

NeoGrowth Credit Pvt Ltd (NG) proposes to publish its Interest Rate Policy on its website. In order to ensure standards of transparency and in conformity with the stipulations of the RBI's directives, such interest rate policy is to be adopted by the Board. The policy is enumerated as under:

### **Interest Rate Policy**

Reserve Bank of India has directed that the Board of each NBFC shall approve an Interest rate model for the Company, taking in to account relevant factors such as cost of funds, margin and risk premium etc and determine the rate of interest to be charged for loans and advances. Further, the directives state that the rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different category of borrowers should be communicated to the borrowers / customers in the sanction letters to them. The Interest rate model is also required to be made available on the website of the Company so as to enable the customers to understand the logic and methodology of the lending rates charged to them. In compliance with the said RBI directives, the Interest rate model for the Company is given below:

#### **Principles for determining interest rate for loans:**

- NeoGrowth has its own model for arriving at interest rates taking into consideration among other things NeoGrowth's weighted average cost of funds, un-allocable overheads and other administrative costs which is further adjusted for ALM mismatch. The weighted average cost of funds is computed taking into account the cost of NeoGrowth's aggregate borrowings at the month end time from various sources such as consortium and other bank lines, non-convertible debentures, commercial papers, etc. The interest rate however does not include expected return on assets as it varies amongst different line of NeoGrowth's businesses.
- The said interest rate is reviewed in the Asset Liability Committee meeting, periodically.
- The rate of interest for loans for various business segments and various products thereunder is arrived at through NeoGrowth's interest rate model, cost on account of risk and tenor premium for the concerned business segment, business specific operating cost and margin is added to arrive at the lending rate.
- The final lending rate for various products offered by NeoGrowth is arrived at after taking into account market reputation, interest, credit and default risk in the related business segment, historical performance of similar homogeneous clients, profile of the borrower, tenure of relationship with the borrower, repayment track record of the borrower in case of existing customer, subventions available, deviations permitted, future potential, group strength, overall customer yield, nature and quality of guarantee, etc. Such information is gathered based on information provided by the borrower, credit reports, market intelligence and information gathered by field inspection of the borrower's premises and the personal interviews of our credit officers with the customer
- The rate of interest for the same product and tenor availed during same period by different customers need not be same. It could vary for different customers depending upon consideration of any or combination of above factors.
- Interest rates expressed as Annual Percentage Rate (APR) and the total repayment amount in absolute rupee terms would be intimated to the customers at the time of sanction / availing of the loan and the schedule of repayment of dues in terms of interest and principal dues would be made available to the customer.
- The interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed.
- Besides normal interest, the company may levy additional / penal interest / delay payment charges for delay or default in making payments of any dues.
- Changes in the interest rates and charges would be prospective in effect and intimation of change of interest or other charges would be communicated to customers in a mode and the manner deemed fit.

- Besides interest, other financial charges like processing fees, origination fees, commitment fees, cheque /NACH bounce charges, late payment charges, reschedulement charges, pre-payment / foreclosure charges, charges for issue of statement account etc., would be levied by the company wherever considered necessary. Besides these charges, stamp duty, service tax, other cess and any other statutory dues would be collected at applicable rates from time to time. The company may decide not to levy some of the charges or waive these charges for some customers or at some periods like festive offers etc., based on the decision of the management. These charges would be decided upon by respective business / product heads in consultation with Operations, Finance and Legal Heads.
- While deciding the charges, the practices followed by the competitors in the market would also be taken into consideration.
- Claims for refund or waiver of charges / penal interest / additional interest would normally not be entertained by the company and it is at the sole discretion of the company to deal with such requests.
- Any revision in the Company's interest rate and the consequential interest rates applicable to business would be reviewed and approved by the Asset Liability Committee.

**All Products – Fees & Charges: NeoCash Retail**

**Retail**

NeoGrowth provides business loans to retailers for meeting financial requirements for growing their business. Details on the interest rates and charges are as below:

Type of Fees	Charges Applicable
Interest Rate	24% APR onwards
Processing Fees	Upto 3% of the loan amount
Bounce Charges (subject to changes as per change in Bank charges)	Cheque bounces: INR 500 + Taxes NACH bounces: INR 50 + Taxes
Default Interest	2% per month on the outstanding amount
Documentation Charges	Stamp Duty and other statutory charges for Loan documents at actuals
Pre-Payment Charges (applicable for loans disbursed on or after 1 <sup>st</sup> April, 2019)	5% on outstanding principal as on the date of prepayment
Loan Statement Charges	Nil
Recovery/Collection Charges	Collection charges: Charges levied by recovery agents plus 3% of outstanding amount as Collection Fees. Recovery charges: All other related recovery costs, Court fees, Attorney's Fees etc. at actuals
Non-Settlement Charges	Rs. 43/- for every non-settlement day (if the repayment mode is Gross Settlement) Rs. 103/- for every non-settlement day (if the repayment mode is Split funding)
Other Charges	PDC - ECS Bank account change and new PDC/ECS processing fee Rs.2000.

**Vendor Finance**

Vendors or suppliers to Large Corporate (as per NeoGrowth's criteria), can now avail business loans for meeting all their financial requirements. Details on the interest rates and charges are as below:

Type of Fees	Charges Applicable
Interest Rate	21% APR onwards
Processing Fees	Upto 2.25% of the loan amount
Bounce Charges (subject to changes as per change in Bank charges)	Cheque bounces: INR 500 + Taxes NACH bounces: INR 50 + Taxes
Default Interest	2% per month on the outstanding amount
Documentation Charges	Stamp Duty and other statutory charges for Loan documents at actuals
Pre-Payment Charges (applicable for loans disbursed on or after 1 <sup>st</sup> April 2019)	5% on outstanding principal as on the date of prepayment
Loan Statement Charges	Nil
Recovery/Collection Charges	Collection charges: Charges levied by recovery agents plus 3% of outstanding amount as Collection Fees. Recovery charges: All other related recovery costs, Court fees, Attorney's Fees etc. at actuals
Other Charges	PDC - ECS Bank account change and new PDC/ECS processing fee Rs.2000.

**PayLater** - This is a credit facility to retailers. The tenure of the product is 22 months whereby there is a 12 month drawdown period (with monthly payments, basis utilisation) followed by 10 months of only repayment period.

Details on the interest rates and charges are as below:

Type of Fees	Charges Applicable								
Interest Rate	Monthly interest of 2% on the amount drawn (Annualised 24%)								
Processing Fees	Up-to 5% of the Limit sanctioned								
Bounce Charges (subject to changes as per change in Bank charges)	Cheque bounces: INR 500 + Taxes NACH bounces: INR 50 + Taxes								
Delay Charges	Flat Fee every month on Total Statement Amount Due								
	<table border="1"> <thead> <tr> <th>Total Statement Amount Due</th> <th>Penalty Charges</th> </tr> </thead> <tbody> <tr> <td>Less than Rs. 25,000</td> <td>Rs. 500 + Applicable Taxes</td> </tr> <tr> <td>25,001 to Rs. 100,000</td> <td>Rs. 1000 + Applicable Taxes</td> </tr> <tr> <td>Rs. 100,001 and above</td> <td>Rs. 1,500 + Applicable Taxes</td> </tr> </tbody> </table>	Total Statement Amount Due	Penalty Charges	Less than Rs. 25,000	Rs. 500 + Applicable Taxes	25,001 to Rs. 100,000	Rs. 1000 + Applicable Taxes	Rs. 100,001 and above	Rs. 1,500 + Applicable Taxes
	Total Statement Amount Due	Penalty Charges							
	Less than Rs. 25,000	Rs. 500 + Applicable Taxes							
25,001 to Rs. 100,000	Rs. 1000 + Applicable Taxes								
Rs. 100,001 and above	Rs. 1,500 + Applicable Taxes								
Delay Interest	1% p.m. on total outstanding								
Documentation Charges	Stamp Duty and other statutory charges for Loan documents at actual.								
Pre-Payment Charges	Nil								
Loan Statement Charges	Nil								
Recovery/Collection Charges	Collection charges: Charges levied by recovery agents plus 3% of outstanding amount as Collection Fees. Recovery charges: All other related recovery costs, Court fees, Attorney's Fees etc. at actual.								
Other Charges	PDC - ECS Bank account change and new PDC/ECS processing fee Rs.2000.								

## NeoPayLater

This is a credit facility to businesses to purchase goods from NeoGrowth approved wholesalers.

Details on the interest rates and charges are as below:

Type of Fees	Charges Applicable								
Interest Rate	Monthly interest of 3% post free credit period (Annualised 36%)								
Processing Fees	Up-to 2% of the Limit sanctioned plus applicable taxes								
Bounce Charges (subject to changes as per change in Bank charges)	Cheque bounces: INR 500 + Taxes NACH bounces: INR 50 + Taxes								
Delay Charges	Flat Fee every month on Total Statement Amount Due								
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	Total Statement Amount Due	Penalty Charges							
	Less than Rs. 10,000	Rs. 500 + Applicable Taxes							
10,001 to Rs. 50,000	Rs. 750 + Applicable Taxes								
Rs. 50,001 and above	Rs. 1,000 + Applicable Taxes								
Delay Interest	1% p.m. on total outstanding amount								
Documentation Charges	Stamp Duty and other statutory charges for Loan documents at actual. Collateral valuation charges at actuals (If applicable).								
Pre-Payment Charges	Nil								

Loan Statement Charges	Nil
Recovery/Collection Charges (to be checked)	Collection charges: Charges levied by recovery agents plus 3% of outstanding amount as Collection Fees. Recovery charges: All other related recovery costs, Court fees, Attorney's Fees etc. at actual.
Other Charges	PDC - ECS Bank account change and new PDC/ECS processing fee Rs.2000.