

Tenco Hire Purchase and Leasing Company Pvt Limited
Fair Practice Code 1

Contents

Introduction.....	2
KeyCommitments.....	2
Applications for Loans and Their Processing	2
Loan Appraisal and Terms and Conditions	3
Disbursement of Loans Including Changes in Terms & Conditions	3
General.....	3
Responsibility of Board of Directors	4
Grievance Redressal Officer	4
Nodal Officer/Principal Nodal Officer	5
Language and Mode of Communicating Fair Practice Code	5
Regulation of Excessive Interest Charged	5
Training to Avoid Rude Behaviour	5
Confidentiality	5

Introduction

Tenco Hire Purchase and Leasing Co Pvt Limited, a Non-Banking Finance Non-Systematically Important Non-Deposit Taking Company registered with Reserve Bank of India (“RBI”) is presently in the business of providing different types of loans which includes Secured & Unsecured Term Loans to its various customers. Such credit facilities are extended to different types of customers, which include MSMEs, individuals, partnership firms, companies and other legal entities.

Tenco Hire Purchase and Leasing Co Pvt Limited (“the Company”) has put in place the Fair Practice Code (FPC) as per the RBI master direction RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 and it has been duly approved by the Board of Directors on 24th November 2021. The Fair Practice Code sets out the principles for fair practices/ standards while dealing with its customers.

The Company has adopted this Fair Practices Code (“the Code”) and have implemented it. The Code applies to all categories of products and services offered by the Company (currently offered and which may be introduced in future).

Key Commitments

The Company's key commitments to customers:

I. Act fairly and reasonably in all its dealings with customers by:

- Meeting the commitments and standards specified in the Code, for the products and services which the Company offers and, in the procedures, and practices its staff follows
- Making sure that Company's products and services meet relevant laws and regulations
- Company's dealings with customers will rest on ethical principles of integrity and transparency

II. Help customers understand how company's product work by:

- Explaining their financial implications

III. Deal quickly and sympathetically with things that go wrong by:

- Correcting mistakes
- Handling customer's complaints
- Telling customers' how to take their complaint forward if they are still not satisfied

IV. Publicize the Code, put it on Company's website and have copies available for customer on request.

Applications for Loans and Their Processing

- All communications to the borrower shall be in the vernacular language or a language as understood by the borrower
- 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 NBFCs can be made and informed decision can be taken by the borrower. The loan application form shall indicate the documents required to be submitted with the application form.

- The company shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement

Loan Appraisal and Terms and Conditions

The company shall convey in writing to the borrower in the vernacular language or a 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. As complaints received against NBFCs generally pertain to charging of high interest / penal interest, the company shall mention the penal interest charged for late repayment in bold in the loan agreement.

The company shall furnish a copy of the loan agreement 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. This is to ensure that borrowers are fully aware of the terms and conditions of the loans including rate of interest at the time of sanction of loans.

Disbursement of Loans Including Changes in Terms & Conditions

I. The company shall give notice to the borrower in the vernacular language, 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 also ensure that changes in interest rates and charges are affected only prospectively. A suitable condition in this regard must be incorporated in the loan agreement

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

III. 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

General

I. 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)

II. In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e., objection of the company, if any, shall 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

III. 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. As complaints from customers also include rude behaviour from the staff of the companies, the

Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner

IV. As a measure of customer protection and to bring in uniformity regarding prepayment of various loans by borrowers, the company shall not charge foreclosure charges/ pre-payment penalties on all floating rate term loans sanctioned to individual borrowers

Responsibility of Board of Directors

The Board of Directors of the company shall also lay down the appropriate grievance redressal mechanism within the organization comprising Business Head, Collections Head, Support Services Head & Operations Head. Such a mechanism shall ensure that all disputes arising out of the decisions of the company's functionaries are heard and disposed of at least at the next higher level. The Board of Directors shall also provide for 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 shall be submitted to the Board at regular intervals, as may be prescribed by it.

Grievance Redressal Officer

The company should appoint a Grievance Redressal Officer. At the operational level, the company shall display the following information prominently, for the benefit of its customers, at its branches / customer touchpoints / places where business is transacted:

I. Names and contact details of Grievance Redressal Officers who can be approached by the public for resolution of complaints against the Company are given below.

Mr. Ravi Mathews, Director

E-mail: mathew@tencofin.in

Tel: 9994232221

II. 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 Department of Non-Banking Supervision of the Bank, under whose jurisdiction the registered office of the company falls is given below.

Kerala Office address

Bakery Junction, P.B No.6507, Thiruvananthapuram - 695 033, India. Tel: +91 471 2320612, Fax: +91 471 2329143

Name and address of the RBI Ombudsman

Shri G Ramesh

C/o Reserve Bank of India

Bakery Junction, P.B No.6507, Thiruvananthapuram - 695 033, India. Tel: +91 471 2320612, Fax: +91 471 232914356.

Nodal Officer/Principal Nodal Officer

When the company becomes covered under the Ombudsman Scheme for Non-Banking Financial Companies, 2018 (Applicable for NBFCs with asset size more than INR 100 Cr), it shall appoint Nodal Officer/ Principal Nodal Officer in accordance with directions as provided under Annex VII.

Language and Mode of Communicating Fair Practice Code

Fair Practices Code (which shall preferably be in the vernacular language, or a language as understood by the borrower) shall be put up on the company website for the information of various stakeholders.

Regulation of Excessive Interest Charged

I. The Board of the company shall adopt an interest rate model considering 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

II. The rates of interest and the approach for gradation of risks shall also be made available on the website of the company or published in relevant newspapers. The information published on the website or otherwise published shall be updated whenever there is a change in the rates of interest

III. The rate of interest must be annualized rate so that the borrower is aware of the exact rates that would be charged to the account

IV. The Company shall not charge excessive rates and the rates charged from its borrowers shall be as per prevailing market conditions, cost of fund, operating costs and subject to regulations and conditions from the regulator

Training to Avoid Rude Behaviour

In the matter of recovery of loans, to avoid rude behaviour from the staff of the Company, the Company shall ensure that the staff are adequately trained to deal with the customers in an appropriate manner

Confidentiality

Unless authorized by the borrower, the Company will treat all personal information as private and confidential. The Company may not reveal transaction details of the borrowers to any other persons except under following circumstances

- If the Company is required to provide the information as per regulatory directives to any statutory or regulatory body or bodies
- If arising out of a duty to the public to reveal the information
- If it is in the interest of the borrowers to provide such information (e.g., Fraud prevention)
- If the borrower has authorized the Company to provide such information to its group/associate/entities or Companies or any such person/entity as specifically agreed upon
