



Jab zindagi badalni ho

Interest Rate Policy



Registered Office

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Location of the document	Corporate Affairs Department
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Revision/Change History

Author	Reviewer	Version No.	Effective Date	Change Description
		1.0	12.04.2014	Approved by the Board of Directors
Head - Operations		1.1	17.09.2021	Reviewed by the Board of Directors
Head - Operations	CEO	1.2	31.03.2023	Inserted a new point under 'Risk Premium'
Head - Finance, and CCO	CEO	1.3	26.03.2024	Deleted the maximum rate of interest at 30% provided in Point 2 and replaced the clause Additional Interest to 'Rebate in Interest for Gold Loan'

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Interest Rate Policy

1. The Company shall be guided by this policy for determining the interest rates on various Loan Schemes of the Company. It shall also consider the then prevailing market conditions and various rules and regulations prescribed by the Reserve Bank of India or such other competent authority from time to time while fixing the interest rates.
2. Interest charged under various Loan Schemes shall have three components viz., Basic Rate, Risk Premium and Rebate in Interest for Gold Loan.

i) Basic Rate

Basic Rate shall be arrived at after considering the following aspects:

- **Cost of Funds:** This includes the interest and other related charges payable by the Company on the borrowed funds such as Loan from Banks/ Financial Institutions, Secured NCD's etc.
- **Operating Cost:** This includes the employee cost and other administrative overheads of the Company.
- **Gradation of Risk:** The nature of risk associated with the loan will always have a bearing on the Basic Rate to be arrived at.
- **Return on Equity:** After meeting all the above, a reasonable Return on Equity is to be ensured in arriving at the base rate.

ii) Risk Premium

While fixing the risk premium, the Company shall take into consideration, the LTV rate applicable to the loan, the frequency of servicing of the loan by the customer, risk perception of the company based on geographical location, class of customers etc.

Apart from the above, market conditions or competition from time to time also shall be considered.

iii) Rebate in Interest for Gold Loan

The Company extends rebate to customers for early servicing of Gold Loans which is conveyed to the customer in a transparent manner by incorporating the same in the Pledge Form.

