

Interest Rate Policy
Mintifi Finserve Private Limited
Version Control: 1.1 (FY24-25)

Line of Business	Finance Department
Approving Authority	Board of Directors
Date of Approval	

1. INTRODUCTION

Mintifi Finserve Private Limited is incorporated under the provisions of the Companies Act, 2013 and is registered as Non-Banking Financial Company with Reserve Bank of India (“RBI”). The Company is engaged in the business of extending credit facility through various products to its ends customers.

2. OBJECTIVE AND SCOPE

This policy is framed in accordance with the provisions of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“**Master Direction**”), Scale Based Regulation (“**SBR**”) - A Revised Regulatory Framework for NBFCs (**‘RBI Regulations’**) 2023, to the extent applicable and as amended from time to time and such other Rules/Regulations/Notification and Guidelines, if any and to the extent applicable in this regard including any statutory modification(s) or re-enactments thereof for the time being in force, if any.

Accordingly, we have formulated this policy for charging interest rate on the loans to sanctioned by the company

This Policy sets out the broad guidelines for charging interest rates in relation to its multiple credit products and services.

3. PRINCIPLES FOR DETERMINING INTEREST RATE FOR LOANS AND OTHER DETAILS:

- ❖ Mintifi Finserve Private Limited (Mintifi) has its own model for arriving at interest rates taking into consideration among other things, Mintifi’s weighted average cost of funds, return on capital, overheads and other administrative costs. The company shall also consider relevant factors such as margin, risk premium, tenor, industry and business segment, product category, loan to value ratio, operational cost, interest, credit and default risk in the related business segment, historical performance of similar homogeneous clients, profile of the borrower, tenure of relationship with the borrower, repayment track record of the borrower in case of existing customer, subventions available, deviations permitted, future potential, group strength, overall customer yield, nature and value of primary and collateral security, feedback on existing lender relationship, market landscape etc. and determine the rate of interest to be charged for loans. The interest rates could be offered on fixed or variable basis, if any. The said rate is reviewed by the management from time to time.
- ❖ Factors enumerated hereinabove is gathered based on information provided by the borrower, credit reports, market intelligence etc. and inputs provided by the field inspection of the borrower’s premises.
- ❖ The rate of interest for the same product and tenor availed during same period by different customers need not to be standardized. It could vary for different customers depending upon consideration of any or combination of above factors.
- ❖ Interest rates could be reset as decided by the Company from time to time. Changes in the interest rates and charges would be prospective in effect and intimation of change of interest or other charges would be communicated to customers in a mode and the manner deemed fit.

- ❖ Basis the interest rate model and after taking into account relevant factors, Interest rate up to 25% p.a. may be charged by the Company from the borrower.
- ❖ The interest shall be deemed payable in accordance with the terms stipulated in the sanction letter/loan agreement etc.
- ❖ Besides normal interest, the company may levy additional / penal interest for delay or default in making payments of any dues. These additional or penal interests for different products will be specified in bold in sanction letter.
- ❖ Claims for refund or waiver of charges / penal interest / additional interest would normally not be entertained by the company and it is at the sole discretion of the company to deal with such requests.

3.1 DETERMINATION OF INTEREST RATE

Inter alia, after considering the factors as enumerated herein above, the following product wise interest grid will be applicable as following

Particulars	Short Term Inventory Finance Classic	Short Term Inventory Finance Reserve	Unsecured Term Loan	LAP Classic	LAP Reserve
Interest to customers	16-19%	20-25%	18% - 21%	15% -18%	19-25%
*For Factoring Units- Interest to be charged between 12-15% after considering the similar parameters provided in <u>Annexure -1</u>					

The detail workings of the interest grid as enumerated herein above has been derived based on workings given in **Annexure -1** (which will form part and parcel of this policy as and when required to be to be shared with any regulatory body). Based on the merit of the case, business team and credit team will have the liberty to process the case within the range as outlined above. It is hereby clarified that, for any deviation (on the minimum interest rate to be charged from customers), Credit Committee will be authorised to approve the same. This pricing grid will be reviewed by the management at least on half yearly basis to incorporate changes, if any, required in this regard.

4. ADDITIONAL CHARGES

Besides interest, other financial charges like processing fees, origination fees, documentation charges, cheque bouncing charges, late payment charges, re-scheduling charges, pre-payment / foreclosure charges, part disbursement charges, cheque swap charges, security swap charges, charges for issue of statement account or NOC, diligence charges, valuation charges etc., as the case may be would be levied by the company wherever considered necessary. Besides these charges, taxes and other cess would be collected at applicable rates from time to time as communicated in the documentation provided.

5. AMENDMENT

Any amendment in the policy will be done with the approval of the Board of Directors. Notwithstanding anything contained herein, any subsequent amendment in the RBI regulations or any other applicable law in this regard, shall automatically apply to this Policy. Accordingly, this policy shall be duly revised to incorporate any amendments.

6. POLICY REVIEW

This Policy shall be reviewed by the Board of Directors at least once in every year, in order to align with the ongoing regulatory and business requirements.

7. DISCLOSURE:

This Policy shall be uploaded on the website of the Company.

Version History

Version History FY2024-2025

Version (FY2023-24)	Date of Approval	Approving Authority
1.0	12 th August 2024	Board of Directors
1.1 (Amendment)	29 th December 2024	Board of Directors