

INTEREST RATE POLICY

Spinny Capital Private Limited

(Approved by the Board dated September 14, 2024)

Background

The Reserve Bank of India (RBI) vide its circular No. DNBS.PD/CC.No.95 /03.05.002 /200607 dated May 24, 2007 had advised the Board of Directors ("Board") of NBFCs to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. In continuation of the above circular, the RBI vide its circular DNBS.204/CGM (ASR)-2009 dated January 2, 2009 read with Master Direction issued by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19th October 2023 has issued the following directions to NBFCs:

The Board of each NBFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the Borrower or Customer in the application form and communicated explicitly in the sanction letter.

In compliance with the requirements of the RBI Regulations mentioned above, Spinny Capital Private Limited ("Spinny Capital") has adopted this Interest Rate Policy broadly outlining the interest rate model and risk gradation approach. This policy should always be read in conjunction with RBI guidelines, directives, circulars and instructions

Objectives

Objectives of this Interest Rate Policy are to:

- (i) set out a framework describing the interest rate model adopted by Spinny Capital Private Limited
- (ii) provide its borrowers an overview of the method and factors used for calculating the interest rates charged on various lending models of Spinny Capital
- (iii) adopt a uniform and consistent approach for determining the interest rates charged to different types of borrowers.



Overview

The Interest Rate Policy is divided into the following parts:

Part 1 (Lending Model) provides a brief description of the type of lending activities undertaken by Spinny Capital from time to time;

Part 2 (Interest Rate Model) sets out the guidelines for determining interest rates charged by Spinny Capital in accordance with its lending model

Part 3 (Review and Oversight) describes the procedural aspects for implementing the Interest Rate Policy (such as the manner and periodicity in which the interest rate model is reviewed and amended by Spinny Capital).

1. Lending Model**Business Segments**

Spinny Capital shall be primarily lending to pre-owned car buyers, availing a loan to facilitate purchase of pre-owned cars. Spinny Capital may also either directly on its own or indirectly through its affiliates or other third party service providers provide loans and/or financial services to individual / non-individual borrowers to fulfill their personal / business related financial requirements.

This shall entail giving loans and credit facilities through automated means, which amongst others includes customer acquisitions, loan application processing, disbursement, loan lifetime management, collection and recovery, etc., as may be permitted under applicable laws from time to time.

Categories of Borrowers

The two main categories of borrowers that Spinny Capital shall provide its services to are (i) Individual customers, and (ii) Entities such as hindu undivided families (HUF), companies, partnership firms, limited liability partnerships, sole proprietorship, trust, societies, etc.

Pricing Philosophy

Spinny Capital shall follow a risk-based pricing model in accordance with the interest rate model described in this Interest Rate Policy and the interest rates may vary within a range depending on the lending model and business segment of Spinny Capital (i.e., type of loans and borrowers).



2. Interest rate model

Interest Rate

Interest rates offered Spinny Capital shall be on a fixed basis based on the factors set out further below.

Interest rates will be computed on an annual basis to enable the borrower to be informed of the exact rate being levied by Spinny Capital but may be charged by Spinny Capital on a periodic basis as agreed between the borrower and Spinny Capital in the relevant loan documentation.

Interest rates shall not be standardised and may vary within a range based on the type of loan, type of borrower as well as the factors set out further below. An indicative schedule of Interest Rates being levied by Spinny Capital for various types of lending products offered by Spinny Capital is available at www.spinnycapital.com

Spinny Capital shall not charge excessive interest rates as compared to prevailing market trends and the Risk Management Committee may specify the maximum interest rate to be levied by Spinny Capital from time to time.

At present, the annualised rate of Interest* to be charged to Customers, at the time of sanctioning loans, shall be in the range as mentioned below (plus processing fees):

Lending Assets/Sector	Range of Interest
Car Loans/Car refinancing	10.5% to 20%
Dealer finance	18% to 28%

Factors for calculation of interest rate

The rate of interest to be levied by Spinny Capital shall be decided on a case-to-case basis and will be evaluated taking into account various variables such as type of loan, tenor of loan, nature of security and/or collateral (as applicable), market volatility, industry trends, etc. as details below.

Internal & External Factors

Spinny Capital shall determine interest rates by taking into account various elements based on internal assessments, procedures, principles, methods, etc., such as (but not limited to) the following:

- Nature of lending (type and form of loan, type of repayment, tenor of loan, secured/unsecured, etc.)
- Nature of security/collateral in relation to the loan
- Internal cost factors (including but not limited to operational costs, overall exposure costs, administrative costs, fixed and variable costs, business costs and margins)
- Risk exposure to cover credit and other risks



- Borrower risk profile based on the credit assessment undertaken by Spinny Capital, past borrowing history and repayment track(s), financial position and stability, future business potential, etc.
- Market conditions and trends (such as market liquidity, interest rates prevailing in the market, regulatory and statutory changes, changes in capital requirements, credit and cyclical conditions)
- Prevailing and anticipated industry trends such as interest rates offered by competitors
- Inherent credit and default risk in similar business or category of borrowers, particularly trends with sub-groups/customer segments of the loan portfolio
- Cost of funds on borrowings and costs incidental to borrowing after considering average tenure, market liquidity and refinancing avenues
- Any other factors considered relevant by the Risk Management Committee from time to time.

Other charges

In addition to interest rates, Spinny Capital may levy certain additional financial charges as it may deem necessary in relation to the loan offered by Spinny Capital to the borrower.

These charges will be explicitly communicated to the borrower in writing (physically or electronically) in the manner described in detail in disclosure section below. The nature of these charges is as follows:

Loan related charges

Pre-Emi interest, prepayment/foreclosure charges, part-payment charges, penal charges, late payment charges and/or any other charges set out in detail in the relevant loan documentation and/or explicitly informed to the borrower.

Administrative costs and charges

Charges and costs involving loan processing, service charges, processing fees, documentation charges, registration & handling charges or and/or any other charges set out in detail in the relevant loan documentation and/or explicitly informed to the borrower.

Taxes

Spinny Capital will recover all taxes, duties, stamp duty, cess levied upon the charges incurred by Spinny Capital for rendering services to the borrower in accordance with the applicable rates.

Disclosures to Borrower

Spinny Capital will inform the borrower in writing in English language and where required under applicable laws and requested by the customer, Spinny Capital shall endeavour to provide in the vernacular language requested by the borrower, all relevant details in relation to the loan offered



by Spinny Capital including all necessary documentation to be entered into in relation to the loan (i.e., terms and conditions, loan agreements, sanction letters along with all relevant enclosures). Spinny Capital shall also endeavour to make terms and conditions in relation to the borrowings available on its website in certain vernacular languages most understood by its customers.

Policies and Procedures

The following other policies are also relevant for the purposes of this Interest Rate Policy:

Credit Policy – The credit policy of Spinny Capital outlines the parameters and processes for credit appraisal, approval, risk guidelines and other credit principles and procedures of Spinny Capital

Fair Practices Code – All relevant disclosures in relation to the Lending Model and Interest Rate Model of Spinny Capital (including this Interest Rate Policy) are disclosed in the Fair Practices Code of Spinny Capital in accordance with the directions of the RBI.

12.4 Form of Documentation

The loan documentation of Spinny Capital and all related documents (including communications sent to, or received by, the borrower) may either be in physical or electronic form.

REVIEW

Board Approval

The Board has reviewed, approved and adopted this Interest Rate Policy as the interest rate policy of Spinny Capital

Risk Management Committee

The Risk Management Committee shall oversee the implementation of this Interest Rate Policy. The Risk Management Committee shall be responsible for monitoring the interest rates charged by Spinny Capital as per this Interest Rate Policy and provide necessary updates and recommendations to the Board in this regard.

Periodicity of Review

This Interest Rate Policy will be reviewed by the Board and/or the Risk Management Committee on periodical basis as may be deemed appropriate by the Board and/or the Risk Management Committee.

Communication

Appropriate disclosure regarding this Interest Rate Policy shall be made on the Company website.

Amendments



Any amendments to this Interest Rate Policy will be reviewed and approved by the Board and/or the Risk Management Committee.

Provisions of this Interest Rate Policy are subject to amendment in accordance with Applicable Laws (including rules, regulations, notifications) on the subject as may be issued from time to time. In case any provisions of this Interest Rate Policy are inconsistent with Applicable Laws (including any subsequent amendment(s), clarification(s), circular(s), etc.) then such provisions of Applicable Laws shall prevail over the provisions hereunder and this Interest Rate Policy shall stand amended so that it complies with Applicable Laws from the effective date of the change in Applicable Laws.



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