



**ORIX Leasing and Financial Services India Limited**

**(CIN: U74900MH2006PLC163937)**

**Policy on Interest Rate and Charges and Gradation of Risk Approach**

**V.7**

**(I) Background**

**The Company is non deposit taking Non-Banking Financial Company registered with the Reserve Bank of India (RBI). In view of Chapter VII of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (the RBI Master Direction), as amended from time to time, the Company is required to have an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest / EMI and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers are mentioned in this Policy and available on website of the Company at [www.orixindia.com](http://www.orixindia.com).**

**(II) Objective:**

**The Board, through this policy intends to lay down appropriate internal principles and procedures in determining the range of interest rates and processing and other charges that shall be applicable to various borrowers as well as laying down approach for gradation of risk in line with the requirement of the RBI Master Direction.**

**(III) Interest rate Model:**

- (1) The rate of interest shall be determined based on the cost of borrowed funds, tenor of loan, liquidity conditions prevailing in the market, cost of operations, credit risk arising from the borrower or pool of borrowers and the minimum margin.**
- (2) The rate of interests for the same product and tenor availed during same period by different borrowers need not be standardized. It could vary from borrower to borrower depending upon consideration of any or combination of above factors which is covered in Gradation of Risk Approach under Point No V below.**
- (3) The annualized rate of interest would be intimated to the borrower.**
- (4) 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.**
- (5) Besides normal interest, the Company may levy penal charges for delay or default in making payments of any dues. These additional or penal charges may vary for different products.**
- (6) Interest Rate on existing Floating Rate portfolio as well as prospective Floating Rate Loan will be determined on the basis of a benchmark rate – Mortgage Reference Rate (MRR) for LAP and Lending Reference Rate (LRR) for Corporate Lending segment. This will be determined by the Treasury and Asset Liability Management Committee (ALM) and published on the website of the Company.**

**The Borrower shall be offered discount on the respective reference rate to arrive at Floating Rate applied on existing or prospective Loan.**

- (7) **In case of existing Floating Rate portfolio, the ALM shall revise the MRR / LRR at any time and from time to time as per its cost of borrowings, market condition, operational expenses, credit costs and other such factors. Such variation/ revision in respect of the MRR/LRR shall have prospective effect. The Lender shall inform the Borrowers (except Borrowers which are classified either as Non-Performing Assets as on date of change or are part of Emergency Credit Line Guarantee Scheme (ECLGS) or sold pool to which revision in MRR/LRR shall not be applicable) about the variation in the Floating Rate of interest due to variation / revision in MRR/LRR in due course.**
- (8) **The company will determine range of interest rate to be offered for fixed rate products based on its cost of borrowings, market conditions, competitive scenario, operational expenses, credit costs and other such factors. However, the interest rate on these products will remain fixed throughout their tenor.**

**(IV) Range of Interest Rate:**

**The interest rate range at origination for each product is as follows:**

- (1) **Finance Lease – 9% to 25% (Fixed Interest Rate) \***
- (2) **Lending Products:**
- (a) **Loan against Property –**
- **Floating Interest Rate – 9% to 18%**
  - **#Fixed Interest Rate – 9% to 20%**
- (b) **Corporate Lending – 9% to 20% (Floating/Fixed Interest Rate)**

**All these rates (Fixed Interest Rate as well as Floating Interest Rate) are subject to change from time to time. The Interest rate policy will be updated to reflect any changes. The Interest rates mentioned are for calculation of EMI / rentals and does not take into account any other charges.**

**\* For extension cases, the IRR is computed on consolidated tenor (from the date of origination of lease)**

**# Switching of interest rate type from floating to fixed and vice-a-versa will be allowed only thrice during the entire tenure of the loan as mentioned in the Fair Practice Code of the Company and is applicable in case of Personal Loan<sup>1</sup>. The**

<sup>1</sup> Personal Loan<sup>1</sup>, shall mean loans given to Individuals and consist of (a) Consumer Credit, (b) loans given for creation/ enhancement of immovable assets (e.g., housing, etc.).

<sup>1</sup> ‘Consumer Credit’ shall mean auto loans (other than loans for commercial use), personal loans secured by immovable property, fixed deposit (other than for business / commercial purposes), personal loans to professionals (excluding loans for business purposes), and loans given for other consumptions purposes (e.g., social ceremonies, etc.)

**charges for switching interest rate will be applicable as mentioned under point no VI(A)(8) i.e. 'Processing fees and Other charges' of this Policy.**

**(V) Approach for Gradation of Risk:**

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

- (1) profile and credit worthiness of the borrower;**
- (2) inherent nature of the product, type / nature of facility;**
- (3) tenure of relationship with the borrower group, past repayment track record and historical performance of our similar clients;**
- (4) group strength, overall borrower yield, future potential, repayment capacity based on cash flows and other financial commitments of the borrower;**
- (5) nature and value of collateral / security offered;**
- (6) interest, default risk in related business segment;**
- (7) nature of business / segment of business;**
- (8) regulatory stipulations, if applicable; and**
- (9) any other factors that may be relevant in a particular case.**

**(VI) Processing fees and Other Charges:**

- (A) Below is the list of charges applicable to the customers/borrowers. These charges are forming part of the loan facility agreement and are available at the website of the Company at <https://www.orixindia.com>.**

<b>S. No</b>	<b>Charge Type</b>	<b>Charge amount</b>
<b>1</b>	<b>Processing Fee</b>	<b>Up to 3.0% of loan sanctioned amount inclusive of application fee</b>
<b>2</b>	<b>IMD (Initial Money Deposit)</b>	<b>Up to Rs. 5000/-</b>
<b>3</b>	<b>Cheque Dishonour</b>	<b>Up to Rs. 500/-</b>
<b>4</b>	<b>Cheque Swap</b>	<b>Up to Rs. 500/-</b>
<b>5</b>	<b>Penal Charges</b>	<b>24% p.a. of the EMI o/s post due date</b>
<b>6</b>	<b>Charges for Statement of Account / Repayment Schedule</b>	<b>Up to Rs. 500/-</b>
<b>7</b>	<b>Interest Certificate</b>	<b>NIL</b>
<b>8</b>	<b>Rate Revision Charges / Switch Fees</b>	<b>Up to 1.0% of POS</b>
<b>9</b>	<b>Re-schedulement Charges (Change in Emi / Tenure / Cycle Date)</b>	<b>Up to Rs. 5000/-</b>
<b>10</b>	<b>Documents Retrieval Charges</b>	<b>Up to Rs. 500/-</b>
<b>11</b>	<b>Duplicate copy of Agreement / NOCs</b>	<b>Up to Rs. 500/-</b>
<b>12</b>	<b>Original property documents retrieval for specific activity like production at SRO or Development Authority (on borrower request)</b>	<b>Up to Rs. 5000/-</b>

13	<b>Additional valuation charges / Legal Opinion Charges</b>	<b>Rs. 1500/- or actuals whichever is higher</b>
14	<b>Registration Charges for Borrowers' ECS Mandate (loan repayment)</b>	<b>NIL</b>
15	<b>Stamping Charges for Agreement, MODT \ Registered Mortgage</b>	<b>As per Actual, subject to state laws - To be paid by borrower directly</b>
16	<b>Stamping charges of other legal documents like Indemnity Bond, Legal Undertakings, Legal Affidavits, Personal Guarantee Bond etc.</b>	<b>As per Actual, subject to state laws - to be paid by borrower directly</b>
17	<b>Legal Recovery Charges</b>	<b>As per actual</b>
18	<b>Collection visit charges</b>	<b>Up to Rs. 1000/-</b>
19	<b>Prepayment Charges (wherever applicable)</b>	<b>For Non-Individuals Borrowers/Co-borrowers (any Interest Type) - Up to 5.00%</b>
		<b>For Individual Borrower/Co-borrower</b> <ul style="list-style-type: none"> <li><b>In case the loan is sanctioned for purpose other than business – NIL</b></li> <li><b>In case the loan is sanctioned for Business Purpose – Up to 5%</b></li> </ul>
20	<b>ROC Charges</b>	<b>On Actuals</b>
21	<b>Registration charges for creation Hypothecation from Authority</b>	<b>On Actuals</b>
22	<b>Removal for Hypothecation from Authority</b>	<b>On Actuals</b>

- (1) Below is the list of charges which will be made applicable to the customers/lessee. and also, will be displayed on the website of the Company at <https://www.orixindia.com>.

S. No	Charge Type	Charge amount
1	<b>Lease Processing Fee</b>	<b>Up to 3% of the Acquisition Cost of the Asset</b>
2	<b>Cheque/NACH Dishonour</b>	<b>Up to Rs. 1000/-</b>
3	<b>Re-payment Instrument Swap Charges</b>	<b>Up to Rs. 1000/-</b>
4	<b>Penal Charges</b>	<b>Up to 36% p.a. of the Outstanding Amount</b>
5	<b>Charges for Statement of Account/ Repayment Schedule</b>	<b>Up to Rs 500/-</b>

6	<b>Re-schedulement/Re-structuring Charges (Change in rental /tenure/cycle date)</b>	<b>Up to 3% of the Outstanding Amount as on date of request.</b>
7	<b>Documents Retrieval Charges</b>	<b>Up to Rs. 500/-</b>
8	<b>Duplicate copy of Agreement / NOCs</b>	<b>Up to Rs. 3000/-</b>
9	<b>Additional valuation charges/ Legal Opinion Charges</b>	<b>Up to Rs. 1500/- or actuals whichever is higher</b>
11	<b>Administrative Charges incurred for paying Stamp duty on behalf of lessee duty.</b>	<b>Up to Rs.3,000 per document stamped. Stamp duty as per Actuals.</b>
12	<b>Legal Recovery Charges</b>	<b>As per actual</b>
13	<b>Collection visit charges</b>	<b>Up to Rs. 1000/- or at actual whichever is higher.</b>
14	<b>Penalty on Premature termination amount (wherever applicable)</b>	<b>Up to 5% of Book Value/Principal Outstanding of Asset.</b>
15	<b>Order Charge</b>	<b>Up to Rs.10,000/-</b>
16	<b>RTO Charges</b>	<b>Up to Rs. 5000/- or on Actual, whichever is higher</b>
17	<b>Repossession/ Parking Charges/ Legal Recovery</b>	<b>Up to Rs. 20,000/- or on Actual, whichever is higher</b>
19	<b>Extension of Lease Term/Period</b>	<b>Up to Rs. 20,000</b>

**All applicable fees & charges are subject to levy of Taxes, if payable, is to be paid in addition to the fees/charges.**

## **(VII) Website**

**This Policy will be made available on the website of the Company.**

## **(VIII) Amendment:**

**The Board reserves its right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. However, no such amendment or modification shall be binding unless the same is notified in writing.**

**Modification History**

<b>Date of Revision</b>	<b>Version</b>	<b>Description</b>	<b>Authors</b>	<b>Approved by</b>
<b>20-09-2011</b>	<b>1</b>	<b>Initial Draft</b>	<b>Mr. Parthasarathi Ray / Mr. Jay Gandhi</b>	<b>Board of Directors</b>
<b>29-06-2012</b>	<b>2</b>	<b>Revised</b>	<b>Mr. Parthasarathi Ray</b>	<b>Board of Directors</b>
<b>24-09-2019</b>	<b>3</b>	<b>Revised</b>	<b>Mr. Vivek Wadhera</b>	<b>Board of Directors</b>
<b>25-08-2022</b>	<b>4</b>	<b>Revised</b>	<b>Mr. Gaurav Bhatia</b>	<b>Board of Directors</b>
<b>11-06-2024</b>	<b>5</b>	<b>Revised</b>	<b>Mr. Gaurav Bhatia</b>	<b>Board of Directors</b>
<b>18-11-2024</b>	<b>6</b>	<b>Revised</b>	<b>Mr. Sunil Bajaj</b>	<b>Board of Directors</b>
<b>24-06-2025</b>	<b>7</b>	<b>Revised</b>	<b>Mr. Sunil Bajaj</b>	<b>Board of Directors</b>