

Fair Practice Code

A) PREAMBLE

This Fair Practices Code (FPC) has been formulated by Anson Fincorp Private Limited (“the Company”) in accordance with the guidelines on Fair Practices Code for NBFCs issued by the Reserve Bank of India (RBI) and as updated from time to time. The objective of this Code is to provide all stakeholders — particularly customers — with a clear understanding of the principles, standards and practices adopted by the Company in the conduct of its lending and related operations.

The Code seeks to ensure fairness, transparency and ethical conduct in all dealings with customers and aims to enable them to make informed decisions regarding the products and services offered by the Company.

This Fair Practices Code has been approved by the Board of Directors and is applicable to all products and services currently offered and that may be introduced in the future. It shall apply to all offices, regional centres, and branches of the Company and shall be binding on all employees and officers of Anson Fincorp Private Limited.

B) OBJECTIVES

The objectives of the FPC are as under.

- i. Promote fairness, transparency and ethical conduct in all customer dealings.
- ii. Adopt the best practices in dealings with customers.
- iii. Set challenging benchmarks and strives to achieve high operating standards for ensuring customer satisfaction.
- iv. Foster mutually beneficial long-term relationships with customers based on trust, transparency, and compliance.
- v. Facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.
- vi. Strengthen grievance redressal mechanisms within the organization.
- vii. Provide clear and timely communication to borrowers in a language they understand.

C) APPLICATIONS FOR LOANS AND THEIR PROCESSING

- i. All communications to the borrower shall be either in English or in the vernacular language or a language as understood by the borrower.
- ii. Loan application forms shall include necessary information which affects the interest of the borrower, so that informed decision can be taken by the borrower.
- iii. All loan applications shall be processed promptly, and the decision shall be communicated to the customer within a reasonable time. Any delay shall be duly intimated to the borrower.

(D) LOAN APPRAISAL AND TERMS/CONDITIONS

- i. The Company shall communicate to the borrower, in writing and in the vernacular language or a language understood by the borrower, the sanctioned loan amount, along with the terms and conditions governing the facility, including the annualized rate of interest and the method of computation thereof. The Company shall obtain and maintain on record the borrower’s acknowledgment and acceptance of these terms and conditions.

- ii. At the time of sanction or disbursement, the Company shall furnish the borrower with a copy of the executed loan agreement in the vernacular language or other language understood by the borrower. The loan agreement shall clearly specify all material particulars, including the loan amount, loan account number, interest rate, applicable charges, loan processing fee and penalties for late repayment (which shall be displayed prominently in bold). The agreement, duly signed by the authorized official of the Company, shall also serve as an acknowledged receipt for the security pledged by the customer at the branch.

(E) DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- a. The loan shall be disbursed on executing the necessary documents and completion of the formalities regarding creating a charge over the security offered by the borrower.
- b. The Company shall not in the normal course make any changes / modifications in the terms and conditions of the loan, including rate of interest, which could adversely affect the customer financially or otherwise. In abnormal circumstances when such changes / modifications are inevitable, keeping in view the new circumstances, adequate and proper notice shall be given to the customer in the vernacular language, or a language as understood by the borrower about any such change/modification.
- c. Decision to recall / accelerate payment or performance under the agreement should be in consonance with the loan agreement.
- d. The Company shall release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim company may have against borrower. If such right of set off is to be exercised, the borrower shall be given 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.

(F) INTEREST RATE AND PENAL CHARGES POLICY

- i. The Company shall have Board-approved Interest Rate Policy specifying Methodology of interest rate determination, Factors affecting rate revisions and Differentiation parameters to ensure that they are not excessive. The Company shall, at the time of disbursement, ensure that the interest rate and other charges, if any, on loan and advances are in strict adherence to above referred internal policies and procedures.
- ii. The rate of interest and the approach for gradations of risk and rationale if any, for charging the rate of interest to different categories of borrowers shall be disclosed to the borrower in the application form and communicated explicitly in the sanction letter.
- iii. The Company shall give a statement of Key Facts of Loan Agreements in simple and easy understandable language to the borrowers in a standardized format.
- iv. The rate of interest will be annualized rates so that the borrower is aware of the exact rates that would be charged on the loan.
- v. The information published in the website shall be updated whenever there is change in the rates.

- vi. Rebate on interest rates meant to encourage timely periodical payment of interest under each scheme, levying of additional interest for discouraging loans from crossing the sanctioned period etc., shall be mentioned clearly in the loan agreement.
- vii. Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the customer shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges.
- viii. The quantum and reason for penal charges shall be clearly disclosed by the Company to the customers in the loan agreement.

Method of Calculation of Interest:

The interest shall be calculated for the actual number of days the loan remains outstanding from the date of loan disbursement to 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 for gold loan schemes. If the amount of interest so calculated is less than Rs.20/- then a minimum interest of Rs.20/- will be charged.

(G) POLICY ON KYC, APPRAISAL, INSURANCE, STORAGE OF SECURITIES, AUCTION ETC.

The Company shall put in place a policy duly approved by the Board covering the following aspects:

- a. Adequate steps to ensure that the KYC guidelines stipulated by RBI are complied with and to ensure that adequate due diligence is carried out on the customer before extending any loan.
- b. Proper appraisal procedure for assessing the value and purity of the jewellery accepted as collateral security.
- c. Declaration shall be obtained from the borrower confirming ownership of gold jewellery.
- d. All branches shall have proper storage facility of either Strong Rooms or Safes conforming to BIS Standards of reputed make to store the jewellery in safe custody. The sets of keys to the strong room/safe shall be held separately by two officials and the operations thereof shall be done jointly. The staff shall be imparted training on a continuous basis to ensure that the guidelines covering security issues are strictly adhered to. The gold items shall be periodically inspected by the internal auditors to ensure quality, quantity and proper storage.
- e. The jewellery accepted as collateral security shall be adequately and appropriately insured.
- f. The auction procedure in case of non – repayment shall be transparent. Prior notice to the borrower shall be given before the auction and there shall not be any conflict of interest. The auction process shall ensure that an arm's length relationship in all transactions during the auction is maintained including with group companies and related entities. The details regarding procedure for auction shall be disclosed in the loan document for availing the loan. The auction will be only through auctioneers

approved by the Board and the Company shall not participate in the auction. The auction shall be announced to the public by issuing advertisements in at least two newspapers, one in vernacular language and the other in a national daily newspaper.

- g. Any fraud in the functioning of the Company shall be enquired into by the appropriate authority and suitable punitive measure shall be taken by the appropriate disciplinary authority.

(H) CUSTOMER GRIEVANCE REDRESSAL MECHANISM

The Company has a well-defined and dedicated grievance redressal system for addressing the customer complaints at various stages for handling customer complaints promptly and fairly. Any deviation from the loan policy guidelines and transactions or irregularities shall be taken up by the customer, first with Branch Manager who shall attend to the various needs of the customers. All Branches have been provided with a Complaint Register wherein the customers can record their complaints. All complaints received will be remedied within a maximum period of 10 days in the normal course. As mentioned above, for redressal of the grievances, customers can approach the Branches as a first step and escalate to officials at Head Office in case Branch fails to resolve their complaints and finally to the RBI as indicated below.

Level 1 – Customer Grievance Redressal Officer (Head Office)

If the complaints are not resolved at Branch level, the customers can escalate their complaints to the Customer Grievance Redressal Officer (CGRO) at the Head Office of the Company and it shall be endeavored to resolve the complaints received within a maximum period of 10 days. The CGRO at Head Office shall be a senior official in the Operations Department who shall be responsible for the implementation and monitoring of all customer complaints. The details of CGRO is as below:

Customer Grievance Redressal Officer
Anson Fincorp Pvt Ltd
Address: Door No: XIV/1057, Anson Tower, B.Ed college Jn. Nedumkandam PO,
Nedumkandam, Idukki, Kerala-685553
Mobile No.: 8848003557
Email ID: subinsebastian@anson.co.in / info@anson.co.in

Level 2 – Nodal Officer or Principal Nodal Officer (Head Office)

If no satisfactory solution is found by the Level 1 by CGRO, borrower can approach the Nodal Officer or Principal Nodal Officer of the Company at the Head Office for redressal of their grievances at the address given below.

Ms. Honeymol Jose
Address: Door No: XIV/1057, Anson Tower, B.Ed college Jn.
Nedumkandam PO, Nedumkandam, Idukki, Kerala-685553
Mobile No.: 9188918106
Email ID: secretarial@anson.co.in

If the complaint/grievance is not resolved within a period of one month, the borrower may escalate the complaint to the RBI at the following address.

Level 3 – RBI

Integrated Ombudsman, Chandigarh
Integrated Ombudsman, Centralised Receipt & Processing Centre,
Reserve Bank of India, 4th Floor, Sector-17, Chandigarh - 160 017
Toll Free Number: 14448 (9.30 a.m. to 5.15 p.m.)
Online portal for filing complaint: <https://cms.rbi.org.in>

A periodical review of the FPC and functioning of the grievance redressal mechanism at various levels of management shall be undertaken by the Company at regular intervals to ensure that no customer complaint is pending unattended/unresolved and a consolidated report of such reviews shall be prepared and submitted to the Board at regular intervals.

(I) CONFIDENTIALITY

The Company shall treat all personal information of its borrowers as private and confidential and will not reveal any information to any other entity unless authorized by the customer, except to Reserve Bank of India or/to Credit Information Companies and to any other agency authorized by RBI in this behalf or at the order of Court of law or at the request by any competent Regulatory or Statutory or supervisory authority with whom the Company customarily complies.

(J) GENERAL

- (a) The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- (b) The repayment capacity of the applicant/customer will be assessed by the Company based on credit scores, valuation reports or through other means throughout the tenure of loan. The applicant/customer is expected to disclose all required information in clear and genuine manner. Any intentional misstatements, frauds etc will be dealt as per applicable laws.
- (c) In the matter of recovery of loans, the Company shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. and shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner.
- (d) The Company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect.
- (e) The Company staff shall normally call/contact the delinquent customers between 08.00 AM and 7.00 PM. unless special circumstances of the borrowers' business require calling them otherwise, outside the hours mentioned above.
- (f) Where a customer is found to have committed fraud or engaged in cheating the company by hiding information or providing fake gold, fake documents etc, the Company may proceed against him/her as per applicable policies. Any formal/written agreement containing terms and conditions like interest rate, repayment intervals, loan amounts, penalties etc and agreed between the customer and company by signing shall be final. Any agreement, documentation and declarations signed by customer at the time of applying for loan, disbursement of loan or any other situation, shall be considered to be signed with full knowledge of terms and conditions of the particular scheme of loan.

- (g) The Company shall display the FPC on its website, branches and also make available to the Customer on request, a copy of the FPC on demand.
- (h) The Company ensures all disbursements and repayments are made directly between borrower and company, and data privacy norms are followed.

(K) REVIEW

The Fair Practices Code as outlined above shall be reviewed periodically by the Board, based on its own experience and fresh guidelines, if any, to be issued by the RBI in this regard.