

Vistaar Financial Services Private Limited
Interest Rate Policy

Preamble

The Reserve Bank of India (RBI) has issued various guidelines for the Non-Banking sector which includes regulation of excessive interest. The Master directions of RBI (DNBR. PD. 008/03.10.119/2016-17) as amended from time to time directs all NBFCs to make available the interest rates and the approach for gradation of risk on web-sites of the NBFCs.

In compliance with the requirements of RBI, the components that are factored in to determine the interest rates of the loans are given below.

Interest rate model

The interest rates determined by the Company are based on various factors as detailed below:

- Secured vs Unsecured loan
- Ticket size of the loan
- Tenure of the loan
- Sector of the customer's business
- Company's own cost of borrowing
- Company's cost of servicing (Overheads)
- Competition
- Geographical location of the customer (Tier 1, 2, 3 or 4 cities)

In order to simplify the credit process, the interest rates are broadly determined based on key factors such as ticket size, tenure, secured/ unsecured and geographical location.

The Company has further determined what the minimum interest rate is and maximum interest rate and the rates as determined based on ticket size, tenure, secured/ unsecured and geographical location shall fall within the defined lower and upper limits.

The Company operates with the lowest rate of 15% to a maximum per annum rate of 23.9%. The ticket size wise rate of interest is provided below:

Ticket size	Minimum Rate	Maximum Rate
Up to 15 Lacs	15%	24%%
15 lacs to 25 lacs	15%	21%%
25 lacs to 50 lacs	14%	18%

Approach to gradation of Risk

The interest rate charged to a customer shall depend on various factors as detailed above primarily ticket size, tenure, secured/ unsecured and geographical location.

In order to be transparent to our customers on the interest rate and other charges being charged, the sanction letter shall clearly contain the following;

- Annualised interest rate applicable for the loan
- Tenure of the loan
- Total sanctioned amount
- Charges applicable in case of EMI bounce, charges for delayed payment etc