



SAYYAM INVESTMENTS PRIVATE LIMITED

Regd. Off: Agyathuri, Chamajali, Amingaon Guwahati
Kamrup assam 781031

CIN- U74900AS2012PTC011294

OVERDUE CHARGES/PENAL CHARGES POLICY

OF

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1. INTRODUCTION

SAYYAM INVESTMENTS PRIVATE LIMITED (“the Company” or “Sayyam”) is a Non-Banking Finance Company registered with Reserve Bank of India (“RBI”). The Company is presently engaged in the business of providing short term personal loans and advances without any collateral and/or security. The Company has laid out appropriate internal principles and procedures in determining Overdue Charges/Penal Charges and also made it available on its website, and shall update whenever there is a change in the Overdue Charges/Penalties.

The Board of Directors of the Company has adopted the Policy for Determining Overdue Charges/Penalties (“the Policy”) in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023, Guidelines on Digital Lending and other regulations applicable to the Company, in order to lay out appropriate internal principles and procedures in determining overdue charges/penalties. 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. PURPOSE

The purpose of this policy is to establish guidelines and procedures for imposing overdue charges/penalties on loans issued by the Company. Timely loan repayments are crucial for the financial stability of the Company, and the imposition of overdue charges/penalties ensures that borrowers adhere to the agreed-upon repayment schedules.

3. APPLICABILITY

This policy applies to all loans issued by Sayyam.

4. OBJECTIVES

The main objectives of this policy are to:

- i. Contributes to the financial sustainability of the Company.
- ii. Mitigates the risk associated with delayed or non-payment of loans. It encourages borrowers to fulfill their repayment obligations promptly, reducing the likelihood of defaults and potential losses for the Company.

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- iii. Promotes fairness and consistency in loan administration. This establishes a standard framework for dealing with late payments, ensuring that all borrowers are treated equitably and in accordance with predetermined policies.
- iv. Creates a culture of responsibility and punctuality among borrowers, reducing the incidence of delayed payments.
- v. Recovers administrative costs associated with managing and monitoring late payments. This includes the costs incurred in sending reminders, processing late payments, and managing collections efforts.
- vi. Plays a role in preserving credit discipline.
- vii. Ensures compliance with regulatory requirements and industry standards. Following these guidelines helps the Company avoid legal issues and penalties associated with non-compliance.

5. DETERMINATION OF OVERDUE CHARGES/PENALTIES

I. Overdue Charges/Penalties

- a. The specific percentage will be outlined in bold in the loan agreement and Key Fact Sheet (KFS) signed by the borrower. Further, the rate of penal charges will be disclosed on an annualised basis.
- b. Penalties charged for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as ‘penal charges’ and shall not be levied in the form of ‘penal interest’ that is added to the rate of interest charged on the advances. There will be no capitalisation of penal charges. i.e., no further interest will be computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account. No additional component shall be added to the rate of interest to ensure compliance to these guidelines in both letter and spirit.
- c. The overdue charge/penalty percentage may vary based on the length of the overdue period. The longer the loan remains unpaid, higher the percentage of overdue charges/penalties.
- d. The quantum of penal charges will be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan/product category.
- e. The penal charges for loans sanctioned to ‘individual borrowers, for purposes other than business’, will not be higher than the penal charges to non-individual borrowers for similar non-compliance of material terms and conditions.



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II. Notification of Overdue Status

Borrowers will be notified of their overdue status via call, e-mail, SMS, letter or other acceptable forms of communication.

III. Grace Period

The Company may provide a grace period at the sole discretion of Company, during which borrowers can rectify their overdue status without incurring penalties. During the grace period, borrowers will receive reminders to encourage prompt repayment.

6. MEASURES

- I. If a borrower fails to make the necessary payments within the stipulated period, Sayyam reserves the right to initiate appropriate measures.
- II. This may include legal action, reporting to credit bureaus, or other measures at the discretion of the Company.

7. REVIEW AND AMENDMENT

This policy will be periodically reviewed to ensure its effectiveness and relevance. Sayyam reserves the right to amend this policy at any time.

8. COMPLIANCE

All employees involved in the administration and enforcement of this policy must adhere to its guidelines and applicable laws and regulations. By adhering to this Loan Overdue Charges/Penalties Policy, Sayyam aims to maintain a fair and consistent approach to loan management while ensuring the financial well-being of the company.