INTEREST RATE & PENAL CHARGES POLICY

Regulatory Basis	RBI Master Direction – (Non-Banking Financial Companies – Registration, Exemption, and Framework for Scale based Regulation) Directions, 2025 Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025
Approving Authority	Board of Directors
Review Frequency	At least annually and earlier where required

1. Introduction

Comero Leasing and Financials Private Limited ("the Company"), a Reserve Bank of India (RBI)-registered Non-Banking Financial Company (NBFC) – Non-Systemically Important Non-Deposit taking Company (NBFC-NSI-ND), has framed this comprehensive **Interest Rate Policy and Penal Charges Policy** ("the Policy").

The Policy was originally adopted by the Company's Board of Directors in its meeting held on 4th September 2026, to incorporate product-specific pricing for key offerings like XpressLoan payday loans and business loans, while ensuring full alignment with RBI's fair lending practices, transparency requirements, and restrictions on penal charge capitalization.

This Policy shall be read in conjunction with the Company's Fair Practices Code, Key Fact Statement (KFS) disclosures, and all applicable RBI notifications. It is publicly disclosed on the Company's official website (www.comero.in) as required under RBI guidelines and forms an integral part of all loan agreements sanctioned henceforth. The Policy promotes fair, transparent, and risk-based pricing to protect customer interests while maintaining the Company's financial sustainability.

2. Objective

- Establish framework for interest rates, processing fees, and penal charges.
- Promote transparency, fairness, and RBI compliance in pricing.
- Ensure customer awareness of all-in-cost pricing.

3. Applicability

- All current/future loan products (payday loans, business loans).
- All customer categories and regions.
- Processing fees, penal charges, and interest disclosures.

4. Board Oversight

- Board approved; annual reviews or on regulatory changes.
- Oversees market alignment, risk management, and compliance.

5. Interest Rate Determination

Rates factor in:

- Cost of capital and weighted average borrowing costs.
- Risk premium (credit history, tenure, segment, digital verification).
- Operating expenses (staff, tech, marketing).
- Profit margin for sustainability.

Payday Loan Product (XPRESSLOAN):

- **Interest Rate**: 0.5% - 1% per day
- **Processing Fees**: 5%-10% of principal (upfront disclosure)

Business Loans:

- **Interest Rate**: 12%-18% p.a. (based on credit score, turnover, collateral)

Loan Product	Interest Rate Range	Basis
Payday Loans (XPRESSLOAN)	0.5% - 1% per day	High-risk short-term
Business Loans	12% - 18% p.a.	Credit score, turnover, collateral

6. Application Methodology

- Loans ≤90 days: Daily interest (payday loans).
- Loans >90 days: Monthly interest.
- Penal charges not capitalized or added to principal (RBI rule).

7. Processing Fees and Charges

- **Payday Loans (XPRESSLOAN)**: 5%-10% of principal (upfront disclosure).
- **Business Loans**: 0.5%-2% of loan amount, based on risk/amount.
- Other charges:
    - EMI bounce: Flat fee per instance.
    - Delayed payment penal: Reasonable, non-compounding.
    - Foreclosure/prepayment: Nil after 12 months; 2-4% before.
    - Statutory: GST, stamp duty as applicable.
      All prospective, listed in KFS; no hidden fees.

8. Penal Charges

- Penal charges apply in case of borrower default or breach of loan terms.
- Penal charges are not capitalized.
- Customers will be:
    - Informed upfront through loan documentation and KFS.

    - Notified about any penalties during default reminders.
- All applicable charges will be published on the Company's website and updated periodically.

9. Customer Communication

- All-in effective rate shared pre-sanction via app/email/SMS/letter/website.
- Existing loans unaffected by changes.
- Policy updates posted online instantly.

10. Waivers

- Managing Director/Business Head authorized for case-by-case waivers/reductions. In case of Pay Day loans, they can delegate this duty to Management at Operational & Control level.
- Requires documentation; delegated with approvals.

11. Review Process

- Annual or triggered by RBI updates (penal rules).
- Board amends, notifies stakeholders, publishes on website.