

Merlin Enclaves Private Limited

Interest rate policy

As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, 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 and determine the rate of interest to be charged for loans and advances.

In view of the same, Merlin Enclaves Private Limited (henceforth referred to as "Company") has formulated this Policy on Interest Rate and Charges ("Policy") to enable establishment of interest rates and to be used for different customer segments and for different lending products offered by the Company.

The Board of Directors shall approve the Interest Rate Policy. The Board may delegate certain operational aspects to the Risk Management Committee/ other relevant board / management committee as deemed fit by the Board of Directors in order to ensure effective implementation of the Policy on Interest Rate and Charges. The Policy shall be reviewed annually or as required due to changes in internal policies or regulatory guidelines.

The Company may offer Fixed or Floating rate loans to its customers. The rate of interest should be always defined as interest rate per annum so that the borrower is aware of the exact rates that would be charged to the account.

The interest rate will be calculated by taking into account relevant factors such as cost of funds, margin and risk premium. Further, different interest rates will be applicable for different customer segments and for different lending products offered by the Company.

Besides interest, other charges like processing fees, late payment charges, re-schedulement charges, pre-payment / foreclosure charges cheque bouncing charges, part disbursement charges, cheque swap charges, security swap charges, charges for issue of statement account etc., would be levied by the Company. Besides these charges, stamp duty, service tax and cess would be collected at applicable rates from time to time.

Interest rates should be communicated to the customers in a fair and transparent manner at the time of sanction / availing of the loan.

Any changes in the interest rate, spread and/or charges for existing customers should be communicated in a transparent manner through acceptable modes of communication such as letter, email, SMS, etc.