

**Interest Rate Policy & Gradation of Risk**

**Preamble:**

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.266/03.10.01/2011-12 dated March 26, 2012 have directed all NBFCs to

- Communicate the annualized rate of interest to the borrower along with the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers.
- Make available the rates of interest and the approach for gradation of risks on the web-site of the companies.

In order to ensure the same and the Company's standards of transparency, SRS Finance Limited ("the Company") has adopted the following Interest Rate Policy.

This policy applies to clients whose loans or advances are booked in SRS Finance Limited.

**Rate of interest:**

The Company intimates the borrower, the loan amount and rate of interest at the time of sanction of the loan along with the tenure and amount of monthly installment.

**Approach for gradation of risk:**

**General**

The interest rate for the loans to be charged to the client / borrower will be decided keeping in view the RBI Guidelines relating to regulation of excessive interest charged by NBFCs.

The rates of interest for the same product and tenor availed during same period by different customers may not to be standardized, considering various risk factors such as entity structure, industry, network, leveraging, and nature of proposed loan.





Interest rate for each customer will be based on the following broad parameters:

- Risk profile of the Customer
- Interest rate trend prevailing in the money market
- Cost of borrowings
- Collateral security offered by Customer/ Structure of the deal
- The interest rates could be offered on fixed or variable basis
- Interest is calculated on the amount utilized by the Customer
- The interest could be charged on monthly or quarterly rests for different products/ segments.
- Besides normal interest, the company may levy additional / penal interest for pre-payment or delay or default in making payments of any dues. These additional or penal interests would be decided and communicated during the business agreement with the customer.
- No interest is payable on Advances/Excess payment made by Customer

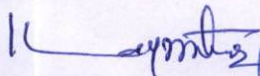
The final lending rate for various products offered by the Company will be arrived at after taking into account management reputation, company history, credit and default risk in the related business segment, profile of the borrower, tenure of relationship with the borrower, repayment track record of the borrower in case of existing customer, deviations permitted, future potential, group strength, overall customer yield, nature and value of primary and collateral security, etc.

Such information is gathered based on information provided by the borrower, credit reports, CIBIL etc.

The rates of interest charged by the Company is generally in the range of 15% to 36% p. a. subject to change as the situation warrants and is subject to the discretion of the management on case to case basis and further the management has right to charge rate of interest lower and higher as stated in policy in special cases subject to the confirmation of Board of Directors

**Dated: 07.04.2014**

**Signed:**



**(Raju Gupta)  
Managing Director**

