

Lending Rate Model & Charges applicable to customers

The model used by Chola for determining the Lending Rate for different segment of customers/products/geographies and the approach for gradation of risks is given below.

Methodology:

1. Lending Rate

The Lending Rate for each major segment is calculated as an aggregation of the following cost factors:

a. Weighted Average cost of capital –

The Company borrows funds through Bank Term loans, Non-Convertible Debentures and Commercial paper and subordinate debt, etc. from the investors.

Additional to the borrowing, the Company also has equity portion and the cost of such equity is considered to arrive at the weighted average cost of capital.

b. Fund raising cost

It includes processing fees on term loans, brokerage to source funds through NCDs / Deposits, CPs, Rating Fee, trusteeship fee, IPA commission on CPs, exchange listing fee etc.

c. Negative Carry on Investment

The Company keeps liquidity buffer in the form of investments into liquid funds in compliance with RBI guidelines and to manage liquidity risk and has to bear negative carry on those investments too.

d. ALM mismatch cost

The Company borrows funds through short term and long term products and to comply with the regulatory guidelines, it needs to manage ALM gaps under certain limits imposed by the regulator, while taking in to account the prepayments made by the customers.

e. Operating Cost

It includes employee expenses, branch related fixed and variable costs, operations costs, sales and marketing expenses, technology expenses, expenses related to sourcing and recovery, etc.

f. Credit Risk Premium

Based on risk gradation of the customer which is detailed in Section 2(a), credit risk premium is computed on a case to case basis

g. Expected ROA

Expected Return on assets is the minimum return expected by the company on its assets.

2. Approach for gradations of risk and rationale:

- a. The Lending Rate will be different for different categories of borrowers. The lending rate will be arrived by considering the following:

i. Customer Attributes:

Profile & segment of the customer, Tenure of customer relationship, Past repayment track record of the customer, Financial strength, Market reputation, Prior vehicles / equipments owned, Primary and additional income sources, Land / Property ownership, Geography of the customer

ii. Business Viability of the customer:

Nature of business activity, Contracts held, Experience in business, Profitability of business and certainty of cashflows, Inherent credit and default risk in the business

iii. Asset Attributes:

Type of asset (e.g. make/model of vehicle or commercial / residential / mixed use properties), Age of the asset, Location of asset, Usage of asset that is being lent against by the Company

iv. Loan Attributes:

Loan-to-Value (LTV) ratio, Tenure of the loan, Type of transaction, Ancillary business opportunities, future potential, group strength and value to lender group

- b. The Lending Rate is determined on a case to case basis and will depend upon considerations of any or combination of a few or all factors listed out in point 2-a above. The current Indicative Lending Rate Range is given in Annexure 1.

3. Revision to Lending Rate

- a. The revision to Lending Rate would be decided periodically, depending upon market volatility and cost to company.
- b. Any revision in the Lending Rate will be updated in the website.

4. Revisions shall be prospective

Revision of interest rate and other charges would be prospective in effect and intimation of change of interest or other charges would be communicated to the customer in a mode and manner deemed fit.

5. Annualised Rate

The interest would be charged on monthly/quarterly/half yearly rests or on maturity, depending on product features and customer preferences. However, the customer would be provided an annualised rate of interest in the sanction letter.

6. Processing and Other charges/fees

The following expenses are incurred during the life of the loan and charges applicable to customer will be communicated in the application through a web-link and at the time of sanction.

- a. Sourcing costs at the time of application – These costs are incurred by the company before the customer takes his loan disbursement and will be covered through processing fee. These costs include acquisition, verification, legal & valuation, credit appraisal etc.
- b. Cost incurred during the currency of the loan - Besides interest, other financial charges like cheque bouncing charges, additional interest for late payment, re-scheduling charges, part disbursement charges, cheque swap charges, security swap charges, charges for issue of statement account etc.,

would be levied by the company from time to time wherever considered necessary. Besides these, statutory charges and service tax / GST* and other cess would be collected at applicable rates from time to time. Any revision in these charges would be implemented prospective basis with due communication to customers.

- c. Charges applicable at the time of loan closure – These will include pre-payment & foreclosure charges subject to RBI guidelines, repossession and other legal expenses related to recovery of overdues.
- d. All charges and any revisions to the same will be approved by the Board.

List of charges by product is provided in Annexure – 2.

Annexure 1:

Lending Rate Range for Vehicle Finance - Fixed Rates		
Products	New Vehicle	Used Vehicle
Construction Equipment (CE)	10% - 13%	15% -19%
Tractor	13.50% - 18%	19% - 23%
2-Wheeler (2W)	18.50% - 30%	--
3-Wheeler (3W)	22.50%-26%	18% - 23.5%
Car	11% - 15%	18% - 24%
Heavy Commercial Vehicle (HCV)	11% - 13%	14.50% - 20.50%
Light Commercial Vehicle (LCV)	10% - 14%	16% - 22%
Mini-Light Commercial Vehicle (MLCV)	13% - 17%	16% - 24%
Multi – Utility Vehicle (MUV)	11%-15%	16% - 20.50%

*-There is no funding of 2W Used vehicles

Loan Against Property (LAP) – Lending Rate		
Products	Floating Rates	Fixed Rates
LAP	10% - 15%	14% - 19%
MICRO LAP	16% - 20%	20% - 24%

Home Loan - Lending Rates		
Products	Floating Rates	Fixed Rates
Affordable housing - new purchase/construction/existing property	10% - 20%	15% - 20%
Loans for shop and commercial property	11% - 20%	16% - 20%
Low Income Salaried	10% - 18%	15% - 18%
Cash Salaried	12% – 20%	17% - 20%
Prime Salaried & Self Employed Prime	9% - 15%	14% - 15%
Affordable LAP	12 – 21%	17% - 21%

Secured Business and Personal Loan - Fixed Rates	
Product	Lending Rate Range
SBPL	18% - 28%

Consumer and Small Enterprise Loan – Fixed Rates	
Products	Lending Rate
Personal Loan (Salaried and Professional) - Term Loan	10% to 28%
Personal Loan (Salaried and Professional) - Drop Line Flexi Loan	10% to 28%
Business Loan (Self Employed Non Professional) - Term Loan	10% to 30%
Business Loan (Self Employed Non Professional) - Drop Line Flexi Loan	10% to 30%
Co-lending/BC Model/ Consumer Durable/ D2C	10% to 48%

SME – Floating Rates	
Products	Lending Rate Range
Term Loan/ Micro Term Loan	11% - 18%
Vendor finance	9.5%- 16%
Factoring (Lease Rental discounting)	11% - 18%
Lease Finance	11% - 18%
Channel finance	11% - 18%
Equipment Finance	11% - 18%
Purchase invoice discounting / Sales invoice discounting	11% - 18%
Factoring and Reverse Factoring	11% - 18%
Loan Against Securities (LAS) / Loan Against Mutual Fund (LAMF) / Loan Against Property + Loan Against Securities / ESOP Funding	10% - 16%
Personal loan Salaried	11% - 16.50%

- All rates mentioned are only **Indicative** and are annualized
- Fixed rates sanctioned to customers will not change during the tenor of the loan
- Actual Lending Rate will vary on a case to case basis depending upon consideration of any one or more factors listed out in point 2-a above.
- Additional service tax / GST and other cess will be charged as applicable.

Annexure 2:
Vehicle Finance

At the time of application - Service & Documentation Charge				
Product	New Vehicle		Used Vehicle	
	Service Charge as a % of loan amount	Documentation Charge	Service Charge as a % of loan amount	Documentation Charge
HCV	0.25% - 1%	Rs 1,000 - Rs 2,500	0.25%-3.25%	Rs 1,000 - Rs 2,500
LCV	0.25% - 1.5%	Rs 1,000 - Rs 2,500	0.5%-3.25%	Rs 1,000 - Rs 2,500
MLCV	0.5% - 2%	Rs 1,000 - Rs 2,500	0.5%-3.25%	Rs 1,000 - Rs 2,500
CAR & MUV	0.5% - 2%	Rs 1,000 - Rs 2,500	0.5% - 3.25%	Rs 1,000 – Rs 2,500
Tractor	0.25% - 2%	Rs 1,000 - Rs 2,500	0.75% - 3.25%	Rs 1,000 - Rs 2,500
CE	0.25%-1%	Rs 1,000 - Rs 2,500	0.25%-1.75%	Rs 1,000 - Rs 2,500
2 Wheeler (2W)	0.75% - 3.5%	Rs. 500 - Rs. 2,500	~	~
3 Wheeler	1.5% - 3.5%	Rs 1,000 to Rs.2,500	1% - 2.5%	Rs 1,000 to Rs.2,500

~-There is no funding of 2W Used vehicles

Post disbursement / Customer service charges	
Statement of Account	Rs.250/- Plus GST*
Cheque Swapping	Rs.1000/- Plus GST*
Pre-closure	Pre closure (a) for pre closure from 7 to 12 months from the date of agreement a prepayment charges of 5% on principal outstanding with GST* will be charged (b) any pre closure after 12 months from the date of agreement a prepayment charges of 4% on principal outstanding with GST* will be charged.
Duplicate NOC	Rs.500/- Plus GST*
Due date shifting	18% or Customer IRR (whichever is lower) on the POS value for differential days
NON PDC	Rs.1500/- Plus GST*
Collection Charges	
Penal charges for late payment	Any delay from the due date to date of actual payment will attract additional interest at the rate of 30% per annum for Customer IRR <=17.99% per annum and 36% for Customer IRR >=18% per annum
Cheque bounce	Rs.500/- per bounce
Field Visit	Rs.200/- Plus GST*
Repossession & Legal charges for collection of overdues	Actual
Statutory Charges	
ROC	Rs. 1000/- (600 MCA fee + 300 Vendor fee + taxes) or as applicable. Charges are applicable only to Private limited Public limited and LLP constitution
NeSL	Applicable only to Private limited companies, Public Limited Companies & LLP shown in Table below
Trade certificate	Actual
Stamp duty and service fee for stamp duty	As per State guidelines
Reimbursement of Expenses at Actuals	
NeSL Charges Applicable (Additional GST* will be applicable):	
Data submission per loan record of a borrower for each year	Companies or LLP
1st Loan Record	Rs.300 or as applicable
2-10 Loan Record	Rs 100 each or as applicable
11th Onwards	Rs 50 each or as applicable

*- GST as applicable

POS- Principal Out-Standing

Loan Against Property (LAP)

LAP & MICRO LAP	
Sourcing & Processing charges	
Processing Fee (per property)	Loans up to Rs.5 Cr – Upto 10,000 + GST* Loans Rs.5 Cr - Rs.7.5 Cr – Upto 25,000 + GST* Loans above Rs.7.5 Cr – Upto 1,00,000 + GST*
Admin Fee	Up to 3% + GST* (Sanctioned Amount)
Balance Transfer (BT) commitment	Up to 1% of BT amount
Loan Cancellation	Repay Loan amount with interest at 18% p.a.
Post disbursement / Customer service charges	
Statement of Account	Rs 500 + GST*
Cheque Swapping	Rs 500 + GST*
Pre-closure & Part Payment for Floating Interest Rate – as applicable (@)	Up to 4% (of POS) + GST*
Pre-closure & Part Payment for all Fixed Interest Rate loans	Up to 4% (of POS) + GST*
Rate Reset	1% (of POS)+ GST*
Copy of Documents	Rs 750+ GST*
Switching of Interest Rate type	Upto 1% (of POS) + GST*
Collection Charges	
Penal Charges – Payment Default	Upto 36% p.a. (of EMI Overdue)
Penal Charges – Event of Default (EOD- please refer Annexure 3-#)	Upto 36% p.a. (of POS Overdue)
Cheque bounce	Rs 1500/- per bounce
Legal charges for collection of overdues (OD)	Actual Legal expense debited + GST*
Field Visit	Upto Rs 1000 + GST*
Statutory Charges	
NeSL	As applicable
CERSAI	As applicable
<i>Reimbursement of Expenses at Actuals</i>	

* - GST /as applicable

POS- Principal Out-Standing

@ - Refer Sanction Letter

Home Loans (HL)

(Affordable housing - new purchase/construction/existing property, Loans for shop and commercial property, Low Income Salaried, Cash Salaried, Prime Salaried & Self Employed Prime and Affordable LAP)

At the time of application	
Sourcing & Processing charges	Upto Rs. 5,000/- (including GST*)
Admin Fees	Upto 2% of loan amount
Post disbursement / Customer service charges	
Statement of Accounts	Upto Rs. 500/- plus GST*
Swapping charges	Upto Rs. 500/- plus GST*
Pre-closure charges	<ul style="list-style-type: none"> - No prepayment charge is applicable for Individual Home Loans - The prepayment/ foreclosure charges shall be applicable for loans sanctioned for business purposes <ul style="list-style-type: none"> (a) Upto 2% of the amount being prepaid if paid through Own Funds (b) Upto 4% of the amount being prepaid if paid via a balance transfer of the loan to any other financier
Duplicate NOC	Upto Rs. 500/- plus GST*
Re-Issuance of pay order/disbursement cheque	Upto Rs.500 per instance plus GST*
Interest rate reset	Upto 2% of principal outstanding
Switch fees for interest rate type change	1% of principal outstanding plus GST*
Part Payment	<ul style="list-style-type: none"> - No Part Payment charge is applicable for Individual Home Loans - The Part Payment charges shall be applicable for loans sanctioned for business purposes - Upto 2% of the part payment amount
Property valuation charges for each disbursement subsequent to the first disbursement	<ul style="list-style-type: none"> - Upto Rs 1000 plus GST*
Collection Charges	
Penal Charges – Event of Default (EOD- please refer Annexure 3-##)	<p>a)Payment Default: In the event of any delay in the payment of Installments, PEMII or any other amounts due and payable on Due Date/s (unpaid amount), the Borrower shall pay Penal Charges @ 36% per annum on the unpaid amount from the Due Date to the date of actual payment of such unpaid amount in full to the satisfaction of the Company</p> <p>b) For other Event(s) of Default: On occurrence of anyone or more listed Event(s) of Default, the Borrower shall pay Penal Charges Rs 20 per day from the date of occurrence of the Event(s) of Default listed herein to the date on which such Event(s) of Default is/are cured to the satisfaction of the Company.</p>
Cheque bounce	Upto Rs. 1000/- per bounce
Field visit	Upto Rs.250/- including GST* per visit
Legal / Recovery / Repossession & Incidental charges	As per actuals
Statutory Charges	
CERSAI	Upto Rs. 118/- including GST* or as applicable
Vault Charges	
Duplicate List of Documents/Copy of Documents	Upto Rs.1000/- plus GST*
Charges applicable for Fixed Interest rate	
Part payment charges	2% of part payment amount
Charges for pre-closure	<ul style="list-style-type: none"> ➤ 2% of the amount paid towards Preclosure, if paid through Own Funds. ➤ 4% of the amount paid towards Preclosure, if paid via a balance transfer of the loan through any other financier.

*- GST as applicable

Secured Business and Personal Loan

Sourcing & Processing Charges	
Document Charge	Upto Rs. 2000 exclusive of GST* (per property)
Admin Fee	Upto 2% - 4% + GST* (Sanctioned Amount)
Technical & legal Fee	Upto Rs. 4000 inclusive of GST*
Post disbursement / Customer service charges	
Statement of Account	Upto Rs. 500 + GST*
Cheque Swapping	Upto Rs. 500 + GST*
Pre-closure	Upto 4%+ GST* (POS)
List of Documents	Upto Rs.500 + GST*
Copy of Documents	Upto Rs. 750 + GST*
Collection Charges	
Penal charges for late payment	Not exceeding 36% per annum
Cheque bounce	Upto Rs.500 /- per bounce
Legal charges for collection of overdues	Actual legal expense debited + GST*
Field Visit	Upto Rs.250 + GST*
Statutory Charges	
NeSL	As applicable
CERSAI	Upto Rs.100 + GST* (Single property) or as applicable
<i>Reimbursement of Expenses at Actuals</i>	

*- GST as applicable

POS- Principal Out-Standing

Consumer and Small Enterprise Loan

	Personal Loan (Salaried and Professional)		Business Loan (Self Employed Non Professional)		Consumer Durable	CholaOne D2C Personal Loan
	Term Loan	Drop Line Flexi Loan	Term Loan	Drop Line Flexi Loan	Term Loan	Term Loan
Sourcing & Processing charges						
Processing Fee	Upto 2% of loan amount + GST*	Upto 2% of loan amount + GST*	Upto 2.5% of loan amount + GST*	Upto 2.5% of loan amount + GST*	Upto Rs 1000+ GST	Upto 6% of loan amount + GST*
Document Fee	Upto Rs. 1800 + GST*	Upto Rs. 1800 + GST*	Upto Rs. 1800 + GST*	Upto Rs. 1800 + GST*	NA	NA
Post disbursement / Customer service charges						
AMC	NA	Upto 1% + GST* of the Total Credit Limit (as per the repayment schedule) on the date of levy of such charges	NA	Upto 1% + GST* of the Total Credit Limit (as per the repayment schedule) on the date of levy of such charges	NA	NA
Mandate Rejection Charges	Upto Rs. 500 + GST*	Upto Rs 500 + GST*	Upto Rs 500 + GST*	Upto Rs 500 + GST*	Upto Rs 500 + GST*	Upto Rs 500 + GST*
Swap Charges (Repayment Instrument Swap)	Upto Rs. 500 + GST*	Upto Rs. 500 + GST*	Upto Rs. 500 + GST*	Upto Rs. 500 + GST*	Upto Rs. 500 + GST*	Upto Rs. 500 + GST*
Physical repayment schedule charges	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*
Duplicate NOC	Upto Rs. 1000 per copy + GST*	Upto Rs. 1000 per copy + GST*	Upto Rs. 1000 per copy + GST*	Upto Rs. 1000 per copy + GST*	Upto Rs. 1000 per copy + GST*	Upto Rs. 1000 per copy + GST*
Statement of account	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*	Upto Rs. 500 per copy + GST*
Foreclosure Charges	Upto 4% charges on outstanding principal Amount + GST*	Upto 4% charges on outstanding principal Amount + GST*	Upto 4% charges on outstanding principal Amount + GST*	Upto 4% charges on outstanding principal Amount + GST*	NA	Upto 4% charges on outstanding principal Amount + GST*
Collection Charges						
Penal charges for late payment	Not exceeding 36% per annum on the amount outstanding from the due date to the date of actual payment.					
Cheque bouncing Charges	Upto Rs. 1000/- per bounce	Upto Rs. 1000/- per bounce	Upto Rs. 1000/- per bounce	Upto Rs. 1000/- per bounce	Upto Rs. 450/- per bounce	Upto Rs. 1000/- per bounce

*- GST as applicable

Additional service tax / GST and other cess will be charged as applicable for all the products listed above.

SME LOAN

Description	Term Loan, Micro Term Loan, Equipment Finance, Factoring (LRD)	Leasing Finance	Supply Chain Finance - Vendor Finance, Channel Purchase Discounting, Sale Invoice Discounting, and Reverse Factoring	Finance, Invoice Factoring	ESOP Funding, Personal Loan Salaried	Loan Against Securities, Loan Against Mutual Fund, Loan Against Property + Loan Against Securities
Sourcing & Processing charges						
Processing Fee	Upto 2% of Sanctioned Amount	Upto 2% of Sanctioned Amount	Upto 1% of Sanctioned Amount	Upto 0.5% of Sanctioned Amount	Upto 1% of Sanctioned Amount	
Login Fee	Upto 10,000	Upto 2,000	Up to 3,500	NA	NA	
Documentation Charges	Upto 10,000	Upto 10,000	NA	Upto 3,500	Upto 3,500	
Balance Transfer (BT) commitment	Upto 1% from BT amount	NA	NA	NA	NA	
Legal and Valuation/ Technical Verification charges	Upto 25,000	NA	NA	NA	Up to 50,000	
Post disbursement / Customer service charges						
Statement of Account	Rs.500/-	Rs.500/-	NA	NA	NA	
Cheque Swapping charges	Rs.500/-					
Pre Closure / Foreclosure charges	Closure of loan within 12 months: 4% for the principal outstanding at the time of closure Closure of loan after 12 months: 2% for the principal outstanding at the time of closure	Closure of loan within 12 months: 4% for the principal outstanding at the time of closure Closure of loan after 12 months: 2% for the principal outstanding at the time of closure	NA	NA	NA	
Part Payment	Up to 2% of Prepayment amount	Up to 2% of Prepayment amount	NA	NA	NA	
Rate Reset requested by customer	1% of POS amount					
Additional Copy of Loan Agreement / Statement of Account	Rs.500/-					
Duplicate NOC (or) No Due Certificate	Rs.500/-					
Copy of Property Documents	Rs.1,000/-	NA	Rs.500/-	NA	Rs.500/-	
Copy of Repayment Schedule	Rs.500/-	Rs.500/-	NA	NA	NA	

Notes:

- 1) POS- Principal Out-Standing
- 2) Goods and Services Tax (GST) and other cess will be charged as applicable for all the above charges. Any revision/addition to the contents of this schedule of charges including revision in the charges will be communicated from time to time.
- 3) All applicable taxes, duties, levies, surcharges and cess including but not limited to goods and services tax (GST) as amended from time to time will be additionally charged on the taxable amounts specified herein above.

Annexure 3:

EOD for Loan against property (LAP):

- If the Borrower/owner of the Asset sells, encumbers or transfers or seeks to sell, transfer, create encumbrance, on the mortgaged Property in any manner whatsoever without the express consent in writing of the Company; or
- If any attachment, distress, execution or other process against the Borrower/owner of the Asset/s;
- If a receiver is appointed in respect of the whole or any part of the Property / Assets of the Borrower or if an attachment or distraint has been levied on the Assets of the Borrower / Guarantor / owner of the Asset;
- If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardizes or is likely to prejudice, impair, imperil, depreciate or jeopardize the interest of the Company or any security given by the Borrower of any part thereof;
- Upon happening of any substantial change in the constitution or management of the Borrower or reorganization of the Borrower without previous written consent of the Company or upon the management of the Borrower ceasing to enjoy the confidence of the Company;
- If the Borrower fails to pay any tax, impost. duty or other imposition or charges/ outgoing or to comply with any other law, regulation, formalities required to be completed in respect of the hypothecation under law from time to time;
- The breach of, or omission to observe, or default by the Borrower in observing any of its positive or negative covenants, representations, warranties, any term or condition in respect of the Loan under this Agreement or the terms of sanction

EOD for Housing Loan (HL):

- Notwithstanding anything to the contrary contained in this Agreement, Additional Interest/Penal Charges shall be charged at the rate specified in the Schedule, from the date of final disbursement/registration till the actual receipt of original sale deed/document, in case of failure on the part of Borrower/s to obtain the final sale deed/document from the sub-registrar's office beyond due date, i.e., 30 days of from the date of registration.
- If the Borrower/owner of the Asset sells, encumbers or transfers or seeks to sell, transfer, create encumbrance, on the mortgaged property in any manner whatsoever without the express consent in writing of the Company; or
- If any attachment, distress, execution or other process against the Borrower/owner of the Asset/s;
- If a receiver is appointed in respect of the whole or any part of the Property / Assets of the Borrower or if an attachment or distraint has been levied on the Assets of the Borrower / Guarantor / owner of the Asset;
- If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardizes or is likely to prejudice, impair, imperil, depreciate or jeopardize the interest of the Company or any security given by the Borrower/Guarantor of any part thereof;
- If the Borrower fails to pay any tax, impost. duty or other imposition or charges/ outgoing or to comply with any other law, regulation, formalities required to be completed in respect of the hypothecation under law from time to time;
- The breach of, or omission to observe, or default by the Borrower/Guarantor in observing any of its positive or negative covenants, representations, warranties, any term or condition in respect of the Loan under this Agreement or the terms of sanction.
- On the Borrower failing to complete the construction of house within 18 months from the date of first disbursement of Loan.