



SHANKAR FININVEST PRIVATE LIMITED

CIN - U74899DL1995PTC067650

RBI CoR - B-14.02178

Registered Address:
160, First Floor, Gaffar Market,
Karol Bagh, New Delhi, 110005

SHANKAR FININVEST PRIVATE LIMITED

INTEREST RATE POLICY

A Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC), Non-Deposit Taking, Non-Systemically Important (ND-NSI)

Registered Office Address: 160, First Floor, Gaffar Market, Karol Bagh, New Delhi, 110005

PREAMBLE

Shankar Fininvest Private Limited ("hereinafter referred as "the Company"), having registered office situated at 160, First Floor, Gaffar Market, Karol Bagh, New Delhi, 110005 and the company is registered as Non-Banking Financial Company (NBFC), – Investment and Credit Company (NBFC-ICC) with the Reserve Bank of India. The Company is categorised under the Base Layer as a Non - Deposit Taking, Non-Systemically Important NBFC having registration No. B-14.02178.

Further Reserve Bank of India has issued (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, RBI/DOR/2025-26/362DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025 ("Directions"), or any successions thereof, the Board had approved the Fair Practice Code (hereinafter referred as "the Code") aligning with requirement of recent guidelines, directions and circulars.

Pursuant to approved Fair Practice Code and as per Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, the Board of the Company is required to lay out an appropriate internal principles and procedure in determining interest rates, processing, penal and other charges.

PURPOSE AND SCOPE

The purpose of this Policy is to articulate a comprehensive, Board-approved system for determining interest rates and pricing components applicable to all loan products offered by the Company.

This Policy governs all types of loans—payday loans, short-tenor loans, consumer loans, and any other products introduced by the Company—and is applicable irrespective of whether loans are sourced directly, through branches, through Loan Service Providers (LSPs), or via Digital Lending Applications (DLAs).

The Policy is binding upon the Board of Directors, senior management, the credit team, operational staff, digital platforms, LSPs, outsourced agents, and any other individual or entity involved in loan origination or servicing.



Branch Address:

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DETERMINATION OF INTEREST RATE

The Board has approved and adopted an interest rate model according to which the interest charged is arrived at after considering inherent credit and default risk in the product and the clients, regulatory changes, carrying cost, operating cost or any other relevant factor such as prevalent market lending rates in the industry, etc.

CHARGING OF INTEREST TO DIFFERENT CATEGORIES OF BORROWERS

The Company provides pay day loans. Our Company extends different range of products to several/different category of Borrowers.

Our interest rates are determined in a manner that is non-discriminatory, transparent and consistent across customers in similar risk categories.

INTEREST RATE MODEL

The interest rate charged to the borrower are disclosed in the sanction letter and allied documents to ensure that the borrower takes informed decision.

Our rate of interest is standardized and designed to meet short-term liquidity requirements of borrowers in the range 0.4% to 1.1% per day, the company arrived at this rate after careful consideration keeping in view the expected credit loss and special mention account (SMAs) and Non-performing Assets (NPAs). Our daily rate reflects the short tenor, high frequency nature of the product, the accelerated risk associated with the borrower segment, and the immediate liquidity support the product provides.

Any change in interest rate shall be prospective and duly communicated to the borrowers as per applicable guidelines, master direction, circulars, notification etc., of Reserve Bank of India.

Interest shall always be communicated in annualised percentage terms (APR) even where daily or short-tenor rates are utilised operationally. Borrowers shall receive clear disclosure in the Sanction Letter, Loan Agreement and Key Fact Statement of the total cost of credit, including interest, processing fees, GST (if applicable), third-party charges, and any other cost component.

GRADATION OF RISK

Our Company has adopted an interest rate model according to which the interest charged is arrived at after considering various factors such as holistic assessment of credit risk, borrower credit record, operational costs, expected loss rates, tenure of the relationship



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with the customer, past defaults, risk-adjusted return expectations, market conditions, regulatory prescriptions and portfolio diversification objectives.

Further the Company provides instant eligibility assessments within few minutes with minimal inputs, our AI based system removes the difficulty of lengthy paper work and complex calculation requirements.

PENAL CHARGES

The intent behind the levy of penal charges is essentially to inculcate a sense of credit discipline and such charges are not meant to be used as mechanism for revenue enhancement of the Company.

Our company charges uniform penal charges across different categories of borrowers, a standard charge of Rs. 500 every month (Rupees Five Hundred only) excluding GST, shall be charged in case of default of payment after completion of first month and till the default made good, in this scenario the borrower may pay the whole outstanding amount (Principal and interest along with other charges related to loan as mentioned in the sanction letter and/or loan agreement) and can opt for clean exit from loan facility.

The Company shall charge penalty in case of non-compliance of material terms and conditions of loan contract and this charge shall be in the form of 'penal charges' and not as 'penal interest'.

The Company shall not capitalise the penal charges i.e., no further interest shall be computed on such charges.

As per Reserve Bank of India (Non – Banking Financial Companies – Responsible Business Conduct) Directions, 2025, Penal interest is the interest that is added to the rate of interest charged on the advance, therefore the Company shall not charge penal interest.

Further the quantum and reason for charging penal charges are disclosed in the loan agreement and Key facts statements.

The sanction head in consultation with authorized official may reduce the rate of interest on loan, penal charges or other charges depending on the situation and circumstances of borrower subject to verification of need of reduction in the above-mentioned interest or charges to ease the burden of borrower by the sanction head.

The above-mentioned benefit may vary based on circumstances of borrower and does not constitute any affirmation or guarantee of reduction of interest, penal charge and/or other charges.

OTHER FEE/CHARGES

The interest rate charged is to be calculated on the principal amount only and the Company shall charge Processing Fee, GST, Penal Charges (if any), prepayment charges (if any) and



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any other fee/charge as may be specified in the sanction letter and/or Loan agreement separately.

RESPONSIBILITY OF THE BOARD

This Policy shall be subject to review in accordance with master direction, circulars, guidelines and notification etc., issued by Reserve Bank of India and consequently be amended/revised/modified by the Board accordingly.

In case of any change the same shall be updated on our website <https://pennydrop.in/> promptly.



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