

## **ISF LIMITED**

### **1. Interest Rate Model & Computation Methodology**

- a. The interest rate applicable to all loans will be determined periodically. Such interest rate shall remain fixed for the entire duration of the loan.
- b. The interest rate is contingent upon the loan tenure, as the company's cost of funds, administrative costs, rates offered by competitors, length of relationship with the customers. In addition to the cost of funds, the rate of interest shall further be determined based on inherent credit and default risk in the products, customer profile, past repayment track record of the customer, customer segment, market reputation, nature and value of primary and collateral securities, external ratings of the customers, industry trends, etc.

The Company may charge a different rate of interest for the same product and tenor availed during the same period by different customers, depending upon considerations of any or combination of a few or all factors listed out in the above point. The Company charges interest rates in the range of 16% p.a. to 36% p.a. depending on the nature of products and above-mentioned parameters; details of the same are as follows:

<b>Product</b>	<b>Max. APR</b>	<b>PF</b>
E V Loans	24.00%	Nil
Personal Loans (Distributed for purchase of household goods or for personal consumption)	36.00%	3.00%
Invoice Discounting	32.00%	3.00%

- c. Interest is calculated on daily basis using the Daily Diminishing Balances (DDB) Method and compounded monthly. Interest rates shall be intimated to the customers at the time of sanction/ availing of the loan and the applicable shall be made available to the customer.
- d. Interest is debited to all loan accounts at monthly intervals and upon closure of the loan, if the closure occurs before the end of the month.
- e. For accounts classified as Non-Performing Assets (NPA), interest is levied in accordance with the Income Recognition & Asset Classification (IRAC) norms prescribed by the Reserve Bank of India and/or the company's policy,

### **2. Processing Fees and Other Charges**

- a) Processing fees represent the general costs incurred in rendering the services to the customers.
- b) The processing fees and other charges charged to the customers will be clearly stated in the loan documents.
- c) The fees/charges will vary based on the loan product, exposure limit, customer segment, and geographical location.
- d) Any changes in the processing fees / other charges will be taken into effect prospectively.

### **Penal Interest/Late Payment Charges**

- a) In case of any delay or default in repayment of dues, the Company may collect penal interest / late payment charges from its customers.

The penal interest/late payment charges shall be decided by the Company from time to time and communicated to the customers in the sanction letters and loan agreements. A list of such charges will also be hosted on the Company's website.