



Policy for ROI, Penal Interest, Processing & Other Charges

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1. INTRODUCTION

The Reserve Bank of India (RBI) had vide its Guidelines on Fair Practices Code having reference no. RBI/2020-21/73 DOR.FIN.HFC.CC. No.120/03.10.136/2020-21 dated February 17,2021. has directed all Housing Finance Companies (HFC's) to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges.

In compliance with the requirements of the NHB Guidelines mentioned above, the Manibhavnam Home Finance India Pvt Ltd (“Company”/ “MBHF”) has adopted this Interest Rate Policy broadly outlining the Interest Rate Mechanism and the Company’s approach of risk gradation in this regard for its lending business.

2. APPLICABILITY:

This policy would be applicable to all credit facilities offered by the Company. It will act as a guiding principle to compute the interest rate to lend to its borrowers and levy various charges and other levies, as applicable, on loan accounts. The interest rate / levies would vary for different class of borrowers based on various factors mentioned below.

3. POLICY REVIEW

Annually

4. INTEREST RATE MECHANISM:

At MBHF, we will be offering credit facilities on fixed rate of interest. The methodology to decide. Rate of Interest will primarily be based on:

- Cost of Debt Capital
- Operating Efficiency;
- Regulatory Provisioning Cost

- Return on Net worth
- Type of loan

Further, while deciding rate of interest on borrower level, as a part of risk gradation, spread may be assessed on profile of customer. For example:

- Salaried
- Self Employed
- Documented income
- Assessed Income /RTR income

ROI may also be decided on borrower's repayment track, CIBIL score, number of deviations, property value etc. Market competition may also be a factor while deciding ROI.

5. PENAL INTEREST, PROCESSING & OTHER CHARGES

Besides normal Interest, the Company may levy additional interest for adhoc facilities, penal interest / default interest for any delay or default in making payments of any dues. The details of Penal Interest and other charges for late repayment and other events of default will be mentioned in the loan agreement and communicated in the sanction letter /term sheet as well.

Other financial charges, if any, like processing charges, cheque bouncing charges, prepayment / foreclosure charges, part disbursement charges, cheque swaps, cash handling charges, RTGS / other remittance charges, commitment fees, charges on various other services like issuing No Due certificates, NOC, letters ceding charge on assets/ security, security swap & exchange charges etc. would be levied by the company wherever considered necessary as per its discretion. In addition, the Goods and Services Tax and other taxes, levies or cess would be collected at applicable rates from time to time.

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