

Internal principals and procedures in determining interest and other charges

The Company's model for determining rate of interest takes into account relevant factors such as cost of funds, operating cost, margin, risk premium, return on assets & prevalent market lending rates in the Industry.

The Company takes a comprehensive approach to the gradation of risk that does not discriminate between classes of borrowers but tailors the interest rate to each loan.

The decision to give a loan and the rate of interest thereon are assessed on a case by case basis based on multiple factors which may include the borrower's credit record, borrower's cash flows & other financial commitments, the security for such loan, profile of customer, subventions available, inherent credit & default risk in the product & customer per se arising from customer segment etc. Hence the rate of interest for the same product & tenor availed during the same period by customers are not a standardized one but could be different for different customers.

All rates of interest will be annualized rates and will be communicated to the customers. Rates are subject to change as and when warranted by the situation and are always subject to the sole discretion of the management on a case to case basis.
