

**POLICY FOR DETERMINING INTEREST RATES, PROCESSING FEES AND CHARGES  
OF  
EDGRO FINANCE PRIVATE LIMITED**

**Approved by the Board of Directors of  
Edgro Finance Private Limited**

**On November 11, 2025**

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**Bibhu Prasad Das  
Whole Time Director**

**Document History:**

Version	Approved on	Comments/ Remarks/ Changes	Prepared By
01	July 12, 2023	Initial Policy prepared for approval.	Head-Operations
02	May 22, 2024	Annual Review	Head-Operations
03	June 17, 2025	<b>Annual Review Summary – Key Changes:</b> 1. Entity-level interest rate removed; now disclosed per loan product. 2. New annexure added detailing interest rates, processing fees, and other charges for each loan product. 3. Policy name updated from "Policy for Determining Interest Rates and Charges" to "Policy for Determining Interest Rates, Processing Fees and Charges". 4. Review Clause – Authority given to Chief Compliance Officer for implementation of the Policy.	Head-Operations
04	August 27, 2025	Refer to Annexure-1, where the interest rate for the Higher Education – Domestic loan product has been revised from up to 20% to 25%, and the processing fee has been increased from up to 2% to 4%	Head- Finance
05	November 11, 2025	<b>Summary of Policy Changes</b> 1. As detailed in Annexure-1, the processing fee for all loan products has been revised to up to 5%. 2. The Loan Pricing Policy (originally approved by the Board through circulation on April 24, 2025) has now been integrated into this policy. Accordingly, the Edgro Prime Lending Rate (EPLR) will be disclosed on the website as part of this updated policy. In line with this integration, the cost of funds has been updated, and new sections on Operational Cost, Risk Premium, and Equity have been incorporated into the policy. 3. Consequently, and as detailed in Annexure-1, the Prime Lending Rate (EPLR) has been updated to 15% 4. Section 12 added i.e. Interest on Overdue - In case of overdue installments, the overdue amount shall continue to accrue interest at the normal rate of interest applicable to the respective loan products, until the overdue is cleared. No additional penal interest shall be levied on such overdues.	Head- Finance

**A. BACKGROUND, SCOPE, OBJECTIVES AND APPLICABILITY****1. Background**

**EDGRO Finance Private Limited ("Company")**, has been granted registration as a Non-Banking Financial Company ("NBFC") by the Reserve Bank of India ('RBI') under the Section 45-IA of the Reserve Bank of India Act, 1934.

The Company, as a base layer NBFC, is required to comply with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. Under Chapter VII of the RBI Directions, guidelines with respect to Fair Practice Code has been provided. In accordance with clause 45.12 under Chapter VII of the RBI Directions, boards of NBFCs shall lay out appropriate internal principles and procedures in determining interest rates and processing and other charges.

In pursuance to the above regulatory requirements, the Company, being an NBFC, shall adopt this '**Policy for Determining Interest Rates and Charges**' ("Policy").

**2. Scope and Objective of the Policy**

The objective of this Policy is to define a framework to transparently determine rate of interest, fee and charges which are applicable to its borrowers.

**3. Applicability**

The Policy shall be effective from the date of its approval by the Board, and it shall be applicable to lending activities of the Company.

**B. POLICY STANDARDS****4. Broad Range of Interest Rates Applicable on the Lending Business**

The range of interest rates applicable to the Company's loan products shall be computed considering the cost of funds, credit costs, operational expenses, and other administrative costs.

**5. Cost of Funds**

The cost of funds will depend on the different types of funding sources availed by the Company to fund its lending business. Various sources will consist of equity, bank loans, debentures, commercial papers and other market instruments.

**6. Operational Cost:**

It pertains to costs related to end-to-end loan cycle, including underwriting & collections, operations, employees, fixed assets & infrastructure, technology, management & administration, sales, marketing & promotions, compliance costs, among other things.

**7. Risk Premium:**

It covers all the risks which the Company is exposed to, including but not limited to- credit risk, operational risk, systemic risks. The Company will cover its risks through a combination of loss provisions, insurance and re-insurance.

**8. Equity Cost:**

It covers the expected Return of assets for the entity, and to be revisited on a quarterly basis.

**9. Range of Interest Rates on Specific Loan Product or a Category of Borrowers**

The range of interest rates for a category of borrowers or a loan product shall factor various elements like the Company's cost of funds, credit risk premium for the product, tenor premium, sourcing cost, operating cost, margin & interest rate trend prevailing in the market for the specific borrower category/ product. Thereafter, gradations of risk will further determine the specific rate applicable to a customer.

**10. Gradations of Risk**

Based on gradations of risk, the Company may charge different rates of interest to different categories of borrowers. Key factors which may be used in gradation of risk for deciding the rate of interest applicable to a specific borrower are as under:

- (a) Risks associated with the borrower's employment/ business.
- (b) Type, nature, vintage/ experience, profile of the borrower.
- (c) Vintage of the Company's relationship with the borrower, repayment track record of existing borrower, credit history of the borrower available from various sources.
- (d) Purpose of the loan.
- (e) Existing and expected/ projected financial position of the borrower, sustainability of cash flow of the borrower.
- (f) Historical performance of homogenous pool of similar borrowers and credit default risk in the similar loan category and business segment.
- (g) Nature and value of primary collateral and additional security.
- (h) Tenure of the loan.

**11. Interest Rates**

Interest Rates would be fixed in nature. The borrowers are categorized into different risk buckets based on several factors such as customer's nature of employment, bank statement analysis, income assessment, overall customer credit score and education profile, etc. Institutes are categorized into different risk buckets (A+ to D) based on institute vintage, segment, accreditation, size, past performance, financial health, etc. The rate of interest applicable to each loan product is determined based on a risk assessment of the borrower and the associated institution. Specific interest rates, along with applicable processing fees and other charges, are disclosed for each loan product in **Annexure-1 of this Policy**. The effective annualized reducing interest rate falls within reasonable ranges, subject to the nature of the loan product and the risk profile of the borrower

**12. Interest on Overdue**

In case of overdue installments, the overdue amount shall continue to accrue interest at the normal rate of interest applicable to the respective loan product, until the overdue is cleared. No additional penal interest shall be levied on such overdues.

**13.****14. Penal Charges**

As a deterrent against delinquency and to encourage timely repayment and adherence to the repayment terms, the Company may levy a penal interest rate as per the terms and conditions agreed with the borrower.

**15. Other Charges**

The Company, wherever considered necessary, may levy various other financial charges like processing fees, cheque bouncing charges, late payment charges, prepayment/ foreclosure charges, part disbursement charges, cheque/ repayment instrument swap charges, security swap charges, charges for issuance of a statement/ document/ copy of document, re-schedulement charges etc. subject to the regulatory restrictions, if any. The Company shall disclose the applicable charges to its customers.

**16. Variation in Applicable Charges**

Certain charges may vary from customer to customer depending on loan product, borrower category, credit history of customer, type of security offered, expenses incurred in sourcing of business, geographical location and cost incurred in rendering service to the customer etc.

**17. Disclosure of Interest Rates, Processing Fee, and other Applicable Charges**

The Company through sanction letter, key fact statement and loan agreement shall convey annualized applicable rate of interest, processing fee and other charges to the borrower.

**C. AUTHORITY**

- (i) The Board shall have authority to define/ review/ revise the Company's benchmark floating reference rate, if any.
- (ii) The Board shall have the authority to define/ review/ revise the range of rates of interest applicable on various types of loans extended by the Company.
- (iii) The Whole Time Director ("WTD") of the Company or an official (to whom such authority may be delegated by any of these officials) shall have authority to approve rate of interest (in case of fixed rate loans) and additional margin/ discount on benchmark floating reference rate (in case of floating rate loans) that may be charged on a specific loan.
- (iv) The WTD of the Company or an official to whom such authority may be delegated by any of these officials may approve fees and charges to be levied on a specific loan/ credit exposure.

**D. REVIEW OF THE POLICY**

This Policy shall be reviewed, with the approval of the Board of Directors, once a year or earlier if required by the applicable rules and regulations. However, if the Policy is required to be amended due to change in any statutory/ regulatory requirement, requisite modifications shall be carried out and implemented at the earliest with the approval of the Chief Compliance Officer of the Company. Such an amended Policy shall be placed before the Board in its immediate next meeting for ratification.

**Section A - Rate of Interest, Processing Fees, Other Fees & Charges**

Loan Product Name	Rate of Interest	Processing Fees	Stamp Duty	Pre-Payment /Foreclosure Charges	Delay Charges	Bounce Charge (Per Instance)	Duplicate NOC (Per Instance)
Unsecured Personal Loans	Upto 30%	Up to 5%	As per State law	Up to 4% of Principal Outstanding	Rs 25/- per day till delay continues	Rs. 350/-	INR 200/-
B2B2C Education Loans Program	Upto 36%	Up to 5%	As per State law	Up to 4% of Principal Outstanding	Rs 25/- per day till delay continues	Rs. 350/-	INR 200/-
Higher Education - Domestic	Upto 25%	Up to 5%	As per State law	Up to 4% of Principal Outstanding	Rs 25/- per day till delay continues	Rs. 350/-	INR 200/-
Higher Education – Abroad	Upto 20%	Up to 5%	As per State law	Up to 4% of Principal Outstanding	Rs 25/- per day till delay continues	Rs. 350/-	INR 200/-

**Notes:**

1. As per Article 6 of the Karnataka Stamp Act, a stamp duty of 0.1% is applicable on loan agreements. For Higher Education – Abroad Loans, the minimum stamp duty payable by the borrower in Karnataka is ₹500.
2. A **15-day cooling-off period** will be provided to customers across all loan products. This allows borrowers time to reconsider their decision without incurring any penalties.
3. All the fees and charges stated are **inclusive of applicable taxes**, including Goods and Services Tax (GST)

**Section B - Edgro Prime lending rate**

Component	Price
Debt cost @1.5:1	6.5%
Operational Cost	3.5%
Risk Premium	1.5%
Equity cost	3.5%
<b>Latest Edgro Prime lending rate as on September 30, 2025</b>	<b>15.0%</b>

**Note :**

1. The Edgro Prime lending rate is inclusive of interest rate and all upfront fees & charges applicable to the borrower.
2. Overall Calculated number will be round up to arrive at Edgro Prime lending rate and the management will revisit the calculation on a quarterly basis.

\*\*\*\*End of the Policy\*\*\*\*