



## Document on Loans and Advances

### Namdev Finvest Private Limited

#### Registered Office:

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INDIA

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## 1. Introduction

**Namdev Finvest Private Limited (NFPL)** is a Non-Banking Financial Company having valid Certificate of Registration with Reserve Bank of India vide registration No. B-10.00260 on 20th August 1997 under current RBI classification as NBFC – Non-Deposit taking Asset Finance Company.

It is focused on offering finance to MSME, Two-wheelers, Solar panel loan, Electric Vehicle (EV) loan, EV charging station loan and all kind of light commercial vehicles segment.

## 2. Preamble

One of the important functions of the Banking System is to lend money to the needful to achieve economic objectives. The Reserve Bank of India is empowered to issue licenses to Non-Banking Finance Companies (NBFC) and further to issue directives/advice on loans and advances and other aspects regarding conduct of loan accounts from time to time. With liberalization in the financial system and deregulation of interest rates, NBFCs are now free to formulate loan products within the broad guidelines issued by RBI.

RBI directives can be studied in detail in various Master Circulars issued from time to time.

## 3. About the Policy

This policy document on loans and advances outlines the guiding principles in respect of formulation of various products offered by the company and terms and conditions governing the conduct of the account. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

## 4. Asset Financing Activities

As per distinct RBI guidelines, company can finance any physical asset supporting productive/economic activity, such as land & building, two wheelers, automobiles, farm equipment, light commercial vehicle, lathe machines, generator sets, earth moving and material handling equipment other machines.

Company is currently disbursing loans in the States of Rajasthan, Gujarat, Punjab and in Madhya Pradesh. Major portfolio is in the rural and semi-urban parts of these States.

Loans provided by the company are segregated in segments like: -

- I. MSME Loans and Loans Against property.
- II. Loans to Two Wheelers, Agriculture Vehicle loan (Tractors);
- III. Solar power.



- IV. Light Commercial Vehicle ('LCV') loan
- V. Electric vehicles

The loans mentioned above may be sanctioned as refinance facility, purchase of underlying asset or any other purpose clearly stated in the field investigation & credit remarks.

The customer profile includes MSME, Agriculture based profiles, solar power, small road transporters, taxi operators, rural passenger vehicle profiles, first time borrowers, weaker sections, retail traders.

The company is planning to expand its business to the remaining part of area of current operations and shall be further guided by the business plan approved by the board.

#### **5. Know your customers ("KYC") and Anti-money Laundering ("AML") Guidelines**

Company has formulated its KYC and AML policy and is following the same during the disbursements of the loans and advances. All KYC documents like identity proof, address proof etc. which needs to be collected from borrowers, co borrowers and guarantors of loans and advances are prescribed in the said policy and obtained accordingly.

#### **6. Restrictions on funding**

There are no specific restrictions on the funding of loans and advances with regard to the customer profile, area/address/type of the borrower or guarantor, etc. However, general prudence is to be observed during the field investigation and enquiry about the customer. Company shall insist on, but not stick to, lower funding and lower repayment tenure for loans and advances.

#### **7. Gradation of Risk**

The risk premium attached with a customer shall be assessed inter-alia based on the following factors:

- profile and market reputation of the borrower.
- CIBIL score:
- Historical performance of similar homogenous pools of borrowers.
- Profile, strength, experience, income/earnings of the borrower.
- Length of relationship with the borrower, repayment track record of existing borrower, credit history as revealed from available sources.
- type of asset being financed, end use of the loan represented by the underlying asset.
- nature and value of primary and secondary collateral / security. (LTV).
- overall customer yield, repayment capacity based on cash flows (DBR/ FOIR) and other financial commitments of the borrower, mode of payment.
- RBI Policies on credit flow.
- offerings by competitors.
- and any other factors that may be relevant in a particular case.



## 8. Interest Rates

The management understands that considering the higher cost of borrowing and the risk profile of the customer, it must maintain adequate margins to cover the operational and delinquency risk. The company has formulated an interest rate policy which clearly entails the factors on which the company shall decide the interest rates. Thus, it is decided to fund the loans and advances between 12% to 40% p.a. to be charged on annualized rate of interest basis for the entire tenure. Further, at their own sole discretion, MD and CEO can approve the interest rate for any loan/advance outside the range above.

## 9. Charges and Rebates

Company shall levy various charges on the customers as per the operations of the account and certain standard charges as applicable. List of such charges and quantum is as follows:

### 1. Fees and Charges - MSME

Nature of Charge	Amount		
<b>(i) On Application</b>		<b>(iii) During The Term of Loan</b>	
Application Fees (IMD) (non-refundable)	Upto Rs.6,000/- for LAP (GST include) No IMD in other products	Loan Cancellation charges	Minimum 2%
Due Diligence	1,770/- (GST included)	PDC / NACH /ECS Bounce Charges	Rs. 500/- per instance
<b>(ii) From Disbursement</b>		Penal Charges	36% p.a. of outstanding dues
Processing Fee	As per policy- (Case to case)	Collection charges (applicable only in cases of collection executive visit)	Rs. 590/- (per bucket wise DPD) (GST include)
CERSAI charges	Rs.118 (GST included)		
Legal opinion charges per collateral	As per policy (actual)		
Valuation charges for single property	As per policy (actual)	Recovery (legal/possession & incidental charges)	On actual
Subsequent Valuation charges (if loan more than Rs 25 lakhs)	As per policy (actual)	Bank charges	Rs. 590/- (per instance) (GST include)



Document Charges	As per policy (actual)	Statement of account charges	Rs 1180/- (per instance) (GST include)
Loan Suraksha premium	As per policy (actual)	Duplicate No dues Certificate	Rs. 1500/- (GST include)
Insurance Payable Charges (EMI Protection, Health Insurance, Fire and Burglary Insurance)	As per policy (actual)	Prepayment/ Foreclosure charges (pre-payment is not allowed in first 6 month from the date of 1 <sup>st</sup> EMI)	7% of outstanding principal (GST exclude)
Stamp Duty Charges	As per policy (actual)		
Legal And Courier Charges	Rs. 750/- + GST		

## 2. Fees and Charges - Solar

Cheque bounce Charges	Rs. 750/- per return Cheque	Processing Charges	As per policy
Cheque Swapping Charges	Rs. _____/- per swap	Overdue Interest	3% per month on overdue amount
Valuation Charges ( On Used Vehicle/Property/Equipments)	At Actual	Cash deposition Charges	As per policy
Loan prepayment charges within 12 months from the 1st EMI	Upto 7% + Taxes as applicable on the principal outstating	Loan re-schedulement Charges	% on the amount paid towards Principal Loan
Loan prepayment charges after 12 months from the 1st EMI	Upto 5% + Taxes as applicable on the principal outstating	Loan Statement/ Duplicate Repayment Schedule charges	Upto rs. 500/- + Taxes as applicable
Loan cancellation & re booking charges	Rs.	NOC Issuance Charges	
Document Charges (As per applicable laws of the state)	At actual	Legal, Collections/repossession & Incidental Charges (Incidental Charges are those expenses that are not budgeted or specified but are incurred by the company on behalf of the customer)	At actual





### 3. Fees and Charges-Two Wheeler

Particulars	Charges	Particulars	Charges
<b>Bounces Charges/instruction Revocation Charges/Dishonor Charges</b>	Rs. 500/- per Bounces plus applicable charges	<b>Loan Suraksha premium</b>	As per Actual Amount
<b>Cheque Swapping Charges</b>	Rs. 500/- per swaps plus applicable taxes	<b>Loan statement Charges</b>	Rs. 250/- Plus applicable taxes
<b>Foreclose Statement Charges</b>	Rs. 500/- per plus applicable taxes Not Applicable	<b>Stamp Duty Charges</b>	As per actual amount

Further, all above charges, duties & fees are exclusive of all type of taxes charged by the Central Government, State Government, Semi-Government, or any other concerned authorities. The Company has sole discretion to make any subsequent changes and/or modification in any or all charges mentioned above, from time to time, as per the Company policy and it is sole discretion of the management of company to reduce, increase or waive all or any of the charges so applied considering the best interest of the customer.

If needed, CEO has the power to levy or introduce any other charges for the services rendered other than mentioned in the above list and to decide the amount thereon. Furthermore, the management has all powers to even give rebate of interest to the valuable customers at their best judgement.

#### 10. Credit Information Companies

In compliance with the RBI Master Direction - Non-Banking Financial Company – Non-Systemically Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company has obtained the membership of all four Credit Information Companies (CICs) viz. Credit Information Bureau (India) Limited, Equifax Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and CRIF High Mark Credit Information Services Private Limited and the company is submitting data to all above CICs on regular intervals. This would help Company to share the financial details of irregular customers with other financial institutions who are also member of CICs.

The company verifies credit history of the potential customers during loan sanctioning process and identifies CIBIL status as per the internal CIBIL policy. The CIBIL policy will be integrated into the system and same will be subject to review and revision from time to time by CEO/CFO. Though Company shall not reject any customers merely because of negative credit report or credit profile received from CIBIL.





### **11. Charge Creation to ROC**

The Borrower shall create charge over the security provided to the company in respect of the loan sanctioned. Further the charge shall be created in favors of the company within the timelines as specified in the Companies Act, 2013 and Rules made thereunder in this regard.

### **12. Individual product note**

The company has made individual policies of all products offered by the Company, which is an integral part of this policy.

### **13. Grievances/ Complaints**

All the customers, employees, investors and third-party service providers may approach nodal officer or Grievance Redressal Officer nominated at the designated Offices of the Company for complaints relating to services offered by the company and also lodged their complain on customer care call center.

The telephone numbers, complete address and email address etc. will be prominently displayed on the Company website for ease of contact by the customers of the Company.

Company website is [www.namfin.in](http://www.namfin.in)

### **14. Review**

The Company's CEO, CFO and CCO have been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc. This is required to ensure full operational freedom to the senior management and make the management team more adaptive to rapid changing external environment. All changes so made shall be noted to the policy approving authority during the next policy review.

The CEO, CFO and CCO can decide on delegation of authority and can design / redesign MIS systems and reporting as they see fit to improve the responsibility and accountability within the team hierarchy.