

INDIFI CAPITAL PRIVATE LIMITED
(FORMERLY KNOWN AS RIVIERA INVESTORS PRIVATE LIMITED)

INTEREST RATE POLICY

Effective Date	March 27, 2026
Version	6.0
Prepared By	Risk Department
Approved by	Board of Directors

INTEREST RATE POLICY

OVERVIEW

As per the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as updated from time to time, all the NBFC shall adopt a Board approved interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest charged for loans and advances.

Keeping view of the RBI Guidelines as cited above, the following internal guiding principles and interest rate model are therefore laid out by the board of Indifi Capital Private Limited (Formerly known as Riviera Investors Private Limited) (the Company/Indifi). This policy should always be read in conjunction with **RBI** guidelines, directives, circulars and instructions. The Company will apply the best industry practices so long as such practice does not conflict with or violate RBI guidelines. This policy shall be read in conjunction with the company's Fair Practice Code and Policy on Levy of Penal Charges, as amended from time to time.

OBJECTIVE OF THE POLICY

The objective of the Policy is to standardize the methodology used to charge interest rate for different category of customers segment and to arrive at the final rates charged from the customers.

IMPLEMENTATION OF THE POLICY

The Board of Directors shall have an oversight on the Company's Policy on Interest Rate. The Board may delegate certain operational aspects to the Credit and Risk Committee/ other relevant board/ management committee as deemed fit by the Board of Directors to ensure effective implementation of the Policy on Interest Rate. Such committee will determine the pricing range for different customer segments and products in accordance with this Policy on Interest Rate and recommend it to the Board for its approval.

The interest rates to be charged for different segments and customers will be decided by the business teams to be consistent within the range of rates approved by the Board. The business teams will consider relevant factors, including the risk of the applicant defaulting on the loan, prevalent market conditions, competition and the ability of the target customer base to service such interest while determining the rate to be charged within the range approved by the Board.

Given the business model of Indifi, the lending rates could be upto a maximum of 36% p.a. for varying loan products, tenors and risk profiles of borrowers. Customers will be made upfront aware of the price offered on their facility on the sanction documents or agreements as applicable to that product category, enabling the customer to be aware of all costs and charges for availing the loan and to enable him/her to compare the same with any offering from other lenders.

ESTABLISHING INTEREST RATE MODEL

1. The Company may charge a different rate of interest for the same product and tenor availed during the same period by different customers, depending upon considerations of any or combination of a few or all factors listed in the policy.
2. All products offered by the company are on Fixed rate of interest. Details of various products offered by the Company are as under:

Product Segment	Nature
Unsecured Business Loans	Fixed
Secured Business Loan	Fixed
Supply Chain Finance	Fixed

Note: The Company has stopped offering Line of Credit product w.e.f. November 01, 2024

3. The rate of interest shall be arrived at after considering relevant factors, including the following.
 - **Cost of funds:** The rate of interest charged will be determined depending on the rate at which funds necessary to provide loan facilities to customers are sourced by the Company, normally referred to as cost of funds.
 - **Credit Risk (Risk Premium):** Expected credit losses and NPAs, should be taken into consideration while arriving at the final interest rate for all loan assets. The amount of expected credit losses applicable to a particular type of loan transaction would depend on Company's internal assessment of the credit strength of the borrower
 - **Estimated Operating expenses (Opex):** It includes estimated fixed and variable operations cost including employee expenses, administration expenses, sales and marketing expenses, etc.
 - **Expected Margin:** Expected margin is the minimum return expected by the company on the loans.
4. Review of the interest rate structure should be placed before the Board of Directors of the Company at least annually.

PRINCIPLES AND PROCEDURES FOR CHARGING SPREADS TO CALCULATE FINAL RATE

The rate of interest for loans for various business segments and various schemes thereunder is arrived at after adjusting for spread by the relevant business segment. Factors considered by for calculating spreads are as follows:

- Credit and default risk in the related business segment
- Historical performance of similar homogeneous clients
- Profile and market reputation of the borrower
- Industry segment
- Repayment track record of the borrower
- Nature and value of collateral security
- Secured vs unsecured loan
- Subvention available

- Ticket size of loan
- Credit Bureau Score and trade line information
- Tenure of Loan
- Product Segment
- Location delinquency and collection performance
- Customer Indebtedness (other existing loans)
- Market competition
- any other factors that may be relevant in a particular case and as deem fit by the Board of Directors of the Company.

The rate of interest for the same product and tenor availed during the same period by different customers may not be the standardized one. It could vary for different customers depending upon consideration of all or any combination of above factors.

The Business team shall have the authority to fix their internal pricing under the overall framework of this policy for deciding the spreads to arrive at the final rate to be charged to the customers.

FEES AND CHARGES

Processing Fees and Other Charges

Processing fees represent the general costs incurred in rendering the services to the customers. The processing fees and other charges charged to the customers will be clearly stated in the loan documents. Any changes in the processing fees / other charges will be taken into effect prospectively.

The fees/charges may vary based on the loan product, exposure limit, customer segment, and geographical location.

Other costs and charges such as stamp duty, service tax and other cess would be collected at applicable rates.

Penal Charges

In case of any delay or default in repayment of dues, the Company may collect penal charges from its customers.

The penal charges shall be decided by the Company from time to time and communicated to the customers in the Key Fact Statement as part of loan agreement and sanction letters. A list of such charges will also be hosted on the Company's website.

Prepayment / Foreclosure charges

Indifi Capital Private Limited

(formerly known as Riviera Investors Private Limited)

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The Company may, at its sole discretion, allow the prepayment of the loan amount subject to certain conditions and on payment of prepayment /foreclosure charges by the customer on fixed interest rate loans. This will be documented clearly in the financing documents, including the loan agreement.

Company will ensure that any fees, charges, etc., payable to any lending service providers in respect of the digital loans provided by the Company are only paid directly by Company and are not charged by any lending service provider to the borrower directly.

DISCLOSURE AND COMMUNICATION FRAMEWORK

The Interest rates shall be intimated to the customers at the time of sanction/ availing of the loan and the equated installments apportionment towards interest and principal dues shall be made available to the customer. Changes in the interest rate will take effect prospectively and such changes will be intimated to the customers in a manner as may be decided by the Company.

All other fees & charges will be disclosed clearly in the loan documentation with the borrower, including in the Key Facts Statement and shall not be charged unless disclosed in the Key Facts Statement (provided pursuant to Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025).

Annualized Rate

The Company will communicate annualized rate of Interest to all its borrowers. Further, Annualized percentage rate (“APR”) i.e. the effective annualized rate charged to the borrower of a loan, shall be the all-inclusive cost to the borrower, including processing fee, documentation charges, etc., but excluding contingent charges like penal charges, late payment charges. The APR shall be disclosed upfront to each borrower and shall also be a part of the Key Fact Statement.

AMENDMENTS TO THE INTEREST RATE POLICY

The Policy shall be reviewed at least annually by the Board of Directors of the Company or earlier, if required, pursuant to any statutory/ regulatory or internal changes.

The Company shall abide by this Interest Rate Policy following the spirit of the Interest Rate Policy and in the manner, it may be applicable to its business.

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ROI Calculation Methodology

1. **Cost of Funds** – Blended APR at which Treasury borrows debt from market and equity.
(Quarterly updated with forward looking adjustment as per management's view).
2. **Operations Cost** – Overall blended annualized operating cost including Indirect Cost.
3. **Estimated Annualised Risk Cost** – The risk cost varies by Risk band.
4. **Expected Margin** – Expected Return on the loans, on an annualized basis.

Illustration of ROI calculation across various loan ticket sizes

Loan Ticket Size=>	< 4 Lakhs	4 To 10 Lakhs	10 - 20 Lakhs	20 - 30 Lakhs	> 30 Lakhs
Cost of Funds	10%	10%	10%	10%	10%
Estimated Annualised Risk	6.00%	6.00%	6.00%	6.00%	4.50%
Direct Expense	8.0%	6.0%	4.5%	3.5%	3.0%
Indirect Expenses	4.0%	4.0%	4.0%	4.0%	4.0%
Total OPEX	12.0%	10.0%	8.5%	7.5%	7.0%
Margin on Asset	2%	2%	2%	2%	2%
ROI	30%	28%	27%	26%	24%

Note: The values used above are illustrative and actuals may vary.

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Sangram Singh
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