

## **Policy on interest rate, Interest rate rationale and other charges**

Reserve Bank of India (RBI) had vide its Circular DNBS / PD / CC No. 95/ 03.05.002/ 2006-07 dated May 24, 2007 advised that Boards of Non-Banking Finance Companies ("NBFC") to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges. Further, vide circular DNBS (PD)C.C. No. 133 /03.10.001/ 2008-09 January 2, 2009, RBI advised the NBFCs to adopt appropriate interest rate models taking into account relevant factors.

Keeping in view the RBI's guidelines advising the Boards of NBFCs are advised to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges. **ValueFin India Credit Services Private Limited** ("Company") has laid internal guidelines, policies, procedures to be taken into consideration while determining interest rates or other charges to various customers. The following points will be considered in arriving at the interest rate and other charges:

- The interest rates applicable to loans will be approved by the empowered Credit Committee, from time to time.
- These rates will be based on the cost of borrowed funds, matching tenor cost, market liquidity, RBI policies, refinance facilities offerings by competition, market reputation, cost of disbursements, cost of capital required, inherent credit and default risk in the products and the profile of the customers, industry trends, customer wise yield/s, value of securities, past repayment record of the customers, external ratings of the customers and other such factors.
- The annualized rate of interest would be intimated to the customer. The interest rates would be offered on fixed, floating, variable basis. The prime lending rate for the floating rates would be reviewed on quarterly intervals. In case of floating rate of interest, the interest rate would be reviewed and reset on quarterly basis.
- Interest rates will be intimated to the customers at the time of sanction/availing of the loan and the interest and principal repayment schedule will be made available to the customer.
- The interest shall be payable immediately on the due date as communicated to customer
- Besides normal interest, the Company may collect penal interest / late payment charges for any delay or default in making payments of any dues. These penal interest / late payment charges for different products or facilities would be decided by the Company from time to time.
- All processing / documentation and other charges recovered are expressly stated in the Loan documents. They vary based on the loan product, exposure limit, customer segment, geographical location and generally represent the cost incurred in rendering the services to the customers. The practices followed by other competitors in the market would also be taken into consideration while deciding the charges
- Claims for refund or waiver of charges/ penal interest / additional interest will be at the sole discretion of the company to deal with such requests, if any.

The interest rate policy will be available on the website and updated from time to time. **ValueFin India Credit Services Private Limited** will apply best industry practices and will be in complete adherence of RBI guidelines, issued from time to time.