

ADITYA BIRLA HOUSING FINANCE LIMITED

Policy for determination of Interest Rates, Processing and Other charges

(Version: ABHFL/Policy for determination of Interest rates and other charges / January 27, 2023/1.0)

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1. Document Owner, Version Control & Review Process:

Particulars	Details
Version Control	<p>This version dated ___ January, 2023 is the first Policy for determination of Interest Rates, Processing and Other changes by Aditya Birla Housing Finance Limited.</p> <p>The Policy may be reviewed in line with the changes in the regulatory framework / if warranted by changing market dynamics.</p>
Version No.	ABHFL/ Policy for determination of Interest Rates and other charges / ___ January, 2023/1.0
Document Owner(s)	Head – Product
Frequency of Review	<ul style="list-style-type: none">• This policy would be reviewed annually or earlier if deemed necessary• Reviews and modifications during the year based on specific need may be undertaken• Any change in regulatory requirements will mandatorily necessitate a review of the Policy. Such changes and approvals shall be deemed to be a part of the policy until the policy is comprehensively reviewed.
Process for modification / review	<p>Sign off from the following will be required for any modifications / revisions in this document:</p> <ul style="list-style-type: none">• Head – Product• MD & CEO, ABHFL• Asset Liability Management Committee and• Board of Directors of the Company.

2. Omnibus Clause:

All extant & future master circulars/directions/guidelines/guidance notes issued by National Housing Bank (NHB) and / the Reserve Bank of India (RBI) from time to time would be the directing force for the Co-lending Policy of ABHFL and will super cede the contents of this Policy.

3. Interest Rate Model:

The interest rate applicable to any loan product of Aditya Birla Housing Finance Limited (“ABHFL) shall be determined with reference to the following factors:

- The rate of interest shall be determined based on the cost of borrowed funds, tenor of loan, liquidity conditions prevailing in the market, cost of operations, credit risk arising from the borrower or pool of borrowers and the minimum margin.
- The customer level credit risk premium as mentioned above shall be based on credit and default risk of the customer as assessed from profile & risk rating of customer, earning and repayment ability of the customer, nature and value of primary and collateral securities, repayment track record of the customers, external ratings of the customers, industry trends, Credit Bureau ratings amongst other factors.
- The rate of interests for the same product and tenor availed during same period by different borrowers need not be standardized. It could vary from borrower to borrower depending upon consideration of any or combination of above factors. The annualized rate of interest

would be intimated to the customer. The interest rates would be offered on fixed, floating, variable basis. The ABHFL reference rates ("ARR") for the floating rates would be reviewed on a periodic basis and revised interest rates will be intimated to the customer. The ARR is determined by a combination of customer segment, customer profession and product and is determined from time-to-time basis decision in Asset Liability Management Committee.

- In case of staggered disbursements, the rate of interest would be subjected to review and the same may vary according to the prevailing rate at the time of disbursement or as may be decided by ABHFL.

Basis the above, ARR is between 13.05% to 18.65% (effective from 1st January 2023).

4. Penal Interest / Late Payment charges:

Besides normal interest, ABHFL may levy additional/penal interest for delay or default in making payments of any dues. These additional or penal interests may vary for different products.

5. Processing / Documentation and other charges:

All processing/ documentation and other charges recovered are expressly stated in the Loan Agreement / Sanction letter. They vary based on the asset financed, the exposure limit, expenses incurred in the geographical location, customer segment and generally represent the cost incurred in rendering services to the customers.

6. Change in ARR / Benchmark rate:

The Asset-Liability Management Committee is authorized to make modifications in the ARR / Benchmark rates, if required, from time to time and review the interest rates, processing charges, documentation charges and other charges, on a periodic basis.