

# **Indira In Fin Lease Limited**

## **Interest Rate Policy**

\*Reviewed and updated by the Board at its meeting held on March 10, 2026.

## **1. Background**

This Interest Rate Policy (“**Policy**”) of Indira In Fin Lease Limited (“the **Company**”) has been formulated in accordance with the regulatory framework prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFCs). The Policy is framed pursuant to the requirements under the RBI Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and the Fair Practices Code issued by the Reserve Bank of India.

The objective of this Policy is to ensure transparency in the methodology of determination of interest rates and to ensure that the rates and charges levied by the Company are fair, reasonable and communicated clearly to the borrowers. The Policy aims to establish a consistent approach in pricing credit facilities offered by the Company while considering risk, cost of funds and business requirements.

This Policy shall apply to all lending products offered by the Company from time to time.

## **2. Objective of the Policy**

The primary objectives of this Policy are:

- To define the principles and methodology for determining interest rates on loans and advances provided by the Company.
- To ensure transparency and fairness in the pricing of loan products.
- To comply with the regulatory guidelines issued by the Reserve Bank of India from time to time.
- To establish a framework that considers the cost of funds, operational expenses and associated risks in determining lending rates.

The Company shall ensure that the interest rates are determined in a manner consistent with sound lending principles and regulatory expectations.

## **3. Regulatory Framework**

This Policy is framed in accordance with the following regulatory provisions:

- RBI Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- RBI guidelines relating to Fair Practices Code for NBFCs.
- Any other circulars, notifications or directions issued by the Reserve Bank of India from time to time with respect to lending practices and interest rate transparency.

In line with the above directions, the Company shall adopt an interest rate model that takes into account relevant financial and risk parameters while determining the lending rates.

## **4. Interest Rate Determination Methodology**

The Company shall determine interest rates based on various factors including but not limited to the following:

**a. Internal & External Cost of Funds**

The rate at which the funds necessary to provide loan facilities to customers are sourced, normally referred to as our external cost of funds. Internal cost of funds being the expected return on equity; is also a relevant factor.

**b. Credit Risk Premium**

The risk profile of the borrower including creditworthiness, repayment capacity, past repayment track record, financial position and business stability shall be evaluated. The amount of bad debt provision applicable to a particular transaction will depend on the credit strength of the customer. This cost is then reflected in the final rate of interest quoted to a customer

**c. Tenure of Loan**

Longer tenure loans may carry higher risk exposure and may therefore attract a higher interest rate.

**d. Security / Collateral**

Loans secured with adequate collateral may attract relatively lower interest rates compared to unsecured exposures.

Based on the above factors, the Company may adopt a risk-based pricing approach wherein different borrowers may be charged different interest rates depending on their risk profile and other relevant parameters.

**5. Communication and Transparency**

The Company shall ensure that borrowers are informed of the applicable interest rate, processing fees, and other charges at the time of sanctioning the loan.

The following principles shall be adhered to:

- The rate of interest and all applicable charges shall be clearly mentioned in the sanction letter or loan agreement.
- Borrowers shall be informed about the method of application of interest (e.g., reducing balance method).
- Any changes in the interest rate structure shall be communicated to the borrowers appropriately.
- The Company shall ensure compliance with the disclosure requirements prescribed under the RBI Fair Practices Code.

This will ensure that borrowers have adequate knowledge of the financial obligations arising out of the loan facility.

**6. Interest Rate Range**

The Company may charge interest rates within a reasonable range depending on the type of loan product, borrower profile and associated risk factors.

The interest rate applicable to a borrower may therefore vary depending on:

- Credit assessment of the borrower
- Loan amount and tenure
- Security offered
- Market conditions and cost of funds

Such variation in interest rates across borrowers is permitted as long as the methodology remains transparent and consistent with the principles outlined in this Policy.

**7. Review and Amendment**

This Policy shall be reviewed periodically by the Board of Directors of the Company or as and when required based on regulatory changes or business considerations.

Any modifications to this Policy shall be approved by the Board of Directors and implemented in accordance with applicable regulatory requirements issued by the Reserve Bank of India from time to time.

**8. Board Approval**

This Policy has been approved by the Board of Directors of the Company and shall come into effect from the date of such approval.

The Policy shall be made available to relevant stakeholders and may be placed on the Company's website, if applicable, in accordance with RBI guidelines relating to disclosure and transparency.