

INTEREST RATE POLICY

Policy on Interest Rate Model, Policies and Procedure on determining Interest Rates and other charges

Keeping in view the RBI's guidelines advising the Boards of NBFCs to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges, the following internal guidelines, policies, procedures will be taken into account when determining interest rates or other charges:

- The interest rates applicable to loans will be approved by the management of the Company, from time to time.
- These rates will be based on the cost of borrowed funds, matching tenor cost, market liquidity, RBI policies on credit flow, 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, ancillary business opportunities, future potential, group strength, overall customer yield, nature and value of primary and collateral securities, past repayment track record of the customers, external ratings of the customers etc. The rate of interest may be different for different customers depending upon an evaluation of the factors listed above.
- Interest rates will be intimated to the customers at the time of sanction of the loan and the interest and principal repayment schedule will be made available to the customer.
- The interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed.
- Besides normal interest, the Company may levy additional interest for ad hoc facilities, penal interest for any delay or default in making payments of any dues. This additional or penal interest for different products or facilities will be approved by the management of the Company.
- Besides interest, other financial charges like late payments, RTGS / other remittance charges, etc. may be levied by the Company under due communication to the customer, wherever considered necessary. Any revision in these charges would be with prospective effect.
- Claims for refund or waiver of charges / penal interest / additional interest will normally not be entertained by the Company and it is the sole discretion of the Company to deal with such requests, if any.
- The interest re-set period will be decided by the Company from time to time and communicated to the customer.
- The interest rate policy will be available on the website and updated from time to time.

KIFS Financial Services Limited