



Approach to Gradation of Risk

1. This rate of interest is arrived at through Hinduja Leyland Finance's interest rate model which takes into account relevant factors such as cost of funds, margin and risk premium, 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 each loan.

2. The decision to give a loan and the rate of interest thereon are carefully assessed on a case-by-case basis, based on multiple factors which may included the borrower's cash flows (past, current and projected), borrower's other financial commitments. the borrower's credit record, the security for the loan as represented by underlying assets or other financial guarantees etc. 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.
