Interest Rate Policy

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Approved Revised Policy in the Board Meeting	15th September 2025
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Approved By (Chairman of the Board)	Yes
Place of Meeting	At Corporate Office

1. Preamble

The Reserve Bank of India (RBI), vide various notifications and Master Directions, requires Non-Banking Financial Companies (NBFCs) to adopt a Board-approved Interest Rate Policy. The policy should outline the internal principles and procedures for determining interest rates on loans and advances, taking into account factors such as cost of funds, margin, risk premium and other relevant parameters. This policy ensures transparency, responsible lending practices and compliance with RBI guidelines.

2. Scope & Applicability

This Interest Rate Policy is applicable to all lending activities undertaken by Avinash Capital Markets Private Limited (hereinafter referred to as 'the Company'). It shall serve as the guiding framework for determining the interest rates and associated charges to be levied on all borrowers of the Company.

3. Disclosure.

The Company shall disclose its interest rate model, applicable interest rates, and approach for risk gradation on its official website. Any change in interest rates shall be updated promptly. Additionally, the applicable rate of interest for each borrower shall be clearly communicated through loan documentation such as sanction letters and loan agreements prior to loan disbursement. The rates shall always be communicated in annualized terms to ensure transparency.

4. Interest Rate Model

This policy is approved by the Board of Directors of the Company (herein after referred to as "Board") and the Company has adopted the interest rate model considering all relevant factors

Sunil Kumar Ramkishan

such as cost of funds, margin and risk premium in order to determine the rate of interest to be charged for loans and advances. In terms of this policy, the rate of interest and the approach for gradations of risk and the rationale for charging different rates of interest to different categories of borrowers shall be disclosed by the Company to the borrowers/ customers through the Company's website and/ or through other means in a timely and transparent manner and the information published on the website shall be updated whenever there is any change in the rates of interest. Further, the rate of interest to be charged from every individual borrower shall be communicated individually by way of loan documentation like sanction letter and loan agreements followed by explicit consent in writing from every such borrower prior to the disbursal of loan. The rate of interest shall also be communicated in annualized rate so that the borrower is aware of the exact rates that would be charged to the loan account This policy for the Interest Rate model states that the interest rate or other rates and costs charged to the borrower shall be based on the following broad parameters:

1. Risk profile of the borrower

2. Credit score of the borrower

3. Funds raising cost

4. Cost of equity

5. Operational Expense Ratio

6. Credit loss / Recovery cost

7. Other factors that may be relevant in each case.

The rate of interest and/or charges for the same loan product and tenor availed during the same period by different customers need not be standardized, as it may vary based on one or a combination of the above parameters. Our loans range from ₹5,000 to ₹1,20,000, with repayment periods starting from 7 days up to 45 days. The annualized interest rates may go up to 487% for very short-term payday loans (less than 45 days). However, the actual applicable rate may vary from case to case.

Within the prescribed interest rate range, the Company shall endeavor to progressively reduce the average interest rate charged to customers by focusing on business growth, reduction in credit losses, and improved operational efficiency. All loans are repayable through a single bullet repayment and are collected exclusively via electronic channels. Company shall offer

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only Fixed Rate loans to all its customers. The interest could be charged on monthly or on such rest as communicated in the loan sanction terms. The interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed. Besides normal interest, Company may levy additional/ penal interest for delay or default in making EMI repayments and such interest to be calculated at the contracted default interest rate applicable to the defaulted EMI alone for the number of days of delay in repaying the EMI.

The changes in the interest rates would be prospective in effect and intimation of change of interest or other related charges would be given to customers in a mode and manner deemed fit.

5. Fees & Charges

In addition to interest, the Company may levy certain fees and charges, including but not limited to:

- Processing / origination / credit assessment fees
- Charges for rescheduling of loans
- Legal, documentation, or recovery-related costs
- Any other fees or charges communicated to the borrower from time to time

Such charges shall be clearly communicated to the borrower in advance and disclosed in the loan documentation and sanction letters. The Company shall not charge any fee from customers who apply for a loan but are not sanctioned or who choose not to avail a sanctioned loan.

6. Customer Communication

The final fixed interest rate and applicable charges shall be communicated to the customer at the time of sanction through sanction letters and loan agreements. A copy of the executed loan agreement shall be provided to the customer. The Company shall ensure that customers are fully informed of applicable interest rates, fees, and repayment obligations before disbursement.

7. Amendment

This policy may be amended, modified, or supplemented at any time with the approval of the Board of Directors of the Company to ensure continued compliance with RBI guidelines and to reflect changes in the Company's business operations.

8. Implementation

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This policy shall be effective from the date of its approval by the Board of Directors of the Company and shall be implemented prospectively. Any changes in interest rates or charges shall also apply prospectively and shall not affect existing loan agreements, unless specifically permitted by law or mutually agreed with the borrower.

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