solvency, loan-to-value ratio, interest rates, etc. The company will include internal audit procedures and risk management strategies in the loan policy. The management shall put in place internal guidelines for approving loans for the employees.

GOLD LOAN

The company gives a loan against the promise of gold. Management is free to create multiple loan product programs and set different schemes and plans for them based on market practices, competition and demand levels. Plans must be prepared in accordance with the Company's loan policy and, where applicable, RBI regulatory guidelines. The loan programs and their conditions must take into account the NPA and revenue recognition classification standards set by the RBI. Appropriate standards should be developed, internally approved, and frequently revised to account for inherent or typical risk characteristics (such as restricted products, prohibited items, large number of comparable products, heavy items, etc.). As per RBI guidelines, loans should not be given against coins, bars etc. The pledged gold should be in the form of jewellery. Gold loans are disbursed as a single debit to each account and is monitored for interest payments and eventual closure. The duration of the loan is decided according to market practice and the instructions of the current authorities. Loans against gold ornaments should be immediately approved and gold ornaments accepted as collateral. Thus, all loans must be sanctioned and disbursed within a reasonable time on the same day, taking into account due diligence requirements, number/type of items, loan amount etc. Loan interest and other payments must be in accordance with the interest policy and the regulations applicable to the interest policy. High value loans to single customer should be controlled and monitored and strict customer verification should be done as such customers may fall under "high risk" category. Limits up to which branches -



may sanction loans to a single borrower should be defined by means of internal instructions and reviewed periodically, the limit so fixed shall not exceed Rs. 20L. Borrowers with more than Rs.20L of outstanding may be monitored as special customers and the sanctioning authority may fix the terms and conditions of such loans or allot a special scheme for meeting the requirements of such customers. There are additional charges for processing, documentation, stamp, default, and foreclosure Loan application contains necessary information relating to the loan which determines the interest rate for the borrower and the details of the document to be attached are: -

KYC REQUIREMENT

- Present address proof is compulsory Customer photo & Aadhar Card (MANDATORY) Any ID proof with Photo and Address (Passport, Driving license, Voters ID, and Front Page of Bank Passbook).
- The minimum customer age to process a loan is 18 years old.
- Before approving a loan, we must be convinced of the authenticity of the borrower and his or her ability to own such an amount of gold.

In addition to the above, the customer must sign a jewellery ownership statement to secure the loan. All payments will be transferred to the customer's bank account or by means of cash. The Company may modify its credit programs depending on exchange rates and market conditions. Immediately after approval, the loan sanction letter must be given in two copies to the borrower for acceptance. The pawn slip, which acts as a receipt for the gold jewellery delivered by the borrower, will also function as a loan sanction letter incorporating the terms and conditions of the loan. A certified copy of the pawnshop slip must be kept carefully along with the loan application form for verification and future reference. The customer must be located within a 20 km radius of the representative office where the loan is requested, and if the customer is more than 20 km away, an appropriate inspection must be carried out and, if necessary, a special approval must be obtained from a higher authority. The company only accepts 22-carat gold as loan security. The minimum amount of gold needed to ensure safety is 1 gram. If the purity of gold is less than 22 carats, the Company must convert the commitment to 22 carats and clearly state the exact number of grams of the commitment. In other words, jewellers with lower-purity gold will be priced accordingly.

AUCTION POLICY

It is company policy, to the greatest extent possible, not to sell any of the decorations promised to customers. The company will monitor the release of pledged decorations before listing them for auction. Even after putting the decorations on the auction list, there is one more chance given to the customer to obtain the release of the pledged items through all possible means of payment. The company must provide full information about the auction by sending an auction notice by regular post stating that the mortgage has expired and will be auctioned and asking the borrower to redeem or repay the fee within 7 days. Additionally, the branch manager will contact the customer by phone to resolve the loan to avoid auctions, which will give them an additional 7 days to resolve. If the loan is not paid even after this time, the final notice of the auction will be sent to the customer by registered post with confirmation of receipt. The auction list and place and date of the auction will be published in the daily newspaper before seven days of the auction date. The Company will keep at its headquarters a postal receipt duly signed by the borrower as evidence of service of the auction notice. The company must be registered under the respective applicable rules and regulations, including GST regulations. The auction list will also be displayed at the respective branches and published in an everyday newspaper 7 days prior to -



the auction. The auction will be held in the same city or taluka where the branch for the loan is located. The auction will take place at the company branch where the item is auctioned or at a centralized location depending on the number of branches and number of gold loans involved. The Company must maintain auction records containing all necessary documents related to the auction. A separate attendance register containing the names and signatures of the auction participants will also be kept at the auction centre. The Company itself cannot participate in organized auctions.

VEHICLE LOAN POLICY

i) The company can provide loans for purchase of vehicles, new and used vehicles, pre-owned vehicle, private or utility vehicles, passenger or cargo vehicles and two-wheelers. The credit department processes the loan after a thorough review of the documents and credit scores and appropriate verification and approval from the director or COO, if required, in case of any discrepancies. Aadhar card, photo id proof, cheque, and LTR are mandatory for all loans. OCTAL FINANCE PVT. LTD. offers loans for new and used vehicle. It can also lend against the security of owned vehicles. Management will issue detailed internal guidelines regarding eligibility, customer profiles, credit assessments and collateral requirements, etc. There are additional charges for processing, documentation, stamp, default, and foreclosure.

ii) Vehicle selection: The company will only grant credit on vehicles of reputable brands as other vehicles may not achieve a reasonable resale value. For used vehicles, the vehicle age from the time of registration, including loan repayment period, must not exceed a considerate period of time.

iii) Loan term: Loans will be granted with a minimum term of one year and a maximum term of 72 months.

iv) Price: Based on the interest rate policy approved by the Board of Directors, the sanctioning agency will set the interest rate for each loan taking into account the risk level, loan size, service costs and revenue. Management will need to issue internal guidelines on this issue.

v) Documents required: Customer KYC & Photo (Aadhar Card, Passport, Voters ID) (Additional documents Driving License, PAN Card) Electricity Bill or Water Connection bill Latest Land Tax Receipt. NACH forms & Bank Passbook front page or statement.

vi) Performa Invoice-Quotation (Customer full address & Vehicles full details). In the case of used vehicles, the vehicle must be appraised by an authorized appraiser and the report must be submitted with the loan application. Loan approval is purely based on loan amounts.

vii) Verification Report: - Customer & Guarantor full details with Land mark & Reference with full address of a neighbour & a relative. Route Map and Land details along with signature of verification executive. Branch manager will review all documents according to a checklist and if any deviation the manager should take permission from the COO.

viii) File Storage: - For documents registered the previous month, all completed documents must reach the headquarters records department by the seventh of each month. Only copies of Registration Certificate that have been properly approved by HO are exempt from this restriction; copies of these books must be collected and submitted to the records department after loaning them. The Documents Department must ensure complete documentation in all records, and any deficiencies must be reported to the corporate office immediately.

ix) The concerned branch must make an Emi awareness call prior to the Emi date.



x) Interest rate: Based on the Company's interest rate policy, the sanctioning agency will set the interest rate for each loan, taking into account the risk level, loan size, customer service and attraction costs, etc. Management will need to issue internal guidelines on this issue. The top management of the company decides on loan policies for employees.

xi) Customer acceptance: - The Company will grant loans to customers who meet the Company's customer acceptance policy for each loan according to internal instructions issued from time to time. Management will issue detailed internal instructions on this issue from time to time.

xii) Records and supervision before and after disbursement: - Management will provide internal guidelines on documentation and supervision before and after disbursement, so that the company's rights and ownership of the financed vehicle are not damaged to the detriment.

xiii) Surrender of Vehicles Vehicles in surrender should be auctioned within 90 days. Legal formalities must be finished before the vehicle is put up for auction. Legal aspects should be started if the amount of auctioned vehicle is less than the closing amount; all of them require higher authorities consent.-

PERSONAL LOAN

The personal loan credit policy covers the necessary guidelines to provide advances to borrowers under the guidelines of RBI. It helps to build and sustain a qualitative growth of the asset portfolio. The focus of the Personal Loan policy is towards systematic standardization of the framework of the loan enquiry process, Sanctioning payments and other procedures related to the credit function. The Company gives borrowers flexibility in managing their loans. It also aims to identifying the risk and instituting suitable risk mitigation methods. For the processing of the loan aadhar card, photo id proof and income proof is mandatory. If any deviations special approval should be taken from the higher authority. The loans are typically unsecured. The credit policy of the Company will be reviewed and amendments will be made time to time by the HO. The loan applications are swiftly processed, and the customer can often receive the loan amount within a short time frame i.e. the funds are disbursed quickly. The Company places a strong emphasis on customer service, providing assistance and guidance throughout the loan process and repayment process. The Company makes personal loans accessible to a broader range of individuals who may not have valuable assets to offer as security. There are additional charges for processing, documentation, stamp, default, and foreclosure.

DOCUMENTS REQUIRED

i) Loan Application Form

ii) Present Address Proof is compulsory

iii) KYC requirements

a) Aadhar card

b) Photo

c) ID proof (voters id, pan card, driving license

d) Copy of additional documents if required Government ID, Driving License, SSLC book, copy of bank passbook front page etc.

e) Income Proof (salary certificate with a job stability of one year).

f) Bank account statement of 6 months - Sub Division of KYC Requirement.



LAND TAX RECEIPT

LTR verification is necessary for risk reduction. The minimum LTR submitted should be of 5 cents. The LTR owner should be guarantor or hirer in all cases. The original LTR should be verified and signed by the executive. If the LTR owner is demised legal heirs should be the guarantor.

BUSINESS LOAN POLICY

OCTAL FINANCE PVT LTD. often provides business loans to support the financial needs of various individuals and enterprises. The business loan policy of the company outlines the terms, conditions, and criteria that govern the lending process. The business loan policies of OCTAL FINANCE PVT LTD. include a set of strategic principles and operational guidelines that govern their operations, ensuring compliance with regulatory standards while promoting sustainable growth. The policy aims to provide personal loans to existing and prospective customers for various purposes. The loans are granted without monitoring the end use and repayment can be made through EMIs or a bullet payment method. Eligibility criteria include age, business, income, capacity to repay the loan, and permanent residence in India. KYC documents, including PAN and Aadhar, are mandatory. There are additional charges for processing, documentation, stamp, default, and foreclosure. The loan approval process involves filling the application form, providing the balance sheet of the business, bank statements, income statements, business proof, undertaking field verification, and returning the cheque after loan repayment. The Company must adhere to regulatory guidelines set by the Reserve Bank of India (RBI) or relevant authorities. The business policy should ensure compliance with these regulations. The Company will take all possible measures to prevent and minimize customer complaints and grievances.

MICROFINANCE

Behind every dream that comes true, financial support is inevitable, whether in urban or rural areas. While the digital revolution has made the world of transactions simpler for us, there is still a long way to go for them to benefit the small businesses. Normally, traditional banking and financial services in our country are only for people with jobs, credit histories, and secured collateral. Faced with such a difficult situation, accessing financial services such as loans and credit programs to help them live their daily lives and improve their living standards seems like a far-fetched idea for many people. Microfinance is a financial service designed to help low-income group's access financial services that otherwise would not be accessible to them. The goal of microfinance is to give poor people the opportunity to become independent. This benefits people who don't have money because it will help them plan their financial investments and ability to repay debt, which will help them realize their dreams. Thanks to microfinance, you can get the capital you need to change your life and succeed. The Company may grant credit within the framework of microfinance as, in accordance with applicable directives, the Company may have Micro Finance Portfolio loans not exceeding 25% of the company's total loan portfolio. We encourage entrepreneurship by providing the group with differentiated financial solutions and allowing them to invest to grow their businesses. These microcredits are issued exclusively to organized groups of women, with each group member providing credit guarantees to other members. There are additional charges for processing, documentation, stamp, default, and foreclosure.



i) **Eligibility:** The company provides loan with the aim to support economically weaker areas by providing them with small sums of money and create conditions for them to carry out income-generating activities to improve their living conditions and life quality. The group must have a minimum of five members and a maximum of ten members

ii) **Loan amount:** As part of the Microfinance program, each member's loan amount must be minimum of Rs. 20,000 and maximum is Rs. 1,20,000.

iii) **Price:** Comply with interest rate policies and related regulations issued by the agency RBI, the sanctioning authority may charge interest at a rate not exceeding 26% P.A.

iv) **Instructions:** The management will provide detailed operating instructions regarding customer profiling, borrower selection, group meetings, recovery mechanisms, etc.

NPA

Maintain the NPAs at the RBI-approved levels by exercising caution. Branch levels need to keep an eye on the default levels. The Corporate Office Team keeps an eye on the defaults and provides the appropriate guidance to Branch Managers.

CUSTOMER SERVICE & GRIEVANCE REDRESSAL

The company aims to provide the best customer service and constantly strives to create a robust and efficient customer service platform. If customers have any problems or want to make a complaint, they can contact us at any time from any of the following: octalcustomer.redressal@gmail.com and on **+91 8714681732**.

