

AURUM INSTAFINANCE INDIA PRIVATE LIMITED
(Formerly Dico Transport Corporation Private Limited)

INTEREST RATE POLICY

1. Introduction:

M/s Aurum Instafinance India Private Limited (Formerly Dico Transport corporation private Limited) was incorporated on 21/04/1987 under the Companies Act, 1956, having CIN U64990WB1987PTC042227 and situated at 33/1, N. S. Road, Room No. 247 2ND FLOOR, Kolkata, West Bengal-700001

The company is a registered NBFC in terms of Section 45-IA of the RBI Act, 1934 vide registration number B.-05-05595 under the classification as NBFC-Non-Systemically Important Non-Deposit taking Company and regulated by the RBI.

2. Regulatory requirement:

The Reserve Bank of India (RBI) vide its Notification No. DNBS. 204 I CGM (ASR)-2009 dated 2 January 2009 and vide its Guidelines on Fair Practices Code for NBFCs, as amended from time to time (RBI Regulations), has directed all NBFCs to define their rates of interest.

In compliance with the requirements of the RBI Regulations mentioned above and the Fair Practices Code adopted by the Company, the Company 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.

3. Evaluation of Interest Rate and other charges:

- ❖ The Company shall calculate the interest rate after taking into account relevant factors such as follows:
 - Internal and External cost of funds,
 - margin,
 - risk premium like credit risk, market risk, industry risk, competition, government risk etc.,
 - other costs such as administrative expenses and
- ❖ The interest rate shall be reviewed periodically at the discretion of Top Management.
- ❖ The interest rate applicable to each loan account shall be assessed based on the following multiple parameters:
 - tenure,
 - borrower's profile,
 - borrower's repayment capacity based on the cash flows,

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- type of security provided by the borrower,

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- past repayment track record of the borrower,
 - Borrowing from other banks, and Fis etc.
- ❖ The Company shall disclose to the borrower or customer the rate of interest in the application form and communicate the same explicitly in the sanction letter.
- ❖ The Company shall intimate the borrower, the loan amount; annualize rate of interest and method of application at the time of sanction of the loan along with the tenure and amount of monthly instalment.
- ❖ 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.
- ❖ The rate of Interest for the same product and duration need not to be standardized. It could vary for different customers depending on any one or a combination of the above factors.

4. CHARGES:

- ❖ The company also charge the follows as other financial charges:
- Processing fees,
 - Pre-payment/Foreclosure charges,
 - Late Payment charges/Penal Charges,
 - Bouncing charges,
 - Due Diligence charges
 - Documentation Charges
 - Any other charges as mentioned in the sanction letter, loan documents and Loan Policy etc.
- ❖ All other charges would vary depending on the:
- Business products,
 - Location,
 - Customer profile
 - Credit Evaluation etc.

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- ❖ The said charges will be levied at the time of sanction of loan or at the time of occurrence of any event or whenever required and the respective team of UFPL shall be accountable to inform the customers about these charges at the time of sanction of loan or as and when applicable after sanctioning the loan.
- ❖ The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non-individual borrowers for similar non-compliance of material terms and conditions.
- ❖ There shall be no capitalisation of penal charges i.e., no further interest computed on such charges.

5. AIFIPL's Interest Rate:

The management understands that considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. This policy has contained the factors on which the company shall decide the interest rates. Thus, it is decided to fund the loans and advances upto 24% p.a. to be charged for the entire tenure.

Further, at their own sole discretion, Top management can approve the interest rate for any loan/advance outside the range above.

_____***End of Document***_____

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