MONK CAPITAL PRIVATE LIMITED

INTEREST RATE & CHARGES POLICY

Consumer / Education Loans and MoneyMonk Personal Loans

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Policy Owner	Compliance / Finance

This Policy is to be read with the Company's Fair Practices Code, Credit/Loan Policy, Digital Lending Policy and other applicable Board-approved policies.

CONTENTS

A. PREAMBLE

Monk Capital Private Limited (the “Company” or “Monk Capital”) is a Non-Banking Financial Company (“NBFC”) registered with the Reserve Bank of India (“RBI”). The Company provides, inter alia, unsecured consumer / education loans, including loans originated through educational institutions, merchants and Lending Service Providers (“LSPs”), and unsecured personal loans offered through its digital lending application / platform under the brand “MoneyMonk”.

This Policy has been framed in accordance with the applicable RBI directions relating to fair practices, responsible business conduct, digital lending, Key Facts Statement (“KFS”), interest-rate disclosures, penal charges and other applicable requirements, as amended from time to time. The Board has adopted this Policy to lay down internal principles and procedures for determining interest rates, processing fees and other charges.

B. OBJECTIVES

- To establish a transparent and Board-approved framework for determining interest rates for different products and borrower segments.
- To define the components considered in the Company's benchmark / institutional lending rate and borrower-specific risk spread.
- To communicate annualised interest rates, APR, fees and charges transparently to borrowers.
- To document the approach for gradation of risk and the rationale for differential pricing.
- To establish principles for processing fees, penal charges, bounce charges and other permitted charges.
- To ensure that rates and charges remain fair, reasonable, sustainable and consistent with applicable RBI requirements.

C. SCOPE

This Policy applies to all loans and advances granted by Monk Capital. The Company's principal retail products currently comprise:

- Consumer / Education Loans, including subvention-based loans originated directly or through institutions, merchants, LSPs or other permitted channels.
- Unsecured Personal Loans originated through MoneyMonk and/or other permitted channels.

The Company may introduce, modify, suspend or discontinue products in accordance with its approved policies and applicable law.

D. INTEREST RATE MODEL AND PRICING METHODOLOGY

The Company follows a risk-based pricing methodology. The rate charged on a loan is determined with reference to the Company's benchmark / institutional rate and, where applicable, a borrower-specific risk spread. Product-level pricing shall remain within the range approved by the competent authority under this Policy.

D.1 Benchmark / Institutional Rate

The benchmark / institutional rate may take into account the following components:

- Weighted average cost of funds, including interest and costs incidental to borrowings.
- Operating and administrative costs, including technology, manpower, compliance, underwriting and servicing costs.
- Customer acquisition, onboarding, verification and disbursement costs.
- Expected collection and recovery costs.
- Liquidity / negative carry and other balance-sheet costs, where relevant.
- Credit cost / expected loss based on portfolio performance and borrower segment.

- Tenure and product-specific costs.
- Commercial margin / reasonable return required for sustainable operations.

The broad pricing construct is:

Final Rate of Interest = Benchmark / Institutional Rate + Borrower-Specific Risk Spread

For subvention arrangements, the economic return to the Company may additionally include subvention or other consideration payable by the institution / merchant / partner. Such subvention is distinct from the interest rate payable by the borrower.

E. SUBVENTION-BASED CONSUMER / EDUCATION LOANS

The Company may provide consumer / education loans under arrangements where an educational institution, merchant or other partner bears all or part of the financing cost by way of subvention. Accordingly, the interest payable by the borrower may be lower than the Company's institutional pricing and may, in certain cases, be 0% per annum.

The pricing of such loans shall consider the benchmark / institutional rate, applicable risk considerations, product economics and the subvention agreed with the institution / merchant / partner. Subvention received from a partner shall not be represented as interest payable by the borrower.

F. APPROACH FOR GRADATION OF RISK

The rate applicable to an individual borrower may vary within the approved product range based on one or more of the following:

- Credit bureau score, credit history and repayment track record.
- Income, repayment capacity, existing indebtedness and FOIR / affordability.
- Employment / occupation type, income stability and banking behaviour.
- Loan amount, tenure and purpose.
- Past relationship and repayment behaviour with Monk Capital.
- Internal credit score / risk grade and fraud / verification indicators.
- Acquisition channel, servicing cost and expected collection cost.
- Portfolio performance, geography and delinquency experience, where relevant and legally permissible.
- Any other objective credit-risk or product parameter permitted under applicable law and approved credit policy.

Accordingly, borrowers under the same product and tenure may be charged different rates. Higher assessed credit risk may attract a higher rate within the approved range, while lower assessed risk may qualify for a lower rate. Differential pricing shall be based on objective risk, cost and product considerations and shall not be discriminatory on prohibited grounds.

G. INTEREST RATE APPLICATION AND COMMUNICATION

- Interest rates shall be expressed on an annualised basis.
- Loans shall ordinarily carry fixed rates and interest shall ordinarily be computed on the reducing principal balance, unless a different approved methodology is specifically disclosed.
- Interest shall be charged from the date of actual disbursement in accordance with applicable RBI requirements.
- The applicable rate, tenure, repayment amount, due dates and material charges shall be communicated before execution / disbursement through the KFS, sanction communication and loan agreement, as applicable.
- Any change applicable to an existing borrower shall be communicated and applied prospectively where required by applicable regulation.

H. KEY FACTS STATEMENT AND APR

For loans to which the KFS requirements apply, the Company shall provide the borrower a KFS in the prescribed manner before execution of the loan contract. The KFS shall disclose the Annual Percentage Rate ("APR") and other material terms as required.

APR represents the annual cost of credit to the borrower and may include the interest rate and other charges required to be included under applicable RBI directions. Accordingly, APR may be higher than the stated annual interest rate, particularly for shorter-tenure loans or where upfront charges are applicable.

I. PROCESSING FEES AND OTHER CHARGES

Processing fees and other charges may vary by product and borrower profile within the approved range. In determining such charges, the Company may consider acquisition, onboarding, verification, documentation, technology, disbursement and servicing costs.

Stamp duty, GST and other statutory taxes / levies shall be recovered as applicable. Third-party charges, where recoverable from the borrower, shall be disclosed and dealt with in accordance with applicable RBI requirements. No charge required to be disclosed in the KFS shall be levied contrary to the applicable KFS requirements.

J. PENAL CHARGES AND BOUNCE CHARGES

- Penalty for non-compliance with material terms and conditions shall be treated as penal charges and not as penal interest added to the contracted rate.
- Penal charges shall not be capitalised and no further interest shall be computed on the penal charges themselves.
- The quantum of penal charges shall be reasonable and commensurate with the nature and extent of non-compliance.
- The quantum and reason shall be disclosed in the KFS / loan agreement and communicated when levied, as applicable.
- Bounce / mandate failure charges may be levied for dishonour or failure of NACH, e-NACH, UPI AutoPay or other repayment instructions where applicable and disclosed.

For MoneyMonk Personal Loans, penal charges for delayed payment shall be calculated at an annualised rate of 36% on the overdue principal amount, on a daily basis for the period of default, without compounding, plus applicable GST. Bounce / mandate failure charges shall be ₹550 plus applicable GST per instance. Credit report charges shall be ₹50 plus applicable GST. Insurance charges are Nil / Not Applicable.

K. FORECLOSURE / PREPAYMENT

Foreclosure, prepayment and part-prepayment shall be governed by the terms applicable to the relevant product and applicable RBI directions. Any charge shall be disclosed upfront in the KFS / loan documents and shall not be levied where prohibited by regulation.

L. COOLING-OFF / LOOK-UP PERIOD

For digital loans, the borrower shall be provided the cooling-off / look-up period required under applicable RBI directions. During such period, the borrower may exit the loan by paying the principal and proportionate APR, subject only to such reasonable one-time processing fee, if any, as is permitted and disclosed upfront.

M. LOAN PRODUCT PROFILE

M.1 Consumer / Education Loans

Parameter	Approved / Reference Range
Nature	Unsecured consumer / education loan; subvention may be applicable
Principal	₹10,000 to ₹10,00,000
Tenure	3 to 36 months
Borrower Interest Rate	0% to 28.50% p.a., depending on product / arrangement and borrower risk
Interest Method	Ordinarily reducing balance
Rate Type	Ordinarily fixed
Origination	Direct / Institution / Merchant / LSP / other permitted channel

Note: The above range reflects the Company's historical product experience and approved pricing framework. Under a subvention arrangement, the borrower's rate may be 0% even though the Company receives subvention / consideration from the institution or partner.

M.2 MoneyMonk Personal Loans - Self-Employed

Parameter	Range
Principal	₹1,500 to ₹30,000
Tenure	3 to 12 months
Interest Rate (per annum)	17.95% to 33.55%
Processing Fee	Up to 7% + applicable GST
Annual Percentage Rate (APR)	30% to 86%

M.3 MoneyMonk Personal Loans - Salaried

Parameter	Range
Principal	₹10,000 to ₹2,00,000
Tenure	6 to 24 months
Interest Rate (per annum)	17.95% to 30.55%
Processing Fee	Up to 7% + applicable GST
Annual Percentage Rate (APR)	30% to 86%

The actual interest rate and APR offered to a borrower shall depend on the sanctioned amount, tenure, processing fee, borrower risk profile and other applicable pricing factors. The borrower-specific terms disclosed in the KFS and sanction documents shall prevail.

N. SCHEDULE OF FEES & CHARGES

Particular	Consumer / Education Loans	MoneyMonk Personal Loans
Processing Fee	Up to 6% of loan amount + applicable GST	Up to 7% of loan amount + applicable GST
Stamp Duty	As applicable	As applicable
Mandate Registration / Payment Gateway Charges	As applicable / disclosed	As applicable / disclosed
Bounce / Mandate Failure Charge	₹550 + applicable GST per instance	₹550 + applicable GST per instance
Penal Charge	36% p.a. on overdue principal, calculated daily without compounding + applicable GST	36% p.a. on overdue principal, calculated daily without compounding + applicable GST
Foreclosure / Part-Prepayment	Up to 4% + applicable GST	Up to 4% + applicable GST
GST / Statutory Taxes	As applicable	As applicable under prevailing law
Credit Report Charges	As applicable / disclosed	₹50 + applicable GST
Insurance Charges	As applicable / disclosed	Nil / Not Applicable

O. GOVERNANCE AND DELEGATION

O.1 Board of Directors

The Board shall approve this Policy and exercise overall oversight over the interest-rate framework, risk-gradation principles and the broad framework for fees and charges.

O.2 ALCO / Authorised Management Committee

The Asset Liability Management Committee ("ALCO") or other authority authorised by the Board may periodically review cost of funds, liquidity, portfolio performance, credit costs, market conditions and product economics, and may approve pricing changes within the framework and limits delegated by the Board.

O.3 Credit / Business / Product Functions

Authorised Credit / Business / Product functions may determine borrower-specific pricing within the approved product range based on the Company's underwriting and risk-gradation methodology.

P. WEBSITE / PUBLIC DISCLOSURE

The Company shall make this Policy and/or the required interest-rate and risk-gradation disclosures available on its website and shall update the disclosures whenever there is a material change. MoneyMonk may display a customer-facing product summary consistent with this Board-approved Policy. The applicable borrower-specific rate and charges shall be disclosed through the KFS / sanction documents.

Q. REVIEW OF POLICY

This Policy shall be reviewed at least annually or earlier where required due to changes in RBI directions, law, the Company's business model, product offerings, pricing methodology or risk framework. Amendments shall be approved by the Board or other authority to the extent specifically delegated by the Board.

In the event of any inconsistency between this Policy and applicable law / RBI directions, the applicable regulatory requirement shall prevail.