

## **Interest Rate Policy**

### **Background for the policy:**

Davinta Financial Services Private Limited (Davinta) is a Non-Banking Financial Company (NBFC), registered with Reserve Bank of India (RBI).

This policy is framed in accordance with the provisions of RBI Master Directions - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Directions”) and as amended from time to time and such other regulations/notification, if any.

This policy lays out internal principles and procedures in determining interest rates and fees charged to customers on the underlying loan product.

### **Principles for determining interest rate and other charges:**

There are 2 types of loans booked:

#### **A) Loans booked only under Davinta**

- Under this arrangement for arriving at interest rates to be charged to the customer, Davinta considers the weighted average cost of capital, tenor of the loan, risk profile of the customer, loan onboarding and processing costs, technology costs, administrative costs and other overheads. While pricing some structured loans, the company also considers subvention provided by the sellers.

#### **B) Loans booked in a co-lending arrangement**

- Under this arrangement for arriving at interest rates to be charged to the customer, Davinta considers the interest rate passed on to the co- lender, tenor of the loan, risk profile of the customer, loan onboarding and processing costs, technology costs, administrative costs and other overheads. While pricing some structured loans, the company also considers subvention provided by the sellers.

Based on the details mentioned in (A) and (B) above, which are specific to their respective types of loan books, the Company may charge interest rates of up to 26% p.a. from the borrower. The interest rate chargeable for both types of loan books is up to 26% p.a. Further, the provisions mentioned below are applicable to both (A) and (B).

1. Davinta reserves the right to adjust interest rates and charges periodically. Any changes will be communicated to customers in a timely manner through appropriate channels. Such adjustments will be prospective in effect.

2. The interest shall be deemed payable in accordance with the terms stipulated in the sanction letter/loan agreement.
3. Besides normal interest, Davinta may levy additional / penal charges for delay or default in making payments of any dues. These additional or penal charges for different products will be specified in in the sanction letter as per RBI requirements. The details of the penal charges approved by the Board are also mentioned in the Company website as per the requirements of RBI.
4. Claims for refund or waiver of charges / penal charges / additional charges would normally not be entertained by Davinta and it is at the sole discretion to deal with such requests.
5. The management, as per the authorization matrix defined, is authorized to approve/ratify any deviation on the rate of interest.

### **Additional Charges**

Besides interest, penal charges as defined above will be levied on the customers. In case of levy of any other financial charges like processing charges, stamp duty charges, etc., these would be appropriately disclosed in customer documentations wherever necessary. In addition, the Goods and Services Tax and other taxes, levies or cess would be collected at applicable rates from time to time.

### **Amendment**

Any amendment in the policy will be done with the approval of the Board of Directors. Notwithstanding anything contained herein, any subsequent amendment in the RBI regulations or any other applicable law in this regard, shall automatically apply to this Policy. Accordingly, this policy shall be duly revised to incorporate any amendments.

### **Policy review**

This Policy shall be reviewed by the Board of Directors at least once in every year, in order to align with the ongoing regulatory and business requirements.

### **Disclosure**

Appropriate disclosure regarding this Interest Rate Policy shall be made on the Company website.