

FEES AND CHARGES POLICY

DSP FINANCE PRIVATE LIMITED

(Formerly known as DSP Investment Managers Private Limited)

Version	Description	Prepared By	Approved By
1.0	Policy Formation	- Sachin Aggarwal - Sahib Pahwa	Board of Directors on June 27, 2025
1.1	Policy Amendment	Sahib Pahwa	Board of Directors on December 23, 2025

1. Objective

This Fees and Charges Policy outline the principles and regulatory framework governing the levy, disclosure, and recovery of all fees, charges, penalties applicable on loan products offered by DSP Finance Private Limited (“**DSP Finance**”), including loans disbursed through digital lending platforms and through Lending Service Providers (“**LSP**”).

2. Scope and Applicability

This policy applies to all retail and corporate loans originated, processed, or serviced by the Company whether sourced directly or through Lending Service Providers and Digital Lending Apps (“**DLAs**”).

3. Applicable Regulations

The policy ensures full compliance with the **Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025** (“**Responsible Business Conduct Directions**”), promotes transparency, prevents overcharging, and safeguards customer interest.

4. Guiding Principles

Following are the general guiding principles for levying various fees and charges from the customers:

- **Transparency:** All fees and charges must be clearly disclosed to the borrower upfront in the Key Fact Statement (KFS) and loan agreement.
- **No Hidden Charges:** No charge shall be levied which is not explicitly mentioned in the KFS and agreed to by the borrower.
- **Digital Disclosure:** The KFS shall be digitally signed/verified by the borrower before disbursal and archived for audit and dispute resolution.
- **Fairness:** Charges shall be reasonable, commensurate with actual service costs, and non-discriminatory.
- **Single Recovery Point:** All fees (including those by LSPs) must be paid directly to the NBFC and not to any third party.
- **No Capitalization:** Fees and charges shall not be capitalized for the purpose of calculating APR or EMIs, except as permitted by regulation.

5. Penal Charges

In accordance with the afore-mentioned Directions, the Company shall follow the following aspects with respect to penal charges:

- DSP Finance will not levy any penal interest on loan accounts. Instead, a fixed or percentage-based penal charge shall be applied only on the overdue amount and only in the event of a default. These charges will not be capitalized, compounded, or added to the base interest, and will be maintained distinctly in the system.
- Penal charges will be reasonable, non-discriminatory, and standardized across similar product categories, subject to Board approval. They will be clearly disclosed in the loan agreement, Key Fact Statement (KFS), and periodic account statements, and will not be hidden or bundled with interest.
- The Company will ensure fair and transparent communication of such charges to borrowers through timely SMS/email/app notifications.
- There shall be a cap on the penal charges for the retail loans which shall not exceed the difference between the maximum and normal interest rate applicable to the product.
- No penal charges will be levied in case of disputes, technical failures, or delays arising from force majeure events.

The Company reserves the right, at its sole discretion, to waive any penal charges that may be applicable under this policy. Such waiver shall be subject to and governed by the Company's internal policies, procedures, and approval mechanisms as may be in force from time to time.

Please refer **Annexure-A** for Schedule of charges providing details of all kinds of charges being levied by the Company.

6. Prepayment / Foreclosure Charges

- The Reserve Bank of India (RBI) has issued new directions to ensure fair lending practices and borrower mobility by prohibiting the levy of pre-payment charges in specified loan categories, especially benefiting individuals and Micro and Small Enterprises (MSEs). The directions stem from RBI's supervisory findings and are aligned with its customer-centric regulatory approach
- The said directions apply to all floating rate loans (term or demand) sanctioned or renewed on or **after Jan 1, 2026**.
- No prepayment or foreclosure charges shall be levied on floating rate loans sanctioned to individual borrowers.
- For non-individual borrowers or fixed rate loans, charges (if any) shall be clearly disclosed upfront in the KFS.
- Any waiver of charges shall be applied in a non-discriminatory manner.
- Below is a summary of type of loans wherein prepayment can be charged and not charged

Borrower Type	Purpose of loan	Sanctioned Loan Amount	Pre-payment Charge
Individuals (any)	Non-business	Any amount	Not allowed
Individuals/MSEs	Business	≤ ₹50 lakh	Not allowed
Corporate / Non-individual	Business	> ₹50 lakh	Allowed if disclosed

7. APR and KFS Requirements

- In accordance with the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 and Responsible Business Conduct Directions, the Company shall compute and disclose the **Annual Percentage Rate (“APR”)** for each loan sanctioned, which reflects the **total cost of credit** to the borrower on an annualized basis. The APR includes the interest rate, processing fee, documentation charges, insurance (if bundled), and all other charges associated with the credit facility known at the time of sanction. The APR shall be calculated using a standardised formula and presented prominently in the **Key Fact Statement (“KFS”)**, the loan agreement, and any sanction communication, ensuring full transparency to the borrower.
- A **digitally signed KFS** shall be mandatorily provided to the borrower **before execution of the loan agreement or disbursal**, as per the Reserve Bank of India (Non-Banking Financial Companies– Responsible Business Conduct) Directions, 2025. The KFS shall clearly mention all fees, charges, interest rate, APR, penal charges, recovery mechanisms, and cooling-off period, among other key terms. No charge or fee other than those disclosed in the KFS shall be recovered from the borrower at any stage. The KFS format shall be in line with the RBI-prescribed template and shared in a **durable form** (PDF or equivalent), with a timestamp and audit trail for evidentiary purposes.

8. Review and Governance

- The Board of Directors shall approve and periodically review the Fees and Charges Policy. Significant changes, especially those impacting customer rights, shall be implemented only post Board approval.
- The Chief Compliance Officer (“CCO”) shall ensure policy implementation across digital platforms and LSPs.
- Internal Audit shall verify adherence and report deviations to the Audit Committee.

9. Grievance Redressal

- Borrowers may approach the Grievance Redressal Officer in case of disputes related to charges.
- Escalation details shall be clearly mentioned in the KFS and the loan agreement along with being displayed on the website.
- Any complaints or disputes regarding charges shall be resolved as per the Company's Grievance Redressal Policy.

Retail Loans: These include Loan Against Securities (Shares/Mutual Funds)

Category	Applicability	Charges (Flexi -TL)		Charges (EMI - TL)																				
Processing fees	Charged once before disbursal	upto Rs. 10,000 or 5% of the credit limit (whichever is higher) + GST		upto Rs. 10,000 or 5% of the credit limit (whichever is higher) + GST																				
Renewal Charges	Only when the loan facility is renewed	Upto Rs. 2000 + GST		-																				
Annual maintenance charge	Charged annually	Upto Rs. 10,000 or 5% of the credit limit (whichever is higher) + GST		-																				
Additional security pledging charges/margin pledge charges	Only when additional security is pledged by the customer	Upto Rs. 10,000 or 5% of the credit limit (whichever is higher) + GST		-																				
Dishonor and non-registration charges	Charges on mandate bouncing and non-registration	Upto Rs. 1000		-																				
Security sell off charges	Only on default portion	Upto -.5% of the proceeds or Rs. 5000 (whichever is higher) + GST		-																				
Security unpledging charges	Only when customer unpledges securities	Upto Rs. 1,000		-																				
Prepayment/Foreclosure Charges	As per June 2025 Circular from Jan 01, 2026 onwards for all floating rate products to individuals.	NIL for individual borrowers		NIL for individual borrowers																				
Bank mandate swap charges	As and when there is a change in bank mandate	Upto Rs. 1,000 + GST		-																				
Legal Charges / Recovery	Permissible in default cases	As applicable		As applicable																				
Daily Penal Charges	Optional for demand loans	Amount of Outstanding Due under the Facility that continues to remain unpaid at the end of each day <table border="1" data-bbox="698 1347 1159 1796"> <tr><td>Up to 25k</td><td>INR 10</td></tr> <tr><td>25k – 50k</td><td>INR 25</td></tr> <tr><td>50k – 1L</td><td>INR 50</td></tr> <tr><td>1L – 2.5L</td><td>INR 100</td></tr> <tr><td>2.5L – 5L</td><td>INR 250</td></tr> <tr><td>5L – 10L</td><td>INR 500</td></tr> <tr><td>10L – 25L</td><td>INR 1000</td></tr> <tr><td>25L – 50L</td><td>INR 2500</td></tr> <tr><td>50L – 1Cr</td><td>INR 5000</td></tr> <tr><td>1Cr +</td><td>INR 10000</td></tr> </table>	Up to 25k	INR 10	25k – 50k	INR 25	50k – 1L	INR 50	1L – 2.5L	INR 100	2.5L – 5L	INR 250	5L – 10L	INR 500	10L – 25L	INR 1000	25L – 50L	INR 2500	50L – 1Cr	INR 5000	1Cr +	INR 10000	Penal charges (to be calculated on a daily basis)	-
Up to 25k	INR 10																							
25k – 50k	INR 25																							
50k – 1L	INR 50																							
1L – 2.5L	INR 100																							
2.5L – 5L	INR 250																							
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10L – 25L	INR 1000																							
25L – 50L	INR 2500																							
50L – 1Cr	INR 5000																							
1Cr +	INR 10000																							

Note :-

- All above charges are exclusive of the applicable taxes
- In exceptional circumstances, based on risk perception, these charges may fall outside the indicated range.
- In the event that any penal or other charges are outstanding as on the date of drawdown of a new tranche under the Loan Against Mutual Fund (flexi loan product), such outstanding amounts shall be adjusted and recovered from the proceeds of the drawdown of the new tranche.

- *The Company may also offer co-lent loans in association with other Financial Entities, the Fees and Charges for the co-lent loans can be accessed [here](#).*

Corporate Loans: FSG

In line with the customised and negotiated nature of corporate lending, **DSP Finance** may levy a range of charges depending on the structure, complexity, tenor, and risk profile of the transaction. These may include, but are not limited to:

- **Upfront Fees** – levied at the time of sanction to cover credit appraisal, underwriting, and transaction execution costs.
- **Advisory/Structuring Fees** – applicable to bespoke or complex transactions involving tailored financial arrangements.
- **Prepayment/Foreclosure Charges** – levied as per contractual terms in the event of early repayment or facility closure.
- **Monitoring Fees** – charged periodically to cover costs related to post-disbursement monitoring, escrow management, covenant compliance tracking, and borrower performance reviews.
- **Legal and Documentation Charges** – including expenses for legal vetting, drafting, stamp duty, registration, and engagement of external legal counsel or advisors.
- **Valuation Charges** – charges levied on valuation of collateral and security offered.
- **Due Diligence Charges** – covering external reports such as legal, financial, technical, credit, or valuation assessments conducted as part of the transaction.
- **Renewal/Restructuring Fees** – applicable in cases of extension, renewal, refinancing, or modification of facility terms.
- **Agency / Trustee Fees** – charged when third-party agents or trustees are appointed for managing security, debenture trusteeship, escrow, or cash flow oversight.
- **Penal Charges** – levied for breach of contractual obligations including delayed servicing of dues, covenant violations, or shortfall in stipulated security cover.

All such charges are transparently disclosed in the **term sheet, sanction letter, or facility agreement**, and are **mutually agreed upon** prior to execution. These charges are levied in accordance with the Company's **Fair Practices Code** and the applicable provisions under the Reserve Bank of India (Non- Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

Given the bespoke nature of corporate lending, the **type and quantum of charges are flexible** and may vary across transactions. Each facility is assessed independently, and the applicable charges are determined based on the specific financial structure, borrower profile, and credit risk.