

## **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	14% - 18%	19% - 23%
2-Wheeler (2W)	20% - 23%	--
3-Wheeler (3W)	22%-25%	22% - 25%
Car	11% - 14%	18% - 21%
Heavy Commercial Vehicle (HCV)	10% - 13%	15% - 20%
Light Commercial Vehicle (LCV)	10% - 13%	15% - 20%
Mini-Light Commercial Vehicle (MLCV)	13% - 16%	15% - 21%
Multi – Utility Vehicle (MUV)	11%-14%	18% - 21%

\*-There is no funding of 2W Used vehicles

Loan Against Property (LAP) – Floating Rate	
Products	Lending Rate Range
LAP	10% - 15%
MICRO LAP	16% - 20%

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

Secured Business and Personal Loan - Fixed Rates	
Product	Lending Rate Range
SBPL	20% - 26%

<b>Consumer and Small Enterprise Loan – Fixed Rates</b>	
<b>Products</b>	<b>Lending Rate</b>
Personal Loan (Salaried and Professional) - Term Loan	12% to 20%
Personal Loan (Salaried and Professional) - Drop Line Flexi Loan	12% to 22%
Business Loan (Self Employed Non Professional) - Term Loan	15% to 23%
Business Loan (Self Employed Non Professional) - Drop Line Flexi Loan	15% to 25%
Co-lending/BC Model/ Consumer Durable	15% to 48%

<b>SME – Floating Rates</b>	
<b>Products</b>	<b>Lending Rate Range</b>
SME - Term Loan	10.5% - 14%
SME – Vendor finance	9.25%- 13.5%
SME – Channel finance	11% - 16%
SME - Equipment Finance	11% - 16%
SME - Purchase invoice discounting	11% - 16%
SME – Sales invoice discounting	11% - 17%
Loan Against Shares (LAS)	10% - 14.5%
ESOP funding	9% - 11.5%

- 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
<b>HCV</b>	0.25% - 1%	Rs 1,000 - Rs 2,500	0.25%-3.25%	Rs 1,000 - Rs 2,500
<b>LCV</b>	0.25% - 1.5%	Rs 1,000 - Rs 2,500	0.5%-3.25%	Rs 1,000 - Rs 2,500
<b>MLCV</b>	0.5% - 2%	Rs 1,000 - Rs 2,500	0.5%-3.25%	Rs 1,000 - Rs 2,500
<b>CAR &amp; MUV</b>	0.5% - 2%	Rs 1,000 - Rs 2,500	0.5% - 3.25%	Rs 1,000 - Rs 2,500
<b>Tractor</b>	0.25% - 2%	Rs 1,000 - Rs 2,500	0.75% - 3.25%	Rs 1,000 - Rs 2,500
<b>CE</b>	0.25%-1%	Rs 1,000 - Rs 2,500	0.25%-1.75%	Rs 1,000 - Rs 2,500
<b>2 Wheeler (2W)</b>	0.75% - 3.5%	Rs. 500 - Rs. 2,500	~	~
<b>3 Wheeler</b>	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	
<i>Statement of Account</i>	Rs.250/- Plus GST*
<i>Cheque Swapping</i>	Rs.1000/- Plus GST*
<i>Pre-closure</i>	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.
<i>Duplicate NOC</i>	Rs.500/- Plus GST*
<i>Due date shifting</i>	18% or Customer IRR (whichever is lower) on the POS value for differential days
<i>NON PDC</i>	Rs.1500/- Plus GST*
Collection Charges	
<i>Additional Interest for late payment</i>	Any delay from the due date to date of actual payment will attract additional interest at the rate of 36% per annum
<i>Cheque bounce</i>	Rs.500/- per bounce
<i>Field Visit</i>	Rs.200/- Plus GST*
<i>Repossession &amp; Legal charges for collection of overdues</i>	Actual
Statutory Charges	
<i>ROC</i>	Rs. 1000/- (600 MCA fee + 300 Vendor fee + taxes) or as applicable. Charges are applicable only to Private limited Public limited and LLP constitution
<i>NeSL</i>	Applicable only to Private limited companies, Public Limited Companies & LLP shown in Table below
<i>Trade certificate</i>	Actual
<i>Stamp duty and service fee for stamp duty</i>	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 & MICRO LAP	
Sourcing & Processing charges	
Processing Fee	<=7.5 Crs – Up to 10000 + GST* (per property) > 7.5 Crs – Upto 1% of Loan Amount + GST *
Admin Fee	Up to 2% + 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 (Own funds) - as applicable	Up to 2% + GST* (of POS)
Pre-closure (BT) - as applicable	Up to 4% + GST* (of POS)
Preclosure is made prior to the payment of 12 Installments in full	Additional 1% + GST* of the amount paid towards such preclosure in addition to the aforesaid charges
Part Payment	Up to 2% + GST* (of POS paid)
Rate Reset	1% + GST* (of POS)
Copy of Documents	Rs 750+ GST*
Collection Charges	
Additional Interest for late payment	Upto 36% p.a. (of EMI OD)
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



## Home Loans

(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"> <li>- No prepayment charge is applicable for Individual Home Loans</li> <li>- The prepayment/ foreclosure charges shall be applicable for loans sanctioned for business purposes                             <ul style="list-style-type: none"> <li>(a) Upto 2% of the amount being prepaid if paid through Own Funds</li> <li>(b) Upto 4% of the amount being prepaid if paid via a balance transfer of the loan to any other financier</li> </ul> </li> </ul>
Duplicate NOC	Upto Rs. 500/- plus GST*
Re-Issuance of pay order/disbursement cheque	Upto Rs.500 per instance plus GST*
Switch Fees/ Interest rate reset	Upto 2% of principal outstanding
Part Payment	<ul style="list-style-type: none"> <li>- No Part Payment charge is applicable for Individual Home Loans</li> <li>- The Part Payment charges shall be applicable for loans sanctioned for business purposes                             <ul style="list-style-type: none"> <li>(c) Upto 2% of the part payment amount</li> </ul> </li> </ul>
Property valuation charges for each disbursement subsequent to the first disbursement	- Upto Rs 1000 plus GST*
Collection Charges	
Additional Interest for late payment	The delay in payments of EMI/PEMI Interest shall render the borrower liable to pay Additional Interest upto 36% per annum over and above the rate mentioned on the delayed instalment for the delayed period
Cheque bounce	Upto Rs. 1000/- per bounce
Field visit	Upto Rs.250/- plus 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*

\*- 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	
Additional Interest 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
Reimbursement of Expenses at Actuals	

\*- 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
	Term Loan	Drop Line Flexi Loan	Term Loan	Drop Line Flexi Loan	Term Loan
<b>Sourcing &amp; Processing charges</b>					
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
Document Fee	Upto Rs. 1800 + GST*	Upto Rs. 1800 + GST*	Upto Rs. 1800 + GST*	Upto Rs. 1800 + GST*	NA
<b>Post disbursement / Customer service charges</b>					
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
Mandate Rejection Charges	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*
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*
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*
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*
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
<b>Collection Charges</b>					
Additional Interest	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

\*- 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	Vendor finance, Channel finance, Purchase & Sale Bill discounting	Equipment Finance	ESOP	LAS
<b>Sourcing &amp; Processing charges</b>					
Processing Fee	Up to 2% + GST (Sanctioned Amount)	Up to 1 % + GST (Sanctioned Amount)	Up to 2% + GST (Sanctioned Amount)	Upto 0.5%+GST	Upto 1%+GST
Admin Fee – Login Fee	Up to 10000 + GST*	Up to 2500 + GST*	Up to 2000 + GST*	NA	NA
Balance Transfer commitment	Up to 1% from BT/Loan amount	NA	Up to 1% from BT/Loan amount	NA	Upto 1% from BT
<b>Post disbursement / Customer service charges</b>					
Statement of Account	Rs.500 / - + GST*	Rs.500 /- + GST*	Rs.500 /- + GST*	500+GST*	500+GST *
Cheque Swapping	Rs.500 /- + GST*	Rs.500 /- + GST*	Rs.500 /- + GST*	Rs. 500 +GST*	Rs. 500+GST*
Pre Closure / Foreclosure charges	<b>Closure of loan: within 12 months:</b> 4% for the principal outstanding at the time of foreclosure  <b>Closure of loan: after 12 months:</b> 2% for the principal outstanding at the time of foreclosure	Nil	<b>Closure of loan: within 12 months:</b> 4% for the principal outstanding at the time of foreclosure  <b>Closure of loan: after 12 months:</b> 2% for the principal outstanding at the time of foreclosure	Upto 1%+GST. If BT takeover	Upto 1%+GST. If BT takeover
Part Payment	Up to 2% + GST* (of POS paid)	NIL	Up to 2% + GST* (of POS paid)	Nil	Nil
Rate Reset	1% + GST* (of POS)	NA	1% + GST* (of POS)	NA	NA
Copy of Loan Agreement	Rs.500 /- + GST*				
Copy of Property Documents	Rs.1000 /- + GST *	Rs.500 /- + GST *	Rs.1000 /- + GST *	NA	NA
<b>Collection Charges</b>					
Additional Interest for late payment	Upto 2.50% per month (i.e., 30% per annum)				
Cheque bounce	Rs. 1000 per bounce				
Legal charges for collection of overdues	Actual Legal expense debited + GST*				
Field Visit	Upto 50 lakhs is Rs.500 + GST* and above 50 lakhs is Rs.1000 + GST *				

### SME Loan (contd.)

Description	Term Loan	Vendor finance, Channel finance, Purchase & Sale Bill discounting	Equipment Finance	ESOP	LAS
Statutory Charges (SME Loan contd.)					
NeSL	For Companies Rs. 300 per year For other Commercial entities Rs. 150 per year For Individuals Rs. 25 per year				
ROC	As applicable				
CERSAI	A. Facility amount is less than or equal to Rs.5 lakhs - Rs. 50 per property + GST* or as applicable B. Facility amount greater than Rs. 5 lakhs – Rs. 100 per property + GST* or as applicable				
Reimbursement of Expenses at Actuals					

\*- GST as applicable

POS- **P**rincipal **O**ut-**S**tanding

BT- Balance Transfer