

INTEREST RATE POLICY

(Approved by the Board of Directors of the Company through
Resolution passed by Circulation on February 21, 2023)

This policy describes the method of fixing interest rate of gold loans and other loan schemes of KLM Axiva finvest ltd. The rate of interest of gold loans will be determined on considering various factors such as cost of funds, operational cost, risk factors, tenure, liquidity, competition etc. In addition to this, Interest rate fixation also based on various rules and regulations prescribed by Reserve Bank of India and other competent authority from time to time.

The board of directors of the company or a committee constituted on behalf is the authority shall be guided by this policy for fixation of interest rate. Based on factors like value of security, credit worthiness of the customer, CIBIL score, stability in customer earnings etc. company may charge discrete interest rate for different customers.

The company may levy penal interest besides the normal interest for any delay in repayment towards loan and the loan became overdue. Penal interest will be charged as additional interest for the overdue period and will be effected as monthly compounding after the loan become overdue. From the date the loan become over due, a higher rate of interest will be levied on such loans for the balance outstanding in that account, such changes in interest rate will be effective in retrospective basis.

The interest will be calculated from the date of disbursement of loan till date of closure that is for the actual number of days loan remains outstanding in the books of account. Where as if the loan closes within a period less than 07 days from the date of disbursement an amount equal to minimum 07 days interest will be charged on such loans. For Interest Calculation purpose, a year is taken as 365days and interest is calculated at monthly compounding basis.

In addition to interest, processing fee, closing charges, remittance charges, cheque bouncing charges etc. if any, also applicable for loans and will be intimated to customer at the time of sanction.

For all other loans sanctioned by our company like personal loan, vehicle loan, loans to SME sector etc. repayments are fixed on Equated monthly instalment (EMI) basis for a fixed tenure. The tenure is fixed based on the segment and scheme under the loan is sanctioned and installments consist of principle portion as well as interest portion. For EMI fixed term loan, during initial repayments of EMIs, interest portion will be more and principle portion will be less and vice versa in later stages of repayments.

The company at its discretion may allow grace period if the payment of interest falls due on Sunday or holiday. Decision of waiver of any of the charges or interest normally not entertained by the company and it is the sole and absolute discretion of the company to deal with such requests.

In case any amendments/Clarification, the policy shall be amended accordingly from the effective date specified as per management decision. The company reserve right to alter, modify, add, delete or amend any of the provisions in the policy.

