

VERSION CONTROL

Version Control No.	Author	Date Created / updated	Date Published	Date Effective	Version Description	Signature of Director/ Department Head
V.1	Mr. Mandar Godbole	02/11/2018	02/11/2018	03/11/2018		

Preface:

The Reserve Bank of India (RBI) vide its Circular No. (DNBR (PD) CC.No.054/03.10.119/2015-16) dated 1 July 2015 as amended from time to time (RBI Regulations), has directed all NBFCs to make available the rates of interest and the approach for gradation of risk on website of the companies.

In compliance with the requirements of the RBI Regulations mentioned above and the Fair Practices Code adopted by the Company, Niyogin Fintech Limited (“NFL”) has adopted this Interest Rate Policy broadly outlining the Interest Rate Model and the Company’s approach of risk gradation in this regard for its lending business.

Methodology

- The average yields and the rate of interest under each product is decided from time to time, giving due consideration to the following factors;
- The cost of funds on the borrowings, as well as costs incidental to those borrowings, taking into consideration the average tenure, market liquidity and refinancing avenues etc;
- Operating cost in our business and maintaining the stakeholders’ expectations for a reasonable, market-competitive rate of return;
- Inherent credit and default risk in our business, particularly trends with sub-groups / customer segments of the loan portfolio;
- Nature of lending, for example unsecured;
- Risk profile of customer - professional qualification, stability in earnings and employment, financial positions, past repayment track record with us or other lenders, external ratings of customers, credit reports, customer relationship, future business potential etc.
- Industry trends - offerings by competition

Interest Rate Policy for Lending Business:

- The Company shall adopt a discrete interest rate policy which means that the rate of interest for same product and tenure availed during the same period by separate customers would not be standardized but could vary within a range, depending, amongst other things, the factors mentioned above.
- The Company shall disclose the rate of interest in the application form and communicate explicitly in the sanction letter.
- The rates of interest and the approach for gradation of risks shall also be made available on the web-site of the companies or published in the relevant newspapers. The information published in the website or otherwise published would be updated whenever there is a change in the rates of interest.
- The interest rates offered could be on fixed basis or floating / variable basis. Changes in interest rates would be decided at any periodicity, depending upon market volatility and competitor review.
- Annualized rate of interest would be intimated to the customer
- Besides normal interest, the company may levy additional interest for adhoc facilities, penal interest for any delay or default in making payments of any dues. Waiver of additional or penal interests for different products or facilities would be decided within the limits prescribed under the policy.

Interest Rate Policy

- The Company shall mention the penal interest in bold in the loan agreement.
- The interest re-set period for floating / variable rate lending would be decided by the company from time to time, applying the same decision criteria as considered for fixing of interest rates
- Interest would be charged, and recovered on a monthly, quarterly basis or such other periodicity as may be approved by the designated authority. Specific terms in this regard would be addressed through the relevant product policy.
- Interest rates would be intimated to the customers at the time of sanction / availing of the loan and the EMI apportionments towards interest and principal dues would be made available to the customer.
- Interest changes would be prospective in effect and intimation of change of interest or other charges would be communicated to customers in a manner deemed fit, as per terms of the loan documents.
- Besides interest, other financial charges like processing fees, cheque bouncing charges, pre payment/ foreclosure charges, part disbursement charges, cheque swaps, cash handling charges, RTGS/ other remittance charges, commitment fees, charges on various other services like issuing NO DUE certificates, NOC, letters ceding charge on assets/ security, security swap & exchange charges etc. would be levied by the company wherever considered necessary. Besides the base charges, the GST and other cess would be collected at applicable rates from time to time. Any revision in these charges would be with prospective effect. A suitable condition in this regard would be incorporated in the loan agreement. These charges would be decided upon collectively by the management of the Company.
- The practices followed by competitors would also be taken into consideration while deciding on interest rates / charges.
- Interest rate models, base lending rate and other charges, and their periodic revisions are made available to our prospective and existing customers through our offices and branches. Prior to entering into an agreement with our customers, we provide them with our statement of charges and interest and address their queries and questions on the same, to their satisfaction. Our loan officers ensure charges and rates of interest are explained clearly and transparently to the people who may be interested in our products.
- In case of staggered disbursements, 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.
- Claims for refund or waiver of such charges/ penal interest / additional interest would normally not be entertained by the company and it is the sole and absolute discretion of the company to deal with such requests.
