

Geetanjali Trading and Investments Private Limited

Interest Rate Policy

Version: 5.0
(Version Date: 8th February 2024)

Policy Custodian:

Division	Investment
Officer In-Charge	Principal Officer
Policy Contact	022-40016500

Policy Version Control:

Sr. No.	Version Number	Version Date
1	Version 1.0	25/04/2018
2	Version 2.0	24/01/2020
3	Version 3.0	11/02/2022
4	Version 4.0	23/02/2023
5	Version 5.0	08/02/2024

Policy Governance:

Frequency of Review	Annual or whenever required to be amended
Last Reviewed On	08/02/2024
Approval Path	1 st Level at Committee and Final authority with the Board

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1. Background

The Reserve Bank of India [“RBI”] has, under the Reserve Bank of India Act, 1934 [“RBI Act”], issued the Core Investment Companies (Reserve Bank) Directions, 2016 [“the CIC Directions”].

The Company, being a Core Investment Company registered U/s 45-IA of the RBI Act as a CIC-ND-SI, is engaged in investment and financing activities to its entities in the Group.

In view of the above, the Company has adopted this policy document, which sets out an Interest rate model for the Company, taking into account relevant factors such as cost of funds, margin and risk premium, gradation of risks, etc. and determine the rate of interest to be charged for loans and advances.

2. Objectives

The objective of this policy is to ensure that interest rates charged do not exceed beyond a certain level and to ensure that the interest rates are conforming to normal financial practice. This policy is formulated to also ensure transparency in the Company’s dealings with others.

3. Scope

This policy applies to all the categories of lending products and services offered by the Company (Both currently offered and / or which may be offered at a future date).

Commitments outlined in this policy are applicable under normal operating environment. In the event of force majeure, the Company may not be able to fulfil the commitments under this policy.

In case of any discrepancy between this policy and any executed agreements, the terms and conditions of that agreement, insofar as they are distinct from this code, shall supersede this policy.

Any directions issued by RBI and / or the applicable directions, as amended from time to time, shall supersede this policy.

4. Company’s Policy

- a. The Company follows a policy not to grant loans to any third parties. Loan to Group companies are considered on need basis. Loans granted to wholly owned subsidiaries (WOSs) are normally interest free as it is a part of the Company’s liability.

- b. For other loans the Company has adopted an interest rate model for determining the rate of interest to be charged on loans and advances, processing and other charges taking into account relevant factors such as, cost of funds, margin and risk premium, etc.
- c. While considering risk parameters stated above are important, the strategic nature of financing may also act as a key parameter for the interest rate levied.
- d. The Company has its own model for arriving at base rates taking into consideration, among other things, Company's borrowing cost, unallowable overheads and other administrative costs etc. The base rate however does not include expected return on assets.
- e. The rate of interest for loans is arrived at through the Company's base rate model, cost on account of risk and tenor premium etc.
- f. The final lending rate may however vary after taking into account historical performance of similar clients, profile of the borrower, tenure of relationship with the borrower, repayment track record of the borrower in case of existing customer, group strength, etc. Such information is gathered based on information provided by the borrower.
- g. The rates of interest for the same product and tenor availed during same period by different customers need not to be standardized. It could vary for different customers depending upon consideration of any or combination of above factors.
- h. The Rate of interest to be charged will be duly disclosed to the borrower/s in the confirmatory letter, to be disclosed in bold and at an annualized rate in the sanction letter as well as the Loan Agreement.
- i. The interest rates on each of the loan would be decided by such body as authorized by the Board of Directors or the Board of Directors themselves.
- j. The interest rates could be offered on fixed or variable basis.
- k. The interest re-set period, if any would be decided by the Company from time to time.
- l. Interest is to be calculated on the amount utilized by the borrower and not merely on the sanctioned limit.
- m. No interest is payable on credit balance in borrower's account.

- n. Rationale for charging rate of interest shall be disclosed to the borrowers or customer in the application form and communicated explicitly in the sanction letter.
- o. While granting loan to subsidiaries or group companies, the sanctioning authority shall record relationship in writing at the time of sanctioning loan. Such loan shall carry an approval of the Board of Directors.
- p. The Company shall in certain special cases issue an interest free loan or grant / extend the tenor under which the sanctioning authority shall, record specific reasons in writing at the time of sanctioning loan, or granting extension or moratorium. Such sanction shall be with an approval of the Board of Directors.
- q. The annualized rate of interest and approach for gradation of risks are not applicable as no loans are granted to third parties.
- r. In case the due date falls on a public holiday or Sunday, it shall be deemed to fall due on the subsequent working day.
- s. Change in the rate of interest or important changes in the policy shall be communicated to the borrowers before implementing changes.
- t. Interest Rates would be intimated to the customers at the time of sanction/availing of the loan and the EMI apportionment towards interest and principal dues would be made available to the customers.

The interest shall be deemed payable immediately on due date / interest payment date. However, grace period may be allowed for payment of interest.
- u. Besides normal interest, the Company may levy penal charges in case of default as stated in the respective sanction terms / loan agreement.
- v. The aim of the Company to levy the charges in case of default is not to make money out of it but to encourage prompt and timely repayment of dues and to deter the borrower against intentional delinquency. However, in deserving cases, such penal charges may be completely waived off or settled at lower amount, at the sole discretion of the company.
- w. Other Penal charges and charges on various services (other than default of repayment) would be levied by the company wherever considered necessary. Also, the base charges, Goods & Service Tax and other Cess would be collected at applicable rates from time to time. Any revision would be from prospective effect.

- x. In case deemed fit, the company may consider necessary moratorium for interest payment and repayment of principal with proper built-in pricing.
- y. No claims for refund or waiver of such penal charges would normally be entertained by the company and it is the sole discretion of the Board of directors to deal with such requests if any.

5. Effective Date

This policy version 5.0 has been adopted at the Company's Board of Directors meeting held on 8th February 2024 and shall stand applicable organization wide with effect 8th February 2024.

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