SAMUNNATI FINANCE PRIVATE LIMITED	
POLICY	Interest Rate Policy
Reviewing Authority:	Board of Directors of the Company
Approving Authority:	Board of Directors of the Company
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Review Cycle:	Annually or as recommended by the Board of Directors

Introduction

As per circular RBI/DOR/2025-26/362 DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025 on Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 issued by the Reserve Bank of India (RBI), the Board of Directors of Non-Banking Finance Companies are advised to lay down the appropriate internal principles and procedures in determining interest rates, processing fee and other charges (including event-based charges that may be applicable on a case to case basis) and shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances.

Interest Rate

In line with the Reserve Bank of India guidelines, the rate of interest of Samunnati Finance Private Limited (Samunnati) shall be determined based on the internal cost of funds, Operating costs, competitors offering, Credit risk of the borrower including relationship vintage with customer customer profile, past repayment track record, customer segment, Credit worthiness, Credit scores, nature and value of security offered (if available), external customer ratings etc.

Samunnati has adopted a risk-based approach for client segment classification for determining applicable rates of interest, that differ for each client, primarily based on risk factors such as entity structure, industry, net worth of borrower, leveraging, and nature of proposed loan. Hence the Company may charge different rates of interest for the same product and tenor availed during the same period by different customers, depending upon considerations of any or combination of a few or all factors listed above.

The rate of interest shall be fixed, and an annualized rate shall be communicated to the borrower, towards ensuring that the borrower is aware of the exact rates that would be charged to the account

The interest rates and other charges levied by Samunnati shall be based on the parameters as defined in the **Loan** Pricing Framework

Risk Premium

The Risk Premium of the customer shall be factored keeping in mind the inherent credit and default risk in the product and customer per se arising from customer segment and shall be based on the following factors: -

Industry risk

- Entry barriers, Competitive levels, Regulator's support, Industry cyclicality

Business Risk

- Asset quality, Product concentration, Customer concentration, Supplier concentration resource profile etc of the borrower.

Management Risk

- Corporate governance, integrity and competence of the promoters, track record of the management team, composition of the board etc.

Financial Risk

- Capital Structure, Profitability, Liquidity etc of the borrower

Product Premium

- Depends on nature and risk associated with the product.

Collateral offered by the customer Interest rate trend in the market

Extra ordinary market conditions, if any.

Maintaining stakeholders' expectation for a reasonable and market-competitive rate of return.

The Board of Directors of the Company shall review the Interest rates on such periodicity as may be deemed necessary and modify the same depending upon the market trends, but atleast on an annual basis

Processing Fee/Upfront Fee/Credit Monitoring Fees/Client visit fees

Fees shall be determined based on the quantum of work involved in credit appraisal, reference checks with Credit bureaus, volume of documentation involved, other incidental expenses involved in the transaction and negotiation with customer.

On-boarding Fee/Documentation fee

The Company charges on-boarding charges / documentation charges from borrowers for all Loan products in line with the credit policy of the Company. Prior to entering into an agreement with the customers, our loan officers ensure that charges and rates of interest are explained clearly and transparently to the customers on-boarded.

Further in line with the RBI guidelines, the Company shall ensure the following:

- Interest rates shall be intimated to the customers at the time of sanction or availing the loan A Key Fact Statement (KFS) would be issued to every customer which will carry the details on the interest applicable and charges to be levied to the customer, supported by a computation of the Annual Percentage rate(APR) which is the annual cost of credit to the borrower which includes interest rate and all other charges associated with the credit facility. A repayment schedule will also be issued to the customer which will carry details of the Equated Payment Intervals(EPI), with break up of Principal and interest components at periodic intervals for a fixed number of such intervals; and which result in complete amortisation of the loan. EPIs at monthly intervals are called EMIs.

- Interest shall be charged on monthly rest basis; however repayment of interest shall be in line with the sanction conditions.

- Changes to Interest rates would have prospective effect. Such change in the interest or other charges shall be communicated to the customers as per the terms of the loan documents

- The rate of interest and the approach for gradation of risk and the rationale for charging differential rate of interest to different categories of borrowers shall be communicated explicitly in the loan sanction letter.

- Annualized rates of interest shall be disclosed in the loan sanction letter.

- The rates of interest and the approach for gradation of risks shall also be made available on the website of the Company. The information published on the website or otherwise shall be updated for changes wherever applicable.

- The change in the interest rates shall be decided at any periodicity depending on market volatility and competitor review.

- In case of multiple disbursements in respect of the same loan account, the rates of interest would be subjected to review and the same may vary according to the prevailing rate at the time of successive disbursements or as may be decided by the Company.

- The Company shall levy penal charges for any delay or default in repayment of principal/interest due or any other default of the terms of the sanction. The Penal charges shall not be capitalized and no further interest shall be computed on such charges.
  However, this will not affect the normal procedures for compounding of interest in the loan account. Samunnati shall charge interest on unpaid interest (including on unpaid EMI) at the contracted rate of interest till the date of remediation, and not at the penal rate of interest The

Company shall mention the penal charges in bold in the Loan sanction letter and agreement.

- The Quantum and reason for penal charges shall be clearly disclosed to the customers in the loan agreement and most important terms & conditions / Key Fact Statement (KFS) as applicable and the same shall be appropriately displayed in Samunnati's website.

- Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefore shall also be communicated. Samunnati shall not levy additional / fresh penal charges on the earlier outstanding amount of penal charges.

- The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges applicable to non individual borrowers for similar non-compliance of material terms and conditions.

- The amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof shall be conveyed in writing to the borrower (by means of sanction letter) in vernacular language wherever applicable. The Company shall also keep the acceptance of these terms and conditions by the borrower on its record.

- In addition to interest, other financial charges such as processing fee, Monitoring fee, Client visit charges, aggregator on- boarding fee, loan documentation fee, pre-payment / foreclosure charges, cash handling charges, RTGS/other remittance charges, charges towards other services such as issuance of No Due certificates, NOC, Letters ceding charge on assets / security, security swap and exchange charges, Payment bounce charges, Insurance fees etc. shall be levied by the Company wherever considered necessary.

- In respect of the other financial charges, Goods and Services Tax (GST) and other applicable taxes would be collected at applicable rates from time to time. Any revision in these charges shall be with prospective effect. A suitable condition in this regard shall be incorporated in the loan agreement.

- Samunnati shall offer loans at a fixed rate of interest.

    - In case of term loans, pre-payment charges shall be based on the amount being prepaid
    - Samunnati shall not levy any charges where pre-payment is effected at its instance.

- If loans are offered at a floating rate, irrespective of the source of funds used for pre-payment of loans, either in part or in full, and without any minimum lock-in period , Samunnati shall ensure that:

    - No pre-payment charges are levied on loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

    - No pre-payment charges are levied on loans with sanctioned amount/ limit up to ₹50 lakh for all floating rate loans granted for business purpose to individuals and Micro and Small Enterprises (MSEs), as defined in Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, with or without co-obligant(s)

- Applicability of pre-payment charges for dual/ special rate (combination of fixed and floating rate) loans will depend on whether the loan is on floating rate at the time of pre-payment

- The applicability or otherwise of pre-payment charges shall be clearly disclosed in the sanction letter , KFS and loan agreement. No pre-payment charges which have not been disclosed as specified herein shall be charged by Samunnati

- Samunnati shall not levy any charges / fees retrospectively at the time of pre-payment of loans, which were waived off earlier by the NBFC.

The interest rates on loans, along with applicable service charges, penal charges, and other fees, shall be levied as specified in the Loan Pricing Framework

Discretionary Powers

The Group Business Head / Executive Director shall have the discretion to reduce / waive the penal charges and other financial charges on case-to-case basis in line with the Board approved Credit Policy and prevailing industry practices.

The interest and other charges in respect of the loan products offered by the Company are indicative and subject to review by ALCO . The ALCO shall reserve the right to amend the same from time to time in line with the existing credit policies of the Company, Regulatory Requirements and the changing market conditions

Review

The ALCO shall review the Loan Pricing framework for interest rates and the various charges on a quarterly basis (more frequently as may be required).

The Board of Directors shall review the Interest Rate Policy on an annual basis.