

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Policy on Interest Rate and other financial charges

SAMUNNATI FINANCIAL AND INTERMEDIATION SERVICES PRIVATE LIMITED	
Policy Name	Interest Rate Policy
Version	1
Date of original approval by the Board	September 25, 2017

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Policy on Interest Rate and other financial charges

Introduction

As per Master Direction DNBR.PD.007/03.10.119/2016-17 dated March 09, 2017 issued by the Reserve Bank of India (RBI), the Board of Directors of Non-Banking Finance Companies are advised to lay down the appropriate internal principles and procedures in determining interest rates, processing fee and other charges.

In line with the RBI guidelines as afore-mentioned, the Board of Directors of Samunnati Financial Intermediation & Services Private Limited (“the Company”) at their meeting held on September 25, 2017 laid down the policy for determining Interest Rates, Processing and other charges for the loan products offered by the Company to its customers.

Interest Rate

The Company has adopted a risk-based approach for client classification for determining applicable rate of interest, which differ for each client, primarily based on risk factors such as entity structure, industry, Networth, leveraging, and nature of proposed loan. Hence the rates of interest for the same product and tenor availed during same period by different customers cannot be standardized.

Broadly, the interest rates charged by the Company shall be based on the following parameters with such modification as may be deemed necessary:

- ★ Cost of borrowings
- ★ Operating costs
- ★ Risk premium keeping in mind the inherent credit and default risk in the product and customer per se arising from customer segment
- ★ Collateral offered by the customer
- ★ Interest rate trend in the market
- ★ Maintaining stakeholders’ expectation for a reasonable and market-competitive rate of return

The Board of Directors of the Company shall review the Interest rates on such periodicity as may be deemed necessary and modify the same depending upon the market trends.

The interest rate shall be determined by the Credit Committee based on:

- * Risk profile of the customer – assessment of quantum and periodicity of cashflows of the customer
- * Risk premium keeping in mind the inherent credit and default risk in the product and customer per se arising from customer segment
- * Nature and value of primary and collateral securities
- * past repayment track record of customers
- * external rating of the customers and credit bureau clearance

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Policy on Interest Rate and other financial charges

- * Industry trends
- * Tenor of customer relationship
- * Offerings by competition

Processing Fee/Upfront Fee

Processing fee shall be determined by the Credit Committee based on the quantum of work involved in credit appraisal, reference checks with Credit bureaus, volume of documentation involved, other incidental expenses involved in the transaction and negotiation with customer.

The Board of Directors of the Company may from time to time review the guidelines for charging processing fee.

On-boarding Fee / Documentation fee

The Company charges on-boarding charges / documentation charges in respect of aggregators for some of the Loan products in line with the credit policy of the Company. Prior to entering into an agreement with the customers, our loan officers ensure that charges and rates of interest are explained clearly and transparently to the customers on-boarded.

Further in line with the RBI guidelines, the Company shall ensure the following:

- * Interest rates would be intimated to the customers at the time of sanction or availing the loan and the EMI apportionments towards interest and principal dues would be made available to the customer.
- * Interest would be charged either monthly / quarterly or at such other periodicity as per the Credit policy.
- * Interest charges would have prospective effect. Any change in the interest or other charges would be communicated to the customers as per the terms of the loan documents.
- * The rate of interest and the approach for gradation of risk and the rationale for charging differential rate of interest to different categories of borrowers shall be communicated explicitly in the loan sanction letter.
- * Annualized rates of interest shall be disclosed in the loan sanction letter.
- * The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company or published in the relevant newspapers. The information published on the website or otherwise shall be updated for changes wherever applicable.
- * The change in the interest rates shall be decided at any periodicity depending on market volatility and competitor review.
- * In case of multiple disbursements in respect of the same loan account, the rates of interest would be subjected to review and the same may vary according to the prevailing rate at the time of successive disbursements or as may be decided by the Company.

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED
Policy on Interest Rate and other financial charges

- * The Company shall levy penal interest for any delay or default in repayment of principal / interest due. The Company shall mention the penal interest in bold in the Loan sanction letter and agreement.
- * In addition to interest, other financial charges such as processing fee, aggregator on-boarding fee, loan documentation fee, pre-payment / foreclosure charges, cash handling charges, RTGS/other remittance charges, charges towards other services such as issuance of No Due certificates, NOC, Letters ceding charge on assets / security, security swap and exchange charges etc. shall be levied by the Company wherever considered necessary.
- * In respect of the other financial charges, Goods and Services Tax (GST) and other applicable taxes would be collected at applicable rates from time to time. Any revision in these charges shall be with prospective effect. A suitable condition in this regard shall be incorporated in the loan agreement.

Discretionary Powers

1. The Director & CEO / Executive Director shall have the absolute discretion to reduce / waive the penal interest and other financial charges on case to case basis in line with the prevailing industry practices.
2. The interest and other charges in respect of the loan products offered by the Company are indicative and the Director & CEO and Executive Director shall reserve the right to change the same from time to time in line with the existing credit policies of the Company and the changing market conditions.