

FAIR PRACTICES CODE

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1. PREAMBLE

- 1.1. This Fair Practices Code has been framed to provide borrowers of Tenmark Capital Private Limited ("**Company**" / "**TCPL**") an effective overview of the practices followed by the Company and to enable borrowers to take informed decisions in respect of the financial facilities and services offered by the Company.
- 1.2. This Fair Practices Code ("**Code**") as mentioned herein below, is in conformity with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023, as amended from time to time ('RBI Master Directions'). The Code sets minimum fair practice standards for the Company to follow when dealing with Customers. It provides information to Customers and explains how the Company is expected to deal with them on a day-to-day basis.
- 1.3. This Code applies to all Customers including those with any complaints / enquiries as posted on social media / any other media and the Company encourages all customers to reach out to the platforms as mentioned in the Grievance Redressal Policy available on the website of the Company.
- 1.4. The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this Code to confirm to the standard so prescribed.

2. DEFINITIONS

- 2.1. **Annualized Percentage Rate:** is the annual cost of credit to the borrower which includes interest rate and all other charges associated with the credit facility.
- 2.2. **Board:** Shall mean the Board of Directors of TCPL
- 2.3. **Borrower/Customer:** Shall mean any existing or prospective borrowers/customers of TCPL
- 2.4. **Code:** Shall mean this Fair Practice Code, as amended from time to time
- 2.5. **Company:** Shall mean the organization 'Tenmark Capital Private Limited' (TCPL) for which this Fair Practice Code has been framed.
- 2.6. **Installment (EMI/EPI/Interest Installment) as the case maybe:** This includes;
 - a) monthly/quarterly/half-yearly interest dues and bullet principal payments,



b) bullet interest and principal re-payments,

c) "Equated Monthly Installment" where the borrower pays a fixed amount to the lender each month to repay a loan, covering both the principal and interest.

2.7. **Key Facts** of a loan agreement between an RE/a group of REs and a borrower are legally significant and deterministic facts that satisfy basic information required to assist the borrower in taking an informed financial decision.

2.8. **Key Fact statement:** is a statement of key facts of a loan agreement, in simple and easier to understand language, provided to the borrower in a standardized format

2.9. **Rebate** - The Company from time to time shall provide reduction in the interest levied on the loan as rebates, for certain type of loan schemes offered, upon the customer satisfying conditions laid out in the loan agreement for availment of such rebates.

3. PRINCIPLES UNDERLYING FAIR PRACTICES CODE

3.1. The Company believes that the bedrock of any successful business is a relationship of trust with its customers. Relationships of trust last longer and are ultimately of greater value than transactional relationships - for both parties. In order to build relationships of trust with our customers, TCPL will conduct business in the manner stated below:

- a. **Respect for laws and regulations:** TCPL's products and services will always meet legal and regulatory requirements appropriate for the product in question.
- b. **Building equitable relationships:** While TCPL's products will meet legal and regulatory requirements associated with the product / service in question, TCPL will also attempt to facilitate outcomes that are equitable to our clients. This does not in any fashion preclude TCPL from taking all such steps as may be required to ensure protection to itself and its other constituents from a risk management perspective.
- c. **Clear, comprehensive and transparent communication:** It is TCPL's intent to provide comprehensive, clear and easily understandable communication with respect to our products and services. These must at a minimum layout all significant terms and conditions, highlight all costs and charges. TCPL will communicate the impact of negative outcomes on customers' in as transparent a manner as custom permits. Finally, TCPL will, to the extent permissible under extant laws, attempt to make its contracts as easily accessible as permitted by custom / laws. It may, however, be noted that nothing in this



paragraph precludes TCPL from taking such steps as may be required to ensure the protection of its interests and that of its other constituents.

- d. ***Treating customers with respect and dignity:*** TCPL will treat its customers with respect and dignity. It will aim to resolve issues that arise - for example, default on a loan - by discussion with an aim to promote a culture of partnership. It may, however, be noted that the above does not preclude TCPL from taking any lawful steps to protect its interests.
- e. ***Ensuring swift resolution to grievances:*** TCPL aims to provide industry leading service quality to its customers. TCPL will aim to meet and exceed industry benchmarks in this regard, on average. Outliers - for example, customers' whose complaints are complicated or atypical - will be escalated and reported as appropriate.

4. OBJECTIVE

4.1. This Code has been developed to:

- a. Promote good, fair and trustworthy practices by setting minimum standards in dealing with the customers;
- b. Increase transparency to enable the customers to have a better understanding of what they can reasonably expect of the services;
- c. Encourage market forces, through competition, to achieve higher operating standards;
- d. Foster a fair and cordial relationship between the borrowers and the Company;
- e. Ensure compliance with regulatory requirements with regard to customer interface;
- f. Strengthen mechanisms for redressal of customer grievances.

5. APPLICABILITY

- 5.1. The Code is applicable to all persons offering the products and services of the Company or interacting with the customers as an employee or otherwise in any manner and/or by any mode.
- 5.2. The Code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the Code.



6. LOAN APPLICATIONS AND THEIR PROCESSING

- 6.1. The company offers various loan products to individual customers through its platform.
- 6.2. The company, in the normal course of business shall endeavor at all times to guide its borrowers about the process and procedure to be followed for availing a loan. Tenmark shall explain to the borrowers the contents of various loan documents in the vernacular language or a language as understood by the borrower and further ensure that the borrower understands the terms and conditions governing the loan facility.
- 6.3. The 'Loan application form/appropriate documents' of the company will include all necessary information that is required to be submitted by the borrower and contain detailed information relating to the terms and conditions governing the loan facility and other relevant information affecting the borrower's interest. Necessary information shall be provided by the company to facilitate the borrower in making a meaningful comparison with Terms & Conditions offered by other NBFCs and taking an informed decision based on aforesaid comparison.
- 6.4. The 'Loan Application Form/ appropriate documents' of TCPL will also indicate the list of documents required to be submitted by the Borrowers along with the Loan application Form.
- 6.5. Each Loan Application Form submitted by the Borrower shall be considered independently on merit, upon scrutiny of all the information, documents required for verifying the title of the collateral, identity of the person, security to be offered, including guarantees, if any, etc.
- 6.6. TCPL shall carry out Borrower's due diligence to ascertain the credit worthiness of Borrower which will be an important parameter in taking decision on the application before sanctioning or rejection of any Loan Application Form.
- 6.7. TCPL has a mechanism of giving an acknowledgement for receipt of Loan Application Form to its Borrower for availing loans and indicate in the acknowledgement about the time frame within which the loan applications will be disposed of. It would inform the Borrower about its decision within a reasonable period of time from the date of receipt of all the required information in full.

7. LOAN APPRAISAL AND TERMS/CONDITIONS AND KEY FACT STATEMENTS FOR LOANS AND ADVANCES

- 7.1. The Company shall conduct due diligence on the creditworthiness of the borrower, which will be an important parameter for taking a decision on the application. The assessment would be in line with the Company's credit policies, norms and procedures in respect thereof.
- 7.2. TCPL will convey in writing to the Borrower by way of a sanction letter or otherwise, the amount of loan sanctioned along with all the terms and conditions including the annualized rate of discount/ interest applicable and method of application thereof, equated monthly instalments



("EMI") date, monthly EMI amount and structure, dates of interest payments due, loan tenure, or such other information which affects the interest of the borrower and method of application thereof and keep the acceptance of these terms and conditions or the sanction letter by the Borrower in Company's record.

- 7.3. The Company shall furnish a copy of the loan agreement as understood by the borrower along with a copy of each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.
- 7.4. The loan agreement shall specify instances wherein the Company shall have the right to recall/accelerate payment or performance under the loan agreement.
- 7.5. The Company shall mention the penal charges charged for late repayment in **bold** in the loan agreement.
- 7.6. Additionally, the quantum and reason for penal charges shall be clearly disclosed to the customers in (a) the loan agreement and Key Fact Statement (KFS) and (b) on the website of the Company under interest rates and service charges.
- 7.7. The Company shall ensure that adequate reminders are sent to the customers for repayment of loans. Whenever such reminders are sent to borrowers, the penal charges shall be specifically communicated. Further, in case penal charges have been levied on a customer owing to default in repayment by them, the same shall also be communicated as a part of the communication/reminder, along with the reason therefore.

8. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- 8.1. TCPL would frame internal guidelines and procedures for determining and ensuring that the interest rates and processing and other charges levied on the borrowers are not excessive. The disbursement will be initiated upon compliance with all terms and conditions of sanction of loan by the borrower.
- 8.2. The Company shall give a notice(through its website or as appropriate if specific) to the borrower in the vernacular language, or a language as understood by the borrower in case of any change in the terms and conditions including disbursement schedule, interest rates, service charges, pre-payment charges etc.
- 8.3. The Company shall ensure that changes in interest rates and charges are effective from a



prospective date. The loan agreement shall also carry an express stipulation in this regard.

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

9. RELEASE OF SECURITY

- 9.1. TCPL will provide customers with all the information regarding their dues and provide reasonable time for payment of the same.
- 9.2. TCPL will 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 it may have against the borrower. If such right of set off is to be exercised, the borrower will be given notice about the same with full particulars about remaining claims and conditions under which TCPL is entitled to retain the securities till the relevant claim is settled/paid.
- 9.3. If any process for recovery needs to be initiated, these shall be conducted in accordance with the rights provided under the loan agreement and in accordance with legally accepted norms. TCPL while protecting its interest adopts reasonable and lawful measures to recover its dues from defaulting borrowers, including the use of persuasive methods for the purpose of collection of its dues. TCPL shall not resort to coercive measures/ undue harassment (like persistently bothering at odd hours (before 8:00 a.m. and after 7:00 p.m.), use of muscle power for recovery of loans, rude behaviour or harassment from any of the staff of the Company) for recovery of loan.

A. The Company shall ensure that its staff or any person authorized to represent the Company is adequately trained to deal with customers (including rights of persons with disabilities), in an appropriate manner. All the members of the staff or any person authorized to represent the Company ("Representatives") in collection or/ and security repossession with respect to the loans extended by the Company shall strictly follow the fair practices set out below:

- The Representatives shall contact the customer ordinarily at the place of their choice and in the absence of any specified place at the place of their residence and if unavailable at their residence, at the place of business/ occupation.
- The Representatives shall interact with the customer in a civil manner. Utmost care shall be taken in the use of language while interacting, so that at any point of time the customer should not experience any un-courteous treatment.
- Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- Time and number of calls and contents of conversation shall be documented.
- All necessary assistance shall be given to resolve disputes or differences regarding dues in a



mutually acceptable and in an orderly manner.

- During visits to the customer's place for dues collection, the Representatives shall maintain decency and decorum.
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions, if comes to the knowledge of the Company, shall be avoided for making calls/visits to collect dues unless the same is required for meeting legal compliance.

B. TCPL may arrange to enforce security provided by delinquent customers/borrowers. In all such instances, the company would ensure that the entire process of enforcing its security, valuation and realization thereof is fair and transparent.

10. GENERAL

10.1. 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.

10.2. The Company shall ensure that the staff is adequately trained to deal with the customers in an appropriate manner.

11. ETHICS AND FAIR PRACTICE CODE

1.1. Ethics

- The Company expects all its internal employees and external representatives to behave in a professional and ethical manner
- Act with dignity, integrity and competence while dealing with the public, business associates and colleagues
- Behave responsibly while conducting oneself in public so that there is no damage to the reputation of the Company
- Practice and encourage others to behave in a professional and ethical manner
- Use reasonable care and exercise independent professional judgement at work

1.2. Protecting Company's Interests

Employees and external representatives must protect the interests of the Company by avoiding any action that would damage the Company's goodwill or its reputation. Activities that may harm the Company's interest can be:



- Misuse of information and other assets received as a result of one's position in the organization.
- Use of customer contacts for other than intended purposes
- Use of electronic facilities provided by the Company for other than intended purposes.

1.3. Discrimination & Harassment:**I. Discrimination**

- All employees and external representatives shall be treated equally.
- Any discrimination on the basis of sex, age, religion, or caste is strictly prohibited.

II. Harassment:

- Harassment against individuals in any form which includes unsolicited, unwelcome, and offensive verbal, physical, visual, or sexual behaviour is strictly prohibited.
- The Company and its agents shall not resort to any intimidation or harassment of any kind either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtor's family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening/ anonymous calls persistently, etc

1.4. Abuse of Superior Authority:

- Supervisors must uphold the principles of the Code of Conduct through their own behaviour, conduct and communication.
- Supervisors cannot use authority to forcibly involve subordinates or junior staff to engage in any unethical or prohibited practices.

1.5. Conflict of Interest:

There is no restriction to refer a family member for job vacancies at the Company. Employees and external representatives are, however, required to declare details of their relatives employed with the Company, irrespective of whether they are employed with the Company (permanent or temporary), or on contract.

1.6. Safeguarding Classified Company Information:

Sharing Company-related confidential information with your spouse, family members, acquaintances and others are strictly prohibited.



1.7. Media Relations

For all the Company's related references, employees and external representatives are required to redirect all letters, emails, faxes, telephone calls from the media to the designated personnel and communication addresses at the Company.

1.8. Legal Proceedings

The Legal department should be consulted before making any commitment to a legal authority on behalf of the Company.

12. GRIEVANCE REDRESSAL MECHANISM

12.1. The board of directors of the Company has laid down a grievance redressal mechanism within the organization as per the Grievance Redressal Policy of the Company which ensures 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.

12.2. The board of directors of the Company shall nominate Renuka Jain as the Grievance Redressal Officer of the Company and he shall be entrusted with the job of redressing the grievances raised by the customers.

12.3. The Company shall display the following information prominently, for the benefit of their customers, at its branches/ website or any other places where business is transacted:

- a. the name and contact details (telephone / mobile number(s) as also email address) of the Grievance Redressal Officer who can be approached by the public for resolution of complaints against the Company.
- b. the name and contact details of the Officer and the Regional Office of Department of Supervision, RBI, Chennai where the customer can approach if the complaint is not redressed within a month shall be prominently displayed at the branches where the business is transacted and the website.

12.4. On achieving an asset size of INR 100 crores, the Company shall appoint Principal Nodal Officer in accordance with directions provided under the Reserve Bank – Integrated Ombudsman Scheme, 2021.



13. REGULATION OF INTEREST RATE CHARGED

- 13.1. The Company has laid out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- 13.2. The Company shall adopt an interest rate model taking into account relevant factors and determine the rate of interest to be charged for loans and advances.
- 13.3. The rate of interest will be communicated explicitly in the sanction letter and shall also be made available on the website of the Company, as the Company may decide. The information shall be updated whenever there is a change in the rates of interest.
- 13.4. The Company shall disclose the features of the loan products, including annualised rate of interest, annualised percentage rate, tenure, etc.

14. LENDING AGAINST COLLATERAL OF GOLD JEWELLERY

- 14.1. The Company shall put in place board approved policy for lending against gold that shall inter alia, cover the following:
- a. Proper assaying procedure for the jewellery received in line with the Company's loan policy;
 - b. Internal systems to satisfy ownership of the gold jewellery;
 - c. Adequate systems for storing the jewellery in safe custody, reviewing the systems on an on-going basis, training the concerned staff and periodic inspection by internal auditors to ensure that the procedures are strictly adhered to. Normally, such loans shall not be extended by branches that do not have appropriate facility for storage of the jewellery;
 - d. Insurance for the jewellery accepted as collateral;
 - e. Transparent auction procedure in case of non-repayment with adequate prior notice to the borrower. The Company shall not participate in the auctions held. There shall be no conflict of interest and the auction process must ensure that there is arm's length relationship in all transactions during the auction including with group companies and related entities;
 - f. Ensuring that the auction shall be announced to the public by issue of advertisements in at least two newspapers, one in vernacular and another in national daily newspaper;
 - g. Ensuring that the gold jewellery pledged shall be auctioned only through



- auctioneers approved by the Board; and
- h. Systems and procedures to be put in place for dealing with fraud including separation of duties of mobilization, execution and approval.

- 14.2. The loan agreement shall also disclose details regarding auction procedure. Documentation across all branches shall be standardized. For this purpose, the Company shall ensure that only the loan documentation approved at the central level by the legal team is utilized at branches or online channels. Any amendments to the documents shall be enforced at all digital channels and physical touchpoints via a centralized system.
- 14.3. The Company shall not issue misleading advertisements like claiming the availability of loans in a matter of 2-3 minutes. For this purpose, the Company shall put in place controls to ensure publishing of any marketing collaterals, advertisements, etc. shall be subject to review by the legal team of the Company.

15. LOAN SOURCING THROUGH DIGITAL LENDING PLATFORMS

- 15.1. The Company shall irrespective of whether it lends through its own digital lending platform or through an outsourced lending platform, adhere to the Fair Practices Code guidelines in letter and spirit.
- 15.2. The Company shall also meticulously follow regulatory instructions on outsourcing of financial services and IT services.
- 15.3. Wherever the Company engages digital lending platforms as their agents to source borrowers and/or to recover dues, it shall follow the following instructions:
- a. Names of digital lending platforms engaged as agents shall be disclosed on the website of the Company.
 - b. Digital lending platforms engaged as agents shall be directed to disclose upfront to the customer, the name of the Company on whose behalf they are interacting with him.
 - c. Immediately after sanction but before execution of the loan agreement, the Key Fact Statement (KFS) and the sanction letter shall be issued to the borrower on the letterhead of the Company.



- d. A copy of the loan agreement along with a copy of each of all enclosures quoted in the loan agreement shall be furnished to all borrowers at the time of sanction/ disbursement of loans.
- e. Effective oversight and monitoring shall be ensured over the digital lending platforms engaged by the Company.
- f. Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

16. PENAL CHARGES IN LOAN ACCOUNTS

Where the Company charges a penalty for non-compliance of material terms and conditions of loan contract by the borrower, it shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest'. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges.

- a. TCPL shall not introduce any additional component to the rate of interest.
- b. The quantum of penal charges for non-compliance of material terms and conditions will be reasonable and commensurate to the non-compliance and shall not be discriminatory for a particular loan/ product category.
- c. The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', will not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.
- d. TCPL shall clearly disclose the quantum and reason for penal charges to the customers in the loan agreement and most important terms & conditions/ KFS in addition to being displayed on its website under Interest rates and Service Charges.
- e. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges will be communicated. Further, any instance of levy of penal charges and the reason therefor will also be communicated
- f. TCPL has to formulate a Board approved policy on penal charges and similar charges on loans which are covered in the 'Interest Rate policy' in order to ensure compliance in this regard.

17. ADVERTISING, MARKETING AND SALES

- 17.1. The Company will ensure that all the promotional advertisements and any other advertisement materials provided by the Company with respect to its products and services are clear and not misleading. The advertisement would be addressed to the intended public through appropriate



media. The terms and conditions of any products or services being offered shall be made available along with the advertisement.

- 17.2. If the services of any third party are used by the Company for providing any support services, the Company will ensure the client confidential and personal information (if made available to such third parties) is secured in accordance with the RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs.
- 17.3. Information about any other products or promotional offers in respect of products/ services of the Company shall be conveyed to customers only if he/ she has given his/ her consent to receive such information/ service either by mail or by registering for the same on the website or on customer service number.
- 17.4. In the event of receipt of any complaint from the customer that Company's representative / courier or direct selling agent ("DSA") has engaged in any improper conduct or acted in violation of this FPC, appropriate steps shall be initiated to investigate and to handle the complaint and rectify the issue for the customer if found appropriate.
- 17.5. Complaints if any, in this regard shall be directly addressed and appropriate steps shall be initiated to handle the complaint.

18. PRIVACY AND CONFIDENTIALITY

- a. The Company will ensure that all personal information of customers shall be treated as private and confidential (even when the customers are no longer customers), and shall not be revealed to anyone, including other companies' entities in their group, other than in the following exceptional cases:
- If the information is required to be given by law or under the direction of any financial regulator/s;
 - If the Company has entered into an outsourcing arrangement as per RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs and is providing information to the service provider on a 'need to know' basis in accordance with the said guidelines;
 - If there is a duty towards the public to reveal the information;
 - If the Company's interests require them to give the information (for example, to prevent fraud) but the same shall not be used as a reason for giving information about customer or customer accounts [including customer name and address] to anyone else;



- If the customer requests the Company to reveal the information, or with the customer's permission;
 - The Company shall not use customers' personal information for marketing purposes unless the customer specifically authorizes to do so.
- b. The Company may give the information about the conduct of the customer's account to the Credit Information Companies after intimating about the same to the customers in accordance with the applicable regulations.

19. ROLE OF THE BOARD

- The Board shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances.
- The Board shall lay down appropriate grievance redressal mechanism within the organization. Such a mechanism should ensure that all disputes arising out of the decisions of TCPL's functionaries are heard and disposed of at least at the next higher level.

The Board shall conduct annual review of the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management. The Grievance redressal Officer shall review the compliance of this Code every six months and a consolidated report of such review may be submitted to the Board.

20. PERIODICAL REVIEW

- 20.1. A periodical review of compliance of the Code and the functioning of the grievance 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 on an annual basis.

