

APTUS FINANCE INDIA PRIVATE LIMITED

INTEREST RATE POLICY

| Version No. | Reviewed By | Approved by | Revision date |
|--------------------|--------------------|--------------------|----------------------|
| 1.2 | ALCO | Board of Directors | 03.02.2026 |

1. Background

The objective in bringing out this Policy is to provide a framework of guidelines on fixing interest rate for its lending and the related procedural aspects. This will help the respective departmental staff to work uniformly and adhere to the laid down policy.

Interest rate policy is intended to deal with customer of Aptus in respect of determining the pricing for loan given by Aptus pursuant to the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

2. Pricing Parameters

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| Interest rate methodology | <p>Aptus Prime Lending Rate [PLR] is an estimate of a benchmark interest rate recommended by Asset Liability Management committee from time to time.</p> <p>PLR is arrived based on the following components:</p> <ol style="list-style-type: none"> a. Cost of funds b. Operations cost c. Credit cost d. Portfolio risk e. Tenor f. Return on Asset g. Market practices |
|---------------------------|--|

a. Cost of funds

The blended cost of borrowing for Aptus, after taking into consideration the borrowings through term loans, NCDs & Securitization.

Factors affecting cost of funds are market conditions, company specific risks, investor expectations etc.

b. Operations cost

Operations cost refers to the total expenses incurred by a business to run its day-to-day activities. It includes all costs associated with maintaining business operations, such as employees, utilities, and administrative expenses.

In addition, there are also costs associated with negative carry-on account of cash flow mismatches, that is, the negative mismatch arising out of timing difference between drawal of loan from the banks/financial institutions and the time at which it is lent to the ultimate customers of Aptus.

Aptus strategizes to keep the cost of operation at minimum required levels to provide the customer the best interest rate and to provide the investors the maximum benefit.

c. Credit cost

Credit cost reflects the financial impact of credit risk i.e. the risk of lending money to the borrower with a likelihood of default. This is in the form of provision, write offs, collection expenses, interest income loss, etc.

d. Portfolio risk

Portfolio risk represents the likelihood that the actual returns of the loan asset portfolio will differ from the expected returns. Portfolio risk arises from the combined risks of the individual assets within the portfolio considering the self employed, Low and Middle Income customers in Tier II, Tier III & Tier IV locations, being served by Aptus, the portfolio risk is being factored by Aptus.

e. Tenor

Tenor (also known as the **tenor** premium) refers to the additional yield that investors demand for holding a longer-term instrument compared to a shorter-term one. It compensates for the increased risks associated with longer investment horizons, such as interest rate volatility, inflation uncertainty, and liquidity risks.

Factors influencing tenor premium are interest rate risk, inflation, liquidity, policy of Reserve bank of India, investor preference, etc.

f. Return on Asset

Return on assets is the minimum return expected by the company on its assets. This would need to be tailored towards giving an appropriate return to the shareholders as well.

g. Market Practice :

The Company shall also undertake a periodic analysis of the interest rates charged by its competitors. Views of the Asset Liability Management Committee (ALCO) on loan product pricing with respect to prevailing interest rates offered for similar products / services shall be considered before any revisions to loan pricing is undertaken.

Each borrower represents different risk profile based on business segment, existing borrowings, defaults, prospect in income source, collateral security, etc, and we take a comprehensive approach to the gradation of risk that does not discriminate between class of borrowers, but rather tailors the interest rate to different products.

3. Revision of Interest rate

Revision in lending rate would be decided periodically, depending upon market volatility, cost to company and it is prospective. And changes to lending rate shall be in line with loan agreement. Any changes in the lending rates shall be recommended by the ALCO and approved by the Resourcing & Business committee.

4. Annual Percentage Rate (APR)

APR of loan is the total annual cost of the loan/credit in percentage terms. The APR represents total cost of credit on a loan on per annum basis. APR may not remain same in case of revision in the rate of interest.

5. Other governing principles that are relevant to the pricing of products of the company :

- a) Interest rate policy only outlines the methodology of calculation of interest rate which will be reviewed as and when required.
- b) The pricing is communicated to customer in the Sanction Letter. The customer is given a copy of sanction letter which mentions the rate of interest and type of interest i.e. Fixed or Floating.

- c) Interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed.
- d) Any revision in pricing applicable to customers is reviewed and any change thereon has to be discussed in the ALCO prior to approval. Practice followed by competitor may also be taken into consideration while deciding on interest rates/charges.

6. Fees & Other charges

In addition to the interest rate, the Company also charges certain fees and other charges. These fees and charges will be determined by the Business committee after considering relevant factors including cost of operations, market practices, and comparative rates charged by peer companies. These fees and other charges are documented in the Most Important Terms and conditions (approved by the Board of Directors from time to time, at least on an annual basis).

The list of fees and charges are given below:

| Parameter | Description |
|---|---|
| Login fee | Rs.3,500/-+ GST(Non-refundable) |
| Processing Fee | Initial loan/Top-up: 2%+ GST (on the sanctioned amount),will be collected /deducted prior to the disbursement as per customer's discretion, which is non-refundable. |
| CERSAI Charges | For Loan amount, up to Rs. 5 Lacs - Rs 50/- + GST Above Rs. 5 Lacs- Rs 100 /- + GST |
| Stamp Duty Charges | As per applicable state laws [#] |
| Loan Administration Charges | Rs. 1000/- + GST |
| Cheque/ECS/ACH bounce charges | Rs. 500 /- + GST per instance |
| Delayed Installment Payment | Delayed payment interest : Prevailing rate of interest on Aptus loan* Overdue charges : 12% per annum* *Calculated on Overdue Installment from the due date until payment is made to the company |
| Collection follow up Charges(CFC) | Rs. 250/- per visit + GST |
| MODT Registration | Actual charges to be paid by borrower for registration |
| Legal Recovery Charges | Actual amount spent towards the legal action to be paid by borrower |
| NACH Conversion (Swap) charges (Per Instance): Swap, Due to Bank clearance issue / Technical reason of bounces: | Rs. 500/- + GST as applicable Nil Charges |
| Non Mandate Collection for PEMI/EMI charges | Rs.500/-+GST per month. Applicable where we have to follow for payments |
| SOA / Closure Statement / Amortization charges | Rs. 500/- + GST per request, NIL charges on Amortization requests received for first time |
| Document Retrieval Charge | Rs. 1000/- + GST (Applicable only for pre-closure of loan) |
| Valuation/Technical Fee | Rs. 1500/- + GST on 1 st technical Visit (for loan up to Rs.10 Lacs) Rs. 2000/- + GST on 1 st technical Visit (for loan more than Rs.10 Lacs) |

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| | Rs. 750/- + GST – for each subsequent technical Visit |
| Legal Verification charges | Rs. 1500/- + GST(for loan up to Rs. 10 Lacs) Rs. 2500/- + GST(for loan more than Rs. 10 Lacs) |
| Document Custodian Fees | 500/- + GST per Month (Chargeable after 30 days of loan tenure completion and if documents remain un-collected by the customer) |
| Switch/Conversion or change of Interest Rate Floating Rate to Fixed Rate of Interest or Fixed Rate to Floating Rate of Interest | Up to 1% + GST on the principal outstanding (POS) |

Includes handling charges

Note: All the service charges collected as per schedule above are non-refundable.

7. Interest rate range

| Product | Rate of Interest (RoI) range |
|--|------------------------------|
| SME (Small and medium enterprises) loans | 20% - 21.5% |
| Loan against Property (LAP) | 18% - 21.5% |

Note:

- All rates mentioned are only indicative and are annualized. The final rate shall depend on the age of the property/sale deed, credit score of the customer etc. and will be decided at the time of sanction.
- Fixed rates sanctioned to customers will not change during the tenor of the loan.

8. Communication Framework

Interest rates should be communicated to the customers in a fair and transparent manner at the time of sanction / availing of the loan.

Interest Rate Policy should be uploaded on the website of the company and any change in the interest rates, fees or other charges should also be updated on the website of the Company.

Any changes in the interest rate, fees or other charges for existing customers should be communicated in a transparent manner through acceptable modes of communication such as letter, email, SMS, etc.