



Fort Finance Limited

A Wing, 304/305, 3rd Floor, Rustomjee
Central Park, Opp. Kanakiya
Wall Street, Andheri (East),
Mumbai – 400059

CIN : U6720MH1995PLC088259

| www.fortfinance.in | customercare@fortfinance.in

INTEREST RATE POLICY AND GRADATION OF RISKS

INTRODUCTION

FORT FINANCE LIMITED (FFL) is a public company, having Corporate Identification Number (CIN) U67120MH1995PLC088259 and is registered with the Reserve Bank of India as a Non-Deposit taking Non-Systemically Important Non-Banking Finance Company – Investment and Credit Company (NBFC-ICC). FFL has been classified as a NBFC - Base Layer as per the Scale Based Regulations (SBR) and has a valid Certificate of Registration (CoR) number 13.00666 issued on 20/04/1988 by the Reserve Bank of India enabling the Company to carry on its business as a Non-Banking Finance Company.

REGULATORY REQUIREMENT

Reserve Bank of India vide its Guidelines on Fair Practices Code (FPC) for NBFCs along with regulation no. 45.11 of scale-based regulation Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2025 have directed all NBFCs to make available the rates of interest and the approach for gradation of risks on the web-site of the companies.

In compliance with the requirements of the RBI Regulations mentioned above and the Fair Practices Code adopted by the Company, the Company has adopted this Interest Rate Policy broadly outlining the Interest Rate Model and the Company's approach of risk gradation in this regard for its lending business.

INTEREST RATE MODEL

The Company is into lending business and provides loan facilities through loan products like loan against shares, personal loans and loan against property to help clients meet their working capital requirement and other purposes etc. The interest rate applicable to each loan account, within the applicable range is assessed on a case specific basis, based on evaluation of various factors as mentioned below:

- a. Tenor of the Loan & Payment Terms - term of the loan; terms of payment of interest (viz monthly/quarterly); terms of repayment of principal; bullet payment, EMI etc.
- b. Internal and External Costs of Funds - The rate at which the funds necessary to provide loan facilities to customers are sourced, normally referred to as our external cost of funds. Internal cost of funds being the expected return on equity; is also a relevant factor.



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- c. Credit Risk - The amount of bad debt provision applicable to a particular transaction will depend on the credit strength of the customer. This cost is then reflected in the final rate of interest quoted to a customer.
- d. Market Dynamics Views: The views of the Management of the Company on product pricing with respect to prevailing interest rates offered by peer NBFCs for similar products and services may be taken into consideration. The forecasts and analysis of 'what if scenarios' conducted by the Management are also relevant factors for determining interest rates to be charged.

APPROACH FOR GRADATION OF RISK

The risk premium attached with a customer shall be assessed inter-alia based on the following factors:

- i. Profile and market reputation of the borrower;
- ii. Historical performance of similar homogenous pools of borrowers;
- iii. Profile, strength, experience, income/earnings of the borrower;
- iv. Length of relationship with the borrower, repayment track record of existing borrower, credit history as revealed from available sources;
- v. Type of asset being financed, end use of the loan represented by the underlying asset;
- vi. Nature and value of primary and secondary collateral security;
- vii. Overall customer yield, repayment capacity based on cash flows and other financial commitments of the borrower, mode of payment;
- viii. RBI Policies on credit flow;
- ix. Offerings by competitors;
- x. External ratings etc.
- xi. And any other factors that may be relevant in a particular case.

RATIONALE FOR DIFFERENT RATES OF INTEREST

The rate of interest applicable to each loan shall be determined based on the overall assessment of the borrower's risk profile. Accordingly, different rates of interest may be charged to different



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categories of borrowers depending upon factors such as the borrower's creditworthiness, repayment capacity, nature and value of security, loan amount, tenure, cost of funds, operating costs, market conditions, business relationship with the Company and other relevant commercial considerations. The final rate of interest shall be determined on a case-to-case basis in accordance with the Company's Interest Rate Model and risk assessment framework.

RATE OF INTEREST

1. The management understands that considering the higher cost of borrowing and the risk profile of the customer, it has to maintain adequate margins to cover the operational and delinquency risk. Thus, it is decided that Annualized Rate of Interest of the loans and advances shall be between 6 % p.a. to 24 % p.a. to be charged for the entire tenure based on the category of loan.
2. The Loan amount, Annualized Rate of Interest and tenure of loan will be communicated to the borrower in the sanction letter along with the instalments towards interest and principal dues.
3. Besides normal Interest, the Company may levy additional interest for ad-hoc facilities, penal interest/default interest for any delay or default in making payments of any dues. The details of Penal Interest charges for late repayment will be mentioned in the loan agreement and communicated while sanctioning the loan.
4. Besides interest, other financial charges like processing charges, cheque dishonour charges, cash collection charges, bank charges, charges on various other services like issuing NOC, field visit for collection follow up, Duplicate Repayment Schedule etc. may be levied by the company wherever considered necessary. In addition, the Goods and Services Tax and other taxes levied would be collected at applicable rates from time to time.
5. Pre-payment/foreclosure charges of loan shall will not be levied to the borrower.

DISCLOSURE

In accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2025, as amended from time to time, this Policy, including the Interest Rate Model and the approach for gradation of risks, shall be hosted on the Company's website and shall be made available to customers and other stakeholders.

REVIEW

The Board shall review and amend this policy as and when required.



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In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

Adoption/Amended	Authority	Date
Adoption	Board of Directors	29 th July 2026



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