Interest Rate Policy

Version 2.5

kaleidofin Capital Private Limited	
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SINDHUJA A M
Digitally signed by SINDHUJA A M
Date: 2026.07.01 17:43:52 +05'30'

KALEIDOFIN CAPITAL PRIVATE LIMITED
CHENNAI

Registered Office Address:
Module No. A6-02, Block A, 6th Floor,
Phase 2, Kanagam Road, IIT Madras
Research Park, Taramani, Chennai,
Tamil Nadu, India, 600113

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1. Purpose

1. The Reserve Bank of India has, vide its Master Direction number RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 required that the Board of NBFCs 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.

2. Accordingly, this policy document establishes the principles and methodology for determining interest rates and all-inclusive pricing that Kaleidofin Capital Private Limited (KCPL) charge on its loan products.

2. Authority for Determining Interest Rates & Charges

The Chief Executive Officer and the Chief Financial Officer of KCPL shall jointly have the authority to determine the interest rates and all-inclusive charges on the loan products offered by KCPL and to decide on resetting of interest rates and charges as and when required. The interest rate policy shall be subject to periodic review by the Asset and Liability Committee (ALCO) of the Board.

3. Interest Rate Model

3.1 Variables in Determining Pricing of Loans

The all-inclusive pricing on loans offered by KCPL will be decided primarily based on the weighted average costs of capital (WACC), risk premium and a margin for estimated operating costs. The WACC is determined based on a steady-state mix of equity and debt capital. The risk premium is a function of the asset class and estimated credit losses for different categories of customers and different loan products and tenure of loan and nature and extent of collateral security offered (if any).

$$p = f(w, r, m)$$

where,

'p' is the all-inclusive pricing on loans
'w' is the weighted average cost of capital;
'r' is the estimated risk premium; and
'm' is the margin to cover KCPL operating costs.

KCPL may choose to offer fixed or variable / floating interest rates depending on the product

type, customer segment and market conditions.

3.2 Components of All-inclusive Loan Pricing and Other Charges as Applicable

Based on KCPL's customer segment, prevailing market practices , the all-inclusive pricing on KCPL's loan products will include the interest charged on loan, loan processing fees and cash collateral (if any), security deposit or other cash-equivalent retentions (provided by the customer – if any), cost of insurance etc. The all-inclusive loan pricing will be reflected in the annualised percentage rate (APR) for each loan and will be disclosed to the customer, in accordance with KCPL's Fair Practices Code.

$$APR = f(i, f, d)$$

where,

'APR' is the all-inclusive pricing on loans
'i' is the interest rate on loans
'f' is loan processing fees, typically charged at the time of disbursement of loan; and
'd' is deductions/retentions made for insurance, stamp duty cash collateral or security deposit, prior to disbursement of loan.

The range of APR for different product categories is shown in Annexure 1. The APR ranges shall be reviewed by the CEO and CFO of KCPL on a periodic basis.

3.3 Other Charges on Loan as Applicable

In addition to the components of all-in pricing, KCPL may charge for:

1. actual, out-of-pocket expenses such as bank charges, stamp fees, notarial or other legal charges, collateral asset repossession and disposal costs (including warehousing costs and auction costs as applicable), costs of legal proceedings and damages as applicable;

2. penalties and additional interest for overdues and delayed payments; and

3. additional charges in case of prepayment of closure of loan before maturity.

These charges will be applied on a case-by-case basis and will be disclosed as and when applied. In case any of these charges are fixed and known in advance, such charges will be disclosed to customers in advance, in accordance with KCPL's Fair Practices Code. These charges are, however, not included in the all-inclusive pricing.

An indicative schedule of typical charges applicable on loan products is shown in Annexure 2.

4. Resetting of Rates and Pricing

The interest rates on different product types and for different customer segments shall be reset on a periodic basis. Any changes to interest rate on existing loans shall be applied with prospective effect from the date of such change in rates. Changes in rates shall be communicated to customers in accordance with KCPL's Fair Practices Code.

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Annexure 1

Indicative Annualized Percentage Rate (APR) Ranges for Different Types of Loan Products

Loan Product Category	APR Range
Loan ticket size <= INR 50,00,000	*b* + 18% to *b* + 26%
Loan ticket size > INR 50,00,000	*b* + 08% to *b* + 15%

Notes:

1. '*b*' is the benchmark, which at present is based on the 12-month Overnight Mumbai Inter-bank Offered Rate (MIBOR) as shown on the website www.fbil.org. The market rates to be used as benchmark rates will be decided by KCPL management from time to time.
2. The benchmark rate, 'b' applicable for loans to be disbursed at any point of time shall be fixed by KCPL management on a monthly basis but may be reviewed at shorter intervals if necessary.
   The benchmark rate applied for this document is 6.09%, which is the 12-month Overnight MIBOR as on 03 June 2026.

Annexure 2

Indicative Schedule of Charges for Loan Products

Nature of Transaction	When Applied	Charges
Loan processing fees	Prior to disbursement of loan	Upto 4.5% of loan amount
Stamp duties	Loan contract execution	As per applicable rates
Notary charges	Loan contract execution	As per applicable rates
Registration charges	Loan contract execution	As per applicable rates
CERSAI registration charges (for collateral security)	Loan contract execution	As per applicable rates
Legal verification charges	Legal verification of collateral security (if applicable)	As per applicable rates
Technical evaluation charges	Technical evaluation of collateral security (if applicable)	As per applicable rates
Pre-closure charges	If the loan (either in part or whole) is paid before due date	Upto 3.0% of outstanding amount at date of such pre-closure
Note: As per RBI directions in this regard, no pre-closure charges are applied on floating rate term loans sanctioned to individual borrowers.		
Repayment instalment bounce charges	If any repayment instalment is not paid on due date	Upto INR 1,000 per instance
Cash collection charges	In case the Company is required to collect repayment instalments in cash, either directly or through an agent	Upto INR 5,000 per instance
Default interest / additional interest / penal interest * * Charged in addition to APR interest rate on the loan	In case of non-payment of any scheduled dues or in case of occurrence of any event of default as defined in the loan contract	Upto 1.55% of outstanding amount from the date of occurrence of such event until all late dues are fully paid or any other non-compliance with loan contracts is cured to the satisfaction of KCPL

kaleidofin capital private limited

Document Revision History

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SINDHUJA A M Digitally signed by SINDHUJA A M Date: 2026.07.01 17:43:24 +05'30'

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