

INTEREST RATE POLICY

AKASA FINANCE LIMITED

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Approved by the Board of Directors on 30.03.2026



INTEREST RATE POLICY

1. Background

The Reserve Bank of India (“**RBI**”), through the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, requires NBFCs to adopt a Board-approved Interest Rate Policy outlining the methodology for determining lending rates, including cost of funds, operating cost and risk premium.

Accordingly, Akasa Finance Limited (“**AFL**” or “**the Company**”) has adopted this Interest Rate Policy to ensure transparency, fairness and consistency in determining the interest rates charged on loans and advances.

The Company shall disclose the applicable interest rates, gradation of risk and rationale for charging different rates to different borrowers through the Application Form, Key Facts Statement (KFS), Sanction Letter and Loan Agreement.

The Company shall also make this Interest Rate Policy available on its official website for the information of stakeholders.

2. Objective

The objective of this policy is to establish a framework for determining interest rates applicable to different categories of borrowers, products, and risk segments while ensuring transparency, consistency, and compliance with regulatory requirements.

3. Interest Rate Model

The interest rate applicable to any credit facility shall generally be determined based on the following components: -

- Cost of funds / borrowing
- Operating and administrative costs
- Credit risk premium based on borrower profile
- Tenure of the loan
- Nature and value of collateral security
- Borrower’s repayment capacity and past track record
- External credit rating, wherever applicable
- Market conditions and competitive environment

Broadly, the lending rate may be determined using the following framework: -

Interest Rate = Cost of Funds + Operating Cost + Credit Risk Premium

3.1. Cost of Funds

Cost of funds includes:

- Interest cost on borrowings
- Bank credit lines
- Market borrowings



- Debentures or other debt instruments

3.2. Operating Cost

Operating costs include:

- Administrative expenses
- Employee costs
- Technology and infrastructure
- Loan processing and servicing expenses
- Compliance and regulatory costs

3.3. Credit Risk Premium

Credit risk premium depends upon the borrower's risk characteristics including:

- Credit history and CIBIL score
- Repayment capacity
- Financial position
- Business stability
- Industry risk
- External credit rating (if applicable)

4. Interest Rate Range

The Company may offer loans across different products including: -

- Corporate Loan/Business Loans
- Loan against Property
- Unsecured Loans
- Personal loans to Individuals
- Vehicle Loans
- Loan against Shares*

**Loans against the shares of Akasa Finance Limited are prohibited*

The interest rates applicable to loans sanctioned by the Company shall generally range between **12% per annum and upto 40% per annum or higher**, depending upon the nature of the product, borrower risk profile, tenor of the loan, and collateral coverage, in accordance with the Company's Interest Rate Policy.

The exact rate applicable to each loan shall depend on:

- Product type
- Borrower risk profile
- Loan tenure
- Security coverage
- Market conditions

The Company shall adopt a risk-based pricing approach whereby interest rates may vary for different borrowers within the same product category depending upon their credit profile, repayment capacity and risk perception.

Any deviation from the approved range may be permitted with appropriate internal approvals as per the Company's delegation matrix.



5. Other Charges

The Company may also levy other charges in line with industry practices, including but not limited to: -

- Processing / upfront fees
- Documentation charges
- Prepayment / foreclosure charges
- Commitment charges
- Cheque / NACH return charges
- Penal charges for delayed payment
- Out-of-pocket expenses
- Review / renewal fees

Applicable GST and statutory taxes shall be charged as per prevailing laws. Any revision in such charges shall be applied prospectively and communicated to customers appropriately.

6. Penal Charges

In case of delay in repayment of instalments, the Company may levy penal charges on overdue amounts without capitalizing them.

Penal charges, if applicable, shall be levied only on overdue amounts in case of delay or default in payment of instalments or non-compliance with material terms of the loan contract. The Company shall levy a penal charge of ₹650 per instance of delay/default, where any EMI remains overdue as on its due date. Such penal charges shall be reasonable, non-compounding, and shall not be capitalized or added to the outstanding principal amount, in accordance with the applicable guidelines issued by the Reserve Bank of India. The Company shall ensure that penal charges are applied uniformly for borrowers under the same loan product category and are disclosed in the Sanction Letter and Key Facts Statement (KFS). Penal charges shall not be levied for reasons other than non-compliance with material terms of the loan contract.

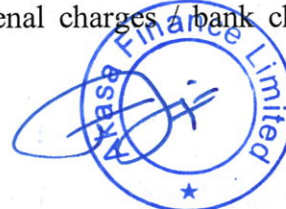
7. Prepayment / Foreclosure

Borrowers may prepay or foreclose loans subject to the terms specified in the loan agreement.

- Foreclosure charges, if applicable, shall be specified in the sanction letter, Key Facts Statement (KFS), and loan agreement.
- The Company may impose a lock-in period (up to 12 months) from the date of first EMI to recover acquisition costs.
- In exceptional cases, foreclosure during the lock-in period may be permitted with approval from the competent authority of the Company and payment of applicable charges.

8. Communication to Borrowers

The Company shall communicate to the borrower the loan amount, annualized rate of interest and method of application thereof at the time of sanction of the loan, along with the tenure and terms of repayment. Requests for waiver of charges/ penal charges / bank charges / foreclosure charges are at the sole discretion of the Company.



The applicable interest rate and charges shall be disclosed through the Key Facts Statement (KFS), sanction letter, and loan agreement.

9. Policy Review

The Asset Liability Management Committee (ALCO) shall periodically review the interest rates based on prevailing market conditions, cost of funds, and other relevant factors. Any revision in the interest rate structure recommended by ALCO shall be placed before the Board of Directors for approval. Upon approval by the Board, the Company shall implement the revised rates prospectively.

