

Upmove Capital Private Limited

Policy on Interest Rate and Charges

Version 1.4

2026

Document Approval

Version	Particulars	Board of Directors Meeting Date
1	This Policy has been reviewed and approved by Board of Directors	14 May 2019
2	Rate of Interest Revised	30 June 2023
3	To align with RBI circular dated 18th August 2023 and 29th December, 2023	5 March 2024
4	To align with the Company Pricing Strategies.	27 March 2025
5	To align with RBI (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 and RBI (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.	30 March 2026

Interest Rate and Penal Charges Policy

1. Introduction

The Reserve Bank of India (RBI) vide its (i) Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 ("CF Directions"); and (ii) Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025 ("RBC Directions"), as updated from time to time, has advised that the Board of applicable NBFCs shall lay out appropriate internal principles and procedures in determining interest rates, processing fees, penal charges and other charges on loans, by whatever name called.

In compliance with the requirements of the CF Directions and RBC Directions (collectively, "**RBI Directions**") mentioned above, Upmove Capital Private Limited (hereafter referred as the "**Company**" or "**Upmove**" or "**We**" or "**Us**") has formulated this Interest Rate Policy and Penal Charges Policy ("**Policy**"), broadly outlining the interest rate model and the Company's approach of risk gradation for its lending business. The Policy has been duly approved by Upmove's Board of Directors.

This Policy applies to all loan products offered by the Company,.

2. Interest Rate Methodology and Gradation of Risk

The business model of Upmove focuses on providing credit only to customers meeting the set credit standards of Upmove. The interest rate applicable to each loan account, within the applicable range, is assessed on a case-to-case basis, based on evaluation of various factors listed below:

A. Interest Rate Model:

1. The rate of interest shall be determined based on the cost of borrowed funds, matching tenor cost, market liquidity, refinance avenues, tenure of customer relationship. In addition to the cost of funds, the rate of interest shall further be determined based on inherent credit and default risk in the product and customer per se arising from customer segment, profile of the customers, professional qualifications, stability in earning and employment and repayment ability, overall customer yield, risk premium, nature and value of primary and collateral securities, past repayment track record of the customers, external ratings of the customers, industry trends, etc.
2. The rates of interest are subject to change as the situation warrants and are subject to the discretion of the management and/or changes to extraneous cost factors which have a say in the setting up of the interest rate. Hence, the interest rate charged to one customer for the same loan amount and tenor could be different from that of another customer considering the factors mentioned in point 1 above.
3. The annualised rate of interest shall be intimated to the customer in all loan application forms, sanction letters, Key Fact Statement(s) ("**KFS**"), and on the Company's website. No interest rate shall be quoted or communicated in monthly or periodic terms without also specifying the equivalent annualised rate. The interest rates shall be offered on fixed, floating or variable basis to the borrowers, of varying terms and repayment structures, commensurate with the default risk of individual borrowers and the broader Upmove loan portfolio.
4. The interest rate shall be computed on monthly balances basis and charged on monthly rest or such other rest as the Board/Committees to which Board has delegated powers shall decide in accordance with applicable rules and regulations.
5. Interest rates shall be intimated to the customers at the time of sanction/availing of the loan and the equated instalments apportionment towards interest and principal dues shall be made available to the customer.

6. Interest changes shall be prospective in effect and intimation of change of interest, if any, or other charges shall be communicated to customers in a manner as deemed fit by the Board/Committees to which powers have been delegated in this regard, and in accordance with RBI Directions.
7. The interest rate and benchmark prime lending rate (where applicable) and other charges applicable from time to time shall be hosted on the Company's website and updated from time to time.
8. Normal interest at contracted rate will continue to accrue for the default period for customers who do not repay their loans on time.
9. Upmove may also levy other charges such as processing or origination fees, etc., wherever considered necessary.

B. Risk Approach:

The risk attached to the customer shall be assessed by considering the following factors:

1. Profile and market reputation of the customer;
2. Tenure of relationship with the borrower group, past repayment track record and historical performance of similar clients;
3. Overall customer yield, future potential, repayment capacity based on cash flows and other financial commitments of the borrower;
4. Interest, default risk in related business segment;
5. Regulatory stipulations, if applicable; and
6. Any other factors that may be relevant in a particular case.

The determination of a customer's credit grading is generally distinguished by the asset type and its use and is mostly based on general aspects such as background, character, repayment capacity, availability of capital and collateral.

C. Rate of Interest:

The interest rate applicable to each loan account, within the applicable range, shall also be assessed on a case-specific basis, based on evaluation of various other factors such as:

- Interest rate trend prevailing in the money market;
- Loan specific costs including acquisition, operations and collection costs;
- Company's cost of borrowing;
- Customer negotiations / deviations; and
- Upfront charges.

The interest rate could range between 12%–36% per annum generally. However, a higher interest rate may be charged considering the factors mentioned above.

The current rates of interest applicable to each loan product shall be prominently displayed on the Company's website and updated periodically.

Key Responsibilities of the Company

1. The interest rate for each loan product shall be decided by the Board/Committee to which powers have been delegated in this regard from time to time.

A KFS shall be mandatorily issued to every borrower prior to the execution of the loan agreement. The KFS shall contain:

- A unique proposal number;
- The Annual Percentage Rate (APR), computed on an Internal Rate of Return (IRR) basis on the net disbursed;
- A full amortisation schedule for the loan;

- Details of all penal charges;
- Details of all third-party charges (including insurance, legal, and valuation fees), disclosed separately,
- The name and contact details of the Nodal Officer for grievance redressal;
- A validity period of not less than three (3) working days for loans with a tenor of seven days or more, and not less than one (1) working day for shorter tenor loans.

No fee or charge that is not disclosed in the KFS shall be levied on the borrower without obtaining the borrower's explicit written consent.

2. The details of penal charges for late repayment shall be mentioned in bold in the loan agreement and in the KFS.
3. Intimation of change of interest or other charges shall be communicated to customers in a manner deemed fit, as per terms of the loan documents. Any revision in interest or other charges shall be with prospective effect.
4. All loan agreements, Key Fact Statements, sanction letters, and other borrower-facing communications shall be issued in English and, wherever practicable, in the vernacular language or a language understood by the borrower.

4. Processing / Documentation and Other Charges

All processing / documentation and other charges recovered are expressly stated in the loan documents. Such charges vary based on the loan product, exposure limit, customer segment, geographical location and generally represent the cost incurred in rendering the services to the customers. The practices followed by the industry shall also be taken into consideration while deciding the charges related to a loan.

All third-party charges (including insurance premiums, legal fees, and valuation charges) shall be disclosed separately in the KFS

No claims for refund or waiver of such charges would normally be entertained; however, the Company shall address all grievances in accordance with its Grievance Redressal Policy.

5. Penal Charges / Late Payment Charges

The penalty will be charged in case of non-compliance of material terms and conditions of the loan contract by the borrower. However, this will not affect the normal procedures for compounding of interest in the loan account. Therefore, the Company may charge interest on unpaid principal at the contracted rate of interest till the date of remediation. The penal charges shall be in addition to the regular interest charged at the contracted rate for breach of material terms and conditions. Further, the levy of penal charges does not prevent the Company from taking any legal action and repossessing the asset by issuing a notice to the borrower.

There will be no discrimination in the levy of penal charges within a particular loan/product category.

The Company will not capitalise the penal charges, i.e., no further interest will be computed on the penal charges. Additionally, no further penal charges shall be levied on any outstanding penal charge amounts.

The quantum and reason for penal charges shall be clearly disclosed to the customers in the loan agreement and in the KFS). Display of penal charges on the Company's website shall be in addition to, and not in substitution of, such disclosure in the loan agreement and KFS.

In addition to the upfront disclosure about the applicable penal charges, intimation shall also be sent to all borrowers about the applicable penal charges along with the quantum thereof whenever reminders for non-compliance of material terms and conditions of loan are sent, and at the time of levy of the penal charges along with the reasons thereof.

Penal Charges — Applicable Slabs:

Overdue Principal Amount (₹)	Penal Charge (₹)
Up to ₹1,000	₹30
₹1,001 – ₹2,000	₹150
₹2,001 – ₹5,000	₹250
₹5,001 – ₹7,500	₹300
₹7,501 – ₹10,000	₹350
₹10,001 – ₹20,000	₹400
Above ₹20,000	₹450

- Penal charges will be calculated on the principal overdue (i.e., the amount in default only) based on the applicable slab table.
- A grace period of 4 days will be provided to the customer before levying penal charges.
- The above amounts will be inclusive of GST at the applicable rate (if any).

These penal charges/late payment charges for different products or facilities shall be decided by the Company from time to time.

6. Foreclosure / Pre-payment Charges:

Foreclosure and pre-payment charges shall apply only where the borrower repays ahead of the due date and shall range from 2% to 4% of the outstanding principal at the time of foreclosure. Foreclosure charges shall be capped at the EMI amount. Such charges shall be disclosed in the loan agreement and the KFS.

7. Policy Revision

Board authorised in this regard shall review this policy annually or as required, shall make the required changes and the same shall be approved by the Board.