

## Pricing Policy of JLG loans

**Purpose:** This policy details the methods and guidelines followed for determining interest rates, processing fees on loans and other charges.

Fino Finance Pvt. Ltd. (FFPL) is registered as an NBFC-MFI with RBI. During the course of its operations, the company is pledged to strictly adhere to various directions, guidelines, circulars, instructions etc. as may be stipulated by RBI from time to time. Fino Finance policies should always be read in conjunction with RBI guidelines, directives, circulars and instructions. The company will apply best industry practices so long as such practice does not conflict with or violate RBI/regulatory guidelines.

The following will be adhered to while pricing of JLG loans product:

### *Interest Rate:*

1. The rate of interest shall be based on the pricing guidelines of RBI for NBFC-MFIs, along with considerations of cost of operations, funding, risk provisioning, and factors affecting competition, among others.
2. The company adopts non-discrimination policy whereby the rate of interest and other costs, policies for customer selection, tenor of loan, etc. applicable for a product offer will be similar irrespective of the customer's caste, creed, religion, and race.
3. The interest rate associated with loan will be clearly communicated verbally to the customers during CGT and GRT processes and will also be mentioned in the loan card provided to the customer. The details of interest rate, processing fee, insurance premium, and other terms and conditions will be mentioned in the Sanction Letter and Loan Agreement where customer acceptance will be taken.
4. Margin cap of the company will not exceed 10%.
5. Interest rate charged by the company to its borrowers will be lower of the following:-
  - a. The cost of funds plus margin
  - b. The average base rate of five largest commercial banks by assets multiplied by 2.75.
6. Fino Finance Pvt. Ltd. shall ensure that the average interest rate on loans sanctioned during a quarter does not exceed the average borrowing cost during the preceding quarter plus margin, within the prescribed cap. The maximum variance for individual loans between the minimum and maximum interest rate shall not exceed 4%.
7. The interest calculation on loans will be on a reducing balance method, and the interest rate charged will be fixed throughout the tenor of the loan.
8. Interest rate, loan processing fee, insurance premium, installment amount due, repayment frequency shall be intimated to the customers both before and at the time of sanction and disbursement of the loan.
9. Interest rate change would be prospective in effect and intimation of change of interest rate, if any, or other changes would be communicated to the customers via displays/circulars at branch offices in vernacular, and during meetings with new customers.
10. Any charges, fees collected from the customer are as per RBI guidelines.

*Penal Interest/ Late Payment Charges*

1. Beside normal interest, the company does not collect penal interest/ late payment charges for any delay or default in making payments of any dues.
2. No claims for refund or waiver of such charges/ penal interest/ additional interest would be entertained by the company.

*Processing/Documentation and Other Charges*

1. All processing/documentation and other charges are recovered generally against the cost incurred in rendering the services to the customers. These are expressly stated in the loan documents. The charges are uniform and in consonance with the regulatory requirement issued by RBI and we maintain uniformity across geographical locations and customer segments.
2. Processing charges shall not be more than 1% of the gross loan amount.