

Interest Rate Policy

1. Introduction

This Interest Rate Policy (“Policy”) is adopted by Dhruva Capital Services Limited (“the Company”), a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India.

The Policy sets out the principles and methodology for:

- Determination of interest rates
- Levy of fees and charges
- Disclosure of Annual Percentage Rate (APR)

The Company offers loans through its digital platform **NeoMoney** (mobile application and website: <https://neomoney.app/>).

Regulatory Disclosure:

All loans are **sanctioned and disbursed solely by Dhruva Capital Services Limited**. NeoMoney acts only as a **digital platform facilitating loan sourcing and servicing** and does not act as a lender.

2. Regulatory Framework

This Policy is aligned with:

- RBI Digital Lending Guidelines (2022)
 - RBI Fair Practices Code for NBFCs
 - RBI Guidelines on Transparency in Interest Rates
 - RBI Circular on Penal Charges (2023)
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3. Key Principles

The Company follows these principles while determining interest rates:

3.1 Transparency

- All interest rates and charges are disclosed upfront in the **Key Fact Statement (KFS)**

- No hidden charges are levied at any stage

3.2 Risk-Based Pricing

- Interest rates are determined based on borrower risk profile and creditworthiness

3.3 Non-Discrimination

- No discrimination based on gender, religion, caste, or other prohibited factors

3.4 Reasonableness & Fairness

- Rates are aligned with cost of funds, operational costs, and risk premium
- Pricing remains consistent with responsible lending practices

3.5 Regulatory Compliance

- All practices comply with applicable RBI regulations
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4. Methodology for Determination of Interest Rates

Interest rates are determined using a **board-approved risk-based pricing model**, considering:

4.1 Borrower-Specific Factors

- Credit score and repayment history
- Income level and employment stability
- Existing financial obligations
- Past relationship with the Company

4.2 Product-Specific Factors

- Loan amount
- Loan tenure
- Type of loan (secured/unsecured)

4.3 External & Operational Factors

- Cost of funds
- Market conditions
- Business strategy

- Operational and servicing costs
 - Risk premium for borrower segment
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5. Annual Percentage Rate (APR)

The Company discloses the **Annual Percentage Rate (APR)**, which represents the **total annualized cost of the loan**, including:

- Interest rate
- Processing fees
- Other applicable charges

APR is:

- Clearly disclosed in the **Key Fact Statement (KFS)**
 - Shared **before loan acceptance**
 - Digitally acknowledged by the borrower
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6. Interest Rate Range

The indicative APR range offered by the Company is:

- **Minimum APR:** 108% per annum
- **Maximum APR:** 144% per annum

Important Disclosure:

The applicable APR for each borrower depends on their **risk profile, loan tenure, and product type**, and is clearly disclosed in the KFS prior to loan acceptance.

7. Fees and Charges

All applicable fees are disclosed upfront in the KFS and loan agreement. These may include:

- Processing fees
- Convenience/platform fees (if applicable)
- Late payment charges
- Mandate failure / bounce charges
- Applicable taxes (GST, etc.)

No charges are recovered without prior disclosure.

8. Penal Charges (Late Payment Charges)

- Penal charges are applied **only in case of delay in repayment**
- These are **fixed charges** and not linked to outstanding principal as interest
- **No compounding of penal charges**
- Penal charges are clearly disclosed in the KFS

This is in line with RBI guidelines prohibiting **penal interest structures**.

9. Communication to Borrowers

Loan terms and charges are communicated through:

- Key Fact Statement (KFS)
- Loan Agreement
- NeoMoney App and Website
- Email/SMS notifications

No loan is disbursed without borrower acceptance of terms.

10. Customer Protection & Fair Practices

- Borrowers are provided a **cooling-off/look-up period** (as per RBI norms)
 - No automatic increase in credit limits without consent
 - No misleading advertisements or hidden pricing
 - Data privacy and consent-based access are strictly followed
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11. Grievance Redressal

For interest rate or charge-related complaints:

Grievance Redressal Officer (Dhruva Capital Services Limited):

Name: Ramesh Kumar Pandey

Email: grievance@dhruvacapital.com

Customers may escalate unresolved complaints as per the Company's Grievance Redressal Policy and further to the RBI Ombudsman.

12. Review & Policy Update

- This Policy is reviewed **at least annually**
 - Changes are made based on regulatory updates and internal review
 - Updated versions are published on:
 - <https://www.dhruvacapital.com/>
 - <https://neomoney.app/>
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13. Public Disclosure

This Policy is publicly available on the Company's website and digital platforms in compliance with RBI requirements.