INTEREST RATE POLICY

OF

R-SECURED

FINANCE & CAPITAL PVT. LTD

RSECURED FINANCE & CAPITAL PRIVATE LIMITED

SUMMARY OF THE POLICY

Document Name	Interest Rate Policy
Issue and Effective Date	01/04/2026
Owner/Contact	Credit Department
Approver	Board of Directors
Annexures	-

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SR. NO.	PARTICULARS
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1. PREFACE OF THIS POLICY

The Reserve Bank of India, Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated 1st September 2016, as amended from time to time (RBI Regulations), had advised the Boards of Non-Banking Financial Companies (NBFCs) to outline appropriate internal policies and procedures to define their interest rates, processing fees, and other charges. The Direction was issued as a measure against the increasing complaints the Bank received against excessive interest rates and other charges levied by NBFCs on certain loan products

The board of directors of **RSECURED FINANCE & CAPITAL PRIVATE LIMITED** (henceforth referred to as "**Company**" or "**RSECURED**") has designed a detailed interest rate policy (**"the Policy"**) in accordance with the master direction issued by the Reserve bank of India (including amendments thereof) to disclose their internal guiding principles, interest rate model, rate of interest, gradations of risk and rationale for charging different rate of interest to their borrowers.

The Company shall take this Policy into consideration while making all of its decisions regarding the determination of interest rates and other charges applicable to its loan offerings.

The Board of Directors in its meeting held on 29th April 2024, had adopted the interest rate model of the company.

2. OBJECTIVE OF THIS POLICY

The primary objective behind drafting and adopting this policy is to decide on the principles, methodology and approach of charging spreads to arrive at final rates charged from customers and define the standard interest rates to be followed for different customer segments and loan offerings.

The Policy will also help the Company to lay down the different principles and rationale behind determining the different interest rates charged to its different customers.

The **RSECURED,** through this policy charge interest rates determined in a manner as to ensure long-term sustainability of the business by taking into account the interests of all stakeholders and developing and adopt a suitable model for the calculation of a reference rate.

3. INTERNAL RESPONSIBILITIES

Board of Director: The Board of Directors of the Company shall oversee this Interest Rate Policy and ensure its effective implementation. Further, the Board may delegate the responsibility of implementation of this Policy and other functioning aspects to any of the director and/or ALCO as it deems fit.

4. INTEREST RATE MODEL

The company's borrowings and all its loans to clients shall be on ***Fixed Rates***.

RSECURED being a diversified NBFC is engaged in the business of lending money through various products to cater to the needs of different customer segments. The primary target audience for the Company's offerings include:

- MSMEs.
- Entrepreneurs
- Businessman.
- Professionals

The base interest rate shall be calculated by the Company after taking into account, factors such as cost of funds, margin, risk premium, other costs such as administrative expenses and profit margin. The Company shall also review this base interest rate periodically.

Further, the Company shall determine the interest rate applicable to each loan account based on different yardsticks such as tenure of the loan, borrower's profile, borrower's repayment capacity, past repayment track record of the borrower, etc.

5. ESTABLISHING THE INTEREST RATE

The interest rate applicable to different loan products of the Company shall be determined by taking the following aspects into consideration:

a) **Tenure and Terms of the Loan**: The interest rate shall depend on the duration for each a loan has been extended to a borrower (viz. monthly, quarterly and yearly repayment) as well as the different terms of repayment laid down in the Loan Agreement.

b) **Internal and External Costs of Funds**: The rate of interest charged shall also depend upon the rate at which the funds are sourced to extend the loan facilities to customers, commonly known as the **External cost of funds**. and shareholders of the company also infused the capital

in the company in huge proportions and accordingly the cost of such capital being infused shall be taken into consideration while determining interest rate.

c) **Internal Cost of Operations**: The interest rate will also depend upon the Company's costs of conducting its business. This cost of doing business/operations includes manpower cost, infrastructure cost and other administrative costs such cost is known as Opex cost. Most of these costs are fixed costs and are committed on the basis of budgeted volume of operations.

d) **Credit Risk**: The credit risk is related to loss of credit due to following factors such as the complexity of a loan transaction, size of the loan, geographical condition, customer segment, sourcing channels, stability in earnings and employment, financial position, past repayment track record and other factors that affect the costs associated with a particular loan account shall be taken into account before informing the final interest rate to a borrower.

e) **Profit Margin**: The fair profit margin is on the basis of the return expected by the shareholders and the risks involved. The profit margin shall be reasonable to attract fresh capital to sustain growth and be benchmarked with comparable companies. A reasonable level of gearing shall be maintained while arriving at the shareholder return.

a) **Prevailing Market Practices**: The Chief finance Officer/Executive Director /or Committee as it deems fit may also recommend a rate of interest-based on the fluctuations in market trends, interest rates levied by other existing NBFCs for similar loan products or services, etc.

f) **Other Factors** – Matching tenor cost, market liquidity, RBI Policies on credit flow, offerings by competition, stability in earnings and employment, subvention and subsidies available, deviations permitted, further business opportunities, external ratings, industry trends, switchover options will also be relevant factors in determining interest rate to be charged.

6. PRINCIPLES BEHIND CHARGING DIFFERENT INTEREST RATES

The Company shall take the following factors into account for charging different interest rates to its different customers:

- Risk associated with credit and probability of default in the applicant's business segment.
- Track record of clients with similar backgrounds.
- Profile of each loan applicant.

- The industry which an applicant belongs to.
- The repayment history of the borrower.
- Ticket size of the loan.
- Credit Bureau score of the borrower.
- Duration of the loan.
- Collection performance in the geographies to which the applicant belongs.
- Existing debts of the borrower.

The rate of interest for the same product and tenor availed during the same period by different customers need not be the same. It could vary for different customers depending upon consideration of all or combination of above factors.

Annualized Rate of interest for any loan is arrived at based on a score which is arrived at considering

- the management / promoter risk
- bank statement
- business risk
- operations risk
- financial risk
- good will
- the securities/collateral offered
- geography of the collateral
- type of collateral
- field investigation,
- demographics and past track record if any, Cibil score.

The annualized rate of interest for a product with similar amount, tenor, location by different customer may have different annualized interest rate. The reason for the difference in interest rate is due to the score/grade/rating given to all other parameters considered for arriving at interest rate.

7. ADDITIONAL CHARGES

Besides interest, the Company will levy additional financial charges such as loan processing fees, cheque bounce charges, ESC failure charges, penal interest charges, pre-payment/foreclosure charges, late payment fees, etc., wherever considered necessary.

Any change in the charges will inform borrowers in advance and apply prospectively.

8. OTHER PROCEDURAL ASPECTS

The Company shall adhere to the following procedural aspects with regards to the rate of interest charged on its different loan offerings:

a) In compliance with its Fair Practices Code, the Company shall disclose the rate of interest and approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers in its application form as well as in its Loan Sanction Letter explicitly.

b) The Company shall inform the borrower about their loan amount; annualised rate of interest and other details of the loan at the time of sanctioning the loan.

c) Other charges such as processing fees, additional interest charged on delayed payments and cheque bouncing charges shall also be mentioned in the sanction letter and Loan Agreement.

d) The annualised rate of interest shall be intimated to the borrower so that they are aware of the exact rates charged to the account.

e) The Company shall display its interest rate policy and interest rate structure for each loan product on its website.

f) The company shall inform its customers about any increase in fees or changes via different communication channel such as SMS, Email, Website updated etc.,

10. REVIEW OF THIS POLICY

This Policy shall be reviewed by the Company's Board of Directors annually, or as and when any changes are necessitated to the Policy. The Chief Compliance Officer/Executive Director /or Committee may suggest changes or modifications to the Policy and present it before the Board for its approval and adoption.

The Chief Financial Officer /Managing Director of the Company may however permit deviations from the above and the revision in rate of interest as and when deemed necessary.

The following is an indicative annualised rate of interest effective 30th April 2022 Minimum & Maximum Interest (Lending) Rate Minimum Interest (Lending) Rate shall be 1% (One percent) more than the weighted average cost of borrowing and Maximum shall not be more than 36% per annum. The interest rate also depends on whether there is insurance on the project, relation of the

entity with our company & other factors like Systematic risk vs Diversifiable risk of borrower, internal risks of the borrower.

Note:

ನೀವುಕನ್ನ ಡದಲ್ಲಿ ಈಡಾಕಯುಮೆಂಟ್‌ಅನ್ಯ ನ್ಹೊ'ರೆಂದಲಯಬಯಸಿದರೆ, ದಯವಿಟ್ಟಯ
director@rsecuredfinance.com ನಿ ಿನ್ಮ ಿರಂಂಗೆಸೆಂಪಕಕದಲ್ಲಿ ರಿ. 7
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മലയാളംഭാഷയിൽഈപ്രമാണംലഭിക്കണമമന്നുമമങ്കില്, ദയവായി
director@rsecuredfinance.com എന്നവിലാസത്തില്ഞങ്ങളുമായിബന്ധമമടുക. 7
പ്രവർത്തിദിവസങ്ങൾക്കുള്ളിൽഇത്നിങ്ങൾക്ക്നന്താഷന്ത്താമടലഭയമാ ക്കും

మీరుఈపత్రాన్ని తెలుగులోపొందాలనుకొంటే, దయచేసి director@rsecuredfinance.com
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আপনিযনিএনিনিবাাাংলাতেচানতেবআমানেরসানে director@rsecuredfinance.com
এযযাগাে্যাগকরুনে।আমরা 7
কাযযনিবেসরমেতযএটিআনপারকাতেউপলব্ধকরতেযপেরখুনিহব।

ଯଦିଆପଣଏହିପ୍ରଲେଖଓଡିଆଭାଷାଲେଟାହାନ୍ତିଲେଲେଆମକୁdirector@rsecuredfinance.com
ଲେେଯାଗାେଯାଗଲକନ୍ତୁ|
ଆମଖୁସିଲାସହିଲାଏହିପ୍ରଲେଖଆପଣଙ୍କୁଓଡିଆଭାଷାଲେଏକସପ୍ତାହମଧଲେଉଲପବ୍ଧକଲେଲେଠୁ

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जरतुम्हालामराठीमध्येहाकागदपत्रहवाअसेलतरकृपयाआमच्याशीसंपककसाधा
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ददवसांच्याआतआपल्यालातेउपलब्धकरुनदेण्यातआम्हालाआनंदहोईल.

જોતમારેઅાડોક્યમુન્ેટગજુરાતીભાષામાાાાંજોઈતોહોયતોકૃપાકરી director@rsecuredfinance.com
ખાતેઅમારોસાાાંપકકકરો. તમનેકામકાજના 7 દિવસમાાાાંઉપલબ્ધકરાવીશ.