

**POLICY DOCUMENT ON
LOANS AND ADVANCES**

APRIL 2009

**KOGTA FINANCIAL (I) LIMITED ('KFL' or the 'Company')
Reg. Office:- KOGTA HOUSE, AZAD MOHULLA
BIJAINAGAR - 305624.**

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.

This policy document on loans and advances outlines the guiding principles in respect of formulation of various products offered by the KFL 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.

COMPANY PROFILE AND ASSET FINANCING ACTIVITIES

Kogta Financial (I) Ltd ('KFL') is an asset finance company (NBFC) having valid Certificate of Registration with Reserve Bank of India ('RBI') vide registration no. 10.00086 dated May 27, 2016 under current RBI classification as Asset Finance Company ('AFC').

Treasured by the years of experience & excellence in delivering the best financial services, Kogta Financial (I) Ltd. has created cost effective and efficient value chain for its customers' financial needs.

The services provided by KFL can be divided as under:

Asset Financing

As per distinct RBI guidelines, KFL can finance any physical asset supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipments, moving on own power and general purpose industrial machines.

Though, KFL can finance all the assets as mentioned above, its loan portfolio majorly comprise of:

1. New Car Loan (including top-ups on such loans)
2. Used Car Loan (including top-ups on such loans)
3. Two-Wheeler and Three-Wheeler Loans
4. Heavy Commercial Vehicle Loans like Trucks, Trailers, Cranes, Soil Compactors, JCB, etc.
5. Agriculture based Vehicle Loans like Tractors, Graders, etc.
6. Others like lathe machines, material handling equipments, plant & machinery and industrial equipments.

KNOW YOUR CUSTOMER ('KYC') AND ANTI-MONEY LAUNDERING ('AML') GUIDELINES

KFL has formulated its KYC and AML policy and accordingly the same is to following during the disbursements of the loans and advances. All documents like identity proof, address proof, etc are to be collected for borrowers and guarantors of loans and advances in accordance with the said policy.

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. But general prudence is to be observed during the field investigation and enquiry about the customer. KFL shall insist on, but not stick to, lower funding and lower repayment tenure for loans and advances.

INTEREST RATES

The management understands that considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. Thus, it is decided to fund the loans and advances between 8% to 24% p. a. to be charged on flat rate basis for the entire tenure. Further, at their own sole discretion, Directors and CEO can approve the interest rate for any loan/advance outside the range above.

OTHER CHARGES AND REBATES

KFL 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.	Cash Collection Charges	Rs. 100/-
2.	Tele Calling Charges	Rs. 50/-
3.	Field Visit Charges	Rs. 500/-
4.	Letter Writing Charges	Rs. 50/-
5.	Cheque Collection Charges	Rs. 100/-
6.	Bank Charges/Inter-city Charges	As per Actual
7.	Bouncing Charges	Rs. 500/-
8.	Overdue Interest Penalty	36%
9.	Foreclosure Charges	7%
10.	Parking Charges	As per Actual
11.	Legal Charges	As per Actual
12.	Travelling Expenses	As per Actual
13.	Repossession Charges	As per Actual

Further, at their sole discretion, the management of KFL can reduce or waive all or any of the charges so applied considering the best interest of the customer.

Furthermore, the management has all powers to even give rebate of interest to the valuable customers at their best judgement.

CIBIL

Going forward, KFL shall obtain the membership of Credit Information Bureau of India Limited ('CIBIL') and further shall implement changes in the system accordingly so as to submit data to CIBIL on regular intervals. This would help KFL to share the financial details of irregular customers with other financial institutions who are also member of CIBIL.

Though the membership will also help KFL to download credit reports after complete installation of software for the future customers, KFL shall not reject any customers merely because of negative credit report or credit profile received from CIBIL.

OVERRIDING POWERS OF THE DIRECTORS and CEO

KFL has been operating in very close vigilance and supervision of its higher management consisting of its Directors and CEO. Thus, Directors and CEO are given overriding powers to approve or disapprove, add or modify any of the provisions of this policy to the best interest of the Company.

GRIEVANCES / COMPLAINS

All customers – borrowers or guarantors, current or past, can and should contact KFL for any grievances or complains (including complains against any policy, employee or representative, etc.) by following means:

1. Write a mail to info@kogta.in
2. Write a letter to our Registered Office at
Kogta Financial India Limited
Kogta House, Azad Mohalla,
Bijaiangar – 305624,
Dist. Ajmer, Rajasthan.

3. Reach at any of our Branches and write in complains / suggestions book of the Branch.
4. Call us at +91 1462 232032.