ANGEL FINCAP PRIVATE LIMITED

ANGEL'S POLICY ON INTEREST RATE

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Reserve Bank of India (RBI) vide its Circular DNBS PD/CC No.95/03.05.002/2006-07 dated May 24, 2007 advised that Board of Non Banking Finance Companies (NBFC's) shall lay out appropriate internal principles and procedures in determining interest rates, processing and other charges.

With a view to institute fair and transparent dealings in the lending business, the company has adopted and put in place the following Interest Rate Policy parallel to the company's Fair Practice Code, in accordance with the Reserve Bank of India circular no. DNBS.CC.PD.No.266/03. 10.01/2011-12 dated March 26, 2012.

RBI further advised NBFC's to adopt appropriate interest rate model taking into account relevant factors and to disclose the rate of interest, gradations of risk and rationale for charging different rate of interest.

Keeping in view the RBI's guidelines as cited above, and the good governance practices being followed by AFPL, the following internal guidelines, policies, procedures and interest rate model have been adopted by AFPL. These need to be taken into account while determining interest rates and other charges, and changes thereto.

The interest rates are decided by the Asset-Liability Committee (ALCO) of the Board. The average yields and the minimum rate of interest is decided from time to time, giving due consideration to the following factors;

- The weighted average cost of funds of our aggregate borrowings from a consortium of financial institutions, as well as costs incidental to those borrowings, taking into consideration the average tenure, market liquidity and refinancing avenues.
- Operating cost in our business.
- Inherent credit and default risk in our business, particularly trends with sub-groups/customer segments of the loan portfolio. Subventions and subsidies available, if any.
- Risk profile of customer - professional qualification, stability in earnings and employment, past repayment track record with us or other lenders, external ratings of customers, credit reports, customer relationship, future business opportunities etc.
- Industry trends – offerings by competition.
- Nature and value of collateral securities.

Interest Rate Policy:

The company shall adopt a discrete interest rate policy which means that the rate of interest of same product and tenure availed during the same period by separate customers would not be standardized but could vary within a range depending amongst other things, the factors mentioned above.

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

- Interest would be charged and recovered on monthly basis. Specific terms in this regards would be addressed through the relevant product policy.

- Interest rate would be intimated to the customers at the time of sanction /availing of the loan.

- Besides normal interest company may levy additional interest for adhoc facilities, penal interest for any delay or default in making payments of any dues. The levy or waiver of this additional or penal interest for different products or facilities would be decided within the boundaries prescribed by the product policy.

- The rate of interest may vary however the range of interest rate for the clients would fall between 13% to 19% per annum. Interest changes would be prospective in effect and intimation of change in interest or other charges would be communicated to customers in a manner deemed fit as per terms of the loan documents.

- Besides interest, other financial charges like processing fees, cheque bouncing charges, pre payment/foreclosure charges, part disbursement charges, RTGS/ other remittance charges etc. would be levied by the company wherever considered necessary. Besides base charges, the service tax and other cess would be collected at applicable rates from time to time. Any revision in these charges would be with prospective effect. These charges would be decided upon collectively by the management of the company.

- In case of staggered disbursements, the rates of interest would be subjected to review and the same may vary according to the prevailing rate at the time of successive disbursement or as may be decided by the company.

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