

**Interest Rate Policy**



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## Interest Rate Policy

### Summary of Policy

<b>Policy Name</b>	DMI Housing Finance Private Limited – Interest Rate Policy
<b>Date of last review</b>	September 09, 2022
<b>Date of current review</b>	June 21, 2023
<b>Date of next review</b>	On or before June, 2024
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Credit Department
<b>Approver</b>	Board
<b>Annexures</b>	NA

## Interest Rate Policy

### 1. Preamble

Though interest rates are not regulated by the Reserve Bank of India ('RBI'), rates of interest beyond a certain level and not commensurate to the risks undertaken for the particular transaction may be seen to be excessive and can neither be sustainable nor be conforming to normal financial practice.

Given that the business model of DMI Housing Finance Pvt. Ltd. ("**DMI**") focuses on extending the loans to individuals/corporates across tenor bands, the fixed interest rate (comprising the aggregate running coupon and that, if any, payable on redemption) charged shall be in the band of 11% to 20% per annum (excluding upfront or back ended fees) based on the evaluation of various risks detailed hereunder:

### 2. Establishing an Interest Rate

The interest rate applicable to a loan will be determined as per below mentioned schedule:

<b>Interest Rate Structure</b>				
<b>Housing Loan to Individuals for acquisition/construction of houses/upgradation of existing houses</b>				
<b>Slab</b>	<b>Fixed</b>		<b>Floating</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
Upto Rs. 5 Lakhs	0.00%	0.00%	11.75%	15.00%
Above Rs. 5 Lakhs to 15 Lakhs	0.00%	0.00%	11.75%	15.00%
Above Rs. 15 Lakhs to 25 Lakhs	0.00%	0.00%	11.75%	15.00%
Above Rs. 25 Lakhs	0.00%	0.00%	11.75%	15.00%
<b>Non-Housing Loan to Individuals</b>				
<b>Slab</b>	<b>Fixed</b>		<b>Floating</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
Upto Rs. 5 Lakhs	0.00%	0.00%	13.50%	18.00%
Above Rs. 5 Lakhs to 15 Lakhs	0.00%	0.00%	13.50%	18.00%
Above Rs. 15 Lakhs to 25 Lakhs	0.00%	0.00%	13.50%	18.00%
Above Rs. 25 Lakhs	0.00%	0.00%	13.50%	18.00%
<b>Housing Loan to Builders/Corporates etc.</b>				
<b>Slab</b>	<b>Fixed</b>		<b>Floating</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
Upto Rs. 5 Crores	11.00%	20.00%	0.00%	0.00%
Above Rs. 5 Crores to 15 Crores	11.00%	20.00%	0.00%	0.00%
Above Rs. 15 Crores to 25 Crores	11.00%	20.00%	0.00%	0.00%
Above Rs. 25 Crores	11.00%	20.00%	0.00%	0.00%
<b>Non-Housing Loan to Builders/Corporates</b>				
<b>Slab</b>	<b>Fixed</b>		<b>Floating</b>	
	<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
Upto Rs. 5 Crores	17.25%	19.25%	0.00%	0.00%
Above Rs. 5 Crores to 15 Crores	17.25%	19.25%	0.00%	0.00%
Above Rs. 15 Crores to 25 Crores	17.25%	19.25%	0.00%	0.00%
Above Rs. 25 Crores	17.25%	19.25%	0.00%	0.00%

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### Interest Rate Criteria for Corporate Borrowers:

The interest rate will depend on the following factors:

- Credibility of the promoters
- Type and No. of projects being developed by the borrower
- Cash flows of the borrower and its group companies
- Tenure of loan,
- Credit history of the borrower,
- Security offered by the borrower i.e. Real Estate or Shares, Personal or Corporate Guarantee or any other security as may be considered fit by the company.
- All other aspects as the management may deem fit

### Interest Rate Criteria for Individual Borrowers:

- Credit history of the borrower,
- Type of Loan(Home Loan/LAP/Construction Loan)
- Tenure of loan,
- Salary/Business Income/Family Income
- Source of Income (Formal/Cash)
- Property Type i.e. Builder Floor/Plot Construction or Purchase/Flat purchase
- Existing liabilities and its repayment record
- Age of Borrower
- Family Background
- All other aspects as the management may deem fit

*There can be a deviation of 1%-3% in the rate of interest to be charged from the borrower. The same is subject to approval of the CEO/Directors.*

### 3. Factors affecting rate of interest

- a) **Costs of Funds** - The rate of interest charged is also affected by the rate at which the funds necessary to provide loan facilities to customers are sourced normally referred to as internal cost of funds. All loans or credit facilities should, at minimum, provide an Internal Rate of Return ('IRR') or a life to maturity yield of 12%. From an external cost of funds perspective, the benchmark interest rate that may be used by DMI could be either the Base Rate of India or the 10-year Government of India bond as adjusted for the rating spreads available in the markets.
- b) **Internal cost loading** - The interest rate charged will also consider costs of doing business. Factors such as the complexity of the transaction, the size of the transaction and other factors that affect the costs associated with a transaction should be considered before arriving at the final interest rate quoted to a customer.

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- c) **Credit Risk** - As a matter of prudence, bad debt provision cost should be factored into all transactions. This cost is then reflected in the final interest rate quoted to a customer. The amount of the bad debt provision applicable to a transaction depends on the credit strength of the customer.

Further various methods mentioned below are used for evaluating credit risk by the company:

### **Credit Risk Evaluation for Corporate Borrowers:**

The credit risk for Corporate Borrowers is evaluated after taking into consideration the following factors:

- Debt/Equity ratio,
  - Interest Coverage Ratio,
  - Debt Service Coverage Ratio,
  - Track record with other lenders
  - Market Value of assets owned by the Group
  - Security Cover
  - Any other factor depending on case to case basis
- d) **Fixed versus floating** – the applicable interest rate shall also be commensurate from the perspective of the fixed versus floating interest rate requirements of the customers and shall have to be decided in view of the benchmarks deliberated above.

Apart from the above, the Company does a detailed analysis of the borrower through its online portal (Salesforce) where all criteria's mentioned above are reviewed by the committee which takes decision on the loans.

#### **4. Penal Interest/Add on Interest**

DMI will charge a penal interest/add on interest shall range between "1% to 7%" or a lower amount as may be mutual agreed with the borrower.

#### **5. Prepayment Penalty/Foreclosure Charges**

##### **Floating Rate Loans**

- No charges for prepayment of home loan whether paid in partial or full irrespective of the source.

##### **Fixed n Floating (Dual Rate) Loans**

- No charges for prepayment of home loan fees shall be payable for partial or full prepayments irrespective of the source once the loan has been converted into Floating Interest loan post the expiry of the Fixed Interest Rate period.

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- No charges for prepayment of home loan fees shall be payable for partial or full prepayments during the Fixed Interest Rate period of the loan where the loan is pre-closed from own sources. However, for any such partial or full prepayment from other than own sources during the Fixed Interest Rate period of the loan will attract prepayment fees between 0.50% to 3% of the amount prepaid.

### **6. Types of Fees/Charges**

- The company generally charges depending on category of loan and risk associated in the form of processing fees/ non-refundable upfront fee.
- DMI charges fees as per **Annexure-A**
- Any deviation to the said fees/charges including penal interest/ additional interest would be made with the approval of the CEO/Directors.
- All other fees for cases where DMI is involved shall be set out in the individual engagement letters.

### **7. Procedural Aspects**

#### **A. DMI shall communicate to the customer;**

- a) the amount of loan sanctioned along with the terms and conditions including annualised rate of interest,
- b) details of the default interest / penal interest rates and the charges payable by the customers in relation to their loan account and method of application thereof and (penal interest charged for late repayment of loan would be mentioned in bold in the loan agreement)
- c) Terms and conditions and other caveats governing the credit given by DMI arrived at after negotiation
- d) In case of any change in any of the terms and conditions / caveats / any information which is relevant from the point of view of the transaction (including annualised rate of interest), the same shall be conveyed to the customer either as an addendum / additional annexure to the agreement/term sheet. However, all the relevant formalities (e.g. further legal documentation, approval of customer, certification of DMI officials etc.) relating to such change shall be documented and a copy of the same shall also be sent to the customer. The same may be communicated through electronic media or any other form of communication by the employees of DMI. The acknowledgement of the receipt of the said additional document shall also be preserved on the records by DMI officials.

All the above information shall be in writing / electronic media or any other form of communication by the employees of DMI and shall be duly approved by the customer and certified by the authorized official of DMI and would be documented in a chronological manner for future reference.

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### **B. Content on the website**

The interest rates shall be displayed on the company website, if any, as per the NHB directions.

## COST &amp; CHARGES

Office Copy

Fee Type	Amount	When Payable
Operational & Administrative Cost-Non Refundable	Home Loan : ₹ 3000 +(1.5%+ GST) of the sanctioned loan amount. Non Home Loan : ₹ 3000+(2%+ GST) of the sanctioned loan amount.	A. ₹ 3000 (inclusive of GST) to be paid along with loan application B. Balance to be paid before disbursement of loan.
Legal Verification	₹ 1500 inclusive of Taxes (Non refundable)	At the time of disbursement
Technical Verification	₹ 1500 inclusive of Taxes (Non refundable)	At the time of disbursement
Subsequent Technical Verification	₹ 500 inclusive of Taxes (Non refundable)	At the time of disbursement
CERSAI Fee	₹ 118 inclusive of Taxes	At the time of disbursement
Cheque / ECS / ACH bounce per Transaction	₹ 590 inclusive of Taxes	As and when applicable
Overdue charges on default installment (EMI / Pre EMI)	24% Per Annum on overdue amount	As and when applicable
Recovery (Legal / repossession & Incidental charges)	As per Actual	As and when applicable
Cheques / ACH swapping (Per Set)	₹ 590 inclusive of Taxes	After disbursement if applicable
Duplicate no dues certificate	₹ 236 inclusive of Taxes	As and when applicable
Copy of Property Papers	₹ 1770 inclusive of Taxes	As and when applicable
Prepayment / Part Payment	A. NIL - In case of property is in the name of individual and purpose is housing; B. In case property is name of non-individual entity, it will be considered as business purpose loan and a charge of 5% + GST of Principal due/prepaid will be applicable. C. 5% + GST of Principal due/prepaid- If property is in the name of Individual & Purpose is non housing/business.	At the time of Pre-Closure / Part Payment
Document Retrieval Charges	₹ 590 inclusive of Taxes	At the time of loan closure
Statement of Account	₹ 885 inclusive of taxes	As and when applicable
Foreclosure Letter	₹ 1770 inclusive of taxes	As and when applicable
List of Documents	₹ 1180 inclusive of taxes	As and when applicable
Custodian Fee	₹ 590 per month inclusive of taxes	If property papers are not collected within 60 days after loan closure
ROI conversion fee	₹ 1180 inclusive of taxes	As and when applicable

1. All charges/fees to be paid through DMI Branches/Representatives by A/C payee cross cheque in favour of 'DMI HOUSING FINANCE PVT LTD'

2. Cash payment to be made Only at DMI Branches against valid receipt issued by DMI officials.

3. DMI does not charge any amount over and above the charges mentioned above and will not be liable or responsible for making payment of any amount made to unauthorized person without proper receipts.

4. Govt. taxes will be charged extra in case the charge is non- inclusive of taxes.

Applicant Signature

Co-Applcant Signature

## ACKNOWLEDGMENT FOR RECEIPT OF APPLICATION FORM

Date    

Application No.:

To, \_\_\_\_\_

DMI HFC has received your application for a housing loan / Loan against property of Rs. \_\_\_\_\_

Signed by DSA/Sales of DMI HFC



DMI HOUSING FINANCE PRIVATE LIMITED

## DOCUMENT REQUIRED

(All documents to be self-attested)

Office Copy

- PHOTOGRAPH OF APPLICANT & CO-APPLICANT
  - PHOTO PAN CARD (if not available, form 60 to be submitted).
  - DATE OF BIRTH PROOF (any one of the below)
    - Photo Pan Card  Aadhar UID  Driving License  Voter ID card (having complete Date of Birth)  10th Pass Certificate  School Leaving Certificate  Passport
  - ADDRESS PROOF (any one of the below)
    - OVD (Officially valid documents)
      - Adhar UID  Driving License  Voter ID card  Passport
    - Other Documents (in case current address mismatch with OVD)
      - Latest Telephone Bill (Land Line / Post Paid mobile)  Gas Connection Bill Showing full Address  Copy of Leave and Licensed / Rent Agreement registered or notarized (in case of rented premises)  Copy of title deed in case the premises are owned
      - Property tax receipt  Water Bill  Bank passbook with first page having full address that matches with applicant address on application form  Ration Card  Latest Electricity bill

I hereby declare to submit revised OVD with current address with in three months from date of application.
  - ID PROOF (any one of the below)
    - Adhar UID  Pan Card  Driving License  Bank Passbook with stamp on photo  Voter ID Card  Employee ID Card issued by Govt PSU, defense Establishment  Photo on Ration Card  Valid Photo credit or debit card (with signature printed)  Passport
  - SIGNATURE VERIFICATION (any one of the below)
    - Photo Pan Card  Driving License  Bank Verification  Passport  Valid credit or debit card (With signature printed)  Copy of registered title deed
  - INCOME PROOF (any one of the below)
    - Last 3 month salary slips for the salaried  Last form 16 for the salaried  Last 3 year ITR for SENP computation of P & L and B/S for SENP
  - BANK STATEMENT
    - Last 6 month bank statement for salaried cases  12 month bank statements for Self Employed Cases (Current and Saving)
  - PROCESSING FEE CHEQUE/ DD
  - OBLIGATION IF ANY AND RUNNING EMI STATEMENT
- ADDITIONAL DOCUMENTS FOR SELF EMPLOYED**
- PROOF OF OPERATING ADDRESS (any one of the below)
    - Sale Tax Certificate  Service Tax Certificate  Vat Registration certificate  Shop and Establishment License  Telephone Bill  Electricity Bill  Latest Bank Account Statement in the name of entity with full address which matches with application form  IT Assessment Order  Leave and License agreement (notarized / registered) in the name of the entity if the entity is operating business from a rented premises
  - 3 YEARS BUSINESS CONTINUITY PROOF (any one of the below)
    - Shop Establishment Certificate  ITR's  Receipt of GST / Any other Mandatory License  Any other Documents
- Property Documents if Property has been finalized :
- COPY OF CHAIN TITLE DEEDS
- COPY OF MAP / PERMISSION
- COPY OF REVENUE RECORD
- ESTIMATE OF CONSTRUCTION FOR CONSTRUCTION CASE
- 13) All loan applications shall be disposed off within a period of 60 days from the date of application or as may be mentioned in the Fair Practice Code of the Company.

Applicant Signature

Co-Applcant Signature

Registered office:

DMI Housing Finance Pvt. Ltd.

Express Building, 3rd floor, 9-10 Bahadur Shah Zafar Marg,  
New Delhi 110002 Tel.: 011- 4120 4444

For complaints or queries:

Help line number: 011-66107107

(Mon-fri: 10 AM – 5:30 PM)

Email: customercare@dmihousingfinance.in

www.dmihousingfinance.in

For grievance redressal:

Help line number: 1800-102-6969 (toll free)

Email: Report@integritymatters.in