

KIRAN VYAPAR LIMITED

INTEREST RATE POLICY

Purpose

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) lay out appropriate internal principles and procedures in determining interest rates, processing and other charges. This was reiterated vide RBI's circular DNBS (PD) C.C. No. 133 / 03.10.001/2008-09 dated January 2, 2009.

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 (PD) CC No.388/03.10.042/2014-15 dated July 1, 2014 as amended and updated from time to time.

The Board of Directors of the Company ("the Board") or Loan and Investment Committee ("the Committee") as the case may be, while fixing interest rates chargeable from the customers shall be guided by this Interest Rate Policy. In addition to cost factors set out hereunder, the Board or the Committee shall be guided by the market conditions and various rules and regulations, if any, prescribed by the Reserve Bank of India or such other authority from time to time.

Interest Rate Policy

Interest charged by the company from its customers shall inter-alia have the following components viz., Base Rate, Risk Rate, Additional/Default Rate.

1. Risk profile of the Customer
2. Interest rate trend prevailing in the money market
3. Company's Cost of borrowings
4. Structure of the deal
5. Upfront charges
6. Long term prospects of business with the borrower

Disclosures

As per the extant regulations the following disclosures shall be made to the borrower:

1. The rate of interest charges
2. Rates are fixed or variable
3. Frequency of interest payment
4. The Penal rate of interest and when is it to be levied
5. Processing fees rate / amount

Review of the Policy

The Board shall review the policy at least once in every year or earlier on need basis.