

Standard Chartered Capital Limited ('SCCL')
Policy for Interest Rate and other charges

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1. Background & Purpose

The Reserve bank of India (RBI) vide its direction RBI/DOR/2025-26/362 DOR.MCS.REC.No.281/01-01-039/2025-26 dated November 28, 2025 – Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, has mandated that the Board of applicable NBFCs shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the interest rate to be charged for loans and advances.

To ensure compliance with the requirement of RBI and Fair Practices Code adopted by SCCL, Interest Rate Policy, approach for gradation of risk with respect to Lending Business, and levy of penal charges in loan accounts has been outlined below.

2. Products Offered

- Loan Against Securities (LAS)
- Loan to Corporates

3. Interest Rate Strategy

SCCL acquires its business through direct sourcing, referrer partners and other intermediaries.

The interest rate offered is based on cost coverage and reasonable returns to the organisation as measured through a targeted return on assets (ROA) and return on equity (ROE) to its shareholders.

The interest rate offered will be on floating rate basis benchmarked to internal reference rate. Changes to the internal reference rate will be effected basis thresholds defined in the internal grid, approved by SCCL ALCO and will be published to provide adequate transparency to customers.

The interest rate would be clearly communicated to the borrower before disbursement.

The impact of any changes in the internal reference rates are affected only prospectively and are passed onto the existing customer base in a transparent manner.

4. Pricing Determination Mechanism

SCCL primarily caters to Clients which are big Corporates/ Institutions, UHNIs, HNIs and are generally supported by team of professionals with well versed information across borrowing facilities, interest rates prevalent in the market.

Interest rate applicable to each loan, within the applicable range is assessed on a case specific basis.

Interest rate for each customer will be a combination of internal reference rate and spread.

Spread will include components like credit risk spread, business strategy spread and profit margins.

Credit Risk Spread: The Credit Spread will depend on the following factors:

- Borrower and Borrower Group Credentials which include nature of business, financial profile including net-worth, profitability, debt repayment capability etc.
- Track record of honouring commitments related to interest/principal and security/margin top-ups.
- Credit Rating of the borrower.
- Security / Collateral type to be pledged / lien.

- Security / Collateral cover including value and liquidity.
- Bureau Score
- Any other criteria specific to the transaction accepted by SCCL.

Business Strategy: Business strategy will evaluate factors such as market competition, operating costs, market liquidity, embedded options in the loan products, structuring premium etc. to determine appropriate pricing and spread.

Profit Margins: Profit margins will include reasonable returns to the organisation as measured through a targeted return on assets (ROA) and return on equity (ROE) to its shareholders.

Existing customers with a demonstrated track record may get benefit of lower rates.

Borrower Pricing and Spread for the specific product will be approved by the relevant authority authorized by Board of SCCL.

5. Risk based pricing mechanism

SCCL follows a risk-based pricing mechanism across its products, segments.

For Corporate loans, a Risk-Return framework is used which emphasises generation of an appropriate Return on Risk Weighted Assets (RoRWA) from the client relationships and transactions. Client wise returns (RoRWA) are subject to ongoing review by the respective business head.

For LAS, pricing will be derived basis combination of factors like the type of collateral securities offered, net-worth of the client etc as applicable to relevant segments.

Detailed pricing approach is referenced to internal pricing process document followed by respective business teams.

6. Processing Fees / Commitment fees / Other Charges

SCCL may levy processing fees / commitment fees / prepayment charges / other charges on its borrower for loans sanction on a case-to-case basis. Generally, this will be up to 4% of the sanction limit or disbursement amount. Quantum of processing fee would depend upon the type of collateral, nature and volume of documentation involved; services required from external agencies etc. Changes / waiver of such fees / charges will be subject to approval by the relevant authority.

7. Penal Charges

- SCCL may levy 'penal charges' for non-compliance of material terms and conditions of loan contract by the borrower. Penal charges shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. SCCL shall not capitalize penal charges i.e., no further interest computed on such charges.
- SCCL will ensure that the quantum of penal charges are reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.
- Changes / waiver of penal charges will be subject to approval by the relevant authority.

- Penal charges can be in the form of default charges, late payment, cheque bounce, NACH bounce, delay in security creation, breaching the covenant and any other charges.

8. Pricing Delegation of Authority

Any exception to the final Spread / Penal Charges / Processing Fees / any other charges offered will be subject to approval by the relevant approving authority as authorized by the Board of SCCL.

9. Review of Policy

The policy shall be reviewed once in two years or earlier if required by the Asset Liability Management Committee (ALCO) due to changes if any in the internal framework or external factors. Any revision in this Policy shall be decided by the Asset Liability Management Committee and shall be subsequently presented to the Board of Directors for their approval.

10. Disclosure

This policy will be made available on the SCCL website in accordance with the SCCL Fair Practice Code and RBI Guidelines.

The annualized rate of interest range as may be offered by SCCL from time to time is as follows (for reference only):

1. Loan Against Securities	Upto 15%
2. Loan to Corporates	Upto 15%