



OXYZO FINANCIAL SERVICES PRIVATE LIMITED (COMPANY OR OXYZO)

INTEREST RATE POLICY

REVIEW & APPROVING AUTHORITY

Authority	Designation
Prepared By	Finance Department
Reviewed By	Level 1- Operational Committee Level 2: Asset Liability Committee
Approved By	Board of Directors

VERSION HISTORY

Version	Issue Date	Brief Description
1.0	23-10-2018	Creation
2.0	16-09-2019	Changes made pursuant to company status being changed as NDSI in June 2019
3.0	20-04-2021	Changes in Interest rate and Gradation of Risk and some other cosmetic changes
3.1	15.02.2023	Reviewed by Operational Committee
3.2	23.05.2023	Noted by Board of Directors

1. Background and Purpose:

The Reserve Bank of India (RBI) vide its circular No. DNBS.PD/CC.No.95 /03.05.002 /200607 dated May 24, 2007 had advised the Boards of NBFCs to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. In continuation of the above circular, the RBI vide its circular DNBS.204/CGM (ASR)-2009 dated January 2, 2009 has issued the following directions to NBFCs:

The Board of each NBFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the Borrower or Customer in the application form and communicated explicitly in the sanction letter.

In compliance with the requirements of the RBI Regulations mentioned above, Oxyzo Financial Services has adopted this Interest Rate Policy broadly outlining the Interest Rate Model and risk gradation approach. This policy should always be read in conjunction with RBI guidelines, directives, circulars and instructions

Considering that it is quite some time since the Interest Rate Policy, per se, has been reviewed and approved by the Board of Directors of the Company, we have revisited the existing Interest Rate Policy and made suitable changes to the same. The Revised Policy is being placed before the Board of Directors for review and approval.

2. Interest Rate Model and Gradation of Risk

Interest rates offered could be on fixed rate or floating rate basis

➤ Fixed Rates

At present the annualised rate of Interest* to be charged to customers, at the time of sanctioning loans, shall be in the range as mentioned below (plus processing fees):

Lending Assets/Sector	Range of Interest
Unsecured Purchase Financing	15% to 21%
Secured Purchase Financing	13% to 18%
Machinery Loans	11% to 16%
Business Loans	16% to 22%
Loan Against Property	12% to 16%
Other Loans	15% to 36%

➤ Variable / Floating Interest Rate

Variable interest rate, over and above the spread considering HDFC MCLR or OBLR (Oxyzo base lending rate) on a case-to-case basis

****in exceptional circumstances, based on risk perception, this may fall outside the indicated range.***

On a case to case basis, the credit committee of the company may approve loans below the threshold limit of the above mentioned interest rate range

- The rate of interest by the company shall be determined based on the
 - ✓ Borrowing costs of the company, which may vary based on the credit rating of the company.
 - ✓ Tenor of the borrowing
 - ✓ Principal repayment terms
 - ✓ Refinancing Avenues
 - ✓ Liquidity drag
 - ✓ Operating Expenses; and
 - ✓ Required yield, Margin, covering Regulatory provisions, if any, Capital Charge and Profit Margin
- In addition to the above, the rate of interest shall further be determined based on inherent credit and default risk in the products and customer per se arising from customer segment, profile of the customers, stability in earning nature and value of primary and collateral securities, past repayment track record of the customers, external ratings of the customers, industry trends etc.
- The rate of interest for the same product and tenor availed during same period by different borrowers need not be standardized.
- The interest rates would be offered on fixed or floating basis. The reference rates, viz 3 months floating, 6 months floating and 12 months floating Rate would be reviewed on a periodic basis and revised interest rates will be intimated to the customers.
- The OBLR reference rates applicable would be hosted and updated on the company's web site from time to time.
- The company can levy spread or offer discount over and above the floating rates to the clients on case to case basis the risk profile, category, Industry segment and respective negotiations
- Intimation of change of interest would be communicated to customers in a manner deemed fit, as per terms of the loan documents. Any revision in interest would be with prospective effect.
- In case of staggered disbursements, the rate of interest would be subjected to review and the same may vary according to the prevailing rate at the time of disbursement or as may be decided by the Company.

Loan amount, annualised rate of interest, tenure of loan and the apportionment of instalments will be communicated to the customer in the sanction letter.

Besides normal Interest, Oxyzo may levy additional interest for adhoc facilities, penal interest/default interest for any delay or default in making payments of any dues. The details of penal interest charges will be mentioned in bold in the loan agreement and sanction letter.

Besides interest, other financial charges like processing charges, service charge, cheque bouncing charges, pre-payment charges, commitment fees, charges on various other services like issuing no due certificates, no objection certificate, letters ceding charge on assets/ security etc. would be levied by Oxyzo wherever considered necessary. In addition, the Goods and Services Tax and other taxes, levies or cess would be collected at applicable rates from time to time.

Claims for refund or waiver of charges/ penal interest/additional interest would normally not be entertained by Oxyzo. It is the sole and absolute discretion of Oxyzo to deal with such requests, if any.

3. Review / Modifications

The Asset Liability management Committee of the company is authorised to make modifications in the OBLR if required from time to time and decide the interest to be charged for each product

This policy shall be reviewed on periodic basis as and when statutory requirement or management decision and depending on requirements, the reviews may be done at shorter intervals. Any changes in the policy except as required by legal and regulatory changes shall be made with the approval of the Board/ Management committee.

4. Content on the website

Appropriate disclosure regarding this Interest Rate Policy shall be made on the Company website.
