

FAIR PRACTICE CODE

Fair Practice code

This Fair Practices Code has been prepared taking in to account the “Guidelines on Fair Practices Code for NBFCs” issued by the Reserve Bank of India Circular RBI / 2006-07 /138 DNBS (PD) CC No. 80 / 03.10.042 / 2005-06 updated from time to time and aims to transparency in dealing with customers and enable customers to take Informed decisions in respect of the facilities and services offered by ITI Gold Finance.

OBJECTIVES

- 1 Enable customers to take informed decision about the financial facilities and services offered by ITI Gold Finance (United Petro Finance)
- 1 Adopt the best practices in dealings with customers
- 1 Set challenging benchmarks and strives to achieve high operating standards for ensuring customer satisfaction.
- 1 Follow good, fair, transparent and legally tenable practices by setting minimum standards in dealings with customers.
- 1 Provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship.
- 1 Facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.
- 1 Maintain and develop transparency between customers and ITI Gold Finance (United Petro Finance)

Guideline on fare practice code for NBFCs.

- 1 Applications for loans and their processing.
- 2 Loan appraisal and terms/conditions.
- 3 Disbursement of loans, including changes in terms and conditions.
- 4 Disclosures about interest rates and approach for gradation of risk,
- 5 Policy on KYC, Appraisal, insurance, storage of securities, Auction etc.
- 6 Confidentiality
- 7 Grievance redressal mechanism
- 8 General Provisions

DECLARATIONS & COMMITMENTS

- 1 ITI Gold Finance undertakes not discriminate customers on grounds of religion, caste, gender or language.
- 2 ITI Gold Finance will provide clear and full information about its products and services to its customers / prospective customers and will not resort to any misleading or potentially misleading advertisement or publicity.
- 3 ITI Gold Finance undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- 4 ITI Gold Finance is committed to put in place a system for promptly addressing complaints and suggestions of the customers supplemented with a structured Grievance Redressal Mechanism having an escalation matrix.
- 5 ITI Gold Finance shall display the FPC on its website and also make available to the Customer, on request, a copy of the FPC on demand.
- 6 ITI Gold Finance undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (Reserve Bank of India, SEBI, IRDA etc.) and other competent authorities such as Government, Local Authority etc.
- 7 ITI Gold Finance commits itself to full customer satisfaction through efficient, professional and courteous services across all its offices.
- 8 ITI Gold Finance shall consistently strive to meet with and improve upon the internally set benchmarks and practices and be ahead of the standards prevalent in the industry.
- 9 ITI Gold Finance will communicate in the local language with the customer and in English at the request of the customer

- 10 ITI Gold Finance undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent or fraudulent loss of the security whilst in the custody of ITI Gold Finance.
- 11 ITI Gold Finance undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- 1 Applications for loans and their processing.
- 1 All communications to the borrower shall be either in English or in vernacular language or in a language as understood by the borrower
- 2 Loan application forms issued by the ITI Gold Finance (United Petro Finance) shall include necessary information affecting the interests of the borrower, which will enable him to take an informed decision by comparing the terms and conditions with that of other similar NBFCs, and shall also indicate the documents required to be executed/submitted by the borrower.
- 3 If any additional documents/ information's are required from the Customer, the same shall be communicated to the Customer immediately.
- 2 Applications for loans and their processing.
- 1 The borrower shall be given a loan sanction letter and copy of the loan document together with annexures/ enclosures quoted therein in vernacular language or a language as understood by the borrower which shall include the details of the loan such as amount sanctioned, annualized interest rate, method of application thereof and any other terms and conditions.
- 2 The penal interest that will be charged for late payment shall be mentioned in the sanction letter/loan document.
- 3 An acknowledged copy of the sanction letter duly signed by customer and company authorised person shall be kept/upload in system as part of the valid loan document.
- 3 Disbursement of loans, including changes in terms and conditions.
- 1 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. Any change in the terms and conditions including interest rates, service charges, prepayment charges etc. shall be informed to the borrower in the vernacular or a language known to the borrower. Any changes in interest rates and charges shall be only prospective. A suitable condition in this regard shall be incorporated in the loan document obtained from the borrower.
- 2 Decision to recall/accelerate payment or performance shall be as per the covenants in the loan document.
- 3 The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the 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.
- 4 Disclosures about interest rates and approach for gradation of risk
- 1 The Company shall frame appropriate internal policies and procedures for determining the interest rates and processing and other charges, if any and also ensure that they are not excessive. The Company shall, at the time of disbursal, 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.
- 2 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
- 3 The information published in the website shall be updated whenever there is change in the rates.
- 4 The rate of interest and the approach for gradation of risk and rationale for charging different rates of interest to different schemes shall be disclosed in the application form and also communicated explicitly in the sanction letter issued to the borrower.
- 5 The rates of interest and the approach for gradation of risk shall also be made available on the website.
- 6 Interest rate slab changes meant to encourage timely interest payment, levying of additional interest for discouraging loans from crossing the sanctioned period etc, shall be mentioned clearly in the loan agreement.
- 7 No Pre-payment penalties/foreclosure charges will be levied on gold loans in the normal course. In case such charges are applicable for any scheme, it will be disclosed in the sanction letter.
- 5 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:
- 1 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.

2 Proper appraisal procedure for assessing the value and purity of the jewellery accepted as collateral security.

3 Declaration shall be obtained from the borrower confirming ownership of gold jewellery.

4 All branches shall have proper storage facility of either Strong Rooms or Safes conforming to ISI Standards of approved 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

5 The jewellery accepted as collateral security shall be adequately and appropriately insured. 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.

6 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. Any review of the decision of the disciplinary authority shall be carried out by the Managing Director

6 Confidentiality

1 Unless authorized by the borrower, the Company will treat all personal information as private and confidential.

2 The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances.

3 If the Company is required to provide the information as per regulatory directives to any statutory or regulatory body or bodies.

4 If arising out of a duty to the public to reveal the information.

5 If it is in the interest of the borrowers to provide such information (eg. Fraud prevention)

7 Grievance redressal mechanism

The Following Grievance Redressal Mechanism' is put in place **Decision Level Redressal Level Branch Level Regional Manager Regional Manager Grievance Redressal Officer Director Internal Ombudsman NEED TO CHANGE AS PER OUR POLICY**

1 Towards ensuring redressal of disputes arising out of decisions of the functionaries of the Company, the following mechanism is put in place:

2 The decisions of any official below the Branch Manager shall be heard and disposed of by the Branch Manager.

3 Decisions of Branch Managers shall be heard and disposed of by the Regional Manager.

4 If not satisfied with the decision of the Regional Manager, the customer has the option to escalate the matter to Grievances Redressal Cell at the Company's Head Office at Parel.

5 Customer Grievances Redressal Cell at Parel Head office will be headed by an official not below the grade of Asst. General Manager who will be designated as the Grievance Redressal Officer by a Management Committee consisting of the Chief General Manager and the General Manager(Operations). Complaints received directly and appeals against the decisions of Regional Managers on complaints handled by him shall be heard and disposed of by the Grievances Redressal Officer. The contact details of the Grievance Redressal Officer nas also that of the Regional Office of the Reserve Bank of India shall be displayed in all the Branches for the benefit of customers.

6 If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of DNBS of RBI as per the contact details displayed in the branch. Proper training shall be imparted to staff on an ongoing basis with a view to improving staff behaviour and customer service. The compliance of the fair practices code as well as the functioning of the Customer Grievances Redressal Cell shall be reviewed by the Director on a Quarterly basis and a consolidated report of such reviews shall be placed before the Board of Directors.

8 General Provisions

1 The Company shall refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the letter of undertaking (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).

2 The Company will not entertain any request for transfer of borrower accounts as this is not practicable in the case of loans granted against collateral of gold jewellery.

- 3 In the matter of recovery of loans, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc. The staff of the Company shall be adequately trained to deal with the customers in an appropriate manner so as to ensure proper behaviour.
- 4 The Company will call delinquent customers between 10:00 hrs to 18:30 hrs unless special circumstances of the borrower's business require to call them otherwise outside the hours mentioned.