

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

(Last updated in Mar, 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 | Formal Salaried | NA | 9.90% to 17.00% |
| 2 | Cash Salaried | NA | 10.90% to 19.00% |
| 3 | Self Employed | NA | 10.90% to 19.00% |

(B) Loan Against Property - 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 | Formal Salaried | NA | 13.90% to 22.00% |
| 2 | Cash Salaried | NA | 13.90% to 22.00% |
| 3 | Self Employed | NA | 13.90% to 22.00% |

(C) Prime Lending Rate (PLR) of Shubham Housing Development Finance Company Limited ("SHDFC") which is the basis on which its floating rate loans are linked stands at **17.50% per annum** with effect from **15th March 2023**.

(D) Approach /Methodology adopted by Shubham Housing Development Finance Company Limited ("SHDFC") for charging interest rate from its borrowers

The Company has adopted an internal policy for determining interest rate model. It has defined an interest rate model after duly considering certain relevant factors which impact pricing such as Weighted average / Incremental cost of funds/Borrowings, operating cost, regulatory provisions, capital charge, credit loss etc. Further, the Company may charge additional spread/ margin, which is based on the credit risk associated with the borrower(s) and is a function of his / her credit history, credit rating, financial profile, security cover provided etc. Thus, considering the various factors as

indicated above, different rate of interest may be charged to different borrowers by the Company.

Currently applicable range of standard rate of Interest have been given in tables at paragraphs (A) and (B) above. SHDFC 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 is adopted by the Company, applicable Rate of Interest may be different for different borrowers.

- (E) SHDFC has the right to revise the Prime Lending Rate (PLR) from time to time and accordingly the applicable interest rate to the loan account of customer shall be revised and impact shall be given on loan tenure or EMI or both, as the case may be.
- (F) The Company conducts periodical review of the PLR and range of rate of interest broadly based on its cost of funds, operating cost, business strategy and overall market conditions.
- (G) In case of any such change in PLR, Customers will be intimated via SMS/Email or any other electronic mode of communication.

(H) 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. This is deemed to be giving actual cost of the loan/ credit on per annum basis. Typically, APR is calculated as under:

$$\text{APR} = \left[\frac{\text{Interest} + \text{Fee or Charges}}{\text{Principal}} \right] \times 360 \times 100$$

Where 'Interest' is total interest to be paid during the loan tenure and 'n' is tenure of loan in days. Thus, the APR/ total Cost of Credit can be calculated based on the applicable rate of interest and applicable fee/ charges which have been disclosed in Sanction Letter and it can be used by the customers to compare the costs associated with borrowing across products and/or lenders.