

TOYOTA FINANCIAL SERVICES INDIA LIMITED

Fair Practices Code

November 08, 2024

Version 1.2

I. Executive summary

This policy provides guidance to all the staff members across TFSIN about antitrust and competition laws and for conducting the business in fair, ethical and transparent manner whenever and wherever the employees / staff members operate or engage with competitors, dealers, distributors, or any other members of our supply chain.

1. Introduction

The Reserve Bank of India ("RBI") has drafted guidelines on Fair Practice Code for Non-Banking Finance Companies ("NBFC") which sets out the fair practices standards when dealing with customers and to serve as a part of best corporate practice. Pursuant to the RBI circular number DNBS (PD) CC No. 80/03.10.042/2005-06 dated 28 September 2006 further complemented by RBI Master Circular **DNBS (PD) CC No. 232/03.10.042/2011-12 dated 1 July 2011** and revised guidelines issued vide circular No. RBI/2011-12/470 DNBS. CC. PD. No.266/03.10.01/ 2011-12 dated March 26, 2012, No. RBI/2012-13/416 DNBS.CC.PD.No.320/03.10.01/2012-13, RBI/2014-15/34/DNBS (PD) CC No.388/03.10.042/2014-15 and RBI /DNBR/2016-17/45/DNBR PD 008/03.10.119/2016-17 dated September 01, 2016, Toyota Financial Services India Limited (referred to as "TFSIN") has formulated this Fair Practices Code ("Code") to lay down the procedures/practices in relation to its lending activities. This Code applies across all aspects of TFSIN's operations, including all products and services currently offered by us and those that may be introduced later.

2. Problem or need

To lay down the procedures/practices in relation to TFSIN's lending activities. This code applies across all aspects of TFSIN's operations, including all products and services currently offered by us and those that may be introduced later.

3. Objectives

This FPC encompasses a detailed overview of determinants such as key critical commitments by TFSIN, applicability across different products, loan processing, penal charges in loan accounts, terms/conditions of loan appraisal, disbursement of loans, general instructions, complaints/grievance redressal mechanism, interest rates, repossession of loans financed by TFSIN, confidentiality of personal information, monitoring/review of fair practices code etc. This policy is applicable across all TFSIN locations and applicable business segments of TFSIN.

4. Implementation

Disseminate the policy to all the relevant employees and conduct training sessions for all the relevant employees.

5. Conclusions

This policy provides guidance about the Fair Practices Code to be followed to ensure fair, ethical and transparent procedures across all the verticals.

II. Key critical commitments by TFSIN

1. It is and shall be the policy of TFSIN to make financial products available to all qualified applicants without discrimination based on race, caste, colour, religion, sex, marital status, age, or handicap. Our policy is to treat all our clients consistently and fairly.
2. Our employees offer assistance, encouragement, and service in a fair, equitable and consistent manner.
3. TFSIN shall ensure that charges/fees which affect the interest of the prospective borrowers are appropriately informed to them by including the same in the loan agreement and providing clear information to them regarding the same.
4. Terms and conditions pertaining to the loan will be conveyed to the prospective borrowers. TFSIN commits that disputes arising out of the lending decisions will be appropriately resolved by a grievance redressal mechanism set up by us.
5. TFSIN will ensure that the Code is implemented at all levels within TFSIN. TFSIN fair lending practices shall apply across all aspects of our operations including marketing, loan origination, processing, services, and collection activities. Our commitment to the Code would be demonstrated in terms of employee accountability, monitoring, and auditing programs, training, and technology.
6. TFSIN Board of Directors and the management team is responsible for establishing practices designed to ensure that the products and services offered reflect our strong commitment to fair lending and that all employees are aware of that commitment.
7. The Code will be available on our website and copies will be made available on request.
8. TFSIN will ensure that all advertising and promotional material is clear, fair, reasonable, and not misleading.
9. The practice which TFSIN promises to follow in its dealings with its customers are:
 - A. TFSIN shall act fairly and reasonably in all dealings with its customers by ensuring that:
 - a. Its products, services, procedures, and practices meet the commitments and standards set out in this code.
 - b. Its products and services will comply with relevant laws and regulations as applicable.
 - c. Its dealings with its customers will rest on ethical principles of honesty, integrity, and transparency.
 - B. TFSIN will assist customers in understanding the way its financial products and services work by
 - a. Providing information about the products and services in simple Hindi and/or English and/or the local language.
 - b. Explaining the terms and conditions applicable to the products and services.
 - c. Helping the customer choose a product/ service that meets his / her needs. TFSIN will make every attempt to ensure that its customers have smooth experience in dealing with it. TFSIN will deal with any complaint that the customer may have quickly. In case a customer is not satisfied with the way a complaint is overseen, TFSIN will guide the customer on how to take the complaint forward.

III. Applicability

This Code applies to products and services currently offered or which may be introduced at a future date: The products/ services presently offered by TFS include:

1. Retail financing
 2. Dealer inventory financing
 3. Dealer term loans
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The code is applicable to the above irrespective of whether the product/ service is provided at the branch, on the internet or by any other method we may be currently using or may introduce at a future date.

IV. Applications for loans and their processing

1. All communications to the borrower shall be in English or in the vernacular language or a language as understood by the borrower.
2. Loan application forms/ explanations to be provided at the dealership will include necessary information, which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs / financial institutions can be made and informed decision can be taken by the borrower.
3. The loan application form will indicate the documents required to be submitted with the application form.
4. TFSIN will devise a system of giving acknowledgement for the receipt of all loan applications and will also indicate a time within which loan applications will be processed in the acknowledgement.
5. The loan application form will clearly state the information that TFSIN requires to collect from the customer to fulfil the KYC norms and to comply with legal and regulatory requirements. Additional information may be requested about the customer and his /her family to build a database, but this information is furnished by the customer only if she /he wishes to do so.
6. In the case of rejection of such applications, TFSIN will convey in writing the main reason / reasons which, in the opinion of TFSIN after consideration, have led to the rejection of the loan application.

V. Penal charges in loan accounts

1. Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
 2. TFSIN shall not introduce any additional component to the rate of interest and ensure compliance with these guidelines in both letter and spirit.
 3. The quantum of penal charges 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.
 4. The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business, shall not be higher than the penal charges to nonindividual borrowers for similar non-compliance of material terms and conditions.
 5. The quantum and reason for penal charges shall be clearly disclosed by TFSIN to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on website under Interest rates and Service Charges.
 6. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefore shall also be communicated.
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VI. Loan appraisal and terms/ conditions

1. Before lending money, or any other borrowing, we will assess the ability of the borrower to repay.
2. TFSIN will convey in writing to the borrower in vernacular language (or ensure that the communication is understood by borrower) by means of sanction letter or a loan agreement, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof, whether repayable on demand or otherwise, procedure for repossession of vehicle in case of default etc.
3. TFSIN will provide a copy of the loan agreement 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. TFSIN will keep the acceptance of these terms and conditions by the borrower on its record. All terms and conditions of the loan agreement will be fair and will set out the customer's rights and responsibilities clearly and in plain language. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement in the vernacular language as understood by the borrower shall be provided to all borrowers at the time of sanction/ disbursement of loans.
4. TFSIN shall make sure that the borrowers at the time of sanction of loans are fully aware of the terms and conditions of the loans including rate of interest.
5. TFSIN shall make sure that the penal charges to be charged on late repayment shall be indicated in the loan agreement in bold.

VII. Disbursement of loans including changes in terms and conditions

1. TFSIN will give notice to the borrower in a language as understood by the customer or in a vernacular language of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, cheque bounce charges, swap charges, late payment penalty etc. which are applicable to the loan availed by the borrower. Such changes in interest rates and charges shall be affected prospectively. A suitable condition in this regard will be incorporated in the loan agreement.
 2. Decision to recall / accelerate payment or performance under the agreement will be in consonance with the loan agreement and shall be suitably communicated to the borrower.
 3. TFSIN 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 unsettled claim which TFSIN 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 the remaining claims and the conditions under which TFSIN is entitled to retain the securities till the relevant claim is settled/ paid. TFSIN shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account.
 4. The borrower shall be given the option of collecting the original movable/ immovable property documents either from the registered office where the loan account was serviced or any other office of the TFSIN where the documents are available, as per her/his preference.
 5. The timeline and place of return of original movable/immovable property documents shall be mentioned in the loan sanction letters issued on or after the effective date.
 6. In order to address the contingent event of demise of the sole borrower or joint borrowers, TFSIN will have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. TFSIN shall display such procedures on the website with other similar policies and procedures for customer information.
 7. In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, TFSIN shall communicate to the borrower reasons for such delay. In case the delay is attributable to TFSIN, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
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8. In case of loss/damage to original movable/immovable property documents, either in part or in full, TFSIN shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at clause (ii) above. However, in such cases, an additional time of 30 days will be available to TFSIN to complete this procedure, and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
9. The compensation provided under these directions shall be without prejudice to the rights of the borrower to get any other compensation as per any applicable law.

VIII. General

1. TFSIN will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender).
2. In case of receipt of request from the borrower for transfer of borrower account, the consent or otherwise i.e., objection of TFSIN, if any, will be conveyed within 21 days from the date of receipt of request. Such a transfer shall be as per the terms set out in the loan agreement and in consonance with law.
3. TFSIN collection policy will be based on fair treatment, courtesy, and persuasion. Under no circumstances will TFSIN resort to undue harassment of the customer viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
4. TFSIN will make sure that its staff are well trained to adequately deal with the customers in an appropriate manner.
5. TFSIN shall not charge foreclosure charges/ pre-payment penalties on any floating rate loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
6. Fair Practices Code (which shall preferably be in the vernacular language, or a language as understood by the borrower) based on the guidelines outlined hereinabove shall be put in place. As and when requested by the customer, a copy of the FPC in the vernacular language as desired by the customer, shall be made available.

IX. Complaints/ grievance redressal mechanism

Toyota Financial Services worldwide is always committed to providing a high standard of service. Providing quality customer service and ensuring customer satisfaction are the prime aspect. TFSIN believes that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. TFSIN prides itself on an active grievance redressal mechanism that solicits feedback from customers and effectively addresses any queries or grievances that the customer may have. Our grievance redressal mechanism has been instituted with the firm belief that an active feedback system ensures not only customer delight and trust but also leads to compliant and efficient execution of business operations.

A complaint will mean an expression of dissatisfaction made to TFSIN by any borrower or someone legally representing their interests, about our products, services, or our complaint-handling process, where a response or resolution is explicitly or implicitly expected. All complaints/disputes arising out of the decisions of the functionaries in relation to the products and services shall be heard and disposed of at least at the next higher level. A consolidated report on review of compliance with this Code and functioning of grievance redressal mechanism at various levels of management as given here below may be submitted to the board at regular intervals.

TFSIN strives to resolve the complaints at the various touch points itself, within the stipulated timelines.

In case of any complaint/grievance, the applicant/borrowers may, in writing, inform TFSIN, the nature of their complaint/ grievance. TFSIN shall then immediately take the matter for redressal.

1. Mode of registering a complaint/grievance

- A. Borrowers/Customers may register their complaint/grievance as per the details furnished here under: Customers may call to – 1800 309 9778 , Email to: customerfirst@tfsin.co.in or Write on our website: <https://www.toyotafinance.co.in/grievance/>.
- B. Mr. Jithesh Thankappan , Head Credit and Operations, Toyota Financial Services India Limited, No.21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore, Karnataka, 560025, Tel: [080-67361943](tel:080-67361943), Email address: grievanceredressal@tfsin.co.in is the Grievance Redressal Officer under the Fair Practice Code who can be approached by the public for resolution of complaints against TFSIN.

If the complaint / dispute is not redressed within a period of one month, the customer may appeal to the Officer-in-Charge of the Regional Office of Department of Non-Banking Supervision (DNBS), Reserve Bank of India, Centralised Receipt and Processing Centre 4th Floor, Sector 17, Chandigarh, 160017 under whose jurisdiction the registered office of TFSIN falls.

For the benefit of our customers, the above information on “grievances” is also displayed at our branches / places where business is transacted. The hierarchy of the officials who shall redress any complaint/ grievance shall be as follows:

Decision Level	Redressal Level
Senior Manager	Department Head
VP/AVP Zonal Head	Head Credit and Operations
All Others	MD & CEO

“Senior Manager – Customer Service” will assist Grievance redressal officer for tracking of grievances and for reporting to Board.

We request our customers to provide feedback on our service to help us to improve our services. Please feel free to provide your comments and valuable suggestions to customerfirst@tfsin.co.in.

In case of complaints that are fully or partly rejected even after examination by the Internal Ombudsman, TFSIN shall necessarily advise the complainant as part of the reply that he/she can approach the RBI Ombudsman for redress (if the complaint falls under the RBI Ombudsman mechanism) along with complete details.

- C. Ombudsman Scheme for Non-Banking Financial Companies, 2018 - Appointment of the Nodal Officer: Under the Ombudsman Scheme, TFSIN has appointed Nodal Officer (NO) who shall be responsible for representing TFSIN and furnishing information to the Ombudsman in respect of complaints filed against TFSIN.

The salient features of the Scheme shall be prominently displayed in such a manner that a person visiting the office has easy access to the information.

The details of the Ombudsman Scheme, Nodal Officer and Principal Officer shall be prominently displayed on the website and the same can be accessed at <https://www.toyotafinance.co.in/grievance/>.

RBI has appointed Ombudsman for each division / area. The list of such Ombudsman can be accessed at <https://www.rbi.org.in/Scripts/AboutUsDisplay.aspx?pg=BankingOmbudsmen.htm>.

Grievance redressal shall adhere to the following principles:

- Complaints raised by customers shall be dealt with courtesy and on time.
- TFSIN employees shall work in good faith and without prejudice to the interest of the customer.
- All customers are entitled to register a complaint if dissatisfied with the services.

We provide different level for the customers to register the complaint:

Level 1:

Customers can Email us at

E-mail: customerfirst@tfsin.co.in

Call us on our TOLL-FREE number 1800 309 9778

Monday – Saturday 9:00 AM – 6:30 PM

Website: www.toyotafinance.co.in

WhatsApp: Send "Hi at "+91 40 7178 1780

Write to: Toyota Financial Services India Limited

3rd Floor, Centropolis, No. 21 Langford Road, Richmond Town | Bangalore – 560 025

Level 2:

In case you do not receive a satisfactory response at Level 1 within 10 days

“Grievance Redressal Cell” along with complaint number

Tel No: 080-67361943

Time: 9:30 AM to 5:30 PM, Monday to Friday)

Write to: Toyota Financial Services India Limited

3rd Floor, Centropolis, No. 21 Langford Road, Richmond Town | Bangalore – 560 025

Email id: grievanceredressal@tfsin.co.in

Level 3:

If the complaint / dispute is not redressed within a period of 30 days, the customer may appeal Reserve Bank of India’s Ombudsman Channels through -

Website: <https://cms.rbi.org.in>

Mail to : CRPC@rbi.org.in

Write to : ‘Centralised Receipt and Processing Centre’

Reserve Bank of India,

Central Vista, Sector 17, Chandigarh - 160 017

Toll free: 14448 (9:30 AM to 5:15 PM)

X. Interest rate

1. TFSIN shall lay down the appropriate internal principles and procedures in determining interest rates and processing charges. Copy of same should also be available on Website of TFSIN.
 2. The rate of interest shall be annualized so that the borrower/customer is aware of the exact rates that would be charged to the account.
 3. The loan agreement shall contain sufficient information about the interest rate, charges etc.
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XI. Repossession of vehicles financed by TFSIN

1. TFSIN will have built in re-possession clauses in the contract/loan agreement with the borrower which will be legally enforceable.
2. TFSIN will incorporate the following terms and conditions relating to repossession in the contract/loan agreement:
 - A. Notice period before taking possession.
 - B. Circumstances under which the notice period can be waived.
 - C. The procedure for taking possession of security.
 - D. A provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property.
 - E. The procedure for giving repossession to the borrower.
 - F. The procedure for sale / auction of the property.
 - G. Recovery process in case of shortfall and refund process in case of excess realizations.
 - H. Amendments as directed by RBI from time to time.
3. A copy of such terms and conditions must be made available to the borrowers in the loan agreement.

XII. Confidentiality

1. Unless authorized by the customer we will treat all personal information of the customer as private and confidential.
2. Unless authorized by the customer, we will not reveal transaction details to any other entity other than the following exceptional cases:
 - A. If we have to provide the information under statutory or regulatory laws.
 - B. If there is a duty to the public to reveal this information.
 - C. If our interest requires us to provide this information (e.g., fraud prevention) to Banks / Financial Institutions/ our Group and Associate companies/ service providers/ companies with which TFSIN has tied up arrangements.

XIII. Monitoring & review

TFSIN has a Compliance Officer to ensure compliance with the Code. Our internal control procedures make sure that TFSIN meets the code.

A periodic review of compliance with the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels would be undertaken by TFSIN.
