

FAIR PRACTICES CODE

INTRODUCTION

G.T.P Finance Ltd is a Public Limited Company and is a Registered Deposit taking NBFC

The company is a regulated entity and is functioning in strict conformity to the various

Guidelines issued by Reserve Bank of India.

The Company had formulated a Fair Practices code and got it approved by the Board in its meeting dated 13.03.2014 And the code has been adopted by the company since then to the satisfaction of the customers and other stake holders.

Over a period of time the market has seen dynamic changes and the Reserve Bank of India has also been updating several instruction ensure best customer satisfaction.

With a view to align our Fair Practices Code with the updated guidelines of the Reserve Bank of India, as contained in RBI Master Directions RBI/2015-16/16 DNBR (CC.No.054/03.10.119/2 July 01, 2015 as also to put in place the systems that Will achieve the best industry standards, the Fair Practices code of the company is Reviewed and the revised code is detailed below.

A. (i) Applications for loans and their processing

(a) The company will ensure that all communications to the borrower shall be in the vernacular language viz., Tamil or a language as understood by the borrower.

(b) Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other competitors can be made and informed decision can be taken by the borrower. The loan application form will indicate the documents required to be submitted with the application form.

- (c) The loan application will also have a tear able acknowledgement portion which will be given back to the applicants immediately on receipt of the application. The Acknowledgement portion will also indicate the likely time within which the decision is likely to be advised to the applicant.

- (c) The company will also maintain a register of application received containing the information relating to the date of receipt /disposal etc.,

Loan appraisal and terms/conditions

The company will convey in writing to the borrower in Tamil/ English language as understood by the borrower by means of sanction letter, the amount of loan sanctioned along with the Terms and conditions including annualized rate of interest and method of application thereof And keep the acceptance of these terms and conditions duly signed by the borrower on its Record. The Company will also advise the details of delayed interest / late charges payable in the sanction letter and the loan agreement. A copy of the Loan agreement and other enclosures Relating to the sanction shall be provided to the borrower at the time of disbursement of loan.

(ii) Disbursement of loans including changes in terms and conditions

(a) The Company NBFCs shall give notice to the borrower in Tamil or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The company shall ensure that changes in interest rates and charges are effected only prospectively. A suitable clause in this regard shall be incorporated in the loan agreement.

(b) Decision to recall / accelerate payment or performance under the agreement shall be in consonance with the loan agreement.

(c) The company will 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

The company will 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).

- d. Any request from the borrower for transfer of borrowal account if any, shall be disposed of within 21 days from the date of receipt of request. If the company is agreeable to accede to the request the fact will be advised to the borrower in writing within the said period. Such transfer shall be as per transparent contractual terms in consonance with law.
- e. In the matter of recovery of loans, the NBFCs shall not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. The company shall ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.
- f. In the case of floating rate term loans , the company shall not resort to charging Foreclosure charges.

iv. Grievance Redressed Mechanism

The Director Operations of the company shall be the designated Grievance Redressed of the Company and his official communication address, contact Number and mail ID shall be displayed in Public Notice Board of Head Office and Branches in Tamil (Vernacular Language) and in English. All complaints received shall be duly acknowledged and disposed of within a Reasonable time of not exceeding a fortnight from the date of its receipt.

The details of the complaint along with the details of redressed shall be reported to the Managing Director of the Company for his noting and comments,

The Director (operations) shall submit a memorandum to the board at the end of every financial year detailing the list of complaints and the nature of disposal for the respective year for review.

The Board of the Company by its resolution dated had already adopted the scheme of Ombudsman for NBFCs and the address of the Nodal Officer and the Ombudsman are published in the Public Notice Board besides keeping a copy of the scheme in every operating unit for the benefit of the customers

Language and mode of communicating Fair Practice Code

Fair Practices Code on approval by the Board will be put in place duly translated into Tamil and Will be displayed Head office. In all the Branches and at Head office. The same shall be put up on Their web-site, for the information of various stakeholders.

(iii) Regulation relating to the interest charged by the company

The Company shall adopt an interest rate model taking into account relevant factors such as Cost of funds, margin and risk premium and Determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the company. The information published in the website published shall be updated whenever there is a change in the rates of interest. The rate of interest shall be an annualized rate so that the borrower could easily understand exact rates that would be charged to the account.

Repossession of vehicles financed

The Loan Policy of the company approved by the board in its meeting dated had laid down detailed guidelines with regard to repossession of vehicles which will be followed meticulously

Training

- (a) Field staff shall be trained to make necessary enquiries with regard to existing debt of the borrowers,

- (b) Training if any, offered to the borrowers shall be free of cost. Field staff shall be trained to offer such training and also make the borrowers fully aware of the procedure and systems related to loan / other products,

Lending against collateral of gold jewelers

The Company has broad based its lending activities by lending against the security of Gold Jewelry.

The Board had already approved a separate Fair Practices code which is put in place for dealing this business line.

Similarly the Board had approved a separate Auction policy for auctioning the Gold jewellery pledged in conformity to the regulatory directives.

The Policy will be periodically reviewed for improving the standards of our service.

