

# **MOONGIPA CAPITAL FINANCE LIMITED**

## **INTEREST RATE POLICY**

Document Title	Loan Interest Rate Policy
Effective Date	25 <sup>th</sup> May, 2026
Frequency of Review	As and when required
Document Owner	Business Department
Document Approver	Board of Directors

## **1. PREAMBLE**

Moongipa Capital Finance Limited ("MCFL" or "the Company"), a Non-Deposit Taking Non-Systemically Important NBFC registered with the Reserve Bank of India ("RBI"), is engaged in providing secured and unsecured loans and other financing facilities.

This Policy has been framed pursuant to the RBI Master Directions – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 and Fair Practices Code guidelines issued by RBI from time to time.

The Policy lays down the methodology for determining interest rates, processing charges and other fees applicable to various lending products offered by the Company.

## **2. OBJECTIVE**

The objectives of this Policy are to:

- a) Establish a transparent framework for determining interest rates on loans and advances.
- b) Ensure that interest rates are determined on a rational and risk-based approach.
- c) Promote fairness and transparency in dealings with borrowers.
- d) Comply with applicable RBI guidelines and regulatory requirements.

## **3. PRINCIPLES FOR DETERMINATION OF INTEREST RATES**

The Company shall determine the rate of interest based on various factors including but not limited to:

### **a) Cost of Funds**

The cost incurred by the Company for raising funds from various sources.

### **b) Operating Costs**

Administrative expenses, servicing costs, collection costs, and other operational expenses associated with lending activities.

### **c) Credit Risk Assessment**

The borrower's creditworthiness, repayment capacity, financial position, past repayment track record, and overall risk profile.



**d) Nature and Tenure of Loan**

Interest rates may vary depending upon:

- Type of loan
- Loan amount
- Repayment tenure
- Purpose of loan
- Security available

**e) Security and Collateral**

The quality, liquidity, and value of security offered by the borrower.

**f) Market Conditions**

Prevailing market interest rates, economic conditions, liquidity conditions, and competitive factors.

**g) Regulatory Requirements**

Any directives, guidelines, or restrictions issued by RBI or other regulatory authorities.

**4. RISK-BASED PRICING**

The Company shall adopt a risk-based pricing approach whereby different borrowers may be charged different rates of interest based on their individual risk assessment.

Accordingly, borrowers with higher credit risk may be charged higher rates of interest than borrowers having lower risk profiles.

**5. INTEREST RATE RANGE**

The rate of interest shall be determined by the management within limits approved by the Board from time to time.

The Company may charge interest rates within a range considered appropriate for its various lending products, depending upon the factors specified in this Policy.

**6. OTHER CHARGES**

In addition to interest, the Company may levy charges including:

- Processing Fees
- Documentation Charges
- Legal Charges
- Valuation Charges

- Collection Charges
- Penal Charges for default
- Foreclosure / Prepayment Charges (where applicable)
- Any statutory taxes or duties

All applicable charges shall be disclosed to the borrower in the sanction letter and/or loan agreement.

## **7. PENAL CHARGES**

In case of delay or default in repayment obligations, the Company may levy penal charges in accordance with applicable RBI guidelines and internal policies. Penal charges shall be reasonable, transparent, and communicated to the borrower in advance.

The Company shall not capitalize penal charges and shall comply with RBI instructions issued from time to time.

## **8. DISCLOSURE TO BORROWERS**

The Company shall communicate the following to borrowers:

- Annualized Rate of Interest
- Method of application of interest
- Processing fees and other charges
- Penal charges applicable in case of default
- Any changes in terms and conditions

The rate of interest and charges shall be clearly mentioned in the sanction letter, loan agreement, and other relevant documents.

## **9. REVIEW OF INTEREST RATES**

The interest rates applicable to various loan products shall be reviewed periodically considering:

- Cost of funds
- Business strategy
- Risk profile
- Market conditions
- Regulatory developments

The Company reserves the right to revise interest rates from time to time.

#### **10. REVIEW AND AMENDMENT**

This Policy shall be reviewed at least once every year or earlier if required due to regulatory or business developments.

Any amendment shall be subject to approval of the Board of Directors.

#### **11. POLICY REVIEW AND MODIFICATION**

This Policy shall be reviewed in case of any changes in the RBI Directions / Circular / Guidelines, changes in business / funding environment, business model of the Company and / or as and when decided by the Company.