



## INDUSTRIAL INVESTMENT TRUST LIMITED

### FAIR PRACTICE CODE

#### Industrial Investment Trust Limited

CIN: L65990MH1933PLC001998

Regd. Off: 101A, The Capital, G-Block,  
Plot no.C-70 Bandra Kurla Complex,  
Bandra (East) Mumbai Mumbai City  
MH 400051

Website: [www.iitlgroup.com](http://www.iitlgroup.com)

Version	Date of Approval/ Reviewal
V.2	13/02/2024
Recommended By	Mr. Sameer Gaikwad CEO – NBFC Operations
Approved By	Board - Meeting Dated : 13/02/2024

\_\_\_\_\_  
Recommended By:

\_\_\_\_\_  
Approved By:

## **Introduction**

Industrial Investment Trust Limited (“Company” or IITL”) is a non-deposit taking systematically important NBFC, the Company endeavors to review and follow the policy guidelines laid down by RBI to set up fair business practices while dealing with its customers. Accordingly, this Fair Practice Code (“FPC” or “Code”) has been amended pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, Hence, in compliance with the said directions, this Code has been framed, approved, and reviewed by Board of the Company from time to time. The Company shall always adopt the best business and customer service practices from time to time and make appropriate modifications, as necessary to this Code.

This has reference to RBI Circular No. RBI/2015-16/16 DNBR (PD) CC.No.054/03.10.119/2015-16 dated 01st July 2015, wherein the Reserve Bank of India (RBI) has revised the guidelines on Fair Practices Code for NBFCs to implement the same. All of this has been consolidated in the last Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

The Fair Practices Code, as mentioned herein below, is in conformity with these Guidelines/ Directions on Fair Practices Code for NBFCs as contained in the aforesaid RBICircular/ Direction. This sets minimum Fair Practice standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day-to-day basis.

Industrial Investment Trust Limited is committed to dealing with its customers in a fair and transparent manner. As a Non-Banking Financial Company (NBFC), the Company has put in place a revised Fair Practice Code that incorporates both the RBI’s guidelines, circular dated July 01, 2015, and Master Directions on Non-Deposit Taking Non Systemically Important NBFCs dated September 01, 2016 on Fair practices for NBFCs, as well as other self-regulatory organizations.

### ***Objective of the Code***

Primary objectives behind development of this code are:

- (A) Promote good, fair, and trustworthy practices in dealing with the customers.
- (B) Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services.
- (C) Encourage market forces, through competition, to achieve higher operating standards.
- (D) Promote a fair and cordial relationship between the customers and the Company.

## **1. Company's Key commitments and Declarations:**

- 1.1. To act honestly, fairly and reasonably in conducting financial activities and to deal our customers on the ethical principles of integrity and transparency.
- 1.2. To not discriminate against clients on the basis of gender, race, caste, religion, or language and to treat all the clients consistently and fairly.
- 1.3. To prominently display the Fair Practice Code on the notice board at the Registered Office of company and put systems in place to ensure compliance. Moreover, the company always welcomes new ideas and suggestions from its clients. For this, the suggestion boxes are placed at the Regd. Offices.
- 1.4. To ensure transparency in the maintenance of books of accounts and disclosure of financial statements by qualified auditor/s.

The Board of Directors and the management team of IITL are responsible for implementing the FPC and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending as IITL may provide from time to time and that all IITL employees/representatives shall be aware of this commitment.

## **2. Applications for availing loans and their processing**

- a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b) All the Loan application forms shall contain all necessary information, especially the Rate of interest, Processing Charges, insurance charges, Penal and Overdue Charges and such other charges which affects the interest of the borrower, so that he can make a meaningful comparison with the terms and conditions offered by other NBFCs so that an informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.
- c) IITL will offer credit to eligible qualified applicants who express their need to borrow through their loan request letter.
- d) Company shall give acknowledgement for receipt of loan applications and other documents. The Company shall inform the party about the pendency of any information and document for processing the Loan application. The decision on loan application shall be taken not later than 30 days from the date of receipt of the completed loan application. Loan application will be considered as complete, once all information has been duly received and filled in and required documents have been submitted and found acceptable. The Loan application and acknowledgment shall contain the time frame within which loan applications will be disposed of.
- e) The applicant will be given the contact number of the concerned officer from whom he can enquire about developments in the loan process.

### 3. Loan appraisal and terms/conditions.

- i) The company shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, 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 by the borrower on its record. **The company shall mention the penal interest charged for late repayment in bold in the loan agreement.**
- ii) The company shall provide a legally enforceable re-possession clause in the contract/loan agreement with the borrower. To ensure transparency, the terms and conditions of the contract/loan agreement should also contain provisions regarding: (a) notice period before taking possession; (b) circumstances under which the notice period can be waived; (c) the procedure for taking possession of the security; (d) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property; (e) the procedure for giving repossession to the borrower and (f) the procedure for sale / auction of the property.
- iii) Company shall furnish a copy of the loan agreement along with the enclosures if any, preferably in the vernacular language as understood by the borrower along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.
- iv) To reinforce the understanding, the company shall reiterate the terms and conditions, and responsibilities at the time of application, sanction and disbursement.
- v) The terms and conditions explained to the borrower include, but are not limited to the following:
  - a) The manner of repayment of the loan.
  - b) The loan amount and tenure, rate of interest, method of application as well as other charges.
  - c) The frequency of repayment – whether weekly, fortnightly or monthly (at the option of the borrower).
  - d) In the case of co- borrower/guarantor(s), their responsibility in case of default.
  - e) Submission of Pool details of Portfolio created by the borrower out of the funds disbursed by the Company.
- vi) The company undertakes to give due notice for any change in the conditions of the loan specially pertaining to interest rate and periodicity, quantum of installments and tenure of loan/ (any changes in the loan process/procedures).

#### **4. Disbursement of loans including changes in terms and conditions.**

- a) The company shall give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates and periodicity, service charges, prepayment charges etc. Company shall also ensure that changes in interest rates and charges shall be effective only prospectively. A suitable condition 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 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 NBFCs 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 NBFCs are entitled to retain the securities till the relevant claim is settled/paid.
- d) The company shall inform its clients clearly about all the terms and conditions of the loan, the advantages of timely repayments and the consequences of defaulting on loans.

#### **5. Recovery of Loans**

- a) The company will ensure that its decision to recall/ accelerate payment based on performance is in consonance with the loan agreement.
- b) In the matter of recovery of outstanding dues of its borrower, the Company will not resort to undue harassment viz. persistently bothering the borrower at odd hours, the use of muscle power for recovery of loans, etc. The company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
- c) While enforcing its rights as a lender strictly, the Company believes in polite language and abjures the use of abusive and harsh words.
- d) The company undertakes to release all securities, if any on repayment of all dues or on realization of the outstanding amount of loan, subject to any legitimate right or lien for any other claims it may have against the borrower. Company shall provide its customers information about the penalties liable to be levied in case of non-observance, violation of any terms and conditions governing the product/ services chosen by them and all details in its tariff schedule of any charges applicable to the products and services chosen by them.
- e) If any such right of set off is to be exercised, the company will ensure that the borrower is given notice about the same with full particulars about the remaining claims and the conditions under which Company is entitled to retain the securities if any, till the relevant claim is settled/ paid.

## **6. Client protection principles**

- a) The company shall take reasonable steps to ensure that credit will be extended only if borrowers have demonstrated an adequate ability to repay and loans will not put borrowers at significant risk of over-indebtedness. Similarly, the Company will take adequate care that non-credit financial products (such as insurance) extended to low-income clients are appropriate.
- b) The pricing, terms, and conditions of financial products (including interest charges, insurance premiums, all fees, etc.) will be transparent and will be adequately disclosed in the application form understandable to clients.
- c) The privacy of individual client data will be respected, and such data cannot be used for other purposes without the express permission of the client other than the following exceptional cases:
  - If we have to provide the information by statutory or regulatory laws
  - If there is a duty to the public to reveal this information
  - If our interest requires us to provide this information (e.g. fraud prevention) to Banks / Financial Institutions / Our Group and Associate Companies.
  - We will not use this reason for giving information about customers to anyone else for marketing purposes.

## **7. RESET OF FLOATING INTEREST RATE ON EQUATED MONTHLY INSTALMENTS (EMI) BASED PERSONAL LOANS**

- a) At the time of sanction of EMI based floating rate personal loans, the company considers borrower's repayment capacity to ensure that adequate margin is available for elongation of tenor and/or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. In respect of EMI based floating rate personal loans, the Company has implemented following additional measures:
- b) At the time of loan sanction, the Company will communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both . Subsequently, any increase in the EMI/ tenor or both on account of the above will also be communicated to the borrower immediately through appropriate channels.
- c) At the time of reset of interest rates, Company will provide the option to the borrowers to switch over to a fixed rate as per their Board approved policy. The borrowers are allowed to once a quarter time or maximum 4 time switch over during the tenor of the loan.
- d) The borrowers will also be given the choice to opt for (a) enhancement in EMI or elongation of tenor or for a combination of both options; and, (b) to prepay, either in part or in full, at any point during the tenor of the loan.
- e) All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options are disclosed in the sanction letter and also at the time of revision of such charges/ costs.
- f) The Company will ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
- g) The Company will share a statement at the end of each quarter which will mention the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest/Annual Percentage Rate (APR) for the entire tenor of the loan and other

material details of the loan. The Company will strive to prepare and present the statement in such a manner which is simple and easily understood by the borrower.

## **8. Client protection principles**

a) Company shall take reasonable steps to ensure that credit will be extended only if borrowers have demonstrated an adequate ability to repay and loans will not put borrowers at significant risk of over-indebtedness. Similarly, Company will take adequate care that non-credit financial products (such as insurance) extended to low-income clients are appropriate.

b) The pricing, terms, and conditions of financial products (including interest charges, insurance premiums, all fees, etc.) will be transparent and will be adequately disclosed in the application form understandable to clients.

c) The privacy of individual client data will be respected, and such data cannot be used for other purposes without the express permission of the client other than the following exceptional cases:

- If we have to provide the information by statutory or regulatory laws
- If there is a duty to the public to reveal this information
- If our interest requires us to provide this information (e.g. fraud prevention) to Banks / Financial Institutions / Our Group and Associate Companies.
- We will not use this reason for giving information about customers to anyone else for marketing purposes.

## **9. Grievance Redressal Mechanism**

a). A periodical review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals.

b). The following information shall be displayed prominently, for the benefit of the customers, at all branches/places of the Company, where business is transacted:  
i.e., the name and contact details (Telephone / Mobile nos. as also email address) of the Grievance.

Redressal Officer who can be approached for resolution of complaints against the Company.

ii. If customer's complaint/concern is not redressed within a period of 30 days, customer can lodge a complaint on RBI CMS portal - <https://cms.rbi.org.in>

Level 1 Escalation:

In case of any complaint / grievances of the Borrowers, the same shall be intimated by them in writing to the Grievance Redressal Officer. The Grievance Redressal Officer shall immediately make all efforts to redress the grievances within 10 working days.

Grievance Redressal Officer

Mr. Bhavin Jhaveri  
Group Chief Financial Officer  
Office No.101A, 'The Capital',  
G Block, Plot No.C-70,  
Bandra Kurla Complex,  
Bandra East, Mumbai – 400051  
E Mail : bhavin@iitlgroup.com  
Mobile : 9892830557  
Tel : +91-22-43250121

(between 10:00 a.m. and 05:00 p.m., from Monday to Friday except on public holidays)

In case the complaint is not resolved within the given time or you are not satisfied with the solution provided through above channel, you may approach the following:

Level 2 Escalation:

Nodal Officer under the Ombudsman Scheme for Non Banking Financial Companies, 2018:

Mrs. Cumi Banerjee, Chief Executive Officer & Company Secretary  
Office No.101A, 'The Capital',  
G Block, Plot No.C-70,  
Bandra Kurla Complex,  
Bandra East, Mumbai – 400051  
Tel: +91-22-43250100

Email: cumi\_banerjee@iitlgroup.com

(between 10:00 a.m. and 05:00 p.m., from Monday to Friday except on public holidays)

You will receive response within 10 working days. Please quote the reference of your earlier communication in this regard.

Level 3 Escalation:

If you are still not satisfied with the resolution provided through various channels as stated above or if the complaint is not redressed within a period of one month, you may appeal to Officer-in-Charge of RBI under whose jurisdiction the Registered Office of Industrial Investment Trust Limited falls. The details with respect to Officer-in-Charge are as follows:-

The Officer in Charge  
The Reserve Bank of India,  
DEPARTMENT OF NON-BANKING SUPERVISION,  
CENTRAL OFFICE CENTRE I,  
WORLD TRADE CENTRE,  
CUFFE PARADE,  
COLABA, MUMBAI – 400005



## 10. Reserve Bank – Integrated Ombudsman Scheme, 2021

Under the Ombudsman Scheme, the Company has appointed Principal Nodal Officer (PNO) who shall be responsible for representing the Company and furnishing information to the Ombudsman in respect of complaints filed against the Company. The Nodal Officers (NO) appointed by the Company will assist the PNO.

For the benefit of the customers, at the branches/ places where business is transacted, the name and contact details (Telephone/ Mobile number and email) of the PNO along with the details of the complaint lodging portal of the Ombudsman (<https://cms.rbi.org.in>) will be displayed.

The salient features of the Scheme shall be displayed prominently in English, Hindi and Regional languages at all the offices and branches in such a manner that a person visiting the office or branch has adequate information on the Scheme.

The salient features of the Ombudsman Scheme along with the copy of the Scheme and contact details of the Principal Nodal Officer shall be prominently displayed and updated on the website.

- a) The Company shall put in place a complaint box at the prominent place of its branches/ offices for receiving the complaints of the customers. The borrowers must inform the Branch about the complaint in writing. The said complaints shall be entered in the Register maintained for the purpose by the Grievance Redressal Officer duly authorized on this behalf.
- b) Clients and others who have any grievances regarding functioning of company, may further address their grievances in writing to the Grievance Redressal Officer and further to the 'DIRECTOR' for redressal of his /their grievance who will dispose the same within a period of 15 days from the date of receipt of such Grievance. In case the complainant is/ are not satisfied with the decision of the Director, he/ they may appeal to the Board who will also dispose of the same within a period of 30 days from the date of receipt of the appeal.
- c) All disputes arising out of the decisions of branches in relation to the products and services shall be heard and disposed of at least at the next higher level. Therefore, the following 'Grievances Redressal Mechanism' is put in place.

<b>GRIEVANCE LEVEL</b>	<b>REDRESSAL LEVEL</b>
Officer	Head of department
Head of Department	Director
Director	Board of Directors

- d) The Grievance Redressal policy is available on [www.iitlgroup.com](http://www.iitlgroup.com). IITL has designated an officer for the redressal of grievances of the clients including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery. The name and contact details of the designated Grievance Redressal officer is Mr. Bhavin Jhaveri, Contact Number.: 9892830557 E-mail: [bhavin@iitlgroup.com](mailto:bhavin@iitlgroup.com). The details of Grievance Redressal Officer have been displayed in the IITL branches.
- e) A consolidated report of periodical review of compliance of fair practice code and functioning of the grievance's redressal mechanism at various levels of management may be submitted to the Board of Directors/Committee of Directors at regular intervals as may be prescribed by it.
- f) 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 **RESERVE BANK OF INDIA-DEPARTMENT OF NON-BANKING SUPERVISION, CENTRAL OFFICE CENTRE I, WORLD TRADE CENTRE, CUFFE PARADE, COLABA, MUMBAI – 400005**, under whose jurisdiction the registered office of the NBFC falls.
- g) The company will safeguard personal information of clients, only allowing disclosures and exchange of such information to others who are authorized to see it, with the knowledge and consent of clients.

#### **11. Regulation on excessive interest charged.**

- a) The Company shall adopt an interest rate model considering relevant factors such as, cost of funds, margin, and risk premium, etc. 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.
- b) The rates of interest and the approach for gradation of risks for differential rate shall also be made available on the website of the company or published in the relevant newspapers. The information published on the website or otherwise published should be updated whenever there is a change in the rates of interest.

- c) The rate of interest should be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.

## **12. Loan facilities to the physically/visually challenged**

The Company has designed its loan sanctioning process in such a manner that it prohibits any kind of discrimination while extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability. All branches of the Company render all possible assistance to such persons for availing of the various business facilities. Appropriate module is also included which contains the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels. Further, the Company ensures redressal of grievances of persons with disabilities under the existing Grievance Redressal Mechanism.

## **13. General**

- a) Company will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of sanction of the loan (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender).
- b) In case of receipt of request for transfer of borrower account, either from the borrower or from a lender, which proposes to take over the account, the consent or otherwise i.e. objection of the company if any would be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c) The Company will call delinquent customers between 08:00 hrs. to 19:00 hrs. unless special circumstances of the borrower's business require us to call them otherwise outside the hours mentioned.
- d) The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover dues, cost and expenses of such enforcement action.
- e) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

#### **14. Compliance**

- a) The Company shall place before the Board of Directors within 30 days of the end of the financial year as on March 31st, a Compliance Report indicating the extent of compliance with the Fair Practice Code as at the end of said half financial year.
- b) The Company shall also place before the Board of Directors within 30 days of the end of every financial year as on March 31st, a report on the functioning of Grievance Redressal Mechanism (specifically indicating any deviations and reasons therefore) as at the end of said half financial year.
- c) The Fair Practice Code shall be in Vernacular Language and in the same is in English, the translation thereof or the bilingual version shall be put in place.
- d) Fair Practice code shall be put on the Notice Board of all the Branches/offices of the company and website of the company if any for information of various stake holders.

## **15. Feedback and Suggestions**

We request our customers to provide feedback on our service to help us to improve our services.

## **16. Monitoring**

We have a Nodal Officer to ensure compliance of the Code.

## **17. Overriding Effect**

In case any of the clause contained in this policy overrides the applicable RBI guidelines as may be issued and amended from time to time, the provisions stipulated in the RBI guidelines shall override the contents of this policy.

### ***Nodal Officer:***

*Mrs. Cumi Banerjee, CEO (Secretarial, Legal and Admin) & Company Secretary  
Industrial Investment Trust Limited  
Contact No.: 0091-22-43250100  
Email-id: cumi\_banerjee@iitlgroup.com  
Our internal auditing procedures make sure we meet the Code.*

## **18 . Review**

The Board of Directors shall be authorized to review and approve any modifications to the Fair Practice Code from time to time.