



TENCO HIRE PURCHASE & LEASING CO.PVT.LTD

Regd.Office: Gold Complex, Yesudas Road, Kunnankulam, Thrissur District, Kerala - 680 503.

Admn Office: 2/388, 1st Floor, Vattipillaiyar kovil Street, Ullur, Kumbakonam, Thanjavur District, Tamilnadu - 612 001.

INTEREST RATE POLICY

Approach to gradation of risk & Interest Rate Model

The Interest rate charged by the Company for loans and advances is on Fixed Rate rate basis. With reference to the Company's approach for gradations of risk and rationale, the rates of interest for the same product and same tenor availed during the same period by different customers could vary depending upon the combination of various factors such as borrower's profile including age, number of dependents, residential stability, type of employment and length of service, primary and secondary income, vintage and growth in business.

The lending interest rate will be arrived based on the weighted average cost of funds including all charges, risk premium, other costs such as administrative expenses, profit margin, stability, market information associated with lending activities.

The Company shall be charging annualised interest rate on loans and advances extended to customers. The annualised interest shall be communicated explicitly in the Sanction letter. Any revision/change in the interest rate/other charges would be affected prospectively only. The interest shall be amortized with the principal and the monthly due shall be repaid by way of instalments. The company may offer an equated monthly instalment or a structured repayment. The company may alternatively offer a scheme by which the interest needs to be serviced month on month or on quarterly basis and the Principal repaid at the end of the tenure. The repayment of both the Principal and Interest may also be offered on "Bullet Payment" at the end of the tenure.

The interest rates proposed for different loans and advances extended by the Company to its borrowers, are given in Annexure 1. Any deviation up to 3% from the above may be approved by a person not below the rank of Zonal Business Head/ Vice President. Any deviation in excess of 3% shall be approved by the Board.

Other Charges

The Company may charge Processing fee to cover the cost of sourcing/acquisition, field verification, credit appraisal etc. Other fees/charges such as Legal fees, Valuation fees etc. shall be charged to customers separately. Similarly, other charges such as mandate registration charges, cheque bouncing charges, overdue interest, swapping charges, rescheduling charges, part-disbursement charges, prepayment charges, collection charges, seizing/repossession charges/expenses, statutory charges, auctioning charges, legal expenses etc. shall be levied by the Company from time to time. In addition, GST and other cess on the fees and charges shall be collected at the applicable rates from the customers. Any revision in these charges shall be effected prospectively only and the same shall be communicated to customers. The broad range for charging the above referred fees/charges/expenses are indicated in Annexure 2 of this Policy. Overdue interest: Where there is a delay in remittance of instalments the company shall charge overdue interest @ 38% p.a., monthly rests, on the instalments outstanding from time to time. This does not prevent the company from taking any legal action and repossessing the asset by issuing a notice to the borrower.

Cheque bouncing charges/Bank Charges: The Company may charge a flat amount up to Rs.1500/ per instance of cheque/ACH/ECS bounce for various loan products.

Collection charges: The Company may levy collection charge of an amount not exceeding



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Rs.500/ per visit to the customer's place for recovery of dues. In case the customer is residing in a far-off location, the cost incurred for collection would be charged at actuals subject to a minimum of Rs.500/-. Where the officer of the Company from its Regional/Head office visits the delinquent customer, a sum of Rs.500/ or actuals whichever is higher, shall be payable by the customer. Repossession expenses shall be at actuals.

Foreclosure charges:

Where a customer proposes to foreclose a loan account the Company shall levy foreclosure charges as detailed in Annexure 3.

The Company may also charge an additional 3% on the principal outstanding if the loan is proposed to be taken over/closed from borrowed funds.

Lock-in-period

The Company operates in a competitive environment and to cover the cost of acquisition, restrict foreclosure of the loan account in certain cases as negotiated with the customer at the time of sanction. The company may restrict foreclosure of a loan by not more than 12 months from the date of 1st EMI due. The company at its sole discretion, may impose the lock-in period as proposed above and consent obtained from the borrower, upfront.

While the company does not in the normal course permit foreclosure of the account during the lock-in-period, the Company may on approval of the Vice President / ZBH/ Executive Director/ Joint Managing Director/Managing Director, permit the customer to foreclose the loan account during the lock-in-period and in which case, the Company may propose to charge up to 4% over and above the applicable rate immediately succeeding the lock-in-period, and on acceptance by the customer, permit waiver of the lock-in period. Approval to permit foreclosure during lock in period shall be at the sole discretion of the Company as it is a change to the terms of the loan agreement executed by the Customer.

Intimation/Communication to Borrowers:

The Company shall intimate the borrower the loan amount, annualized rate of interest and method of application thereof at the time of sanction of the loan along with the tenure and terms of repayment. In case of loan facilities with moratorium on payment of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements.

Request for waiver of charges/ penal interest / additional interest bank charges / foreclosure charges are at the sole discretion of the Company. The authorised person may partly or fully waive these charges, and the decision of the Company is final in this regard.



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Annexure 1

- Lending Rate Range for Vehicle Loan - Fixed Rates.
 - Products New Used.
 - Construction Equipment 10 % to 36%.
 - Tractor 10 % to 36%.
 - 3-Wheeler 10 % to 36%.
 - Car 10 % to 36%.
 - Heavy Commercial Vehicle 10 % to 36%.
 - Light Commercial Vehicle 10 % to 36%.
 - Mini-Light Commercial 10 % to 36%.
 - MUV 10 % to 36%.
 - 2-Wheeler 10 % to 36%.
 - Lending Rate Range for Secured Loan - Fixed Rates.
 - Loan Against Property 10 % to 36 %.
 - Business Loan – Secured 10 % to 36 %.
 - Gold Loan 10 % to 30 %.
 - Business loan/ SME 14% to 36%.
 - Loan Against Property 10 % to 36 %.
- All the rates mentioned are annualized
- Additional GST and other cess shall be charged as applicable.

Annexure 2

- Processing fees Up to 5%.
- Documentation charges - - -Up to Rs.1000/.
- Stamping charges Up to Rs.200/ As applicable as per state act.
- Bank charges (per instance of cheque bounce) ₹2000.
- Foreclosure charges Up to 5%.

Annexure 3

- Swap charges ₹ 500.
- Collection charges ₹ 500.
- Postal charges ₹ 50.

- Parking Charges / Yard Rent Actuals based on market rate.
- Auction charges Actuals based on market rate.
- Towing charges Actuals based on market rate.

Foreclosure Charges.

- Two-Wheelers 5% on the Principal Outstanding.
- Personal Loans 5% on the Principal Outstanding.
- Commercial Vehicles 4% on the Principal Outstanding.

Business Loans & LAP

- 4% on the principal outstanding if the account is foreclosed within 12 months.
- 3% on the principal outstanding if the account is foreclosed within 24 months.
- 2% on the principal outstanding if the account is foreclosed after 24 months.