

2025

Micro-Credit Price – Dec 2024 to Mar 2025

Hindusthan Microfinance Pvt. Ltd.
(HMPL)





Interest Rate Pricing Tool

Interest Rate=	Finance Cost+Operational Expense+Loan Loss Reserve+Risk Premium+ Expected Profit Margin
----------------	--

Q-1	Financial Cost	12.16%
	Operating Cost	8.19%
	Loan Loss Provision	1.51%
	Profit Margin	1.25%
	Risk Premium	6.21%
	PF	0.15%
	Q-1	29.57%

ROI	26.00%
Processing fees	1%

27.00%

July 24 To Sep 24

Note : Based on our existing state presence and the MFIN Micrometre data as of 31st December 2024, we have considered the Portfolio at Risk (PAR) and calculated the Risk Premium for portfolios that are 90+ days overdue and above.

Risk Premium - considering HMPL's current **Portfolio at Risk (PAR)** of 3.66%, the total cost for HMPL will be 27.02%. To provide additional benefits to customers, the **final interest rate charged to borrowers will be 26% per annum** on a reducing balance basis, along with a 1% **processing fee** on the loan amount. This results in a **total charge to customers of 27% (26% interest rate + 1% processing fee)**.

This rate will be applicable to disbursements made during the quarter from **January 9, 2025, to March 31, 2025**.

The above proposal was considered in the **Micro Credit Loan Pricing Committee meeting held on January 08, 2025**,

Subsequently, the committee approved the interest rate of **26% per annum, effective from January 9, 2025**

Micro Credit Committee (Finance Committee) Approved: **January 9, 2025**

Board Review on: 26th March, 2025