

Interest Rate Policy

Version 3.0

Reviewed by the Board of Directors on July 22, 2022



India InfraDebt Limited

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. In view of the said RBI Guidelines, Infradebt has framed an Interest Rate Policy.

RBI has then issued Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Directions) dated September 1, 2016. The Master Directions have replaced the aforesaid RBI Directions dated February 18, 2013 with the above requirement still in place.

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

Infradebt endeavors to provide lower interest rate than existing lenders. Interest rates charged by Infradebt shall be a function of credit risk, tenor of loan, loan structure, its borrowing rates, rates offered by other consortium lenders/co-lenders and market competition. 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.p.m. depending upon the credit risk profile of the borrower, loan tenor and loan structure. Interest rate above 11% p.a.p.m. may be charged, specific to certain transactions, subject to requisite approvals. Applicable interest rates are subject to change during the tenor of the facility considering the risk profile of the borrowers, market scenario, change in benchmark rate and/or regulatory changes. The rates of interest offered are on monthly, quarterly, semi-annual or 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 or as may be mutually agreed between Borrower and Infradebt. Further, in such cases benchmark rate will be mutually decided between Borrower and Infradebt. 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.