

TATA MOTORS FINANCE LIMITED

FAIR PRACTICES CODE – 2016-17

INTRODUCTION

Tata Motors Finance Limited (the “fully owned subsidiary Company of TMF Holdings Limited”) has adopted this Fair Practices Code (“Code”) to provide to the customers’ effective overview of practices in terms of the Reserve Bank of India (“RBI”) Master Direction RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023- which will be followed by the Company in respect of the financial facilities and services offered by the Company to its customers. The Code will facilitate the customers to take informed decisions in respect of the financial facilities and services to be availed by them and will apply to any loan that the Company may sanction and disburse.

The Code would be made available on the web site of the Company in English and vernacular languages. The Code will be displayed by the Company in all its branch office premises in English and vernacular languages.

1. Objective of the Code

This Code has been developed to:

- Promote good, fair and trustworthy practices by setting minimum standards in dealing with the customers
- Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services
- Encourage market forces, through competition, to achieve higher operating standards;
- Promote a fair and cordial relationship between the customers and the Company.

2. Our Key Commitments and Declarations

We shall act efficiently, fairly and diligently while dealing with all our customers by:

- Meeting the commitments and standards in this Code for the financial products and services, we offer, and the procedures and practices our staff follow;
- Ensuring that all the financial services comply with all the relevant laws and regulations;
- Providing professional, courteous and speedy services;
- Providing accurate and timely disclosure of terms and conditions, costs, rights and liabilities as regards to the financial transactions.

We shall help the customer understand how our financial products and services work, by:

- Giving verbal and written information/communication about the financial schemes in Hindi and/or English and/or local vernacular language or a language understood by the borrower;
- Ensuring that our advertising & promotional literature is clear and is not misleading;
- Explaining financial implications of the transactions;
- Helping the customer to choose the financial scheme.

We shall deal quickly and proactively with things that go wrong by:

- Correcting mistakes quickly;
- Attending customer complaints quickly;
- Telling our customers how to take their complaint forward if the customers are still not satisfied with our assistance;
- Reversing any charges that have inadvertently been levied.
- Being accountable & taking corrective action in case of inappropriate staff behavior

3. Non-Discrimination Policy

We will not discriminate between our customers on the basis of gender, race, religion or on grounds of physical/ visual disability.

4. Applications for loans and their processing:

- a) Loan application forms issued by the Company shall include necessary information which affects the interest of the borrower to enable the borrower to take an informed decision. The loan application form shall indicate the documents required to be submitted along with the loan application form.
- b) The Company shall issue an acknowledgement receipt for all loan applications. Loan applications shall be disposed of within twenty (21) days or such extended time as may be mutually agreed between the borrower and the Company from the date of receipt of the application form completed in all respects and the same shall be stated on the acknowledgement issued.
- c) If any additional details / documents are required, the same shall be intimated to the borrowers immediately.
- d) All communications to the applicant or borrower shall be in the language as understood by the applicant or borrower.

5. Loan appraisal and terms/conditions:

- a) The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- b) The borrower would be informed by means of a written sanction letter, the amount of the loan sanctioned or otherwise. The said letter shall contain the terms and conditions including the annualized rate of interest and the method of application thereof and keep the acceptance of these terms & conditions by the borrower on its record.
- c) The Company shall obtain an acceptance from the borrower on the said sanction letter with the borrowers' signature under the caption "I/WE ACCEPT ALL THE TERMS AND CONDITIONS WHICH HAVE BEEN READ AND UNDERSTOOD BY ME/US". The Company shall maintain a record of such acceptance.
- d) The Company shall invariably be bound to furnish a copy of the loan agreement along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/ disbursement of loans. The Company shall ensure that the loan agreement and all enclosures furnished to all borrowers contain the terms and conditions and the rate of interest in the form of a Term Sheet, which shall be annexed to the loan agreement.
- e) The Company shall mention the penal interest charged for late repayment in bold in the loan agreement.

6. Disbursement of loans including changes in terms and conditions:

- a) The Company has adopted interest rate model and has framed appropriate internal principles and procedures for determining and ensuring that the interest rates, processing and other charges are not excessive. The Company shall, at the time of disbursement, ensure that the interest rate, processing and other charges on loan and advances are in strict adherence to above referred internal principles and procedures. Interest rate model has been made available on the website of the Company (www.tmf.co.in)
- b) The disbursement will be done immediately upon compliance of all the terms and conditions of the sanction letter by the borrower
- c) The Company shall give a notice to the borrower in case of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc. The company shall also ensure that changes in interest rate & charges are affected only prospectively.

7. Post Disbursal Supervision:

- a) Any decision to recall/accelerate payment or performance shall be in consonance with the loan agreement.

b) All securities offered by the borrower shall be released 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 the 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 or paid.

c) The Company shall adhere to guidelines issued by RBI as regards to repossession of vehicles. To ensure transparency, the terms and conditions of the contract/loan agreement shall also contain provisions regarding:

i. notice period before taking possession;

ii. circumstances under which the notice period can be waived;

iii. the procedure for taking possession of the security;

iv. a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;

v. the procedure for giving repossession to the borrower; and

vi. The procedure for sale / auction of the property.

8. Fair Lending Practice - Penal Charges in Loan Accounts

This policy is applicable to the levy of Penalty (whether called Overdue interest, default interest, accelerated interest or by any other name) on (a) all fresh loan products offered by the Company on and from April 1, 2024, and (b) all existing loan products, on and from the earlier of (i) the review/ renewal date falling after April 1, 2024 and (ii) June 30, 2024.

1. The penalty for non-compliance of material terms and conditions of the loan agreement shall be charged as 'Penalty' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances.
2. The Company shall not capitalise Penalty levied on borrowers. However, this will not affect the normal procedures for compounding of interest in the loan products offered by the Company.

The intent of levying Penalty shall be to inculcate a sense of credit discipline and as a deterrent to the contract and such penalty is not meant to be used as a revenue enhancement tool over and above the contracted rate of interest.

Structure of Penalty

1. The Company may levy Penalty on (i) non-payment of dues on the agreed due dates, or (ii) the occurrence of any other event of default of the terms and conditions of the loan contract.
2. The Company shall not introduce any additional component to the rate of interest.
3. The Penalty shall be applicable with respect to all customers and for all type of products without any discrimination for a particular product or customer segment. The Penalty in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the Penalty applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
4. The quantum of the Penalty levied on any borrower shall take into account the cost of borrowings for the Company and shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
5. There shall be no capitalisation of any type of Penalty i.e., no further interest will be computed on such penalty remaining to be recovered from borrower.
6. The quantum and reason for Penalty shall be clearly disclosed in bold in the loan agreement and most important terms & conditions/ Key Fact Statement (KFS) as applicable, in addition to being displayed on the website of the Company.
7. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable Penalty shall be communicated. Further, any instance of levy of Penalty and the reason therefor shall also be communicated instantly.

Other Reimbursements

The applicability and levy of Penalty shall not prejudice the other rights available to the Company to recover costs, expenses and charges which are incurred/ which may be incurred by the Company at the time of processing of any loans, as a result of the

occurrence of an event of default or otherwise, which rights may be exercised in the manner and upon the terms and conditions set out in the relevant loan documents executed with the relevant obligors.

9. General

- a) The Company shall not interfere in the affairs of the borrower except for the purposes provided in the loan agreement unless new information not earlier disclosed by the borrower has come to the notice of the Company.
- b) In the matter of recovery of loans, the Company shall not resort to undue harassment like bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- c) The Company will call delinquent customers between 08.00 hrs to 19.00 hrs unless special circumstances of the borrower’s business require to call them otherwise outside the hours mentioned.
- d) The Company may arrange for enforcing security charged with it of the delinquent borrower, if required, with an aim only to recover dues and will not be aimed at whimsical deprivation of the property.
- e) The Company shall ensure that the entire process of enforcing its security, valuation and realization thereof be fair and transparent.
- f) In case of receipt of a request from the borrower for transfer of the borrower account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within twenty (21) days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.
- g) The company shall ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

10. Complaint Redressal Mechanism

- a) The company has established a complaint redressal mechanism for customers, including differently abled customers. All complaints pertaining to the company & its outsourced agencies would be registered in a CRM for follow up, tracking and resolution. Complaints raised in the CRM would be forwarded to appropriate departments for response / resolution within defined turnaround time.
- b) The company shall ensure necessary escalation & reporting of all complaints resolved & pending on a regular basis to the respective Heads of the departments & the senior management.
- c) To facilitate redressal of customer complaints, company has established the following levels.

Level 1	<p>Any one of the following</p> <ul style="list-style-type: none"> • Branches : Mon-Fri (9.30am to 6.00pm) Sat (9.30am to 1.30pm) • Customer Care Centre : 1800-209-0188 Mon-Sat (9.00 am to 7.00 pm) • Email at Customercare@tmf.co.in • Website : www.tmf.co.in • WhatsApp : 7700910888 • Mobile App: Download app “Tata Motors Finance – Customer One”
Level 2	<p>If the complaint is unresolved within 10 days (Applicable for complaints escalated level wise) please contact our Customer Care Grievance Redressal Officer, Mr. Malik Shaikh with the reference number given in Level 1</p> <ul style="list-style-type: none"> - 022-6181 5665 OR - Write to Customer Care Department <p>Tata Motors Finance Ltd, 2nd Floor, A Wing, I Think Techno campus, Off Pokhran Road No 2, Thane (West) Maharashtra 400 601</p>

Level 3	<p>If the complaint is unresolved within 30 days, customers may appeal to the Officer-in-charge, at the Regional office of DNBS of RBI at the address given below: Reserve Bank of India, Department of Non Banking Supervision, Mumbai Regional Office, 3rd Floor, Reserve Bank of India, Opp. Mumbai Central Railway Station, Byculla, Mumbai 400008. Email id: dnbsmro@rbi.org.in</p>
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11. Periodic Review

a) The Company shall request the customer to provide feedback on the services rendered. This can be done through direct contact by staff, or via email to customercare@tmf.co.in, on its website, letters to Head Office or through specific customer satisfaction surveys that may be conducted from time to time.

b) An annual review of the Code and the functioning of the grievances redressal mechanism at various levels of management would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company or its committee on a half-yearly basis..

The Company shall abide by this Code following the spirit of the Fair Practices Code and in the manner it may be applicable to its business.

Last Reviewed and adopted by the Board of Directors in its meeting held on April 02, 2024.