

SHRIRAM FINANCE LIMITED (Formerly known as Shriram Transport Finance Company Limited)

Interest Rate Policy

Version:2022v.1

Reserve Bank of India vide its notification No. DNBS. 204 / CGM (ASR)-2009 dated January 2, 2009 and vide its Guidelines on FPC for NBFCs **DNBS.CC.PD.No.320/03.10.01/2012-13 dated February 18, 2013** had directed all NBFCs to make available the rates of interest and the approach for gradation of risks on the web-site of the companies.

The lending interest rate will be arrived at based on the weighted average cost of funds including all charges, risk premium, other costs such as administrative expenses and profit margin associated with lending activities.

The lending interest rate is reviewed periodically by the ALM Committee. Any revision in the lending rates will be reviewed and re-fixed by the ALM committee.

1. Approach for gradations of risk and rationale:

The Interest rate applicable to each loan account will be assessed based on multiple parameters like tenure, borrower profile, borrowers repayment capacity based on the cash flows, loan to value of the asset financed, type of collateral security provided by the borrower and past repayment track record of the borrower, etc.

The rates of interest for the same product and tenor availed during same period by different customers need not be standardized but could be different for different customers depending upon consideration of any or combination of a few or all factors listed above. The indicative current lending rates for different products is given below:

2. Lending rates:

Product	Interest Rates (IRR%)
Vehicle/ Equipment	12 % to 35 %
Business Loan - Secured	11 % to 32 %
Unsecured Loans	Up to 36 %
Two-Wheeler Loans (New)	18 % to 32 %
Gold Loans	11 % to 24 %
Personal Loans	12 % to 42 %
Loan Against Property	11 % to 32 %
Two-Wheeler Loans (Used)	18 % to 42 %

The rates mentioned above are annualized rates. Fixed rates sanctioned to customer will not change during the tenor of the loan. The Lending Rate is determined on a case to case basis and will depend upon considerations of any or combination of a few or all factors listed out in paragraph 1 above.

3. Intimation to borrowers:

The Company shall intimate the borrower loan amount, annualized rate of interest and method of application at the time of sanction of the loan along with the tenure and amount of monthly instalment.

Revision of lending interest rate other than fixed rate loans and other charges would be prospective in effect and intimation of change of interest or other charges would be communicated to the customer in a mode and manner deemed fit.

The company shall clearly specify the exact due dates for repayment of a loan, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification dates, etc. in the loan agreement and the borrower shall be apprised of the same at the time of loan sanction and also at the time of subsequent changes, if any, to the sanction terms/loan agreement till full repayment of the loan. In cases of loan facilities with moratorium on payment

of principal and/or interest, the exact date of commencement of repayment shall also be specified in the loan agreements. The company has implemented these instructions from January 01, 2022, in respect of fresh loans.

The Company also offers variable and equated monthly instalments schemes.

The Company charges processing charges in the range of 0% to 5%

The Processing Charge charged will be mentioned in the Sanction Letter/Loan Agreement.

The other charges such as cheque bouncing charges, prepayment charges, additional interest charged on delayed payments along with statutory levies, if any, are mentioned in the Sanction Letter/Loan Agreement.

The rates of interest applicable to each loan account is subject to change as the situation warrants and is subject to the Management's perceived risk on a case to case basis.

Claims for refund or waiver of charges/ penal interest / additional interest would normally not be entertained by the company and it is at the sole discretion of the company to deal with such requests if any.

Any deviation from the above shall be approved by Zonal Business Head.