

# **INTEREST RATE POLICY**

(In compliance with RBI Guidelines on Digital Lending)



<b>Date of approval of Policy</b>	<b>25<sup>th</sup> Day of April, 2025</b>
<b>Board Resolution No</b>	<b>10/2025-26</b>
<b>Applicable from</b>	<b>25<sup>th</sup> Day of April, 2025</b>
<b>Approved by</b>	<b>The Board of Directors</b>

**Reference: Notification No. RBI/2022-23/111 DOR.CRE.REC.66/21.07.001/2022-23**

## **MAHASHAKTI FINANCIERS LIMITED**

**First Floor, Paras Complex, Jandore Site, Ward No-01, Near Bhagat Singh Park, Opp.  
Govt. Degree College, Kathua, Jammu & Kashmir, India, 184101**

## **1. INTRODUCTION**

Mahashakti Financier Limited is a Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India (RBI). **Sabka Loan** is the brand name under which the company conducts its lending operations and specialize in meeting customer's instant financial needs.

Sabka Loan is a digital platform designed to offer personal loans to salaried individuals. All loans provided through this platform are processed and disbursed by Mahashakti Financier Limited. These Terms apply to any interaction you have with Sabka Loan, including accessing the website, applying for loans, and managing your loan account.

### **Objective**

In accordance with the RBI directions, Mahashakti Financier Limited ("Company") is required to adopt an appropriate interest rate model taking into account relevant factors and to disclose the rate of interest, gradations of risk and rationale for charging different rate of interest.

Keeping in view the RBI's guidelines as cited above, and the good governance practices being followed by the Company, the following internal guidelines, policies, procedures and interest rate model have been adopted by the Company.

The Company's lending products will be priced in accordance with business objectives to sustain interest income and ensure adherence to business objectives.

With the help of this policy, the company shall determine the benchmark rates to be used for arriving at the final rate to be charged to the borrowers/ customers for various products financed by the company

The Company shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications, if required, in the Interest Rate Policy to comply with the standards so prescribed.

### **Products**

The Company is offering the following products to the consumers

- Personal loan
- Business Loan

- Shopping Loan
- Wedding Loan
- Medical Emergency Loan
- Short Term Loan
- Travel Loan
- Credit Card payment Loan
- Home Renovation Loan
- Vehicle Loan
- Education Loan

The above-mentioned products can be offered by the Company registered with the RBI.

Depending on the business strategy and objectives, the Company can either add or substitute the current product offering considering the demand of the product and its financial and strategic viability.

Interest rate calculations could vary depending on risk criteria's for each of the products.

### **Interest rate calculation criteria**

The company intends to follow a Risk based pricing and accordingly leverage the risk underwriting model to charge relevant interest rate from the customer across different programs. The decision to give a loan and the interest rate applicable to each loan account will be assessed on a case-to-case basis, based on multiple parameters such as the borrower profile, repayment capacity, borrower's other financial commitments, past repayment track record if any, loan to income ratio and employment stability.

The definition of interest rates will be risk-based and based on consumer segmentation. In order to promote growth, improve customer satisfaction and align with risk interest rates will be kept competitive.

The rate of interest shall be defined in accordance with the following parameters:

- - Average Cost of funds of the Company
- - Operational and Administrative Costs
- - \*Risk Premium depending on the following risk factors associated with the borrower like:

- a. bureau score,
- b. repayment history,
- c. past history of 30+ dpd/ 90+ dpd
- d. write-off/ suit filed,
- e. active credit card/loans on bureau,
- f. FOIR
- g. employment type, business segment etc, as applicable.
- - Risk weights as prescribed by RBI for particular product
- - Expected loan performance
- - Profit margin
- - Strategic importance of the particular product in accordance with the risk management policy of the Company.

***\*The above mentioned factors can change depending on risk appetite for each customer segment and also as per the credit risk associated with the said customers.***

### **Interest rates**

This policy provides details of the interest rate being charged by the Company which are mentioned in **Annexure-A** .

### **Charges**

In accordance with the business model of the Company, certain charges are part of the loans sanctioned by the Company. Please find the details of all the charges of all the products of the Company as per **Annexure-B** .

### **Annual Percentage Rate(APR)**

The Company shall intimate the borrower, the loan amount; annualized rate of interest along with the tenure and amount of monthly/quarterly installment. The other charges such as processing fees, penal charges on delayed payments and bounce charges, if any, among the rest, shall also be mentioned in the Loan Agreement and also displayed on the website.

Company will ensure that it does not resort to predatory pricing for standard interest rate and charges as well as penal charges. Company will ensure that it transparently communicates its interest rate and other charges to customers and does not change it retrospectively.

#### **Annexure-A: Interest Rates for Loan Products**

<b>Product</b>	<b>Interest Rate</b>
Personal loan	3%-6%
Business Loan	13.99%-29.99%
Shopping Loan	8.99%-18%
Wedding Loan	9.99%-25%
Medical Emergency Loan	13.99%-29.99
Short Term Loan	13.99%-29.99
Travel Loan	13.99%-29.99
Credit Card payment Loan	13.99%-29.99
Home Renovation Loan	13.99%-29.99
Vehicle Loan	13.99%-29.99
Education Loan	13.99%-29.99

#### **Annexure-B: Charges for Loan Products**

<b>Type of Product</b>	<b>Charges</b>
All type of Loan	Processing Fees- 10% of the loan amount Foreclosure Charges- NIL Late Payment Fees/ Penal Charges- NIL

*Note:*

- All charges are exclusive of GST.