



SAYYAM INVESTMENTS PRIVATE LIMITED

Regd. Off: Agyathuri, Chamajali, Amingaon Guwahati

Kamrup assam 781031

CIN- U74900AS2012PTC011294

**Policy for Determining Interest Rates, Processing
and Other Charges**

Sayyam Investments Private Limited



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1. INTRODUCTION

The Reserve Bank of India (“RBI”) vide its Master Direction - Non-Banking Financial Company -Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated 1st September 2016 advised the Company to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges and also directed to make it available on its web-site, and updated whenever there is a change in the rates of interest.

The Board of Directors of the Company has adopted the Policy for Determining Interest Rates, Processing and Other Charges (“the Policy”) in accordance with the RBI Direction earlier applicable on the Company, to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges.

This Policy should always be read in conjunction with extant RBI guidelines, directives, circulars and instructions. The Company will apply the best industry practices and ensure the same does not conflict with or violate RBI guidelines.

2. OBJECTIVE

The main objectives of this Policy are to:

- (i) Ensure that interest rates are determined in a manner as to ensure long term sustainability of business by taking into account the interests of all stakeholders,
- (ii) Develop and adopt a suitable model for calculation of a reference rate;
- (iii) Enable fixation of interest rates which are reasonable: both actual and perceived;
- (iv) Ensure that computation of interest is accurate, fair and transparent in line with regulatory expectations and market practices;
- (v) Charge differential rates of interest linked to the risk factors as applicable;
- (vi) Facilitate transition to income recognition norms that may be stipulated by RBI in future and adoption of best practices; and
- (vii) Decide on the principles, methodology and approach of charging spreads to arrive at final rates charged from customers.



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3. ROLE OF BOARD OF DIRECTORS

The Board of Directors shall have oversight for the interest rate Policy of Sayyam Investments Private Limited. In order to ensure effective implementation of the Interest Rate Policy, the Board may delegate the implementation of the Policy and its operational aspects to the Chief Financial Officer / Executive Director and/or Asset Liability Management Committee (“ALCO”) as deemed fit.

4. DETERMINATION OF INTEREST RATES ON LOANS AND CREDIT FACILITY

The Company lends money to its customer mainly through digital platforms through fixed interest rate loans and has various products to cater to the needs of different category of customers.

The interest rate of each product is decided from time to time, giving due consideration to the following factors:

1. Cost of Equity: To run the business, the Company has been infused with equity share capital in huge proportions, and accordingly the cost of such equity being infused shall be taken into consideration.

2. Credit Risk: Risk related to loss of credit due to short tenure of loan, nature of facility, ticket size of loan, geographical condition, customer segment, sourcing channels, stability in earnings and employment, financial position, past repayment track record with us or other lenders, external ratings of customers, credit reports, customer relationship, future business potential, results from digital verifications etc.. Therefore, risk of recovery of loan can be considered to be in the medium to high category and accordingly the risk premium would be reckoned.

3. Opex Cost: It includes employee expenses, office and infrastructure related fixed and variable costs, operations costs, sales and marketing expenses, etc.

4. Profit Margin: Fair profit margin is added to arrive at the lending rate.

S. No.	Particulars	Percentage
1.	Cost of Funds (A)	18%
2.	Credit Risk (C)	4%
3.	Opex Cost (D)	2%
4.	Profit Margin (E)	5%
	Rates offered to Customer	Upto 29% p.a.



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5. PROCESSING FEES / COMMITMENT FEE / OTHER CHARGES

Apart from interest rate, the Company may levy processing fees / other charges (including stamp duty, service tax / GST and other cess at the rates as applicable from time to time) Any revision in these charges would be implemented prospectively (with due communication to customers) on its Borrowers for loans sanctioned on a case to case basis. Generally, the processing fee charged for processing the loan application will be in the range of 15-29% on the sanctioned or disbursed loan amount.

Processing Fee Bifurcation:

Product	Upfront			Post Service Fee		
	Documentation Fee	Technology Fee	Processing Fee	Documentation Fee	Technology Fee	Post Service Fee
14 days	Yes	yes	yes	No	No	No
42 Days	Yes	No	No	No	Yes	Yes
28 Days	Yes	No	No	No	Yes	Yes
60 Days	Yes	No	No	No	Yes	Yes
90 Days	Yes	No	No	No	Yes	Yes

6. CONTINGENT CHARGES

The Company may levy a penal charge generally between 0.5% - 1% on the loan amount per day, as may be decided the Board / committee formed for this purpose, if borrower doesn't service the loan on the due date.

Company shall levy extension fee charges at 10% outstanding principal amount + GST, if the borrower seeks extension and the Company at its sole discretion, approves the request for extension.

7. COMMUNICATION TO CUSTOMER

The Company shall communicate the effective rate of interest - to customers at the time of sanction / availing of the loan through the acceptable mode of communication as mentioned in the FPC. Interest Rate Policy would be uploaded on the website of the company and any change in the interest rates and charges would be uploaded on the web site of the Company.

Changes in the rates and charges for existing customers, if any, would also be communicated to them through various modes communication such as on the website, and/or vide email, letters,

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SMS, etc.

8. WAIVER / REDUCTION OF CHARGES

Head of the Company be authorized to waive-off / reduce any amount including Principal amount / Interest Rates, Processing and Other Charges, in his own discretion, as may deem fit. Further, Head may delegate this authority in favour of any person.