



I. Approach for Gradation of Risk

The risk premium attached with a customer shall be assessed inter-alia basis the following factors: -

- 1. Profile and Market reputation of the customer*
- 2. Business carried on by the Customer*
- 3. Repayment capacity of the borrower based on the cash flows associated with his/her business*
- 4. Nature and Value of the Security offered by the Customer particularly, the stock in trade of the Business.*
- 5. The loan amount applied by the customer from the Company.*
- 6. Past track record of the customer with the Company.*
- 7. Loans/Credit facilities already availed by the customer from banks/other Financial Institutions.*
- 8. Any other factors that may be considered relevant, on a case to case basis.*

II. Rate of interest

The rate of interest charged by the Company is on Fixed interest rate basis. At present, the Annualised rate of interest charged is 24% (diminishing) to all the customers to whom the loan is sanctioned. The aforesaid interest rate charged on the loan along with its important terms and conditions shall be specified in the Facility sanction letter.