

NIHON



PRICING POLICY

1. BASICS OF THE POLICY

This policy lays down the premise for determining pricing for loans that Nihon offers to its customers. It covers all loans offered by the company, including – temporary or short-term loan together with Long Term Loan. The policy will define the pricing model/approach for arriving an all-inclusive interest rate. This policy shall be in compliance with extant RBI guidelines and Nihon's Fair Practices Code. It will take in consideration the risk appetite of the Company and the principles of risk-adjusted-return. Interest rates and other charges/ fees on loans shall not be usurious.

2. POLICY COVERAGE

This policy covers the following: -

- Components of pricing applicable for all loans
- Delegation of authority for pricing approval

3. COMPONENTS OF PRICING FOR ALL LOANS

The components of pricing and their delineation are as follows –

A. Cost of Funds: However, Nihon does not borrow funds through any means. Nihon is a financially sound Company, hence, it does not generally borrow fund. But, Cost of Funds are determined if actual borrowing by Nihon could have been done. It denotes the Expected Borrowing Cost expected Borrowing Cost. It shall include all costs & expenses borne by the Company in relation to borrowing or arrangement of debt, including interest, coupon, upfront fees, legal & other charges, stamping and documentation charges, arranger fees, listing expenses, brokerage/advisory/intermediation charges, hedging costs, commissions, liquidity management premium, prepayment or foreclosure charges incurred to replace high-cost debts, penal charges, taxes, etc.

B. Operational Cost: It pertains to costs related to end-to-end loan cycle, including underwriting & collections, operations, employees, fixed assets & infrastructure, technology, management & administration, sales, marketing & promotions, compliance costs, among other things.

NIHON IMPEX PRIVATE LIMITED
RBI REGISTRATION No.: 05.02406 Dt.16.05.1998
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NIHON IMPEX PVT. LTD.

A handwritten signature in blue ink, appearing to read "Anand Kumar", is written over the printed name of the Director/Authorised Signatory.

Director / Authorised Signatory

NIHON



C. Risk Premium: It covers all the risks which the Company is exposed to, including but not limited to- credit risk, operational risk, systemic risks. The Company will cover its risks through a combination of loss provisions, insurance.

D. Margin: It covers the expected pre-tax Return on Assets and Net Surplus.

4. PRICING APPROVAL:

Interest rate and other charges shall be approved and reviewed quarterly by the Assets Liabilities Committee (ALCO) of the Company. Any deviation to the policy terms shall be approved by the Board. Basis the risk profile of each geography and the category of the borrower, company may charge different Effective interest rate to the borrower subject to prior approval of ALCO within the range as defined in the policy.

5. DISCLOSURE OF PRICING INFORMATION

The Company shall disclose pricing related information to a prospective borrower in a standardised simplified factsheet. The factsheet shall also be provided for other loans (i.e., collateralized loans) extended to borrowers.

NIHON IMPEX PVT. LTD.
Anang Kumar
Director / Authorized Signatory

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