

LOAN POLICY

(Updated on 12.02.2025)

I. POLICY FOR "LOAN AGAINST GOLD JEWELLERY"

Product:

To provide loans to customers against pledge of gold jewelry as collateral security.

Nomenclature and tenure of the loan

Nomenclature:

The loan is given as a demand loan.

Tenure of the loan

All gold loans are sanctioned for a maximum tenor of 12 months unless otherwise specified under a particular scheme.

Eligible customer:

Any individual who is the lawful owner of the Gold Jewellery (house hold used gold ornaments) offered as security as per the declaration of ownership submitted by him and fulfilling the KYC norms as per RBI guidelines.

Purposes:

The loan can be extended to anyone who is having short term fund requirements like working capital for establishment/ expansion of business activity or meeting personal liquidity requirements or domestic needs including medical expenses etc. Loans shall not be used for any speculative or illegal or unlawful purposes violating the laws of the Country.

Quantum of finance:

Quantum of finance will be decided on the basis of net weight of gold of 22 carat ornaments tendered as security, its purity and subject to RBI guidelines issued from time to time regarding loan to value.

Minimum loan amount per pledge: Minimum amount of loan per pledge would be Rs.1500/- subject to the conditions that a) minimum weight of gold offered for pledge should be 1 gram (net weight) and b) minimum 25% of the eligible loan amount should be availed.

Quantum and purity of gold that can be pledged and deductions to be considered

The minimum net weight of gold jewellery that can be considered for pledge is one gram. The ornaments shall be of minimum 22 carat purity. The weight of pearl, diamond, coral or any other stone or foreign material other than gold contained or forming part of the ornament irrespective of its value shall be deducted from the gross weight of the ornaments to arrive at the net weight for calculating the eligible loan amount.

Interest and charges:

Interest and other charges to be levied shall be governed by the interest rate policy adopted by the Board. The Board, or a committee empowered by the Board shall review the interest rates and other charges periodically and approve necessary revisions as per the business requirements. Any revision in interest shall only be with prospective effect.

Interest and other charges to be levied on the loan shall be as per the loan schemes formulated and amended from time to time. The interest rates shall be decided based on the cost of funds, and also gradation of risk, the underlying principle being higher the risk higher the rate of interest, within the maximum lending rate decided by the Company from time to time. No loan shall be granted at a rate of interest less than the average cost of funds of the Company without the specific approval of the Board or the committee empowered by the Board.

The interest shall be calculated for the actual number of days the loan remains outstanding from the date of loan disbursement to the date of closure. However, if the borrower closes the loan within 7 days from the date of disbursement, then a minimum amount of interest for 7 days shall be payable for gold loan schemes where the minimum effective interest rate is more than 11%. For gold loan schemes with minimum effective interest rate is 11% and below, a minimum amount of interest for 15 days shall be payable, if the borrower closes the loan within 15 days from the date of disbursement.

If the amount of interest so calculated is less than Rs.50/- then a minimum interest of Rs.50/- will be charged. A rebate in interest rate may be provided for encouraging timely repayment of interest or closure of the loan on or before the specified tenor as per different slabs built into each scheme.

For the purpose of calculation of interest, a year will be reckoned as 365 days. Interest will be calculated on monthly compounding basis.

If the due date for payment of interest falls on a Sunday/Holiday, the Company may, at its discretion, allow the borrower to pay interest on the next working day without slab change, treating the intervening Sunday/Holiday as grace period.

Penal Charges:

In the event of failure on the part of the borrower to repay the loan along with interest and other charges on the due date, penal charges as decided by the Company from time to time and intimated to the borrower upfront shall be charged over and above the regular applicable rate of interest for the period the loan remains outstanding over and beyond the due date. There shall be no capitalisation of penal charges i.e., no further interest is computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.

The quantum and reason for penal charges shall be clearly disclosed to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable.

Other charges

In addition to interest the Company may levy other charges as below. The rate at which such charges are to be levied shall be decided by the Board or the Committee empowered by the Board for fixing interest rates and other charges.

1. Security Charges
2. Processing charges
3. Service Charges
4. Documentation Charges
5. Charges for lost tokens
6. SMS Charges
7. Auction expenses
8. Cheque re-issue charges
9. Dormancy charges

10. Part release charges
11. Transaction charges (under specified schemes)
12. Any other charges as decided by the Board or the Committee empowered by the Board which will be intimated to the customer upfront.
13. Stamp duty will be collected in States where it is mandated as per the Stamp Act/State government directives.

Documentation:

1. Loan Application
2. Demand Promissory Note and take delivery letter.
3. Terms and Conditions Letter, which also includes declarations and undertakings by the borrower and acknowledged by him and any other documents that may be specified by the Company.
4. Consent to obtain Aadhaar details for authentication with UIDAI for “eKYC” purpose.

Any one or more of the following Officially Valid Documents (OVDs) specified by RBI as address/ID proof for completing the KYC of the customer.

Identity Proof: Passport/Driving License/Voter ID card/ Aadhar Card, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address or the KYC Identifier with an explicit consent to download records from CKYCR.

Address proof: If any of the OVD documents taken as identity proof also contains the current address of the borrower, no separate address proof shall be insisted upon. In other cases, the following documents will be taken for the limited purpose of proof of address:

- i. utility bill which is not more than **two months old** of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
- ii. property or Municipal tax receipt;
- iii. pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
- iv. letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial

institutions and listed companies and leave and licence agreements with such employers allotting official accommodation;

(the customer shall submit OVD updated with with current address within a period of three months of submitting the documents specified at 'i to iv' above)

The KYC documents mentioned above are subjected to change as per modification in RBI master directions from time to time.

Jewellery Handling:

- Gross weight of the jewellery to be taken and appraised for assessing the purity. Purity Check shall be conducted as per the various methods prescribed by the Company to make sure that the jewellery offered for pledge is of an acceptable level of purity.
- Net weight of the jewellery to be arrived at after deducting the weight of stones embedded in the ornament completely disregarding the value of such stones. Appraiser to sign the appraisal form as proof of having done the appraisal.
- Jewellery to be packed securely along with the weight slip and kept in the strong room/safe.
- Separate packets to be prepared for each loan.

Ownership of gold:

Before disbursement of the loan, branch executives should enquire with the customers about the ownership of the jewellery being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the ownership of the gold ornaments by the borrower and his capacity to own that much quantity of gold. Related authenticated declaration/information regarding ownership of gold jewellery offered as security for the loan are collected from the customers.

In cases where the weight of the gold jewellery pledged by a borrower at any one time or cumulatively for various loans outstanding in his name is more than 20grams, the declaration should also contain an explanation specifically as to how the ownership was vested with the customer(For eg. Inherited, received as gift, purchased etc).

Pledge by third party for raising loans on behalf of the customer will be allowed only on the strength of Notarized Power of Attorney.

Issuance of Certificate of Purity

A certificate of purity of the gold jewellery pledged as security for the loan will be incorporated in the Sanction Letter given to the borrower for the limited purpose of determining the maximum permissible loan and arriving at the reserve price for auction.

Only gold jewellery of 22 carat will be accepted as security for the loan. However, in case the purity of the jewellery is found to be less than 22 carat, an option can be exercised by the Company, at its discretion, to translate the weight of the gold by converting it into proportionate weight of 22 carat gold and state the exact grams of the gold available as security accordingly.

Since the purity certificate is issued purely based on the averments and declaration given by the borrower and the standard methods of verification adopted by the Company and in the absence of any fool proof method of assessing the purity of gold, no disputes/claims based on the certificate issued in this regard will be entertained by the Company.

Loan to Value

The ceiling rate for granting the loan conforming to the guidelines issued by RBI from time to time as also the rate per gram under each scheme shall be centrally updated in the CBS in a non-editable format and advised to Branches periodically.

Change in rate of interest and schemes will also be updated in the CBS in the same manner and intimated to branches periodically from Head Office.

Renewal of Loans

Renewal of gold loans will be permitted ensuring sufficient cash flow from the borrower and subject to the following conditions:

- 1) The existing loan should be closed by repaying the entire principal and interest up-to-date
- 2) The eligible loan amount for the new loan will be calculated as per the LTV prevailing on the day. Shortfall in the principal amount/interest, if any, will have to be remitted by the borrower.

However, there could be instances where the loan proceeds on renewal as per the current LTV will be sufficient to take care of the liability towards closing the existing loan and there may not be any real cash flow. With a view to monitoring such accounts more closely considering the higher risk they pose in a falling gold price scenario, the following options will be examined in the case of such large value loans at the time of sanction. .

- 1) Sanctioning such loans for a shorter tenure
- 2) Sanctioning the loan at a reduced rate of LTV

The overall gold price scenario and the steps taken to mitigate the risk posed due to renewal of accounts without cash flows during the quarter will be discussed in the Risk Management Committee meetings

To contain the overall risk arising out of renewal of loans without sufficient cash flows towards closing the earlier loan, the aggregate amount of such renewed loans will be restricted to 40 % of the total gold loan portfolio of the Company.

Digital Transactions

We permit our customers to repay interest/ principal and renew/top up existing loans using our digital platforms “Web Pay” and “I Muthoot” App. However for onboarding of the customer and delivery of gold for pledge for availing the loan first time the customer has to visit the branch physically to complete the KYC and loan documentation. Hence the subsequent renewal/ top-up will not amount to digital lending and will not come under the purview of digital lending norms of RBI.

Using “Web Pay” and “I Muthoot” applications, customers can avail the difference between the loan amount and the eligible loan amount as per the prevailing LTV on any day. In such cases the existing loan will be closed with payment of up-to-date interest and a new loan for the eligible amount as per the LTV applicable for the day will be opened with a new account number. In order to guard against attempts of perpetration of frauds, the difference amount will be credited only to the customer’s registered bank account.

Safety Measures-

Utmost care is to be taken to ensure the safety of the ornaments pledged by the customer. With this in view the following arrangements shall be in place in all the Branches.

1. Strong rooms or FBR safes.
2. Armed guard(s)/watchman at vulnerable Branches as decided by the Company.
3. Burglar alarms, Closed Circuit Cameras and such other devices as deemed necessary shall be installed in vulnerable Branches.
4. Insurance cover against burglary/fire/natural calamities or such other risks the Company may decide to insure against.

The adequacy of the safety measures put in place as also the insurance cover shall be reviewed on an ongoing basis.

Items not to be considered for accepting as security for the loan.

- Gold Coins/Gold bullion/Melted bar /Primary Gold
- Jewellery of a temple/church or any religious institutions.
- Item specified by the Company in the negative list updated from time to time.
- Items where the borrower is unable to give a proof or declaration of ownership.
- Items which are not permitted to be taken as security by RBI

Release of Jewellery:

Jewellery shall be released to the same customer on receipt of full dues including the principal, interest, penal charges and other charges, if any. Release, whether partial or in full can be done only after verification of signature, original KYC documents and customer copy of the original pawn ticket (Token). Biometric authentication and OTP authentication by customer for gold release is in place as an additional measure to ensure the gold is released to the same person who has pledged the gold. If token is lost indemnity in stamp paper of required value to be obtained before release of jewellery. In case the customer is deceased, the ornament will be delivered to the legal heirs as per the procedure stipulated by the Company for settlement of Deceased Loan accounts

Fraud Prevention

All kinds of fraudulent activities or attempt to defraud, whether it is by the employees or outsiders, must be brought to the knowledge of the Management as soon as it is detected for proper action as per company guidelines. Company shall

endeavor to take adequate insurance coverage against fraud by staff and customer pledging spurious/theft gold.

Spurious Gold/Stolen gold.

On finding Spurious or stolen gold pledge attempt, following steps shall be taken by the branch

Attempt by any suspicious customer trying to pledge stolen /spurious jewellery should immediately be reported to the Chief Vigilance Officer at Head office and the Vigilance Officer at the Regional Office and to the local police.

MONITORING LTV MAINTENANCE:

As a risk mitigation strategy against a falling gold price scenario and resultant loss and maintenance of LTV norms, we shall follow the following monitoring strategy to identify and resolve the accounts breaching the LTV on a quarterly basis.

1. List of accounts having LTV breach shall be grouped based on the extent of LTV breach and the remittance required for the purpose of monitoring to bring the account within the current LTV.
2. In accounts where the principal plus accrued interest outstanding exceeds 80% of the present IBJA price, SMS shall be sent to the customer to intimate that the LTV in his loan account has crossed 80% with the current gold price requesting him to remit the differential amount to bring the loan amount within the current LTV.
3. In accounts where the principal plus accrued interest outstanding exceeds 85% of the present price, an ordinary notice shall be sent to the customer requesting to remit the differential loan amount.
4. In accounts where the principal plus accrued interest outstanding exceeds 90% of the present price, a registered notice shall be sent to the customer to remit the differential loan amount or to pledge additional gold ornaments in his loan account.

5. In accounts where the principal plus accrued interest outstanding exceeds 95% of the present price, a recall notice shall be sent to the customer requesting to repay the loan duly notifying that in the event of customer's failure to repay the loan in full, the gold ornaments will be taken up for auction.

Review and Renewal of Gold Loans

Gold Loan portfolio have to be reviewed periodically and variation in the value of pledged security according to the prevailing market price of gold vis-à-vis the outstanding liability shall be assessed. During a falling gold price scenario renewals can be permitted at the current LTV with remittance of the interest/ principal due if any or without any inflow of interest/ principal subject to pledge of additional gold to cover the renewal at current LTV.

During an increasing Gold price scenario the customers will be eligible for higher loan amount and customers may seek for renewal of the loan at the current LTV to avail additional loan on existing pledge. Though no specific additional risk is involved in such renewals at current LTV, such renewals without cash inflow for interest needs to be monitored separately to mitigate the risk in the event of a future fall in gold price. Such renewals shall be done under a special scheme and a suitable threshold limit for such renewals also shall be fixed as a risk mitigation strategy. Gold loan portfolio under the special scheme should always be within 40% of the total Gold loan portfolio of the Company.

Inspection:

All Branches will be periodically inspected and audited by internal audit staff at intervals specified by the Company. The audit Department will, at random, verify the quantity and purity of gold ornaments accepted by Branches for pledge. They will also audit various accounting procedures followed at Branches and ensure that the circular instructions issued by the Company from time to time are strictly being adhered to.

Auction:

If the loan account is not closed on completion of tenure and even after sending reminders through SMS, notices/Registered notices at frequencies stipulated by the Company, the ornaments will be auctioned after giving a minimum of 14 day's prior notice by way of an auction notice sent by an authorized auctioneer. The

auction will be announced to the public through advertisements published in at least 2 newspapers, one in vernacular language and another in a national daily newspaper. Muthoot Finance, its Group Companies and its other related entities will not be allowed to take part as a bidder in auction to ensure that there is an arms length relationship in all transactions during an auction process. The borrower, if he chooses, can participate in the auction process complying with the conditions stipulated by the Company/auctioneer.

The proceeds of auction, net of auction related expenses and incidental charges shall be appropriated towards the loan outstanding. The Company may decide to recover the shortfall, if any, after such appropriation by resorting to various steps including legal action. Excess, if any, shall be refunded to the customer. GST as applicable will be recovered.

Auction Procedure:

Procedure as outlined in the auction policy approved by the Board to be followed.

Staff Training:

All the employees, as soon as they are inducted into the Company shall be trained on methods of assessing the purity of the ornaments. Refresher programme will be conducted to keep them updated.

II). POLICY FOR GRANTING OTHER LOANS

1.) The Company may grant both secured and unsecured loans to individuals, Companies, firms, trusts and other entities as per the emerging business needs.

In case the loans are given without any primary/collateral security, like unsecured personal loans and other clean loans, more than ordinary care will be taken to see that such loans are granted only to persons/firms/Companies of repute with credit worthiness and track record. Any lending other than against the pledge of gold jewellery as collateral security will be subject to the maximum exposure limit of 15% of the net owned funds of Muthoot Finance Ltd. The rate of interest will be decided on a case to case basis taking into account various factors like the cost of funds, operational expenses, risk attached to the advance etc but will be subject to the ceiling on the maximum interest rate chargeable as per the Fair Practices Code of the Company.

2) The Company may outsource some of the activities connected with such loans like sourcing of loan applications/KYC verification/ dues collection etc. In such cases, agencies will be empanelled only after they are subjected to a due diligence process and after entering into an agreement with them complying with the conditions stipulated in the Board approved Outsourcing Policy.

The outsourcing agencies will be subjected to regular review and periodical audits by the Company's internal auditors to ensure that they are complying with the mandatory requirements under Labour laws and other applicable regulations and the terms and conditions of the agreement entered into with the Company are being followed

3). The Company may also grant secured and unsecured loans to its employees and employees of its group companies in accordance with their eligibility and other terms and conditions fixed from time to time.

III).POLICY FOR GRANTING PERSONAL LOANS

1. Product

To provide secured/unsecured loans to individuals for meeting any financial need/purposes

2. Eligible customers

Personal loans will be extended mainly to salaried employees of Public Sector units, other reputed institutions and self-employed individuals. All other individuals who are willing to provide 100% collateral security in the form of NSCs, RBI bonds, LIC policies, or any other tangible security will also be eligible to avail personal loans.

3. Purpose

The loan will be granted for meeting any personal purposes including consumption needs.

While personal guarantee of another person may not be insisted upon in the case of fully secured loans at the discretion of the sanctioning authority, guarantee of a third party drawing the same or higher salary and having the same or higher take

home pay or any other person acceptable to the Company may be insisted in the case of unsecured personal loans granted to salaried individuals.

Loans will be granted to individuals only after the Company is satisfied about the credit worthiness, integrity, local standing and repayment capacity of each borrower.

As a general rule unsecured personal loan will not be granted to any person who does not have regular verifiable income.

1. Nomenclature and Tenure of the loan

The loan will be sanctioned as a Demand Loan, repayable on demand, for a maximum tenure of 60 months. The Company may, at the request of the borrower, allow repayment in convenient instalments or equated monthly instalments.

2. Quantum of Finance

The quantum of finance will be decided mainly on the basis of the borrowers' repaying capacity and the value of security provided.

3. Interest and charges including penal charges

Interest rates will be fixed on the basis of risk assessment, cost of funds, cost of operations etc and may differ for different schemes and different categories of borrowers. Penal Charges, Processing charges etc. as decided from time to time will be recovered.

4. Documentation

Salary certificate for salaried persons and IT returns for the last 3 years for others and any other additional documents as per the decisions of sanctioning authority will be insisted upon.

Demand Promissory Note/Agreement, ACH mandate, undertaking from borrowers for deducting instalments from salary.

Ceiling on net take home pay will be fixed in the case of salaried people to ensure prompt repayment.

The Company will be free to modify the terms and conditions of the loan scheme anytime without giving any notice, which will be made applicable prospectively. The Company may stipulate fulfillment of certain minimum criteria like age, net salary, total years of service, years of service left, owning a house etc depending upon the risk profile of the person and will have the right to reject any application for nonfulfillment of any of the criteria or without assigning any reason.

Providing Pre-Approved Top –Up Loan to existing customers

With a view to retaining existing personal loan customers a pre- approved top up loan facility can be made available. Existing customers with excellent track record of repayment can be offered pre-approved top up loans as per their eligibility. This will help to build an incremental portfolio growth. Track record of minimum 12 months or a lesser period EMI payment as found suitable may be used as a yardstick to offer such loans to existing borrowers. The top up loan shall be as a percentage of the original loan depending upon the period of track record of prompt EMI repayment reckoned and as decided by the management. Facility of data scrub as mentioned below also can be used to identify track record of repayment of loans from other lending institutions. Such top-up loans can be granted to eligible existing customers in the salaried and other segments

Personal Loans to individuals other than salaried persons

Considering the opportunities available for lending to the above segment, instruments available to measure and mitigate risks, lending to non – salaried segment also can be made. CIBIL score and data scrub on our existing customers by reputed credit information agencies like CRIF High Marks may be used to identify potential customers in this segment with excellent track record and very low / low credit risk profile. Prospective customers identified by Fintech companies through their digital marketing platform can also be considered for financing subject to fulfillment of the eligibility criteria stipulated by the Company for granting unsecured loans

Insta PL to existing GL borrowers: Insta PL is an unsecured Personal loan sanctioned to existing GL customers based on a risk categorization basis a scoring Model covering customer Bureau score, age, vintage with Muthoot, Auction history etc. This loan is independent of the gold loan facility and customer can close either of these accounts without any restriction in closing the gold loan when

the Insta PL is outstanding. A separate policy shall be in place for this loan scheme covering all the parameters.

Loan against Property: Loan against Property (LAP) is a loan facility against mortgage of immovable property as collateral wherein the end use of funds is business purpose, clearing existing debts and at times even for consumption or family emergency. This product is offered only for borrower(s) with good credit background and decent financial strengths. A separate policy shall be in place for this loan scheme covering all the parameters.

Personal Loans to Employees

Employees of Muthoot Finance and all other Divisions of the Muthoot Group with a minimum service of 5 years can be granted loans for meeting personal needs. Such loans can be granted at a rate of interest of 15% p.a. and repayable within a maximum period of 24 months. The maximum limit for such loans will be Rs.1 lakh for Supervisory staff and Rs.50, 000/- for Non-Supervisory staff. Modification to terms and conditions can be approved by a Committee constituted by Board.

Loans to Landlords

Unsecured loan up to 60 times the net monthly rent payable can be granted to owners of premises occupied by our branches / offices. In the case of branches, the Gold Loan outstanding should not be less than Rs.3 crores. The loan is to be repaid in EMIs within a maximum period of 84 months from the monthly rent payable. The remaining lease period should be more than the repayment period of the loan. EMI should not exceed the net monthly rent payable to the landlord. The landlord should not alienate the premises to third party without our consent. The minimum rate of interest will be 16% p.a. and maximum 17% p.a. Service Charges @1% of the loan also to be collected. Modification to terms and conditions can be approved by a Committee constituted by Board.

Loans to SME segment

The Company may extend financial assistance to SME segment directly or through arrangements with other financial entities like FINTECH Companies for co-lending. The loans can be granted either in the form of Working Capital or Term Loan. Any scheme for lending to this segment will need the prior approval of

the Managing Director. A separate policy for Business Loan shall cover details of the scheme.

Loan to Traders and Self- Employed

Many of our customers availing gold loans belong to traders and self – employed category. With a view to attract such customers and to retain them with us, loans can be granted to them based on their income earning and repayment capacity duly backed by a good credit history as revealed by their CIBIL Reports. New customers not having relationship with us may also be considered. The loan will be unsecured. Spouse will be a co-obligant for such loans. If no spouse, co-obligancy by a suitable close relative like father, brother etc. to be insisted upon

Salient features of the scheme are given below.

Eligible customers.

Wholesale and retail traders, Self-employed professionals like allopathic doctors, chartered accountants, company secretaries and architects.

Purpose

For any genuine business purpose (Working capital requirements, acquisition /repair/ renovation of fixed assets/ equipments / machinery etc). Loans for personal purpose will not be granted under the scheme.

Quantum of finance

As decided by management from time to time. Initially minimum loan amount may be Rs 50,000 and maximum Rs 1L.

Documents Required

Any officially valid documents for completing KYC as given below.

Identity proof: Passport / Voters ID card/ Driving License/Aadhar Card and PAN
Address Proof: Passport / Voters ID card/ Driving License/Aadhar Card

If any of the OVD documents taken as identity proof also contains the current address of the borrower, no separate address proof shall be insisted upon. In other

cases, the following documents will be taken for the limited purpose of proof of address:

- v. utility bill which is not more than **two months old** of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
 - vi. property or Municipal tax receipt;
 - vii. pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
 - viii. letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and licence agreements with such employers allotting official accommodation;
- (the customer shall submit OVD with current address within a period of three months of submitting the documents specified at 'i to iv' above)**

The KYC documents mentioned above shall undergo change as per modification in RBI master directions in this regard.

Repayment

By way of monthly EMI. EMI can be paid through ACH mandate and credited to a dedicated account. Other modes of repayment also can be made.

Interest and charges including penal charges

Interest rates will be fixed on the basis of risk assessment, cost of funds, cost of operations etc and may differ for different schemes and different categories of borrowers. Processing charges as decided from time to time will be recovered.

Period of Loan

Minimum three months and maximum 24 months

Documentation

- | | |
|---------------------|---|
| 1. Application form | 5.Postdated cheque Acknowledgement letter |
| 2. Loan Agreement | 6. Request for disbursal of loan amount |

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|--------------------------------------|----------------|
| 3. DPN 4. DP Note Delivery Letter | 7. ACH mandate |
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Sourcing and Recovery

Sourcing and recovery shall be by MFIN branches. If found necessary services of outside agencies can be availed.

Asset Classification and income recognition

Asset classification and income recognition in case of all loans sanctioned under the various schemes formulated to cater to different segments, will be as per the norms prescribed by Reserve Bank of India from time to time.

Corporate Loan:

Company shall extend credit to Corporate Segment against the security of current/fixed/immovable assets or financial instruments or cash flow through following products:

1. Line of Credit
2. Working Capital Demand Loan
3. Term Loan
4. Supply Chain Financing Solutions
5. Loan against shares
6. Promoter funding
7. Acquisition finance
8. Mezzanine/bridge funding
9. Structured loans to VC funded Startups

A separate Policy for Corporate Credit is in place for Corporate Loan covering all parameters.

Ancillary Business

The Company may, with a view to augmenting its non-fund based income, enter into arrangements with any Company or entity for selling Insurance, Mutual fund or any other products, strictly within the norms prescribed by the regulators in the respective area and those stipulated by Reserve Bank of India from time to time. .
