



Gradation of Risk:

This rate of interest is arrived through interest rate model adopted by Manappuram Home Finance Limited which takes into account relevant factors such as cost of funds, cost loading, credit risk, margin, ALCO view and Market dynamics, other factors like matching tenor cost, market liquidity, credit flow, offerings by competition, stability in earnings and employment, subvention and subsidies available, deviations permitted, further business opportunities, external ratings, industry trends, switchover options will also be relevant factors in determining interest rate to be charged.

We take a comprehensive approach to the gradation of risk that does not discriminate between class of borrowers, but rather tailors the interest rate to different products and borrowers. The decision to give a loan and the rate of interest thereon are carefully assessed on a case-to-case basis, based on multiple factors such as Profile and market reputation, Inherent nature of the product, type / nature of facility, tenure of relationship, past repayment track record and historical performance of our similar clients, group strength, overall customer yield, future potential, repayment capacity based on cash flows and other financial commitments of the borrower, mode of payment, Nature and value of primary and secondary collateral / security, type of asset being financed, end use of the loan, Interest, default risk in related business segment, Regulatory stipulations, if applicable. Such information is gathered based on information provided by the borrower, credit reports, market intelligence and information gathered by field inspection of the borrower's premises.