

Key fact Document – Advances

The document contains key information a customer would require to understand before making a financing decision with MI.

It is hereby advised to go through the document and understand the contents stated therein regarding the loan products offered by MI. If you have any clarification, kindly refer it to the marketing officer or Branch manager who will clarify such queries.

Finance Lease (FL)

a. Key features of the product

Product will be granted for a fixed period agreed initially. Maximum tenor is 60 months

Rental amount & rental payment schedule is specified and to be agreed by the **lessee** initially

If the asset is a vehicle, ownership will remain with the client and absolute ownership will be with Mercantile Investment & Finance Plc (MI)

Applicable accommodation fee will be specified initially and to be agreed by the **lessee**. Relevant taxes and cost of insurance to be borne by the **lessee**.

Maintain the vehicle / equipment in running condition is a responsibility of the **lessee** . Comprehensive Insurance cover to be obtained every year assigning financial interest to MI during the entire facility period.

Overdue interest charge is 4% p.m. This can be changed at the discretion of the management. However, prevailing applicable interest charge to be informed to the client initially, before considering the facility

b. Monthly Rental

Rental amount and rental payment schedule will be specified initially.

c. Interest on overdue amount

Overdue interest will be charged at 4% p.m.

d. Other charges and fees and commission

Relevant government taxes (if applicable), application accommodation fee & insurance premium amount will be specified initially.

e. Procedures to be followed to obtain the facility

Initially, client will have to meet a marketing officer of MI who will brief the client on the product features and company requirement to proceed with a facility.

At that point, facility terms will be negotiated between marketing officer and customer

Client has to fill the facility application form

Marketing officer will request the documents, client information & other business information (if applicable) that are required to evaluate the client for suitability of obtaining credit

Simultaneously, Marketing officer will visit the residence, business place of the client and visit the Guarantors residence or business places as applicable

After obtaining all relevant information, Marketing officer will prepare a credit appraisal and submit same for approval.

During the approval process, there may be additional details / documents requested from the **lessee** and same should be provided by the **lessee**

Terms & conditions of the facility can be amended by approvers and same will be communicated to the client by Marketing executive.

There is a possibility that facility can get rejected due to credit decisions and same will be communicated to the customer. Facility approval is an independent process which is governed by company credit policy and other credit evaluation tools. Company or its officers are not liable for any decline of credit proposals.

If the facility is approved, will have to present for signing of security documentation and applicable charges has to be paid at that time. Insurance policy, mortgage protection policy etc also has to be completed & submitted to MI.

Lessee can collect the Purchase order from MI and handover to **supplier** of the vehicle / equipment

Supplier has to complete the registration process of the vehicle / equipment, assigning absolute ownership to MI and submit the original Certificate of Registration long with duplicate key (if applicable) to collect the payment.

f. Main terms and condition

Term -: A Fixed term decided by the company

Rent -: Monthly installment by Banker's order, Cash or Cheque. Rent amount to be decided by the company and initially agreed by both company and **lessee**

Use of equipment-

- ✓ Proper care of the equipment provided under the lease
- ✓ Use for the purpose for which it is provided
- ✓ Keep in the condition as it was delivered to the lessee subject to fair wear and tear and to any modifications

Loss & damage to equipment-

- ✓ If there is any damage, lessee has an option of
 - Replace the same with like equipment in good repair, condition & working order
 - Replace the same in good repair, condition & working order
- ✓ If whole equipment is loss, lessee shall pay stipulated loss value including all costs, expenses and charges borne by the lessor on behalf of the lessee.

Insurance-

- ✓ Have the equipment insured with an insurer/insurers mutually agreed upon by the lessor and lessee.
- ✓ The cost of insurance and all connected charges shall be borne by the lessee and paid by the due dates.

g. The applicable legal provisions

The Finance lease mainly governs by the provisions of Finance leasing Act No. 56 of 2000 as amended.

Hire Purchase (HP)

a. Key features of the product

Only registered vehicles can be considered under this product. However, this rule will not be applicable for equipment / machinery where we can consider brand new equipment under this product

Product will be granted for a fixed period agreed initially. Maximum tenor is 60 months

Rental amount & rental payment schedule is specified and to be agreed by the **Hirer** initially

If the asset is a vehicle, ownership will remain with the client and absolute ownership will be with Mercantile Investment & Finance Plc (MI)

Applicable accommodation fee will be specified initially and to be agreed by the **Hirer**. Relevant taxes and cost of insurance to be borne by the **Hirer**.

Maintain the vehicle / equipment in running condition is a responsibility of the **Hirer** Comprehensive Insurance cover to be obtained every year assigning financial interest to MI during the entire facility period

Overdue interest charge is 4% p.m. This can be changed at the discretion of the management. However, prevailing applicable penalty interest rate to be informed to the client initially before considering the facility

b. Monthly Rental

Rental amount and rental payment schedule will be specified initially.

c. Interest on overdue amount

Overdue interest will be charged at 4% p.m.

d. Other charges and fees and commission

Relevant government taxes (if applicable), application accommodation fee & insurance premium amount will be specified initially.

e. Procedures to be followed to obtain the facility

Initially, client will have to meet a marketing officer of MI who will brief the client on the product features and company requirement to proceed with a facility.

At that point, facility terms will be negotiated between marketing officer and customer

Client has to fill the facility application form

Marketing officer will request the documents, client information & other business information (if applicable) that are required to evaluate the client for suitability of obtaining credit

Simultaneously, Marketing officer will visit the residence, business place of the client and visit the Guarantors residence or business places as applicable

After obtaining all relevant information, Marketing officer will prepare a credit appraisal and submit same for approval.

During the approval process, there may be additional details / documents requested from the **Hirer** and same should be provided by the Hirer.

Terms & conditions of the facility can be amended by approvers and same will be communicated to the client by Marketing executive.

There is a possibility that facility can get rejected due to credit decisions and same will be communicated to the customer. Facility approval is an independent process which is governed by company credit policy and other credit evaluation tools. Company or its officers are not liable for any decline of credit proposals.

If the facility is approved, will have to present for signing of security documentation and applicable charges has to be paid at that time. Insurance policy, mortgage protection policy etc also has to be completed & submitted to MI.

Hirer can collect the Purchase order from MI and handover to **Supplier** of the vehicle / equipment

Supplier has to complete the registration process of the vehicle / equipment, assigning absolute ownership to MI and submit the original Certificate of Registration long with duplicate key (if applicable) to collect the payment.

f. Main terms and condition

Term -: A Fixed term decided by the company

Rent -: Monthly hiring rentals decided by the company

Use of equipment -: Maintain the vehicle at Hirer's cost in good repair & working condition

Loss & damage to equipment -: Indemnify the owners against any damage to or loss or destruction of the vehicle. Immediately notify in writing of any accident or other event involving the vehicle.

Insurance-: Keep the vehicle insured at the hirer's cost up to its full market value.

g. The applicable legal Provisions

The Hire Purchase mainly governs by the provisions of consumer credit Act No. 29 of 1982 as amended

Loans

a. Key features of the product

Only registered vehicles **immovable properties (Lands)** can be considered under this product. However, this rule will not be applicable for equipment / machinery where we can consider brand new equipment under this product

Product will be granted for a fixed period agreed initially. Maximum tenor is 60 months

Rental amount & rental payment schedule is specified and to be agreed by the borrower initially

If the asset is a vehicle, ownership will remain with the client and absolute ownership will be with Mercantile Investment & Finance Plc (MI), **if the asset is a land the mortgage bond will be executed in favor of Mercantile Investments Finance PLC (MI)**

Applicable accommodation fee will be specified initially and to be agreed by the borrower. Relevant taxes, **legal charges, stamp duty** and cost of insurance to be borne by the borrower.

Maintain the vehicle / equipment in running condition is a responsibility of the borrower. Comprehensive Insurance cover to be obtained every year assigning financial interest to MI during the entire facility period

Overdue interest charge is 4% p.m. This can be changed at the discretion of the management. However, prevailing applicable penalty interest rate to be informed to the client initially before considering the facility

b. Monthly Rental

Rental amount and rental payment schedule will be specified initially.

c. Interest on overdue amount

Overdue interest will be charged at 4% p.m.

d. Other charges and fees and commission

Relevant government taxes (if applicable), application accommodation fee & insurance premium amount will be specified initially.

e. Procedures to be followed to obtain the facility

Initially, client will have to meet a marketing officer of MI who will brief the client on the product features and company requirement to proceed with a facility.

At that point, facility terms will be negotiated between marketing officer and customer

Client has to fill the facility application form

Marketing officer will request the documents, client information & other business information (if applicable) that are required to evaluate the client for suitability of obtaining credit

Simultaneously, Marketing officer will visit the residence, business place of the client and visit the Guarantors residence or business places as applicable

After obtaining all relevant information, Marketing officer will prepare a credit appraisal and submit same for approval.

During the approval process, there may be additional details / documents requested from the borrower and same should be provided by the borrower.

Terms & conditions of the facility can be amended by approvers and same will be communicated to the client by Marketing executive.

There is a possibility that facility can get rejected due to credit decisions **title issues (Land)** and same will be communicated to the customer. Facility approval is an independent process which is governed by company credit policy and other credit evaluation tools. Company or its officers are not liable for any decline of credit proposals.

If the facility is approved, borrower will have to present for signing of security documentation and applicable charges has to be paid at that time. Insurance policy, mortgage protection policy etc, as applicable also has to be completed & submitted to MI.

Borrower can collect the Purchase order from MI and handover to **supplier** of the vehicle / equipment

Supplier has to complete the registration process of the vehicle / equipment, assigning absolute ownership to MI and submit the original Certificate of Registration long with duplicate key (if applicable) to collect the payment.

If there is no purchase to be issued as per the product, upon signing the security documents pay order will be issued to the borrower.

f. Main terms and condition

Term- A Fixed term decided by the company to be agreed initially by both company and borrower

Repayment -: Repay a sum lent and advanced together with interest at a rate decided by the company per annum or such other higher rate or rates as may from time to time be fixed or changed by the Company or at direction of the Chairman for the time being of the Company at the sole and absolute discretion of the said Chairman and any government taxes which may be imposed by the government from time to time and other charges.

Registration -: It should be ensured that if any vehicle is given as security under this facility same should be duly registered with the Registrar of Motor Vehicles assigning the absolute ownership

to MI, **if any land is given as security under this facility. The mortgage bond should be duly registered with the relevant land registry.**

Insurance -: The Borrower shall at his /her/organization or its expense cause the vehicle/s given as security to be insured with the insurers selected and approved by the Company and shall keep such insurance in full force and effect during the continuance of this facility. In the event the Borrower do not renew the insurance policy prior to the due date the company shall have the right to renew the policy and debit all charges incurred in this connection to the Borrower's account.

Security condition -: It should be ensured that the vehicle/s given as security are maintained at the cost of the borrower in good repair & condition.

It should be ensured that the vehicle/s given as security is available for inspection by the company or an authorized officer of the company on any weekday during normal working hours.

g. The applicable legal Provisions

The Loan facilities mainly governs by the provisions of Debt Recovery (Special Provisions) Act, the Provisions of the Mortgage Act as amended and the provisions of law Colombo

I-type loans

a. Key features of the product

In this product type, only the interest is demanded every month but capital settlement can be done at discretion of the contract. However, the remaining capital + interest should be settled at the end of the period and the final installment will be the monthly interest + capital.

Product will be granted for a fixed period agreed initially. Maximum tenor is 24 months

Rental amount & rental payment schedule is specified and to be agreed by the borrower initially

If the asset is a vehicle, ownership will remain with the client and absolute ownership will be with Mercantile Investment & Finance Plc (MI), **if the asset is a land the mortgage bond will be executed in favor of Mercantile Investments Finance PLC (MI)**

Applicable accommodation fee will be specified initially and to be agreed by the borrower. Relevant taxes, **legal charges, stamp duty** and cost of insurance to be borne by the borrower.

Maintain the vehicle / equipment in running condition is a responsibility of the borrower. Comprehensive Insurance cover to be obtained every year assigning financial interest to MI during the entire facility period

Overdue interest charge is 4% p.m. This can be changed at the discretion of the management. However, prevailing applicable penalty interest rate to be informed to the client initially before considering the facility

b. Monthly Rental

Rental amount (Interest only) and rental payment schedule will be specified initially, bulk amount to be paid on demand or at the end of the period as agreed initially.

c. Interest on overdue amount

Overdue interest will be charged at 4% p.m.

d. Other charges and fees and commission

Relevant government taxes (if applicable), application accommodation fee & insurance premium amount will be specified initially.

e. Procedures to be followed to obtain the facility

Initially, client will have to meet a marketing officer of MI who will brief the client on the product features and company requirement to proceed with a facility.

At that point, facility terms will be negotiated between marketing officer and customer

Client has to fill the facility application form

Marketing officer will request the documents, client information & other business information (if applicable) that are required to evaluate the client for suitability of obtaining credit

Simultaneously, Marketing officer will visit the residence, business place of the client and visit the Guarantors residence or business places as applicable

After obtaining all relevant information, Marketing officer will prepare a credit appraisal and submit same for approval.

During the approval process, there may be additional details / documents requested from the borrower and same should be provided by the borrower.

Terms & conditions of the facility can be amended by approvers and same will be communicated to the client by Marketing executive.

There is a possibility that facility can get rejected due to credit decisions **title issues (Land)** and same will be communicated to the customer. Facility approval is an independent process which is governed by company credit policy and other credit evaluation tools. Company or its officers are not liable for any decline of credit proposals.

If the facility is approved, borrower will have to present for signing of security documentation and applicable charges has to be paid at that time. Insurance policy, mortgage protection policy etc, as applicable also has to be completed & submitted to MI.

Borrower can collect the Purchase order from MI and handover to **supplier** of the vehicle / equipment

Supplier has to complete the registration process of the vehicle / equipment, assigning absolute ownership to MI and submit the original Certificate of Registration long with duplicate key (if applicable) to collect the payment.

If there is no purchase to be issued as per the product, upon signing the security documents pay order will be issued to the borrower.

f. Main terms and condition

Term- A Fixed term decided by the company to be agreed initially by both company and borrower

Repayment -: Repay a sum lent and advanced together with interest at a rate decided by the company per annum or such other higher rate or rates as may from time to time be fixed or changed by the Company or at direction of the Chairman for the time being of the Company at the sole and absolute discretion of the said Chairman and any government taxes which may be imposed by the government from time to time and other charges.

Registration -: It should be ensured that if any vehicle is given as security under this facility same should be duly registered with the Registrar of Motor Vehicles assigning the absolute ownership to MI, **if any land is given as security under this facility. The mortgage bond should be duly registered with the relevant land registry.**

Insurance -: The Borrower shall at his /her/organization or its expense cause the vehicle/s given as security to be insured with the insurers selected and approved by the Company and shall keep such insurance in full force and effect during the continuance of this facility. In the event the Borrower do not renew the insurance policy prior to the due date the company shall have the right to renew the policy and debit all charges incurred in this connection to the Borrower's account.

Security condition -: It should be ensured that the vehicle/s given as security are maintained at the cost of the borrower in good repair & condition.

It should be ensured that the vehicle/s given as security is available for inspection by the company or an authorized officer of the company on any weekday during normal working hours.

g. The applicable legal Provisions

The Loan facilities mainly governs by the provisions of Debt Recovery (Special Provisions) Act, the Provisions of the Mortgage Act as amended and the provisions of law Colombo

Death, incapacity or bankruptcy

Nothing shall limit or exclude liability for bankruptcy of a Company or for a death of a **Lessee/Hirer and** borrower or any other liability which cannot be limited or excluded by law.

Set off and Lien

Without prejudice to the above, the Company shall have the right to proceed against the **Lessee/Hirer and** Borrower independent of any right of lien/set-off to recover the outstanding dues from the **Lessee/Hirer and** Borrower

Duty of secrecy

MI has a duty to maintain secrecy about any customer related facts under the common law and a similar obligation is imposed upon its officers. However, company may disclose information concerning a customer or its transactions or accounts, deposits when it is required to do so by a Court of Law **Sri Lanka Police Criminal Investigation Department (CID) Financial Intelligence Unit (FIU) or any other competent Authorities** or when it has been authorized by the customer or in the performance of its duties or in order to comply with any provision of law. **Specially provide the Information to the Credit Information provisions of the Bureau of Sri Lanka (CIB) under Credit Information Bureau of Sri Lanka Act No.18 of 1990 .**

Disclosure of customer information to a 3rd party

The customer authorizes the Mercantile Investment & Finance Plc to disclose any information relating to him or his transactions or accounts to

- 1) Any Guarantor of or third party provider of security for, the customer or its accounts with the company in respect of any facility or service provided by the company to the customer; or
- 2) Any actual or potential assignee, participant or contractual party in connection with any rights or obligation of the company in relation to the customer.

Micro Finance

a. Key features of the product

Micro Loans will be provided for middle and low income earning female entrepreneurs in Sri Lanka with little or no access to alternative methods of financing to start up or expand their small – scale businesses

The applicant should have a business income from agriculture or self-employed business

The applicant should be a member of Microfinance center

Group customers should be cross guarantors to the loan (The group can consist of a minimum of 3 members and maximum of 5 member)

The standard Loan repayment period is fifty weeks (50 weeks)

The loan will be provided without collateral

The loan amount you can obtain is flexible, depending on your business income, repayment capacity and requirements.

The customers can apply for a renewal of Microfinance loan after repaying a part of the original loan obtained by the respective customer

Overdue interest charge is 3% p.m. This can be changed at the discretion of the management. However, prevailing applicable interest charge to be informed to the client initially, before considering the facility

b. Weekly Rental

The payments will be made as weekly payments for Micro loans and the Standard Loan repayment period is fifty weeks. (50 weeks)

c. Interest on overdue amount

Overdue interest will be charged at 3% p.m.

d. Other charges and fees and commission

Relevant government taxes (if applicable), application accommodation fee & insurance premium amount will be specified initially.

e. Procedures to be followed to obtain the facility

- Credit facility requested by the Customer

MFR loan product - Customers request to do the eligibility observation for the facility by submitting a copy of NIC or request form to check the CRIB.

MUR loan product- Customers request to do the eligibility observation for the facility by submitting a request letter for MUR and Copy of NIC or Crib check request.

MCR loan product– Existing MFR customer requests for the facility of MCR after 12 weeks of repayment.

- Customer Eligibility Requirements

The Microfinance facility is available for women who are self-employed/ running their business and willing to start a business. The Microfinance facility is not available for women who are employed under another entity/business.

Those who are related to each other cannot form a group together. At least 3 of 5 member must not be related to each other (Mother, daughter, Sister, Cousin etc.)

- Obtaining the Crib Report

The Request for CRIB report is sent by Micro Marketing Officer to the Administration officer of the branch to obtain the CRIB Report.

No arrears should be mentioned in CRIB report for the eligibility. If there is any arrears, valid receipts or letters for arrears settlement should be submitted with the loan file. AGM (Microfinance) has the authority of consider the reasonable CRIB arrears.

- Loan Application and other forms are filled and submitted by the customer
- Educating the customer about Microfinance

The Customers are educated by the Micro Marketing Officer about the microfinance concept, and this educational program takes up to three (3) days. The customer needs to have 100% attendance for the workshops to be eligible for the first loan. The customers are clustered by centers and groups. Three (3) to Five (5) individual customers are required to form one group and a center may have one group or more than one groups.

- Visiting place of Residence

The customer visit is made to verify the place of residence and place of business, and the guardian /spouse is asked to sign a consent form.

- Verification of customer

The customer has to provide a road map to place of residence and income/expenditure verification form.

Afterwards, The marketing officer will visit the place of residence in order to validate the information provided by the customer and verify the reasonableness of the income & expenditure and ensure it is documented correctly in the income & expenditure form.

- Completing the application dossier with the branch

The marketing officer is required to complete the application dossier with system input.

- Get the signatures for Loan Agreement

The loan agreement will be signed by the customer, all the group members and the spouse or guardian as guarantors.

- Submission of loan file for the approval

The credit facilities will be approved by the Manager, Senior Manager & Assistant General Manager of Head office, and Microfinance division as per the DA limits offered for them.

- Branch Micro Heads will generate PINs and provide to the respective customers and the customers can withdraw cash from any commercial bank after submitting the valid PIN. (for approved facilities)

f. Main terms and condition

The applicant should have a business income from agriculture or self-employed business

The Microfinance facility will not be provided for female applicants who are employed under another entity/business

The applicant should be a member of Microfinance center

Group customers should be cross guarantors to the loan (The group can consist of a minimum of 3 members and maximum of 5 member)

Third party guarantor (Spouse/guardian) is compulsory for each loan

Those who are related to each other cannot form a group together (Mother, daughter, Sister, Cousin etc.)

The loan amount is flexible , depending on your business income, repayment capacity and requirements within the pre decided loan steps

- ◆ 1st step - 75,000/-
- ◆ 2nd step - 100,000/-
- ◆ 3rd step - 125,000/-
- ◆ 4th step - 150,000/- (Maximum Loan amount)

MFR facilities and MUR facilities cannot be provided for same customer simultaneously. But MCR facility can be offered for the customers who obtained MFR/MUR facilities.

Top up facility – The customers can apply for a renewal of Microfinance loan after paying more than 40% of outstanding amount.

g. The applicable legal provisions

The Micro Finance mainly governs by the provisions of Finance Business Act, No. 42 of 2011

Gold loans

a. Key features of the product

- ✓ Higher value to be borrowed for Gold
- ✓ Quick service
- ✓ Flexible / short term credit facility
- ✓ Ability to make part payments
- ✓ Able to redeem articles at any given time (office hours) & may redeem 1 article at a time (in the event many articles have been pledged)
- ✓ Any person can make repayments
- ✓ Redeeming can also be done by a 3rd party with a written consent by original borrower
- ✓ Ability to redeem items even 1 month after the end date and even prior to the auction
- ✓ Reminders sent to customers to at maturity.

b. Monthly Rental

Not Applicable

c. Interest on overdue amount

Overdue interest will be charged at 0.5% p.m.

d. Other charges and fees and commission

If redeemed within 07 days, Rs.300/- or 7day interest whatever the highest will be charged.

e. Procedures to be followed to obtaining Advances

- ✓ Customer visits branch
- ✓ Produces Gold article
- ✓ Gold Assessor checks & suggests an amount
- ✓ If customer agrees NIC / DL / PP is obtained

- ✓ Valid NIC / DL / PP to be given to Gold Loan Officer
- ✓ Gold Loan Officer double checks & enters to system
- ✓ Gold Loan Ticket & Mortgage bond generated by system to be signed by customer & taken to Gold Assessor
- ✓ Gold Assessor double checks & hands over documentation to Gold Loan Officer
- ✓ Gold Loan Officer checks all in order & hands over to the customer (Ticket copy & Mortgage bond to be retained)

Redeeming Articles

- ✓ Customer arrives with the Gold Loan Ticket
- ✓ Customer identity to be verified
- ✓ Customer to be informed of settlement / Redemption balance
- ✓ Customer settles with cash
- ✓ Teller issues settlement receipt & obtain signature from customer
- ✓ Customer copy of Payment receipt handed over to customer
- ✓ Officer to check & verify the item & hand over to customer

Reminders

- ✓ 1ST Reminder sent at the time of maturity giving 14 days (to pay the interest portion)
- ✓ 2nd Reminder (Notice of Demand) sent 14 days after the Maturity to renew the transaction/settlement.
- ✓ 3rd Reminder (Notice of Auction) sent 45 days after maturity.

If not settled Auction will be held thereafter on a preferred date and location.

Renewals

Customers have the option to renew a Gold Loan by paying off the accumulated interest portion up until the particular date. However, the new loan will also have a similar time period as the original.

Customer should produce NIC / DL / PP & Gold Loan Ticket

Part payments

Customer has the option to make payments time to time and when the payment is more than the interest due, the remaining will be set off against the capital outstanding.

Customer should produce NIC / DL / PP & Gold Loan Ticket

Loss of Gold loan tickets

In the event the customer loses the Gold Loan Ticket, an affidavit should be obtained from a Justice of Peace prior to attempting to redeem articles.

f. Main terms and condition

- ✓ Mercantile Investments and Finance PLC reserves the right to sell items unredeemed under the Mortgage Act, after giving proper notice to the customer,
- ✓ Company reserves absolute discretion primarily to charge fines for interest payable, if any, and to recover government levies paid by the company on the facility and to apply the balance to recover the capital outstanding .
- ✓ The sum of money so granted to him / her as credit and advances should be fully repaid in terms of the repayment methodology along with interest.
- ✓ Any default in payment on the due date will result in calculating an additional interest.
- ✓ In case of default, the company reserves the right to request to pay forthwith the said full sum of money outstanding.
- ✓ At loss of Gold Loan Ticket, an Affidavit prepared by using a form approved by Mercantile Investments and Finance PLC and other documents should be presented to recover items.
- ✓ Mercantile Investments and Finance PLC is fully authorized to make any changes to interest rates or conditions after passage of the period of agreement noted on the Gold Loan ticket.
- ✓ In case of loss of items kept on security, the Mercantile Investments and Finance PLC will pay the debtor only the market value of such lost items and that the debtor has no legal right to solicit any other loss or damage from Mercantile Investments and Finance PLC.
- ✓ Items will be released only after payment of the outstanding capital value of Gold Loan and its accumulated interest and charges if any.
- ✓ Mercantile Investments and Finance PLC is released from all the responsibilities on items when it gets revealed that the items so kept on security are goods stolen or fraudulently possessed and the borrower/Customer is committed to repay the advances received and its full accumulated interest.

- ✓ All expenses pertaining to this facility including stamp fees , legal and other fees should be borne by customer.

g. The applicable legal provisions

The Gold loan mainly governs by the provisions of Mortgage Act No. 85 and 86.

Duty of secrecy

MI has a duty to maintain secrecy about any customer related facts under the common law and a similar obligation is imposed upon its officers. However, company may disclose information concerning a customer or its transactions or accounts, deposits when it is required to do so by a Court of Law **Sri Lanka Police Criminal Investigation Department (CID) Financial Intelligence Unit (FIU) or any other competent Authorities** or when it has been authorized by the customer or in the performance of its duties or in order to comply with any provision of law. **Specially provide the Information to the Credit Information provisions of the Bureau of Sri Lanka (CIB) under Credit Information Bureau of Sri Lanka Act No.18 of 1990 .**

Disclosure of customer information to a 3rd party

The customer authorizes the Mercantile Investment & Finance Plc to disclose any information relating to him or his transactions or accounts to

- 1) Any Guarantor of or third party provider of security for, the customer or its accounts with the company in respect of any facility or service provided by the company to the customer; or
- 2) Any actual or potential assignee, participant or contractual party in connection with any rights or obligation of the company in relation to the customer.

Complaint handling procedure

The following methods are available to customers to lodge complaints

- ✓ Through the Branch Manager
- ✓ Write to : Complaint handling officer

In the event a satisfactory solution is not provided by the company, customer can escalate his / her complain to the office of the Financial Ombudsman of Sri Lanka.

The Financial Ombudsman, Financial Ombudsman Office of the Financial Ombudsman

143A, Vajira Road, Colombo 05

Contact number : +94 11 259 5624 **Tele Fax** : +94 11 259 5625

Email : fosril@sltnet.lk

Website : www.financialombudsman.lk