ARYAMAN
FINANCE (INDIA) LIMITED

INTEREST RATE POLICY AND GRADATION OF RISKS

Author of the Policy	Anjali Gorsia, Whole Time Director
Approved by	Board of Directors
Reviewed by the Board on	**29/12/2025**
Name of the entity	Aryaman Finance (India) Limited

I. Introduction

Aryaman Finance (India) Limited (hereinafter referred to as '**AFIL'** or '**the Company'**) is a non-deposit-taking Non-Banking Financial Company ('**NBFC**') duly registered with the Reserve Bank of India ('**RBI'**). Under the Scale-Based Regulatory (**SBR**) Framework for NBFCs, the Company is categorized as a Base Layer NBFC based on its asset size and regulated by the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time and such other rules, regulations, directions, circulars, notifications and orders issued in this regard from time to time ("RBI Directions").

II. Regulatory Requirement

Reserve Bank of India vide its notification No. DNBS. 204 / CGM (ASR)-2009 dated January 2, 2009, and vide its Guidelines on FPC for NBFCs DNBS.CC. PD. No.320/03.10.01/2012-13 dated February 18, 2013, along with regulation no.22 of scale-based regulation Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, dated November 28, 2025 as amended from time to time, have directed all NBFCs to make available the rates of interest and the approach for gradation of risks on the web-site of the companies.

In compliance with the requirements of the RBI Regulations mentioned above and the Fair Practices Code adopted by the Company, the Company has adopted this Interest Rate Policy, which broadly outlines the Interest Rate Model and the Company's approach to risk gradation in this regard for its lending business.

III. Interest Rate Model

The Company is in the lending business and provides loan facilities through loan products like structured financing solutions, primarily to corporate clients and other allied financial services that facilitate access to the capital market. The interest rate applicable to each loan account, within the applicable range, is assessed on a case-specific basis, based on evaluation of various factors as mentioned below:

a. Tenor of the Loan & Payment Terms - term of the loan; terms of payment of interest (viz, monthly/quarterly); terms of repayment of principal; bullet payment, EMI, etc.

b. Internal and External Costs of Funds - The rate at which the funds necessary to provide loan facilities to customers are sourced, normally referred to as our external cost of funds. Internal cost of funds, being the expected return on equity, is also a relevant factor.

c. Credit Risk - The amount of bad debt provision applicable to a particular transaction will depend on the credit strength of the customer. This cost is then reflected in the final rate of interest quoted to a customer.

d. Market Dynamics Views: The Views of the Management of the Company on product pricing with respect to prevailing interest rates offered by peer NBFCs for similar products and services may be taken into consideration. The forecasts and analyses of 'what-if scenarios' conducted by the Management are also relevant factors for determining interest rates to be charged.

IV. Approach for Gradation Risk

The risk premium attached to a customer shall be assessed inter alia based on the following factors:

i. Profile and market reputation of the borrower;
ii. Historical performance of similar homogenous pools of borrowers;
iii. Profile, strength, experience, income/earnings of the borrower;

iv. Length of relationship with the borrower, repayment track record of existing borrower, credit history as revealed from available sources;
v. Type of asset being financed, end use of the loan represented by the underlying asset;
vi. Nature and value of primary and secondary collateral security;
vii. Overall customer yield, repayment capacity based on cash flows and other financial commitments of the borrower, mode of payment;
viii. RBI Policies on credit flow;
ix. Offerings by competitors;
x. External ratings etc.
xi. And any other factors that may be relevant in a particular case.

V. Rate of Interest

1) The management understands that, considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. Thus, it is decided that the Annualised Rate of Interest of the loans and advances shall be between 9% to 24% p.a. to be charged for the entire tenure. However, for the small digital personal loan vertical, the interest rates may differ as per the market dynamics and complexity of the case.

2) The Loan amount, Annualized Rate of Interest and tenure of the loan will be communicated to the borrower in the sanction letter along with the instalments towards interest and principal dues.

3) Besides normal Interest, the Company may levy additional interest for ad-hoc facilities, penal interest/default interest for any delay or default in making payments of any dues. The details of Penalty Interest charges for late repayment will be mentioned in the loan agreement and communicated at the time of loan sanction.

4) Besides interest, other financial charges like processing charges, cheque dishonor charges, pre-payment/foreclosure charges, part disbursement charges, cash collection charges, bank charges, charges on various other services like issuing NOC, field visit for collection follow up, Foreclosure Value Statement Charges, Foreclosure charges, Duplicated Repayment Schedule etc. may be levied by the company wherever considered necessary. In addition, the Goods and Services Tax and other taxes levied would be collected at applicable rates from time to time.

VI. Review

The Board shall review and amend this policy as and when required.

If at any point a conflict of interpretation/information between the policy and any regulations, rules, guidelines, notifications, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

*****