

TRUHOME FINANCE LIMITED

(formerly Shriram Housing Finance Limited)

PRICING POLICY

Policy Ownership: Risk Management
Version : 10.0

Pricing Policy

Introduction:

Truhome Finance Limited (the “Company”) price loans with reference to its Prime Lending Rate (PLR), with an applicable spread determined based on the expected return on assets (RoA) of the loan. The PLR reflects the underlying cost of funds, operating expenses, expected credit costs, and capital considerations for the specific product. This framework ensures that pricing remains risk-aligned, transparent, and consistent with the Company’s long-term financial objectives. In determining the total cost to the borrower, the Company lays emphasis on risk & reward balance, cost expected to be incurred during the life cycle of the loan which includes cost of funds, loan origination cost, collection cost, administrative expenses, loan servicing and other verifications.

This policy is adapted pursuant to the Directions of National Housing Bank (“NHB”) vide its Notification No. NHB (ND)/DRS/POL-No. 29/2009 dated June 02, 2009 and pursuant to Master Direction of Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

Truhome Finance Limited ensures fair practice and transparency to its customers and accordingly this interest rate policy is also published on Company’s website.

Pricing Policy

| Parameters | Guidelines |
|---------------------------------|--|
| Prime lending Rate (PLR) | <p>The Company follows a Prime Lending Rate (PLR)–based pricing framework to ensure transparency, consistency, and alignment of loan pricing with underlying product economics and risk characteristics. The PLR serves as the reference rate for determining customer-specific interest rates, which may be adjusted through an appropriate spread based on product type, risk profile, and expected return parameters. In order to better align pricing with the differing risk, cost, and yield profiles of various loan products, the Company has adopted a product-specific PLR structure with effect from 01 April 2024.</p> <p>Truhome Prime Lending Rate (PLR) – Applicability</p> <p>The Truhome Prime Lending Rate (PLR) is 17.35% p.a., effective 07 March 2024. With effect from 01 April 2024, the Company has adopted following product-specific PLRs for all new loan bookings thereon:</p> <ul style="list-style-type: none"> LAP TruhomePLR: 16.35% p.a., applicable to all Loan Against Property (LAP) cases booked on or after 01 April 2024 HL TruhomePLR: 15.75% p.a., applicable to all Home Loan (HL) cases booked on or after 01 April 2024 |

| Parameters | Guidelines |
|---------------------------------------|--|
| | <ul style="list-style-type: none"> The existing TruhomePLR of 17.35% p.a. shall continue to be applicable to all loan accounts booked up to and including 31 March 2024, unless revised subsequently in accordance with the Company's PLR revision and governance framework. <p>Any introduction, revision, or modification of the Truhome Prime Lending Rate (PLR), including product-specific PLRs, shall be reviewed and approved by the Asset Liability Management Committee (ALCO) of the Company.</p> <p>PLR revisions shall be undertaken in line with prevailing market conditions, cost of funds, liquidity position, and the Company's overall risk and return objectives.</p> <p>If the cumulative change in PLR is more than 100 bps in a quarter, then such change shall require approval from Board of the Company.</p> |
| Approach for Gradation of Risk | <ul style="list-style-type: none"> Each client represents a different risk profile based on the customer profile, experience, credit and default risk in the respective business segment, CIBIL scores, repayment track record of the borrower with lenders, group strength, nature and value of collateral security etc. Cost premium / discount is attached to overall interest rate on the loan for the client based upon the risk parameters (example but not limited to LTV, Loan size, Assessment method etc.) and these are reviewed from time to time |
| Interest Rate Model | <p>Apart from the Company's Prime Lending Rate (PLR) and customer-specific risk gradation, the following factors are considered while deriving the applicable interest rate for a loan:</p> <ul style="list-style-type: none"> ➤ Cost of Funds - The Asset Liability Management Committee (ALCO) plays a central role in managing the Company's short- and long-term funding profile and overall asset-liability balance. ALCO provides guidance on the cost of funds across tenors and outlines the indicative interest rate ranges to be applied for various loan products. ➤ Tenor of the Facility - The tenor of the loan is a key determinant of pricing, as short-term and long-term funds carry different cost structures. Accordingly, the interest rate reflects the underlying funding cost associated with the selected tenor. ➤ Perceived Industry Risk - Industry-specific risks are evaluated while pricing a loan. Based on the risk profile of the borrower's industry or sector, an appropriate risk premium or discount may be applied to the interest rate. ➤ Security Offered - The nature and quality of security offered by the borrower or type of property, locations and construction are key considerations in pricing. This factor influences the risk premium or discount applied to the loan. ➤ Customer Profile - The borrower's overall profile, including experience, market reputation, business model, financial strength, and operational track record, is assessed to determine the appropriate pricing for the loan. |

| Parameters | Guidelines |
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| | <p>These factors while considered, often the assessment is based on the judgement of the frontline sales team and the credit team and thus pricing at loan level considers these factors on overall level and final pricing is based on assessment of the team at location. Competition pricing is also one of the factors in determination of the final pricing offered to the clients at account level.</p> <p>Annualised Interest Rate Disclosure - All interest rates are expressed on an annualised basis to ensure transparency and enable the borrower to clearly understand the effective rate applicable to the loan account</p> |
| <p>Prepayment charges</p> | <p>Company levies Prepayment charges on prepayment of loans basis the loan type, prevailing rate type of loan & source of prepayment which are as under:</p> <p>Floating Rate Loans</p> <ul style="list-style-type: none"> ➤ For all loans granted for purpose other than business purpose to Individuals – Nil ➤ For loans granted for Business purpose to individuals and/or MSEs – Nil charges for the cases with sanction amount upto 50 lakh ➤ For loans granted for Business purpose to individuals and/or MSEs with sanction amount above 50 lakhs: <ul style="list-style-type: none"> • 4% + Applicable Taxes of principal prepaid if repaid from own Funds • 6% + Applicable Taxes of principal prepaid if repaid via Balance Transfer ➤ For LAP loans granted for Business purposes to Medium Enterprises: <ul style="list-style-type: none"> • 4% + Applicable Taxes of principal prepaid if repaid from own Funds • 6% + Applicable Taxes of principal prepaid if repaid via Balance Transfer ➤ For Micro LAP loans granted for Business purpose to Medium Enterprises- <ul style="list-style-type: none"> • 4% + Applicable Taxes of principal prepaid if repaid from own Funds • 6% + Applicable Taxes of principal prepaid if repaid via Balance Transfer <p>Fixed Rate Loans</p> <ul style="list-style-type: none"> ➤ Full repayment of home loan by individual borrowers - 6% + Applicable Taxes of principal prepaid if repaid via Balance Transfer; NIL in case closed from own funds ➤ Part or full repayment of LAP/Micro LAP Loan - <ul style="list-style-type: none"> • 4% + Applicable Taxes of principal prepaid if repaid from own Funds • 6% + Applicable Taxes of principal prepaid if repaid via Balance Transfer <p>Part or Full Prepayment of Loan (on Floating / Fixed Rate of Interest) by Corporates/Public Agencies/Builders/Legal Entities - As per Terms of Sanction Letter</p> |

| Parameters | Guidelines |
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| Other charges | <p>Besides normal Interest, Company may levy other financial charges like but not limited to processing charges, administrative charges, charges for legal & technical valuation, pre-payment charges, cheque bouncing charges, part disbursement charges, conversion charges, statement issuance charges, charges on various other services like issuing NO DUE certificates, NOC, letters ceding charge on assets/ security, security swap & exchange charges etc. wherever considered necessary and charges as defined in MITC. In addition, the Goods and Services Tax and other taxes, levies or cess would be collected at applicable rates from time to time.</p> <p>These charges are levied on event basis. MD & CEO of Company shall be authorized to make any amendment to these charges or introduce any new charge as and when deemed necessary.</p> |
| Switch over from floating rate to fixed rate | <p>In the event of reset of benchmark rate of Truhome Finance Limited i.e. TruhomePLR, the borrower will be communicated for change through appropriate channel. The borrower, who has availed home loan from the Company, will have option to switch from floating to fixed within the specified time, as decided by Company from time to time. Borrower can avail this option during the tenor of loan after paying the necessary switch charges. The loan shall be converted to prevailing fixed rate pricing at the time of switch.</p> <p>In case of reset for loans with floating rate, the impact shall be adjusted in tenor of the facility unless requested otherwise subject to permitted as per policy of Truhome from time to time, and elongation of tenor does not result in negative amortisation in case of upward revision or breach of maximum tenure of loans as permitted by Truhome policy.</p> |
| Customer communication | <p>The pricing is communicated to customer in the Sanction Letter. The customer is given a copy of sanction letter which mentions the rate of interest and type of interest i.e. Fixed or Floating.</p> |
| Sourcing Interest Rate Range* | <p>HL - From 8.50% to 18.00% LAP - From 9.50% to 22.00%</p> |

****as per Pricing Grid***

The information related to rates of interest and approach for risk gradation shall be updated on the Company's website (www.truhomefinance.in) whenever there is any change in the rate of interest policy.

| <p>Annual Percentage Rate</p> | <p>APR/ total Cost of Credit can be calculated based on the applicable Rate of Interest on the Loan and the applicable fee/ charges to be paid for availing the Loan and it can be used by the customers to compare the costs associated with borrowing across products and/or lenders.</p> <p>The APR of Truhome Finance Limited is furnished in the table below:</p> <table border="1" data-bbox="410 474 1414 705"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">HL</th> <th colspan="2">LAP</th> </tr> <tr> <th>Min</th> <th>Max</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Sourcing Interest Rate Range (as per Pricing Grid)</td> <td>8.50%</td> <td>18.00%</td> <td>10.00%</td> <td>22.00%</td> </tr> <tr> <td>PF%**</td> <td>0.03%</td> <td>0.20%</td> <td>0.13%</td> <td>0.38%</td> </tr> <tr> <td>Annual Percentage Rate(APR)</td> <td>8.53%</td> <td>18.20%</td> <td>10.13%</td> <td>22.38%</td> </tr> </tbody> </table> <p>Note:</p> <ol style="list-style-type: none"> (1) **PF considered @ 0.5% minimum and 3.0% max for HL - amortized over 15 years (2) **PF considered @ 1.0% minimum and 3.0% max for LAP - amortized over 8 years (3) The Annual Percentage Rate (APR) of loan is the total annual cost of the loan/ credit in percentage terms. The APR represents total cost of credit on a loan on per annum basis. (4) APR may not remain same in case of revision in the floating rate of interest. Further, the APR will vary if other fee/ charges like prepayment charges, penal charge, CERSAI charges, stamp duty etc. (which one may incur during lifecycle of the Loan) are factored. (5) Loans with higher or lower interest rate / processing fees may be sourced, based on specific risk assessment of the loan, with exception approvals. (6) The sourcing interest rate range excludes “Loans to employees of the Company and group companies” | Particulars | HL | | LAP | | Min | Max | Min | Max | Sourcing Interest Rate Range (as per Pricing Grid) | 8.50% | 18.00% | 10.00% | 22.00% | PF%** | 0.03% | 0.20% | 0.13% | 0.38% | Annual Percentage Rate(APR) | 8.53% | 18.20% | 10.13% | 22.38% |
|--|--|---------------|---------------|---------------|-----|--|-----|-----|-----|-----|--|-------|--------|--------|--------|-------|-------|-------|-------|-------|------------------------------------|--------------|---------------|---------------|---------------|
| Particulars | HL | | LAP | | | | | | | | | | | | | | | | | | | | | | |
| | Min | Max | Min | Max | | | | | | | | | | | | | | | | | | | | | |
| Sourcing Interest Rate Range (as per Pricing Grid) | 8.50% | 18.00% | 10.00% | 22.00% | | | | | | | | | | | | | | | | | | | | | |
| PF%** | 0.03% | 0.20% | 0.13% | 0.38% | | | | | | | | | | | | | | | | | | | | | |
| Annual Percentage Rate(APR) | 8.53% | 18.20% | 10.13% | 22.38% | | | | | | | | | | | | | | | | | | | | | |
| <p>Interest rate type</p> | <p>Company offers loans at Floating rate, Fixed and Semi-Fixed rate as per request of borrowers. Semi-Fixed rates are wherein loans are offered at fixed rate for the period ranging between 12 months - 36 months & floating rate thereafter</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Retention Repricing</p> | <p>For Retention repricing, Company may choose to apply a Fixed rate for the customer for a period of upto maximum 3 years.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Revision of Interest Rate</p> | <p>The rate of interest for loans may be changed, for identified loans, on the following scenarios, prospectively, based on the credit assessment methodology. The communication to the customer regarding the change shall be made as stated in the Fair Practices Code of the Company.</p> <ol style="list-style-type: none"> 1) Frequent bounces or Delay in repayment of loan 2) Credit deterioration in another loan with Truhome Finance Limited 3) Credit deterioration reported by any another lender 4) Deterioration in Bureau score 5) Name appearing in negative list / defaulter list of RBI, NHB, etc. | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <ul style="list-style-type: none">6) Inaccuracies or discrepancies found in any documents submitted to Truhome Finance Limited7) Deterioration in customers' risk profile basis internal analytical assessment of the borrower/s by Truhome Finance Limited8) Non-compliance to sanction conditions subsequent to disbursement |
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Annexure - Waiver Approval Authority Limits

Rate of Interest (ROI):

| Product | MD & CEO | Chief Operating Officer (COO) | National sales director / Sales director | Product Head |
|-----------------------------|--------------|-------------------------------|--|---|
| Housing Loan (HL) | Below 10.50% | Upto 10.50% | Geography specific authorisation ranging between 1.5% - 2.00% on applicable rate | Geography specific authorisation ranging between 2.00% - 2.50% on applicable rate |
| Loan Against Property (LAP) | Below 12.00% | Upto 12.00% | | |

Processing Fee (PF):

| Product | MD & CEO | Chief Operating Officer (COO) |
|--------------|-------------|-------------------------------|
| All Products | Below 0.50% | Upto 0.50% |

* Exclusive of GST / Taxes

Note: Any change in the Waiver Approval Matrix (i.e. ROI / PF Waiver Matrix) to be approved by Managing Director & CEO (Truhome Finance Limited).

| ROI Logic | | | | | |
|---------------|--------------|-------------------------|--------|---------------|--|
| Profile | Loan Amount | Customer Segment | ROI | Risk Category | Principle of Pricing |
| Salaried | <=10 lacs | Formal Salaried | 13.00% | Low | These cases have a stable monthly income flow that can be easily verified, resulting in a low probability of default. When combined with a strong CIBIL score, the best interest rate is offered. |
| | | Cash Salaried | 13.75% | Medium | These cases have a stable monthly income flow, though validation is slightly challenging. However, with a very low probability of default and a good credit history, the interest rate offered is slightly higher than the best rate provided for formal salaried individuals. |
| | > 10 lacs | Formal Salaried | 12.50% | Low | These cases have a stable monthly income flow that can be easily validated, resulting in the lowest probability of default. When combined with a good credit history, the best interest rate is offered. |
| | | Cash Salaried | 13.25% | Medium | These cases have a fixed monthly income flow, though validation is slightly challenging. However, with a very low probability of default and a good credit history, a rate slightly higher than the best interest rate is offered. |
| Self-Employed | Upto 10 lacs | Banking/Net Profit /GPR | 13.75% | Medium | These cases have verifiable documented income, resulting in the lowest probability of default. Consequently, the best available interest rate is offered. |
| | | Income Multiplier | 14.00% | Medium | These cases have valid documented income; however, considering the business profile and the benefit of higher cash flow, a slightly higher premium is applied to the interest rate to mitigate the additional risk. |

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|--|---------------|-------------------------|--------|--------|--|
| | | LIP/Low LTV | 14.25% | Medium | These cases have valid documented income; however, considering the business profile or property value and the associated benefit of higher cash flow, a premium is applied to the interest rate to mitigate the additional risk. |
| | | NIP | 14.75% | High | These cases have no documented income but demonstrate a stable business. Due to the moderate risk associated with such cases, the highest interest rate is applied. |
| | Above 10 lacs | Banking/Net Profit /GPR | 13.25% | Medium | These cases have verifiable documented income, resulting in the lowest probability of default. When combined with a strong credit history, the best available interest rate is offered. |
| | | Income Multiplier | 13.50% | Medium | These cases have valid documented income, but considering the business profile and the benefit of higher cash flow, a slightly higher premium is applied to the interest rate to mitigate the additional risk. |
| | | LIP/Low LTV | 13.75% | Medium | These cases have verifiable documented income; however, considering the business profile or property value and the benefit of higher cash flow, a premium is applied to the interest rate to mitigate the additional risk. |
| | | NIP | 14.25% | High | These cases lack documented income but are backed by a stable business. Due to the higher risk of default associated with such cases, the highest interest rate is charged. |
| | | | | | |