Dowell Fiscal Services Private Limited

Department: Compliance

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Dowell Fiscal Services Private Limited

Interest Rate Policy and Gradation of Risks

Preamble:

Reserve Bank of India vide its notification No. DNBS. 204 / CGM (ASR)-2009 dated January 2, 2009 and vide its Guidelines on FPC for NBFCs DNBS.CC.PD.No.320/03.10.01/2012-13 dated February 18, 2013, consolidated in the RBI Master Directions No. Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, have directed all NBFCs to make available the rates of interest and the approach for gradation of risks on the web-site of the companies.

Accordingly, this note describes the current interest rate policy for Dowell Fiscal Services Pvt Ltd (DFPSL) and shall be applicable till further notice.

Interest Rate Methodology and the approach for gradation of risks

The Interest rate applicable is based on multiple parameters such as

- weighted average cost of borrowings, including cost of servicing the capital
- credit risk premium (depending upon the borrower profile, repayment capacity of the borrower, loan to value of the asset financed, nature & type of collateral security provided by the borrower, tenor of the loan, past repayment track record of the borrower etc),
- administrative and operating cost
- profit margin associated with the borrowers.
- industry Trend and Offerings by Competition

The rates of interest for the same product and tenor availed during same period by different customers need not be standardized but could be different for different customers depending upon consideration of any or combination of a few or all factors listed above.

The Maximum rate of interest (reducing balance basis) will be kept at or below 32% p.a. to ensure that the target customers have a reasonable interest burden.

Interest changes would be prospective in effect and intimation of change of interest or other charges would be communicated to customers in a mode and manner deemed fit.

The interest rates offered could be on fixed basis or floating / variable basis. Changes in interest rates would be decided at any periodicity, depending upon market volatility and competitor review.

The interest re-set period for floating /variable rate lending would be decided by the company from time to time, applying the same decision criteria as considered for fixing of interest rates.

Interest would be charged, and recovered on a monthly or quarterly basis. Specific terms In this regard would be addressed through the relevant product policy.

Interest rates would be intimated to the customers at the time of sanction/availing of the loan and the EMI apportionment towards interest and principal dues would be made available to the customer.

Interest shall be deemed payable immediately on due date as communicated and no grace period for payment of interest is allowed.

Besides normal interest, the company may levy other financial charges like processing fees, cheque bouncing charges, prepayment/ foreclosure charges, part disbursement charges, commitment fees, charges on various other services like issuing No Due Certificates, NOC letters, ceding charge on assets/ security, security swap & exchange charges wherever considered necessary. Besides the base charges, GST/service tax and other applicable taxes/cess would be collected at applicable rates from time to time. Any revision in these charges would be from prospective effect.

The Company intimates the borrower, the loan amount, annualized rate of interest and method of application at the time of sanction of the loan along with the tenure and amount of monthly instalment.

Claims for refund or waiver of charges/penal interest/additional interest would normally not be entertained by the company and it is the sole discretion of the company to deal with such requests if any