

INTEREST RATE POLICY

Sampati Securities Limited is a Non-Banking Finance Company (NBFC) engaged in the business of disbursing short term small amount loans to individual borrowers through a Digital Lending Platform i.e., a mobile app “Creditt” which is registered and highly remarkable (Owned and managed by Credify Technologies Pvt. Ltd). Creditt is an innovative and revolutionary online money lending app in the fintech industry. To make it more clear, Creditt is an instant online loan application that provides small and micro finance loans.

The rate of interest would be between **0.30% – 0.60%** on the loans and advances per day to our individual borrowers.

The interest rate is charged on the daily basis. The same is calculated on the basis of a customer’s profile. Customer’s profile is highly risky and they fall under under-served group of the community/society. Their profile is at a minimum level as far as the credit history is concerned and some of them are not covered under formal channel of credit scoring i.e. Credit Bureaus, Banks, Financial Institutions.

The business model has been designed and developed to accommodate real-time changes with version tracking. In order to secure a personal loan, the following qualifying conditions should be met:

1. Applicants must be an **Indian resident**,
2. Applicant must be **over 20 years of age and under 60 years of age** and
3. Applicants would be **employed with a minimum wage of Rs. 20,000**.

The Company serves people who don’t have access to bank finance and some of them are not covered under formal channel of credit scoring i.e. Credit Bureaus, Banks, Financial Institutions.

The Company provides short tenure per day loan; loan **amount ranging from Rs. 5000 to Rs. 30000**. **The minimum tenure of the loan is 1 day and maximum of 45 days**. The Company is a 100% digital and paperless platform featuring real-time credit/risk assessment algorithm. The company has successfully set up infrastructure to collect money owed by the NBFC and which is why we follow the procedures diligently. The company has in house technology team to maintain, enhance and to add and remove features in the app i.e. **CREDIT INSTANT LOAN APP**. The company has successfully set up the following departments namely – Collection, both on field and also through the digital medium which is through tele collection (managed by registered and recognized call center), technology team – to maintain and enhance the feature of the loan platform to better serve the customers which will lead us to pass on the benefit to the end users to reduce interest rate. The company

Contd. Page: 2:

also has high customer acquisition costs on account of the marketing and operations department. The other cost which accounts for 25% of the expense of the company is the delinquency cost – default given the high risk profile of the customer segment we will serve. The company borrows from its lenders at 15% to 30% per annum. The said funds will be used for lending, working capital requirement (customer sourcing, technology, marketing, collection, operations and delinquency/default expenses). The same will have considerable impact on company’s P&L Account. Having said that, the company is dedicated to serve the customer diligently by putting the infrastructure and resources in place.

INTEREST RATES:-

For New customer, the standard interest rate calculation is considered where the rate of interest is decided based on customer’s TDSR score at the time of applying the loan. TDSR is derived from the financial data customer shares with us.

- **TDSR = Total Debt Service Ratio = $\frac{\{(Debit\ Avg.\ / \ Avg.\ Duration)\ - \ (Investments\ / \ Avg.\ Duration)\}}{\{(Credit\ Avg.\ / \ Avg.\ Duration)\ + \ Opening\ Balance\}} \times 100$**

TDSR	INTEREST RATE PER DAY	APR (Annual Percentage Rate)
< 90	0.30 %	109.5 %
91 to 95	0.40 %	146 %
96 to 100	0.50 %	182.5 %
> 100	0.60 %	219 %

For Existing Customers, the interest rate is calculated based on their past repayments. For that we consider on time repayment percentage as the main parameter. Below is the calculation:

- **On time repayment percentage = $\frac{\text{No. on time repayments} \times 100}{\text{No. Total repayments}}$**

ON TIME REPAYMENT PERCENTAGE	INTEREST RATE PER DAY	APR (Annual Percentage Rate)
> 95 %	0.30 %	109.5 %
90 % to 94.99 %	0.40 %	146 %
85 % to 89.99 %	0.50 %	182.5 %
< 85 %	0.60 %	219 %