



Agenda Item No :	9
Date of Meeting	13/01/2026

VIVA HOME FINANCE LIMITED
INTEREST RATE POLICY NO.31

Version 3.1

(Approved in ALCO Meeting date 16/12/2025)

INTEREST RATE POLICY

OBJECTIVE OF THE POLICY.

To arrive at Benchmark rates to be used for different category of customers segment and to decide on the principles and approach of charging spreads to arrive at final rate charged from customers.

Housing Finance Companies (HFCs) were regulated by National Housing Bank (NHB), a subsidiary of the Reserve Bank of India (RBI) and in February 2021, the RBI, Department of Regulation vide their Master Direction- Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions has issued Master Regulatory guidelines vide Notification No. RBI/2020-21/73DOR.FIN.HFC.CC.No. 120/03.10.136/2020-21 dated 17th February 2021. In this Master Circular, no specific guidelines are given by RBI for charging Rate of Interest by HFCs as Interest Rates are not regulated by RBI. As a precautionary measure it is mentioned that Rates of Interest beyond a certain level may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practices. HFCs should lay out appropriate internal principles and procedures in determining interest rates. HFCs are also advised to put an internal mechanism

(Interest Rate Policy) to monitor the process and the operations so as to ensure adequate transparency on this score.

The utilization of resources for Loan purpose is the core activity of HFCs and the health of a HFC is primarily dependent upon the quality of Loan Portfolio. The pricing of Loan products plays an important role not only in seizing the business opportunities but also in improving the profitability of the HFC.

REVIEW OF POLICY

The Policy shall be reviewed once in a year or in between if required due to changes required in the model, for example any addition/deletion of a particular component forming part of benchmark calculation.



ORGANISATION STRUCTURE

Board of Directors

The Board of Directors shall have oversight for the interest rate Policy of VHFL. In order to ensure effective implementation of the Interest Rate Policy, the Board may delegate the implementation of the Policy and its operational aspects to the Managing Director and/or ALCO as deemed fit.

The Funding of HFCs is different from Banks especially small HFCs like VHFL, which are not accepting any public deposit. So, the basis of charging interest on Loan Products granted by HFCs is altogether different from the one adopted by the Banks. HFCs base their actual lending rates against an internal bench mark rate, which is called BPLR. Interest rate for all loans will be calculated with reference to this rate. The BPLR is generally the highest rate that HFC charges. So, majority of Loans are below BPLR.

BPLR is calculated on basis of Cost of Fund, Loan Tenor, Profit Margin, Tax Liability, Risk Premium and management cost.

COST OF FUNDS

At present VHFL does not have any Borrowing from any institution and whole operation is based on own funds of Promoters. As per RBI directions, the stipulation of minimum net own funds has been complied with. Promoters are in process of infusing more funds to meet out requirement of working capital VHFL is expecting good capital recoveries and propose to avail loans from Bank as well as refinance from NHB in near future.

Hence, we may presume cost of funds for statistical purpose at the rate of finance available to HFCs from banks & other financial institutions.



RISK PREMIUM

The risk premium is determined after assessment of risks related to transaction and the Borrower. Higher the perceived risks, higher the premium. Assessment is done mainly on basis of performance of the Borrower/ Borrower Track Record /Financial Analysis of the Borrower and marketability of the asset financed and delinquency ratio of the Company in past.

TENURE

The basis of the loan such as whether it is on fixed rate of interest or floating rate basis as well as its tenor also influences the assessment of risk premium load.

ON BASIS OF ALL SUCH INFORMATION, RISK ASSESMENT CHART IS PREPARED IN HFCs.

Calculation of BPLR in VHFL

Cost of Funds/Return on Equity	10.00% (it is the minimum interest charged by any Bank for loan to HFC).
Cost of Management / Operating Expenses	1.82% (Based on historical data of VHFL)
Risk cost	2.20% (NPA in VHFL in past has always very high as compared to peers)
Profit Margin	2.00%
Total	16.02% say 16%.

RISK ASSESMENT CHART vis-a-vis – Minimum Charged Rate of Interest.

At the time of review of Interest Rate policy by the Board on 08/11/2022, BPLR was approved at 16%. Risk Assessment Chart was also reviewed and looking into



Viva Home Finance Ltd
Interest Rate Policy



the market scenario, NPA position of VHFL at that time, the minimum rate of interest for Home Loan & Mortgage Loan (LAP) were as decided @12% (BPLR minus 4%) & 15% (BPLR minus 1%) respectively.

At present, with improvement in economic conditions and reduction of repo rate by RBI, Bank & Other financial institutions, HFCs & NBFCs have reduced their rate of interest in Home Loan & Mortgage Loan segment considerably. Hence in order to remain competitive among our peers, we would also like to reduce minimum rate of interest chargeable to Home Loan to 11% (BPLR minus 5%) however there will not be any change in minimum Rate of Interest chargeable to Mortgage Loan a/c (LAP).

Further, in case of Housing Loan accounts with Fixed Interest Rate, interest @12.5% p.a. will be charged. The existing borrowers with Floating Interest rate can opt for Fixed Interest Rate or vice versa for the remaining repayment tenure, by submitting an application in writing, payment of onetime fee of Rs.5000/- + GST and executing required documentation.

The structure of Interest Rate chargeable on Housing Loans and Mortgage Loans (LAP) for various segments of customer would be as under;

PRODUCT SEGMENT	HOME LOAN	
	FLOATING	FIXED RATE
SALARIED PRIME (EMPLOYEES OF CENTRAL/STATE GOVT., PSUs, BANKS, REPUTED LISTED COMPANIES)	11% TO 15%	12.5%
SALARIED OTHER THAN PRIME	11.5% TO 15%	12.5%
SELF EMPLOYED PROFESSIONAL	11.5% TO 15%	12.5%
SELF EMPLOYED NON PROFESSIONAL	12% TO 15%	12.5%



PRODUCT SEGMENT	LAP LOAN	
	FLOATING	FIXED RATE
SALARIED PRIME - LTV MORE THAN 50% (EMPLOYEES OF CENTRAL/STATE GOVT., PSUs, BANKS, REPUTED LISTED COMPANIES)	14% TO 20%	16%
SALARIED PRIME - LTV LESS THAN 50% (EMPLOYEES OF CENTRAL/STATE GOVT., PSUs, BANKS, REPUTED LISTED COMPANIES)	13.5% TO 20%	16%
SALARIED OTHER THAN PRIME - LTV MORE THAN 50%	15% TO 20%	16%
SALARIED OTHER THAN PRIME - LTV LESS THAN 50%	14.5% TO 20%	16%
SELF EMPLOYED PROFESSIONAL - LTV MORE THAN 50%	15% TO 20%	16%
SELF EMPLOYED PROFESSIONAL - LTV LESS THAN 50%	14% TO 20%	16%
SELF EMPLOYED NON PROFESSIONAL - LTV MORE THAN 50%	15% TO 20%	16%
SELF EMPLOYED NON PROFESSIONAL - LTV LESS THAN 50%	14.5% TO 20%	16%

The Managing Director will be empowered allow concession up to 2% in both Home Loan and Mortgage Loans, in deserving cases having intrinsic value/ good security coverage.

OTHER CHARGES

Besides interest, other financial charges like processing fees, origination fees, cheque bouncing charges, late payment charges, re-scheduling charges, pre-payment / foreclosure charges, part disbursement charges, cheque swap charges, security swap charges, charges for issue of statement account etc., would be levied by the company wherever considered necessary. Besides these charges, stamp duty, GST and other cess would be collected at applicable rates from time to time. Any revision in these charges would be implemented prospective basis with due communication to customers. These charges would



be decided upon by the respective business / Function heads in consultation with Operations, Finance, Compliance and Legal Heads.

PENAL CHARGES

- a) Penal charges, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges.
- b) The company shall not introduce any additional component to the rate of interest and ensure compliance to these guidelines in both letter and spirit.
- c) The quantum of penal charges shall be reasonable and without being discriminatory within a particular loan / product category.
- d) The quantum and reason for penal charges shall be clearly disclosed by the company to the customers in the loan agreement/MITC, in addition to being displayed on the company's website under Interest rates and Service Charges.
- e) Besides normal interest, the Company may levy additional interest for penal charges/ default interest for any delay or default in making payments of any dues. The details of Penal charges for late repayment will be mentioned in the loan agreement and communicated in the sanction letter/MITC to the customer.

COMMUNICATION FRAMEWORK

VHFL will communicate the effective rate of interest -to customers at the time of sanction / availing of the loan through the acceptable mode of communication. Interest Rate Policy would be uploaded on the website of the company and any change in the benchmark rates and charges for existing customers would be uploaded on the web site of the Company. Changes in the rates and charges for existing customers would also be communicated to them



through various modes communication such as website updation, email, letters, SMS, etc.

AMENDMENTS TO THE INTEREST RATE POLICY

The Board hereby authorizes the Managing Director to review and make appropriate changes to the Interest Rate Policy from time-to-time basis the money market scenario in the Country which includes the upward / downward revision in interest rates applicable to various loan products and the relevant charges applicable for such loan products. Any deviation for upward / concession in rate of interest as well to Policy is delegated to the Managing Director.

All proposals will be considered with 16% as BPLR in VHFL with immediate effect. We also propose to review the Price Mechanism at regular intervals.

The amended Interest Rate Policy shall come into effect from the date of approval by the Board.

