

Interest Rate Policy

M/s Holyfaith Finance Pvt Ltd

Introduction:

This Interest Rate Policy outlines the framework adopted by M/s Holyfaith Finance Pvt Ltd for determining interest rates on various loan products. This policy is formulated in line with the Fair Practices Code and guidelines issued by the Reserve Bank of India (RBI) from time to time. The objective of this policy is to ensure transparency, fairness, and consistency in charging interest rates to customers.

Scope:

The policy applies to all loan products offered by M/s Holyfaith Finance Pvt Ltd, including Gold Loans, Personal Loans, and Microfinance Loans.

Components of Interest Rate:

The interest rate charged on loans consists of the following components:

1. Basic Interest Rate:

The Basic Interest Rate is the minimum interest rate charged across all loan products, which is determined by considering the following factors:

- **Cost of Funds:** The cost of working capital borrowed from banks, financial institutions, and other funding sources.
- **Overhead Costs:** Administrative expenses, employee salaries, rent, utilities, security, insurance, and other operational costs.
- **Return on Capital Employed:** A reasonable margin to ensure a fair return on capital employed, in line with industry standards.

2. Risk Interest Rate:

The Risk Interest Rate is charged over and above the Basic Interest Rate, depending on the degree of risk associated with the loan product. Factors affecting Risk Interest Rate include:

- Loan-to-Value (LTV) ratio in the case of gold loans.
- Creditworthiness of the borrower.
- Loan tenure.
- Nature of collateral security.
- Market volatility and price fluctuations.

Product-wise Interest Rate and Charges:

Product	Interest Rate	Processing Charge	Documentation Charge	Insurance Charge	Penal Charge
Gold Loan	9% to 28%	Nil	Nil	Nil	As applicable
Personal Loan	28%	2.50%	1%	1%/Year	12%
Microfinance Loan	27.5%	2.50%	1%	1%/Year	12%

Interest Calculation Methodology:

Interest shall be calculated on a reducing balance method or flat rate method depending on the nature of the loan product, as communicated to the borrower at the time of loan sanctioning.



Penal Interest:

Penal interest will be charged on overdue amounts at rates specified in the loan agreement.

Transparency:

The applicable interest rates, charges, and other terms shall be clearly communicated to the borrower through the loan agreement, sanction letter, and other relevant documents. The information will also be displayed on the company's website.

Review and Approval:

The interest rate structure will be reviewed periodically by the Board of Directors or a Committee authorized by the Board to ensure alignment with market conditions, regulatory guidelines, and company policies.

Grievance Redressal:

Borrowers can approach the Grievance Redressal Officer in case of any disputes regarding interest rates or charges.

Effective Date:

This policy shall come into effect from the date of approval by the Board of Directors.

Approved by:

Board of Directors, M/s Holyfaith Finance Pvt Ltd

Date: 31-03-2025

