PREAMBLE

- As an entity regulated by the Reserve Bank of India, the company is governed by the various regulations issued by RBI from time to time.

- This policy is based on the circular issued by RBI in regard to rate of interest charged by NBFCs and as amended from time to time. Pursuant to the provisions of the circular, the Board of Directors of every NBFC shall adopt an interest rate model and make other disclosures as mentioned therein.

  This Policy shall be read with Fair Practice Code of the Company

BOARD APPROVAL

- This Policy is approved by the BOD and any change herein shall require prior Board approval.

POLICY ON RATE OF INTEREST

- The Company shall adopt an interest rate model taking into account relevant factors such as the following to decide upon the lending rate:

  - ✓ Borrowing Cost
  - ✓ Operating Cost
  - ✓ Risk Premium for the product and the borrower
  - ✓ Return on Assets required
  - ✓ Any other relevant factor such as prevalent market lending rates in the industry, etc.

- Company will charge different interest rates for different customers under similar products or different interest rates for same customers under different products based on the gradation of risk approach mentioned below

- The Interest rates will generally be in the range of 5% to 30% depending on the factors mentioned above. Interest rates will be stipulated on per annum basis and will be communicated to the customers in the sanction letter or by separate communication. Interest payment frequency will be as agreed with the customer.

- Floating Rate Loans will either be linked to INFINA FLOATING REFERENCE RATE (IFRR) or any other external benchmark.

APPROACH FOR GRADATION OF RISK

- The Company follows gradation of risk approach while determining the interest rates to be charged. The pricing for different loan products would be different considering the differences in the underlying risks for these products and factors such as the borrowing cost for the product, operating cost, risk premium needed in the product, expected return on equity and return on assets. Further within a product, the interest rate for different customers would be different considering various factors (including borrower risk factors) like profile of the borrower, financial strength, CIBIL score, credit history, type of security and security cover, tenor of the loan, competition scenario, relationship history.

Note: This Policy should be read with Fair Practice Code of the Company.

Reviewed on 22nd November, 2024