



# Grow Money Capital Private Limited

(Formerly Known as Eclear Leasing & Finance Private Limited)

## INTEREST RATE POLICY

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### **1. Purpose and Regulatory Framework**

In accordance with the Master Direction issued by the Reserve Bank of India, as amended from time to time, the Board of Directors of Grow Money Capital Private Limited (“Company”) has adopted this Interest Rate Policy (“Policy”) to lay down principles and procedures for determining interest rates, processing fees, penal charges and other fees.

This Policy aims to ensure transparency, fairness, and consistency in pricing of the Company’s loan products and provides a clear rationale for charging differential rates of interest to different categories of borrowers. The Policy shall be read in conjunction with the Company’s Fair Practices Code and other Board-approved policies.

### **2. Objectives**

The objectives of this Policy are to:

- Ensure interest rates and charges are fair, transparent and non-discriminatory
- Adopt a risk-based pricing approach aligned with borrower and product risk
- Ensure sustainability of the Company while protecting borrower interests
- Ensure accurate computation and disclosure of interest and other charges
- Comply with applicable RBI guidelines and market best practices

### **3. Governance and Oversight**

The Board of Directors shall have overall oversight of this Policy. Pricing decisions shall be taken in accordance with this Policy and within limits approved by the Board. The Board shall review the Policy periodically and ensure regulatory compliance.

### **4. Loan Products**

The Company may offer, inter alia, the following loan products:

- Micro Enterprise Loans (MEL)
- Loan Against Property (LAP)
- Vehicle Loans
- Supply Chain Finance
- Corporate Lending
- Business Loan (Secured/ Unsecured)
- Any other lending products as approved by the Board from time to time

## **5. Types of Interest Rates**

The Company charges a fixed interest rate for its loan products. The determination of the fixed interest rate shall be based on various factors discussed in this Policy.

## **6. Interest Rate Model**

The Company follows a risk-based interest rate model, ensuring that interest rates are commensurate with the risks associated with the borrower, product and prevailing market conditions, whereas a minimum interest rate of 12% per annum, on an annualized basis shall be charged to the borrower. Interest shall be charged only from the actual date of disbursement.

### **Primary Factors**

Interest rates shall be determined after considering:

- Cost of borrowings and cost of equity
- Operating and administrative expenses
- Cost of maintaining liquidity buffers
- Expected return on assets
- Credit risk and expected losses
- Prevailing market and macroeconomic conditions

### **Additional / Risk-Based Factors**

Interest rates may vary based on one or more of the following:

- Secured or unsecured nature of the loan
- Loan product features and structure
- Loan amount and repayment profile
- Quality and value of collateral, if applicable
- Borrower credit history and bureau score
- Income stability, business profile and repayment capacity
- Industry, sectoral and geographic risk
- Internal risk score and historical borrower performance
- Sourcing channel and repayment mechanism
- Subvention or promotional schemes, if any

The interest rate for the same product and tenor may vary between borrowers based on the above factors.

## **7. Gradation of Risk**

The Company shall adopt an internal risk assessment framework based on credit bureau data, repayment history, income or business stability, existing indebtedness, nature of the facility, verification outcomes and other relevant parameters. The assigned risk grade shall influence the applicable interest rate and pricing.

## **8. Processing Fees, Penal Charges and Other Charges**

### **Processing Fees**

The Company may levy processing fees from 1% up to 10% of the loan amount, excluding applicable taxes. Processing fees may vary based on product type, loan amount and other relevant factors such as risk profile of the borrower.

### **Bounce Charges**

The Company may levy bounce charges for dishonor of repayment instruments or failed auto-debits, subject to a maximum of ₹1,000 per bounce.

### **Penal Charges**

Penal charges may be levied for non-compliance with material terms and conditions of the loan agreement, subject to the following:

- Maximum penal charge shall not exceed 30% per annum
- Penal charges shall be reasonable and non-discriminatory within a product category
- Penal charges shall not be capitalized
- No further interest shall be levied on penal charges
- Penal charges and trigger events shall be clearly disclosed in the loan agreement and Key Fact Statement

### **Other Charges**

The Company may levy other charges such as rescheduling charges or statement charges, as approved by the Board. Any revision in charges shall be applied prospectively and communicated to borrowers.

## **9. Annualized Percentage Rate (APR)**

The Company shall disclose the Annualized Percentage Rate (APR) to borrowers, representing the all-inclusive annualized cost of borrowing, including interest and processing fees but excluding contingent charges such as penal charges. APR shall be disclosed upfront in the sanction letter and Key Fact Statement.

## **10. Cooling-off Period**

Borrowers shall be provided with a cooling-off period of up to 3 days, during which they may exit the loan by repaying the principal and Cooling charges maximum up to proportionate APR without incurring any penalty, in accordance with applicable RBI guidelines.

### **11. Communication and Transparency**

All interest rates, fees and charges shall be clearly disclosed in the sanction letter, loan agreement and Key Fact Statement. There shall be no retrospective change in interest rates or charges. All communications shall be made through appropriate and permissible modes.

### **12. Fair Practices Code**

All lending, servicing and collection activities shall be governed by the Company's Board-approved Fair Practices Code and applicable RBI regulations.

### **13. Review and Amendment**

This Policy shall be reviewed by the Board at least once annually or earlier, if required, due to changes in regulatory guidelines, market conditions or business strategy. Any amendment shall require approval of the Board.