

**INFORMATION ON RATE OF INTEREST AND THE APPROACH FOR GRADATION OF RISKS**

**(Last updated in September, 2023)**

**(A) Housing Loans- Rate of Interest on Percentage Per Annum basis**

S.N.	Type of Customer	Range of Standard Rate of Interest ("RoI")	
		On Fixed RoI	On Floating RoI
1	Salaried	11.50% to 22.50%	11.50% to 22.50%
2	Self Employed Professional ("SEP")	11.50% to 22.50%	11.50% to 22.50%
3	Self Employed Non-Professional ("SENP")	11.50% to 22.50%	11.50% to 22.50%

**(B) Loan Against Property (Residential)- Rate of Interest on Percentage Per Annum basis**

S.N.	Type of Customer	Range of Standard Rate of Interest ("RoI")	
		On Fixed RoI	On Floating RoI
1	Salaried	12.00% to 24.50%	12.00% to 24.50%
2	Self Employed Professional ("SEP")	12.00% to 24.50%	12.00% to 24.50%
3	Self Employed Non-Professional ("SENP")	12.00% to 24.50%	12.00% to 24.50%

**(C) Loan Against Property (Commercial) - Rate of Interest given on Percentage Per Annum basis**

S.N.	Type of Customer	Range of Standard Rate of Interest ("RoI")	
		On Fixed RoI	On Floating RoI
1	Salaried	12.00% to 24.50%	12.00% to 24.50%
2	Self Employed Professional ("SEP")	12.00% to 24.50%	12.00% to 24.50%
3	Self Employed Non-Professional ("SENP")	12.00% to 24.50%	12.00% to 24.50%

**(D) Variable Rate of Return (VRR) of India Shelter Finance Corporation Limited** which is the basis on which its floating rate loans are linked stands at **17.00 % per annum** with effect from **07<sup>th</sup> April, 2023**.

**(E) Methodology adopted by India Shelter Finance Corporation Limited ("ISFCL")-** The methodology adopted by ISFCL to decide Rate of Interest is primarily based on Cost of Fund, Cost of Capital and Credit Rating/ Score of Prospective Borrower. Further, to finalise rate of interest at the borrower level, ISFCL considers specific variables like Tenor of Proposed Loan, Profile of Prospective Borrower, Type of Loan, Value of Security offered, Loan Amount, Commercial Objective etc.

Currently applicable range of standard rate of Interest have been given in tables at paragraphs (B) and (C) above. ISFCL periodically reviews matrix of applicable rate of interest based on its cost of funds, market conditions and competition. As far as a particular borrower is concerned, the actual rate of interest is charged based on the aforementioned factors. Thus, in view the above interest rate model and the approach for gradation of risk adopted by the Company, applicable Rate of Interest may be different for different borrowers.

**(F) Calculation of Annual Percentage Rate or Total Cost of Credit-** The Annual Percentage Rate (APR) of loan is the total annual cost of the loan/ credit in percentage terms. The APR represents total cost of credit on a loan on per annum basis.

Typically, the APR/ total Cost of Credit can be calculated based on the applicable Rate of Interest on the Loan and the applicable fee/ charges to be paid for availing the Loan and it can be used by the customers to compare the costs associated with borrowing across products and/or lenders. Please note that the APR may not remain same in case of floating/ variable rate of interest. Further, the APR will vary if other fee/ charges like prepayment charges, penal interest, CERSAI charges, stamp duty etc. (which one may incur during lifecycle of the Loan) are factored.

***Illustrative Example of the APR:***

*If proposed loan is Rs.20 lakh with tenor at 240 months, rate of interest at 12% per annum with processing fee of 2%, then APR of the Loan comes to be around 12.32%*

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