

India Infradebt Limited (Infradebt)

Interest Rate Policy

As per the RBI Circular No. RBI/2012-13/416 dated February 18, 2013, Boards of NBFCs are advised to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges in accordance with Fair Practices Code.

Infradebt refinances the existing debt of specific infrastructure projects primarily out of debt funds raised from the wholesale debt market.

Infradebt endeavors to provide lower interest rate than existing lenders to specified infrastructure projects. Accordingly, the interest rate charged by Infradebt to borrowers comprises of the corresponding Senior Lenders' Base Rate plus a Negative Spread that depends on the credit risk of the loan. The credit risk evaluation is based on the operating risk, financial risk, management risk and the security package available for the project.

Infradebt endeavors to refinance the infrastructure projects at competitive interest rates not exceeding 11% p.a. depending upon the credit risk profile of the borrower, loan tenor and loan structure. The same is subject to change, in case there are changes in the cost of borrowings. The rates of interest offered are on monthly, quarterly or semi-annual basis. Infradebt offers both fixed and variable interest rates. For variable rates, the interest rates are also subject to resets at the periodicity that is same as Senior Lenders'. Interest rates are communicated to the borrower at the time of sanction/ availing of loan. For variable rates both the Benchmark Rate and the Spread are communicated in writing to the client.

In addition to the interest rate, Infradebt would levy loan processing charges, legal fees on actuals, penal and liquidated damage charges, commitment fees, prepayment/ foreclosure charges etc. in line with that charged by the market.