

INTEREST RATE AND OTHER SERVICE CHARGES POLICY

Version no.	SF/1.0/2024-2025
Original date of adoption of Policy	April 15, 2016
Last Amendment/ Modification date	August 14, 2025
Policy Owner	Speel Finance Company Private Limited
Approved by	Board of Directors
Policy Review Cycle	Annual

Version History

Version	Date	Approved by
1.0	15 th April 2016	Original Policy
2.0	7 th September 2022	Updation & Review of Policy
3.0	7 th March 2023	Updation & Review of Policy
4.0	3 rd May 2023	Updation & Review of Policy
5.0	10 th June 2024	Policy changed to adopt the guidelines as per Scale Based Regulations and to constitute Risk Management Committee
6.0	14 th August 2025	Annual review of Policy

Review History

Review	Date	Changes
1.0	12 th April 2017	Annual Review (in event of policy not being updated during the year otherwise)
2.0	9 th April 2018	Annual Review (in event of policy not being updated during the year otherwise)
3.0	18 th April 2019	Annual Review (in event of policy not being updated during the year otherwise)
4.0	5 th May 2020	Annual Review (in event of policy not being updated during the year otherwise)
5.0	20 th April 2021	Annual Review (in event of policy not being updated during the year otherwise)

1. BACKGROUND:

As per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, dated October 19, 2023 and amended by RBI on July 17, 2025, all the NBFC shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The rates of interest and the approach for gradation of risks shall also be made available

on the website of the companies or published in the relevant newspapers. The information published on the website or otherwise published shall be updated as and when there is a change in the rates of interest.

2. OBJECTIVE OF THE POLICY:

1. To arrive at the benchmark rates to be used for different category of borrower segments and to decide on the principles and approach of charging spreads to arrive at final rates charged from borrowers.
2. Communicate the annualised rate of interest to the borrower along with the approach for gradation of risk and rationale for charging different rates of interest to different categories of borrowers.
3. Make available the rates of interest and the approach for gradation of risks on the web- site of the company.

3. ROLE OF BOARD OF DIRECTORS:

The Board of Directors shall have oversight for the Interest Rate Policy of the Company. In order to ensure effective implementation of the Interest Rate Policy, the Board will review the Business/ Loan products along with incidental matters relating thereto considering the relevant factors and make suitable changes therein as and when required.

4. REVIEW OF POLICY:

Any change in the benchmark rate would be decided by the Board of Directors; such changes if any to be approved by the Board in the subsequent Board Meeting. The policy would be reviewed by the Board as and when required but at least once in a year.

The Board shall have the authority to fix the internal pricing under the overall framework of board approved interest rate policy for deciding the spreads to arrive at final rate to be charged to the customers.

5. INTEREST RATE MODEL:

The rate of interest shall be determined based on the cost of borrowed funds, matching tenor cost, market liquidity, refinance avenues, RBI repo rate, offerings by competition, tenure of customer relationship, cost of funds etc. In addition to the cost of funds, the rate of interest shall further be determined with risk premium which is based on the inherent credit and default risk in the products and customer per se arising from customer segment, profile of the customers, professional qualification, stability in earning and employment and repayment



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The Company may adopt an interest rate model whereby the rate of interest for same product and tenure availed during same period might differ from customer to customer depending upon consideration of any or combination of a few or all factors as listed above. Hence, the interest rate applied may be different from customer to customer on his/ her loans.

“Speel Reference Rate” means the rate which is referred by the Company in the loan/credit facility agreements for arriving at the final interest rate to be charged to the borrower.

“Fixed Rate of Interest” means the Fixed rate of interest applicable on the Loan as per Schedule I hereunder, which is subject to review by InCred /Lender from time to time

Depending upon various risks and returns from the products financed by the Company, the company lends money through both fixed and floating rate interest. Details of various products and nature of interest rates currently offered by the Company are as under:

Product Segment	Nature
Personal Loans	Fixed

The Interest rate benchmark shall be calculated considering the sum of below factors including prevailing market factors and any other factors suggested by the Board or the ALCO.

- 1. Base Cost of funds:** The Company borrows funds through various long term and short-term sources including term loans, Non- Convertible Debentures, Working Capital (CC/WCDL), Commercial papers, ICDs etc.

Weighted Average cost of all borrowings (including other costs like Processing Fee, brokerage etc.) over average borrowings to be considered for benchmark calculation.

- 2. Estimated variable Opex:** It includes estimated fixed and variable operations cost including employee expenses, administration expenses, sales and marketing expenses etc.

- 3. Expected ROA:** Expected Return on assets is the minimum return expected by the company on its income earning assets.



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6. GRADATION OF RISK

The Company shall adopt a risk-based pricing model. The interest rate applicable to each loan account shall be determined by taking into consideration the degree of risk involved. The decision to charge an individual rate within a range is based on a weighted average of factors including, but not limited to, the borrower's credit history, the nature of the security, the duration of the loan, and the prevailing cost of capital. This ensures that the risk premium charged is commensurate with the probability of default.

7. OTHER CHARGES:

Other financial fees and charges for the loans like processing fees, operating charges like first day default charges, late payment charges / Penal Charges, rescheduling charges, pre-payment / foreclosure charges, charges for issue of statement account etc., would be decided by the Board of Directors, considering market practices, applicable RBI guidelines and in consultation with Operations Head.

Legal charges like stamp duty, service tax and other cess would be collected at applicable rates from time to time and would be decided upon by the Board in consultation with Finance and Legal Heads.

8. COMMUNICATION OF INTEREST RATE/ CHARGES:

Interest rates/ other charges would be intimated to the customers at the time of sanction / avilment of the loan by the Company. The Interest Rate Model along with the rate of Interest charged to the customers shall be uploaded on the website of the Company and shall be updated as and when there are changes in the rates. Further, changes in the rates for the existing customers shall also be communicated to them.