

POLICY FOR DETERMINING RATE OF INTEREST, PROCESSING FEES & OTHER CHARGES

CITRA Financials Private Limited



INDEX

Sr. No.	Particular	Page No.
1	Introduction	3
2	Interest Rate Model and Approach for Gradation of Risk	3
3	Processing / Documentation and other Charges	4
4	Disclosure	5
5	Policy review	5



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1. INTRODUCTION

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, **Citra Financials Private Limited ("CITRA ")** has adopted the following interest rate policy:

2. INTEREST RATE MODEL AND APPROACH FOR GRADATION OF RISK

The interest rate to be charged to the borrower for the loans will be decided keeping in view the RBI's guidelines.

1. Interest rate will be arrived based on the following broad parameters:
 - a) Risk profile of the borrower;
 - b) Interest rate trend prevailing in the money market;
 - c) Cost of borrowings;
 - d) Interest rate charged by competitors;
 - e) Tenure of the borrowing;
 - f) Historical track record of the borrower with the CITRA ;
 - g) Administrative cost and profit margin.
2. Interest rate would be intimated to the borrower at the time of sanction / availing of the loan.
3. 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.
4. The interest rates could be offered on fixed/variable rate basis.
5. Interest is calculated on the loan amount sanctioned to the borrower.
6. The interest shall be payable immediately on the due date as mentioned in the loan agreement or as communicated.
7. In case of delay in payment of any dues by the borrower, the agreed upon rate of interest may be hanced accordingly as delayed interest rate and such enhanced delayed rate of interest may be applied on the unpaid liability, indebtedness or part thereof which is due but not paid on due date for the period it remains unpaid. The aim of the CITRA is not to make money out of it but to encourage prompt and timely repayment of dues of the CITRA 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.

8. No interest is payable on credit balance in borrower's account.
9. The final lending rate for each loan or various products offered by CITRA 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/borrowers' group, historical performance of the borrower/borrowers' group, profile of the borrower/borrowers' group, tenure of relationship with the borrower/borrowers' group, the administrative cost and profit margin, etc. Such information is gathered based on information provided by the borrower/borrowers' group, credit reports, market intelligence and any other information as available to CITRA .
10. The lending rate of CITRA should not be less than the lowest of the rate of interest charged on the funds borrowed by CITRA . The lending rate is subject to change as per the discretion of management of CITRA based on the variables as set by the management of CITRA .

3. PROCESSING / DOCUMENTATION AND OTHER CHARGES

The processing/ documentation and other charges recovered will be expressly stated in the Loan Agreement.

The CITRA 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 expenses pertaining to documentation, agreement, etc.
b) Delayed Payment Charges	To be charged on the unpaid dues/liability where the borrower defaults on EMI due date.
c) Part Prepayment	NIL
d) Foreclosure	For floating rate loans-Nil, For Fixed rate loans- as decided by the management
e) Cheque/NACH Bouncing Charges	To be charged to the borrower/s in each instance that any cheque is dishonoured (under any of the payment modes) and consequently represented OR in each instance that a cheque/ pay order/ demand draft is presented when any instalment/s is/are not received by the CITRA by /upon issue of debit instructions under the ECS 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.
Loan Recovery Charge	To be charged for the expense incurred by the CITRA to recover the dues including legal fees, duties, notices, advertisement, etc.



The aim of CITRA to levy the abovementioned charges other than those mentioned as Loan Processing Charges is not to make money out of it but to encourage prompt and timely repayment of dues of the CITRA and to deter the borrower against intentional delinquency. However, in deserving cases, such additional / penal interest may be completely waived off or settled at much lower rates.

4. DISCLOSURE

Appropriate disclosure regarding this Interest Rate Policy shall be made on the Company website.

5. POLICY REVIEW

This policy shall be reviewed and updated periodically for any changes and be approved by Board of the Directors.