



TENCO HIRE PURCHASE & LEASING COMPANY PVT. LTD.

CIN: U65921KL1995PT008846

CREDIT POLICY

OBJECTIVE

The key objectives of putting in the place the Credit policies are as follows.

The company dealing with its borrowers will rest on ethical principles on honesty, integrity and transparency. Credit services to the customers

Recovery of credit provided to the customers Providing information about the products and services in simple manner Explaining the financial implication of using the products and services **Transparency**

Company will adhere the policies in transparent and understandable manner and the same shall be captured

- a. Loan Applications and processing thereof
- b. Loan appraisal and terms and conditions
- c. Disbursement of loans
- d. Post disbursement monitoring
- e. Interest Rate policy which includes Interest Rate/Processing Fees/Insurance Premium and any other charges
- f. On successful completion of the Loan Application process the company will disburse the loan with following manner
- g. Small Business Loan - Disbursed within 3 working days
- h. Interest Rate - 40 to 52% (IRR)
- i. Period - 20 to 52 weeks
- j. Processing Fees - - Rs.900 for up to Rs.80,000/- loan and 1% for loans Above Rs.80,000/-
- k. Insurance which gets included in processing fees
- l. since it is untapped market by other financial companies, we will process the same even if it is above 300



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Methods of Scrutinization

While scrutinizing the locations we mainly look into the following aspects, we access whether the area is potential place to run the business. We investigate whether the shop is situated more of a walk in on a regular basis. The shop should be situated and running business for minimum Three years with document proof like, local panchayat proof or any other proof of documents. Apart from this we are mainly focusing on Stock Value, Fixed Assets value (Moveable and Immovable), Raw Materials value, Whether the shop/residence are rented or owned by the customer, if shop is rented, we will scrutinize the lease agreement also the advance paid by the tenant and for residence proof we will take the proof of Gas/Electricity bill. We will verify any negative Indicators with neighbors and, we will check the integrity of customer in and around 500 meters to 1 km.

If all the above, has been satisfied, loan are sanctioned depending upon the overall value, average stock value and daily cash flow. While we are sourcing the customer, we will stick into the RBI guidelines without compromising the credit norms also we will not deviate the KYC norms for both Borrower and Co-Borrower/Guarantor. Further, the main aim behind the implementation of KYC Policy is to examine and report all the vague and unclear transactions to the relevant authority.

Customer Acceptance Policy

1. One cannot open an account in a Benami or Bogus name;
2. A customer will be categorized as low, medium, or high based on the factors as follows:
3. Nature of the Business Activity;
4. Location of the Customer;
5. Mode of Making Payment;
6. Annual Turnover;
7. All the documents and information submitted must be in accordance with the provisions of the PMLA 2002 or prevention of money laundering act and the guidelines and directions issued by RBI;
8. In the case of Non-cooperation from the customer side, he/ she can neither open nor close an existing account;



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9. The financial institution must duly check the particulars provided prior to opening an account;
10. If in case a person has been authorized to act on behalf of some other person, then, in that case, the same must be clearly spelt out in the documents;

All the customers (Applicant/Co-Applicant) are covered with insurance policy for the loan what they are availed and the same will be covered for personal and accidental insurance coverage and the stocks also insured for three times of the loans disbursed for theft/fire etc.

Valuation and Creditability varies from shop to shop like

Provision Stores/Petty Shops:

While we scrutinizing the stocks in the above shops, we will value the goods by bifurcating the same into fast moving products on daily basis needs (rice/dhal/sugar/oil) slow moving products (Biscuits/chocolates/Health drinks/sanitary items etc) and we will deduct the perishable goods from the stocks at the shops

Hotels/Bakeries/Tea and Snack shops

While valuing the above business we will mainly lookout the Assets, Interiors, ambience, timings, quality of the products and customer satisfaction also customer feedback in and around the locality.

Medical Printing & Stationary/hardware and Electrical shops

From the above shops we will value the stocks in the shops and also customer is satisfied the products and Genuity offered by the shopkeepers