

**POLICY FOR DETERMINING INTEREST
RATE, PROCESSING / OTHER CHARGES**

**SNAPMINT FINANCIAL SERVICES
PRIVATE LIMITED**

PREAMBLE:

As per the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, dated September 1, 2016 advised all Non-Systemically Important Non-Deposit taking NBFCs to lay out appropriate internal principles and procedures in determining interest rates, processing fee and other charges. RBI also directed to make the policy available on the website of the NBFC, and update whenever there is a change.

In order to ensure its standards of transparency, in conformity with the stipulations of the Reserve Bank of India's (hereafter referred to as 'RBI') directives, Snapmint Financial Services Private Limited (hereafter referred to as 'Snapmint') has adopted this interest rate policy.

Interest Rate Policy

The interest rate to be charged to the borrower for the loans will be decided keeping in view the RBI's guidelines relating to regulation of excessive interest charged by NBFCs.

- a. Interest rate will be arrived based on the following broad parameters:
 - Risk profile of the borrower
 - Interest rate trend prevailing in the money market
 - Cost of borrowings
 - Primary/collateral security offered by client/ structure of the deal
 - Interest rate charged by competitors
 - Tenure of the Borrowing
 - Historical track record of the borrower with Snapmint
 - Administrative cost and profit margin
- b. Interest rate would be intimated to the borrower at the time of availing of the loan.
- c. The rate of interest for the same product and tenor availed during same period by different borrower need not be uniform. It could vary for different products for the same or different borrower.
- d. The interest rates would be offered on fixed basis.
- e. The interest re-set period would be decided by the Company from time to time.
- f. Interest is calculated on the amount utilized by the borrower.
- g. The interest is charged on monthly rest.

- h. The interest will be charged from the date of loan disbursement until the date of loan closure. For a consumer durable loan, the date of disbursement is defined as the day the merchant confirmation is received and goods are about to be delivered to the customer. Any excess interest charged beyond this date will be refunded to the customer
- i. The interest may be deemed payable immediately on the due date as mentioned in the loan agreement or as communicated.
- j. Processing Fees/ Penal Charges/ Other Charges:
 - (i) Besides interest, other financial charges like processing fees, Equated Monthly Installment (EMI) bouncing charges, penal charges on late repayment of a loan or EMI, rescheduling charges, prepayment / foreclosure charges, part disbursement charges, charges for issue of statement accounts etc., would be levied by the company wherever considered necessary. Besides these charges, stamp duty, service tax / GST and other cess would be collected at applicable rates from time to time. Any revision in these charges would be implemented on a prospective basis with due communication to customers.
 - (ii) The Company shall ensure that no capitalisation of penal charges i.e., no further interest computed on such charges. The Company shall also not introduce any additional component to the rate of interest and ensure its strict compliance.
 - (iii) The Company shall ensure that the quantum of penal charges is reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
 - (iv) The Company shall display the quantum and reason for penal charges to the customers in the loan agreement and / Key Fact Statement (KFS) as applicable.
 - (v) The applicable penal charges, as updated from time to time, shall be displayed on the Company's website.
 - (vi) The Company shall ensure that the applicable penal charges are clearly communicated to the borrowers, whenever reminders for non-compliance of loan terms are sent to borrowers. g. Any instance of levy of penal charges and the reason therefore shall also be appropriately communicated to the borrowers.
 - (vii) The aim of Snapmint is not to make money out of it but to encourage prompt and timely repayment of dues of the Snapmint and to deter the borrower from

intentional delay in honoring commitments. However, in deserving cases, the incremental rate on interest may be completely waived off or settled at reduced rates.

- k. No interest is payable on Credit Balance in borrower's account.
- l. The final lending rate for each loan or various products offered by Snapmint will be arrived at after taking into account market reputation, prevailing interest rate in the market, credit and default risk associated with the particular borrower or pool of borrowers, historical performance of the clients, profile of the borrower, tenure of relationship with the borrower, historical track record of the borrower in case of existing borrower, subventions available, deviations permitted, future potential, group strength, overall borrower yield, nature and value of primary and collateral security, the administrative cost and profit margin, etc. Such information is gathered based on information provided by the borrower, credit reports and market intelligence.

The benchmark prime lending rate of Snapmint should not be less than the lowest of the Rate of interest charged on the funds borrowed by Snapmint. If the rate of interest to be charged exceeds the maximum permissible limit as per the Reserve Bank of India's guidelines from time to time, the approval of the Board will be obtained. The benchmark prime lending rate is subject to change as per the discretion of management of Snapmint based on the variables as set by the management of Snapmint.

However, the final lending rate applicable to the borrower for each loan will be arrived on the basis of the benchmark prime lending rate and the above factors. In case where interest rate is charged above the RBI guidelines the approval of the Board of the Directors shall be obtained.

Risk Based Gradation of Interest Rates

The decision to grant a loan and the interest rate applied are determined by assessing the risk profiles of customers. Customers are classified into different risk bands based on various data points collected during the loan application process, such as their profile, the length of their relationship with the lender, past repayment history, customer segment, market reputation, and geographical location. After data analysis, our interest rate model evaluates each customer's risk and assigns them to a specific risk band. A risk-adjusted premium is then added to the base rate of the loan product to establish the final interest rate for each customer category.

Processing / Documentation and other Charges

The processing/ documentation and other charges recovered will be expressly stated in the Loan Agreement. They will vary based on the asset financed, the exposure limit, expenses incurred in the geographical location, borrower segment and generally represent the cost

incurred in rendering services to the borrower.

The Company may levy any of the below mentioned fees, charges, etc to the Borrower on case to case basis:

(a) Loan Processing Charges	To be charged to the Borrower/s for all expenses pertaining to documentation, Agreement, etc.
(b) Transaction Expenses and Due Diligence expenses	To be charged to the Borrower/s for all expenses pertaining to Legal, Valuation & Professional fees, due diligence, stamp duty, registration and other Out - of - pocket expenses.
(c) Penal Charges	To be charged on non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
(d) Part Prepayment	To be charged on the on the amount prepaid at the time of prepayment where the Borrower wants to prepay the loan or part thereof. The prepayment date will be considered as the date the amount is credited to the Snapmint account
(e) Foreclosure	To be charged on the total amount paid for foreclosure at the time of foreclosure where the Borrower wants to foreclose the loan.
(f) Cheque swapping charges	To be charged to the Borrower/s in each instance where the Borrower/Guarantor is required to submit fresh cheques on account of change in their Bank account for any reason whatsoever.

(g) Cheque bouncing charges	To be charged to the Borrower/s in each instance that any Cheque is dishonored (under any of the payment modes) and consequently represented OR in each instance that a Cheque/ Pay Order / demand draft is presented when any Installment/s is/are not received by the Company by /upon issue of debit instructions under the ECS/NACH method or Direct Debit method or any other payment method (other than the PDC method) as selected by the Borrower/s for any reasons whatsoever.
(h) Documents Retrieval Charges	To be charged where the Borrower requests for additional copies of documents executed.
(i) Switch fee for change in payment mode or Loan option	To be charged where Borrower requests to switch the method of interest rate applicability from variable to fixed or vice versa.
(j) Switch fee or change in Security/securities	To be charged where Borrower requests to switch the security offered for the existing loan.
(k) Loan Reschedule charges	To be charged where the Borrower requests for rescheduling of payment term within the tenure and without modifying the terms of the existing loan.
(l) Loan Restructuring Charges	To be charged where the Borrower is required to modify the terms of the existing loan.
(m) Loan Recovery Charges	To be charged for the expense incurred by the Company to recover the dues including legal fees, duties, notices, advertisement, etc.

The aim of the Company to levy the abovementioned charges other than those mentioned under 'a' and 'b' is not to make money out of it but to encourage prompt and timely repayment of dues of the Snapmint and to deter the borrower against intentional delinquency. However, in deserving cases, such penal charges may be completely waived off or settled at much lower rates.