



TENCO HIRE PURCHASE & LEASING CO.PVT.LTD

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

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

PENAL CHARGES POLICY

1. **INTRODUCTION:** THIS POLICY OUTLINES THE FRAMEWORK FOR THE IMPOSITION OF PENAL CHARGES BY TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED ON CUSTOMERS WHO DEFAULT OR FAIL TO ADHERE TO THE TERMS AND CONDITIONS OF THEIR AGREEMENTS WITH THE COMPANY. PENAL CHARGES ARE LEVIED TO DISCOURAGE DEFAULT AND ENSURE COMPLIANCE WITH CONTRACTUAL OBLIGATIONS. IN CASE OF EXISTING LOANS AS WELL, THE INSTRUCTIONS SHALL COME INTO EFFECT FROM APRIL 1, 2024 AND THE SWITCHOVER TO NEW PENAL CHARGES REGIME SHALL BE ENSURED ON THE NEXT REVIEW / RENEWAL DATE FALLING ON OR AFTER APRIL 1, 2024, BUT NOT LATER THAN JUNE 30, 2024, PENAL INTEREST WILL NOW BE REFERRED AS PENAL CHARGES AND SHALL ATTRACT GST.
2. **SCOPE:** THIS POLICY APPLIES TO ALL CUSTOMERS OF TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED, INCLUDING INDIVIDUALS, BUSINESSES, AND OTHER ENTITIES, WHO HAVE AVAILED FINANCIAL PRODUCTS AND SERVICES OFFERED BY THE COMPANY.
3. **TYPES OF PENAL CHARGES:** PENAL CHARGES MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

LATE PAYMENT CHARGES: FEES IMPOSED ON CUSTOMERS FOR DELAYED REPAYMENT OF LOANS, INSTALLMENTS, OR OTHER DUES BEYOND THE DUE DATE SPECIFIED IN THE AGREEMENT. (MINIMUM 750/- INR PER INSTANCE) SUBJECTED TO LOAN AMOUNT AVAILED.

DEFAULT CHARGES: CHARGES LEVIED ON CUSTOMERS FOR DEFAULTING ON THEIR LOAN OBLIGATIONS, INCLUDING NON-PAYMENT OF EMIS OR INTEREST. (MINIMUM 750/- INR PER INSTANCE) SUBJECTED TO LOAN AMOUNT AVAILED.

OVERDUE CHARGES: FEES APPLIED TO OVERDUE ACCOUNTS OR OUTSTANDING BALANCES BEYOND THE GRACE PERIOD PROVIDED IN THE AGREEMENT. (MINIMUM 750/- INR PER INSTANCE) SUBJECTED TO LOAN AMOUNT AVAILED.

NON-SUFFICIENT FUNDS (NSF) CHARGES: CHARGES IMPOSED WHEN A CUSTOMER'S ACCOUNT DOES NOT HAVE SUFFICIENT FUNDS TO COVER A SCHEDULED PAYMENT OR TRANSACTION. (MINIMUM 750/- INR PER INSTANCE) SUBJECTED TO LOAN AMOUNT AVAILED.

4. **PRINCIPLES GOVERNING PENAL CHARGES:**

TRANSPARENCY: TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED SHALL CLEARLY COMMUNICATE THE PENAL CHARGES APPLICABLE TO EACH FINANCIAL PRODUCT OR SERVICE OFFERED TO CUSTOMERS AT THE TIME OF AVAILING THE PRODUCT OR SERVICE.

REASONABLENESS: PENAL CHARGES SHALL BE REASONABLE AND COMMENSURATE WITH THE ACTUAL COSTS INCURRED BY TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED DUE TO THE DEFAULT OR BREACH OF CONTRACT BY THE CUSTOMER.

FAIRNESS: PENAL CHARGES SHALL BE APPLIED UNIFORMLY AND CONSISTENTLY TO ALL CUSTOMERS IN SIMILAR CIRCUMSTANCES, WITHOUT DISCRIMINATION.

REGULATORY COMPLIANCE: PENAL CHARGES SHALL COMPLY WITH THE REGULATIONS AND GUIDELINES PRESCRIBED BY THE REGULATORY AUTHORITIES GOVERNING NBFCS.



TENCO HIRE PURCHASE & LEASING CO.PVT.LTD

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

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

5. COMMUNICATION OF PENAL CHARGES:

TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED SHALL COMMUNICATE PENAL CHARGES TO CUSTOMERS THROUGH:

- A) LOAN AGREEMENTS, FINANCING DOCUMENTS, OR OTHER CONTRACTUAL AGREEMENTS.
- B) PUBLICLY AVAILABLE DOCUMENTS, SUCH AS THE COMPANY'S WEBSITE OR BROCHURES.

CUSTOMERS SHALL RECEIVE CLEAR AND CONCISE INFORMATION REGARDING THE PENAL CHARGES APPLICABLE TO THEIR SPECIFIC FINANCIAL PRODUCTS OR SERVICES.

6. DISPUTE RESOLUTION: IN CASE OF ANY DISPUTE REGARDING THE IMPOSITION OF PENAL CHARGES, CUSTOMERS MAY RAISE THEIR CONCERNS THROUGH TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED'S DESIGNATED GRIEVANCE REDRESSAL MECHANISM. THE COMPANY SHALL ADDRESS CUSTOMER GRIEVANCES PROMPTLY AND FAIRLY IN ACCORDANCE WITH REGULATORY REQUIREMENTS.

7. AMENDMENT OF POLICY: THIS PENAL CHARGES POLICY MAY BE AMENDED OR REVISED BY TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED AS DEEMED NECESSARY TO COMPLY WITH REGULATORY CHANGES OR INTERNAL CONSIDERATIONS. ANY AMENDMENTS TO THE POLICY SHALL BE COMMUNICATED TO CUSTOMERS IN ADVANCE THROUGH APPROPRIATE CHANNELS.

8. COMPLIANCE: TENCO HIRE PURCHASE AND LEASING COMPANY PRIVATE LIMITED SHALL ENSURE COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS, AND GUIDELINES ISSUED BY THE REGULATORY AUTHORITIES CONCERNING THE IMPOSITION OF PENAL CHARGES.

9. POLICY REVIEW: THIS PENAL CHARGES POLICY SHALL BE SUBJECT TO PERIODIC REVIEW BY THE MANAGEMENT TO ENSURE ITS EFFECTIVENESS, COMPLIANCE WITH REGULATORY REQUIREMENTS, AND ALIGNMENT WITH INDUSTRY BEST PRACTICES.

10. EFFECTIVE DATE: THIS POLICY SHALL COME INTO EFFECT FROM APRIL 1, 2024 AND SHALL REMAIN IN FORCE UNTIL FURTHER NOTICE.