THE

INTEREST RATE MODEL POLICY

OF

ABHIYAN CAPITAL (INDIA) PRIVATE LIMITED

(Formerly Dowell Fiscal Services Private Limited)

CIN: U65999MH1995PTC289390

This Policy has been approved by the Board of Directors of Abhiyan Capital (India) Private Limited and shall remain effective until amended, revised, or superseded by the Board of Directors.

Interest Rate Model Policy

Abhiyan Capital (India) Private Limited

(Formerly Known as Dowell Fiscal Services Private Limited)

A. INTRODUCTION

Abhiyan Capital (India) Private Limited ("the Company" or "ACIPL"), formerly known as Dowell Fiscal Services Private Limited, is a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC) registered with the Reserve Bank of India ("RBI") and classified as NBFC-Base Layer (NBFC-BL).

The Company offers secured and other loan products to various customer segments and has adopted this Interest Rate Model in accordance with applicable RBI regulations and fair lending principles.

B. REGULATORY FRAMEWORK

This Policy is framed in accordance with:

- RBI Master Direction – Reserve Bank of India (Non-Banking Financial Companies Responsible Business Conduct) Directions, 2025 including amendments (if any);
- RBI Fair Practices Code guidelines;
- RBI Digital Lending Guidelines;
- RBI directions relating to Penal Charges and Key Fact Statements (KFS);
- Other applicable laws, regulations, circulars, and directions issued by RBI from time to time.

As required under the above regulations, the Board of Directors has adopted an Interest Rate Model taking into account factors such as cost of funds, operating costs, risk premium, liquidity considerations, expected credit losses and reasonable return on capital.

C. OBJECTIVES OF THE POLICY

The objectives of this Policy are to:

1. Establish a transparent and consistent framework for determination of interest rates, processing fees, penal charges, prepayment charges and other applicable charges.

2. Ensure fair, objective, transparent and non-discriminatory pricing of loan products.

3. Align the Company's lending practices with RBI regulations, fair lending principles and industry best practices.

4. Provide guidance on the methodology for gradation of borrower risk and determination of borrower-specific pricing.

5. Ensure appropriate governance, oversight and periodic review of pricing practices.

D. IMPLEMENTATION OF THE POLICY

The Board of Directors shall have overall oversight on this Policy.

The operational implementation of the Policy, including determination of applicable interest rates, charges and customer-specific pricing within the framework of this Policy, may be undertaken by authorised officials / committees of the Company as approved by the Management and Board from time to time.

E. FAIR PRACTICES CODE

All activities relating to pricing, customer communication, interest revisions, recovery of charges and disclosure requirements shall be undertaken in accordance with the Board-approved Fair Practices Code of the Company.

The Company shall ensure that pricing practices remain fair, transparent, reasonable and non-discriminatory.

F. INTEREST RATE FRAMEWORK

1. Factors Affecting Interest Rates

The Company follows a risk-based pricing approach whereby the interest rate applicable to each loan is determined based on a combination of factors including but not limited to:

• Cost of funds and borrowing costs
• Liquidity considerations
• Operating and servicing costs
• Credit risk and expected credit losses
• Customer repayment behaviour and bureau profile
• Existing indebtedness and leverage profile
• Cash flow assessment and repayment capacity
• Nature and quality of collateral security
• Loan amount and tenure
• Industry/business segment of borrower
• Geographic and portfolio delinquency trends
• Product category and sourcing channel
• Historical portfolio performance
• Market practices and competitive landscape
• Expected profitability and return on capital

2. Approach for Gradation of Risks

The Company adopts a structured and objective framework for gradation of borrower risks.

Borrowers may be assessed through internal credit evaluation models considering quantitative and qualitative parameters including:

• bureau score and credit history,
• repayment track record,
• income and cash flow assessment,
• business profile,
• indebtedness,
• collateral profile,
• behavioural indicators,
• surrogate data,
• and other risk parameters considered relevant by the Company.

The Company acknowledges that interest rates for the same product and tenure may vary across borrowers based on objective and quantifiable risk factors.

Such variations shall not be arbitrary or discriminatory and similarly placed borrowers shall be treated consistently.

3. Interest Rate Structure

The Company currently offers primarily fixed rate loan products. However, the Company may introduce floating or variable rate products in future.

Interest shall ordinarily be charged on a reducing balance basis.

The maximum rate of interest charged by the Company shall ordinarily not exceed 32% per annum on reducing balance basis, unless otherwise approved by the Board or permitted under applicable regulations.

All interest rates shall be disclosed as annualized rates.

Interest shall ordinarily be recovered on a monthly basis unless otherwise specified under the relevant product policy or loan agreement.

Interest and instalments shall be payable on due dates as specified in the loan agreement and no grace period shall ordinarily be allowed unless otherwise approved or specifically stated in the financing documents.

Any changes in interest rates or other applicable charges shall be implemented with prospective effect only and shall be communicated to customers through appropriate communication channels including website, SMS, email or digital communication modes.

Requests for waiver or refund of charges, including penal charges, shall generally not be entertained and shall be considered only at the sole discretion of the Company, subject to internal policies and applicable regulations.

G. COMMUNICATION AND DISCLOSURES

At the time of sanction, the Company shall communicate to the borrower:
• loan amount,

• annualized rate of interest,
• tenure,
• EMI amount,
• repayment obligations,
• penal charges,
• and other applicable charges.

The borrower shall also be provided repayment schedule/amortization schedule, Key Fact Statement (KFS) and other disclosures as required under applicable regulations.

The Company shall disclose this Interest Rate Model / Policy and other disclosures as required under applicable regulatory guidelines on its website from time to time

Any revision in interest rates or charges applicable to existing customers shall be implemented prospectively and communicated through appropriate channels including website, SMS, email, digital communication or other acceptable modes.

H. PENAL CHARGES

Penalty for non-compliance with material terms and conditions of the loan contract shall be treated as "penal charges" and not as "penal interest".

No capitalization of penal charges shall be undertaken.

Penal charges shall be reasonable, proportionate, non-discriminatory and compliant with RBI guidelines.

Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall also be communicated.

Any instance of levy of penal charges and the reason therefor shall also be communicated to the borrower.

The Company shall clearly disclose the amount of penal charges, basis of levy and triggering events in loan agreements, sanction letters, MITC/KFS and website disclosures.

I. PREPAYMENT / FORECLOSURE CHARGES

The Company may permit prepayment or foreclosure of loans subject to applicable terms and conditions as specified in the loan agreement and applicable product guidelines.

Any applicable prepayment or foreclosure charges shall be transparently disclosed to the borrower in the sanction letter, loan agreement and/or Key Fact Statement, wherever applicable.

No undisclosed or retrospective charges shall be levied.

J. OTHER CHARGES

In addition to interest, the Company may levy:
• processing fees,

- documentation charges,
- cheque/NACH bounce charges,
- legal/valuation charges,
- foreclosure/prepayment charges,
- security swap charges,
- and other permissible charges.

All charges shall be reasonable, transparently disclosed and compliant with applicable regulations.

The Company shall ensure that all applicable charges are clearly disclosed upfront in the sanction letter, loan agreement and Key Fact Statement (KFS), wherever applicable.

No charges shall be levied unless they have been explicitly disclosed to and accepted by the borrower.

Applicable taxes including GST shall be levied additionally as per law.

K. REVIEW OF THE POLICY

This Policy shall be reviewed by the Board at least annually or earlier if required due to regulatory changes, business changes, market developments or operational requirements.

Any changes in RBI guidelines or applicable laws shall automatically prevail over provisions inconsistent with such regulations.

Notwithstanding anything contained in this Policy, in case of any contradiction between this Policy and any applicable law, regulation, RBI guideline or amendment thereto, the applicable law/regulation shall prevail.

---End of Interest Rate Policy---