

**INCRED FINANCIAL SERVICES PRIVATE LIMITED**  
*(Formerly known as Visu Leasing & Finance Private Limited)*

**Policy for Determining Interest Rates, Processing & other  
Charges**

## 1. Purpose

The Assets Liability Committee (ALCO) or any authority delegated by the Board of Directors of InCred Financial Services Private Limited (Formerly known as Visu Leasing & Finance Private Limited) ("**the Company**") will be guided by this Policy while deciding/ fixing interest rates, penal charges, pre-payment charges, processing charges etc. of the Company.

This policy is in accordance with the Fair Practices Code and other applicable regulatory requirements prescribed by the Reserve Bank of India (RBI).

The Company ensures fair practice and transparency to its customers and accordingly benchmark floating reference rate, range of rates of interest and the approach for gradation of risks will also be published on the Company's website ([www.incred.com](http://www.incred.com)).

## 2. Policy for Determination of Rate of Interest

**2.1** Benchmark Rate of Interest of the Company will primarily be based on the following factors:

- a) **Cost of Funds:** The cost of funds varies according to market conditions thus pricing of the loans is largely impacted by any change in the cost of funds.
- b) **Operating Expenses**
- c) **Fair Profit margins**

**2.2** Additional margins on the benchmark rate of interest may be applied for a particular loan facility considering the following factors:

- i) **Type of Loan**
- ii) **Tenor of facility:** Tenor of facility is also a key factor in deciding on the interest rate for the borrower since short and long term funds have different cost associated to them.
- iii) **Perceived Industry risk and current level of Rate of Interest in the market for similar lending activity**
- iv) **Quality of Security/ Collateral**
- v) **Internal, External Credit Rating and Credit-worthiness of the borrower**
- vi) **Profile of Customer:** Customer profile which includes their experience, educational qualifications, market reputation, business profile, financial profile, business model, etc. is an important factor in deriving the interest rate for the loans.

**2.3 Annualized Rate:** The Company will communicate annualised Rate of Interest to all its borrowers so that its borrowers are aware of exact rates that will be charged to respective loan facility.

**2.4 Ceiling on Interest Rate:** The Company will ensure that applicable rate of interest to any borrower should not exceed XX% per annum.

**2.5 Penal Interest:** The Company will mention penal interest charged for late repayment in bold in the loan agreement.

### **3. Pre-payment charges**

The Company will ensure compliance with the regulatory requirements while charging pre-payment penalty for early closure of any of the loans.

### **4. Processing/ Documentation and other Charges**

These charges may vary based on the type of loan, the exposure limit, expenses incurred towards sourcing and processing of customers' loan proposals and generally represent the cost incurred in rendering services to the customers.

### **5. Disclosure and Transparency**

The Rate of Interest, Fee and Charges will be expressly stated in the Loan Agreement or the Sanction Letter. The Company will provide information on Rate of Interest, common fees and charges through any one or more of the following media:

- a) Letters or Schedules of charges to the customers;
- b) Putting up notices at all our branches;
- c) Through telephone or helplines;
- d) On the Company's Website ([www.incred.com](http://www.incred.com));
- e) Through designated staff/ helpdesk.

### **6. Authority**

The ALCO or any group officials to whom powers have been delegated by the Board may decide the following:

- i) Methodology for computation of Benchmark Floating Reference Rate;
- ii) Range of Rate of Interest for various products;
- iii) Fee and Charges.

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