



Approach for Determining Interest Rates, Processing and Other Charges

Approved by the Board of Directors on July 25, 2022

Overview:

Reserve Bank of India vide its Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 have directed all NBFCs to adopt an Interest rate model, the approach for gradation of risks and to make them available on the website of the Company.

Accordingly, Clix Capital Services Private Limited (“Clix”) is publishing this approach for Determining Interest Rates, Processing and Other Charges in order to ensure transparency to conform to the stipulations of RBI’s directives, and shall be applicable till further notice.

This approach details the principles for determining interest for loans provided by Clix:

- Lending rates are calculated taking into consideration Clix’s weighted average cost of funds, credit costs, overheads and other administrative costs.
- The cost of funds depends on the different types of funding sources tapped by Clix to fund its business. These are an amalgamation of equity, bank loans, debentures, commercial papers and other money market instruments.
- The interest rate for loans for different business segments and products within that business segment differ due to the nature of the segment or product.
- The interest rate for any business segment or product would incorporate Clix’s cost of funds, cost on account of risk and tenor for the concerned business segment / product, business / product specific operating cost and margin.
- Some of the key factors / gradations of risk that impact interest rate are:
 - o Business risk, industry risk, market position, market reputation, vintage of the business, competition
 - o Size and nature of the business, geographic location of the borrower
 - o Historical performance of similar homogenous pools of borrowers
 - o Profile and incorporation of the borrower, strength and experience of group
 - o Length of relationship with the borrower, repayment track record of existing borrower, credit history as revealed from available sources
 - o Credit and default risk in the related business segment / product e.g. interest rate may be higher for borrowers with lower credit scores / ratings
 - o Nature and value of primary collateral and additional security
 - o Existing and as the case may be, future financial position of the borrower, sustainability of cash flow of the borrower
 - o Financial flexibility of the borrower
 - o Tenure of the loan e.g. interest rate may be higher for longer tenure loans
 - o Interest rate trend prevailing in the money market
- The rate of interest for the same product and duration need not be standardized. It could vary for different customers depending on any one or a combination of the above factors.
- Interest rates could be fixed or floating. Floating rate loans are benchmarked either to the commercial paper benchmark or SBI Base Rate or to such benchmark as Clix may deem fit.



- Applicable interest rates would be communicated to the borrower. The Company shall clearly state the terms and conditions of the loan and also the annualized interest rate applicable on the loan. The borrower shall also be provided with a copy of the repayment schedule that shows the breakup of principal and interest that are payable by the borrower.
- Interest shall be payable at intervals depending on the business segment and the product.
- All amounts, including interest and principal shall be payable immediately on the due date as provided in the repayment schedule and no grace period for any payments is allowed.
- As a deterrent against willful delinquency, and to encourage adherence to the terms and conditions of the loan agreement, Clix may charge an additional / penal interest rate depending on the business segment / product and benchmarked against market / competitive conditions.
- Any changes in the applicable interest rate would be communicated to the borrower in a manner as detailed in the loan agreements or in an adequately suitable mode and manner.
- Moreover, Clix may also charge other financial charges like processing fees, origination fees, Cheque bouncing charges, late payment charges, reschedulement charges, prepayment / foreclosure charges, part disbursement charges, Cheque swap charges, security swap charges, charges for issue of statement account etc. wherever considered necessary.
- All processing / other charges would vary depending on the business segment / product, assets being financed, expenses incurred in the geographical location / customer segment and generally represent the cost incurred in rendering service to the customer.
- All charge will be charged based on the costs incurred by Clix, including but not limited to break costs, customer acquisition costs and business segment / product.
- For individual borrowers, the prepayment charges for floating rate loans will be NIL.
- Clix shall also collect any applicable stamp duties, service taxes and other cesses that may be applicable at the time of sanction / disbursement. Any revision in these charges would be from prospective effect.
- Clix would also benchmark itself against prevailing practice followed by its competitors in the market to determine the applicable rate of interest for any business segment / product.
- Clix reserves the sole right to decide on any refund or waiver of charges / penal interest / Additional interest.
- As each transaction we enter into is individually assessed, we do not publish interest rates.
- Any revision in the approach for Determining Interest Rates, Processing and Other Charges would be reviewed by the Risk and Finance Team and recommended to the Board / Board Authorized Officials for approval.



Annexure 1 – Indicative interest rates and schedule of charges

A. Indicative Interest Rates for every Business Product

- a. Interest rate range: 0% – 46%.
(In cases where the rate of interest for the customer is 0% or the customer is effectively not charged interest, same is recovered as part of subvention arrangement with the Program Partner)
- b. Interest rates may vary depending on nature of financing, term. Some of the key factors and gradations of risk that impact interest rate are:
 - Business risk, industry risk, market position, market reputation, vintage of the business, competition
 - Size and nature of the business, geographic location of the borrower
 - Historical performance of similar homogenous pools of borrowers
 - Profile and incorporation of the borrower, strength and experience of group
 - Length of relationship with the borrower, repayment track record of existing borrower, credit history as revealed from available sources
 - Credit and default risk in the related business segment / product e.g. interest rate may be higher for borrowers with lower credit scores / ratings
 - Nature and value of primary collateral and additional security
 - Existing and as the case may be, future financial position of the borrower, sustainability of cash flow of the borrower
 - Financial flexibility of the borrower
 - Tenure of the loan e.g. interest rate may be higher for longer tenure loans
 - Interest rate trend prevailing in the money market
- c. The rate of interest and duration need not be standardized. It could vary for different customers depending on any one or a combination of the above factors. The rate of interest also varies depending upon relative credit strengths of borrowers. Final applicable interest rate is based on various other parameters and communicated in the sanction letter / loan agreement.

B. Schedule of charges:

A. SME		
1	Business Loan	
	Fee Type	Standard Rate
	A) Prepayment Fee	< 12 Month – up to 6% of principal outstanding for loan amount
		=>12 Month & <24 months- up to 5% of Principal outstanding for loan amount
		=>24 Months – up to 4% of Principal outstanding for loan amount
	B) Penal Interest	@ up to 3% pm on EMI overdue
	C) Restructure/Modification/change in borrowers	Up to 2% of Outstanding Amt.
	D) Customer Service Fee	
	- Cheque/NACH/ESC bounce charges	Up to INR 1000
	- Repayment instrument change/swap charges	Up to INR 1000
	- Issuance of duplicate Income Tax certificate	Up to INR 500
	- Issuance of NOC	Up to INR 500
	- Issuance of Statement of Account	Up to INR 500
	- Document Retrieval / Foreclosure statement	Up to INR 1000
	- Loan cancellation charges	Up to INR 20,000 + rate of interest from the date of disbursement till date of request for cancellation
	F) Processing Fees / Loan Applied Fees	Up to 3% of the loan amount
	G) “No Instrument” Charges for EMI Payment	INR 200 + GST
2	Loan Against Property (“LAP”) / EDI Loans	
	Fee Type	Standard Rate
	A) Foreclosure Charges	<= 12 Month – up to 5% of principal outstanding for loan amount
		>12 Month – up to 4% of Principal outstanding for loan amount
		(>12 Months – up to 25% of Principal free of charge)
	B) Part-Payment charges	Loan tenure > 12 months
		Up to 25% POS payment in a year – Nil
		Above 25% POS payment in year – up to 4%
	C) Restructure/Modification/change in	Up to 2% of Outstanding Principal Amt.

	borrowers	
D)	Penal Interest	@ up to 3% pm on EMI overdue
E)	Customer Service Fee	
	- Cheque/NACH/ESC bounce charges	Up to INR 1000
	- Repayment instrument change/swap charges	Up to INR 1000
	- EMI cycle repayment date change	Up to INR 1000
	- Issuance of duplicate Income Tax certificate	Up to INR 500
	- Issuance of NOC	Up to INR 500
	- Issuance of Statement of Account	Up to INR 500
	- Document Retrieval / Foreclosure statement	Up to INR 1000
	CERSAI charges	Up to INR 500 for property verification
	- Loan cancellation charges	Up to INR 20,000 + rate of interest from the date of disbursement till date of request for cancellation
F)	Processing Fees / Loan Applied Fees	Up to 3% of the loan amount
G)	"No Instrument" Charges for EMI Payment	INR 200 + GST
3		
	Loan Against Electronic Payment (LAEP)	
	Fee Type	Standard Rate
A)	Prepayment Fee	Up to 6% of the future principal outstanding amount after 3 month from the date of disbursement
B)	Penal Interest	@ up to 3% pm on EMI overdue
C)	Restructure/Modification/change in borrowers	Up to 2% of Outstanding Principal Amt
D)	Customer Service Fee	
	- Cheque/NACH/ESC bounce charges	Up to INR 500
	- Repayment instrument change/ swap charges	Up to INR 1000
	- Issuance of duplicate Income Tax certificate	Up to INR 500
	- Issuance of NOC	Up to INR 500
	- Issuance of Statement of Account	Up to INR 500
	- Document Retrieval / Foreclosure statement	Up to INR 1000
F)	Loan applied -- (first loan or any incremental loan or as applicable)	Up to 3 % of the loan amount applied
B. CAG		
	Corporate Loans (CAG) / LAS / TCMS	
	Fee Type	Standard Rate
A)	Foreclosure / part pre-payment	Up to 4%

	charges	
B)	Processing / upfront fees	Up to 4%
C)	Default interest range	As contractually agreed with borrowers
D)	Schedule of other charges:	
	Customer Service Fee	
	- Cheque/NACH/ESC bounce charges	Up to INR 2000
	- Repayment instrument change/ swap charges	Up to INR 1000
	- EMI cycle repayment date change	Up to INR 1000
	- Issuance of duplicate Income Tax certificate	Up to INR 500
	- Issuance of NOC	Up to INR 500
	- Issuance of Statement of Account	Up to INR 500
C. Retail		
1	Personal Loans (PL)	
	Fees Type	Charges
A)	Processing Charges	Up to 10%
B)	Foreclosure Charges	6 Months lock-in, 5% of POS + Applicable taxes
C)	PDD / Cheque/ ECS/NACH bounce charges – per presentation	INR 300 + Applicable taxes
D)	Repayment Instrument Swap Charges	INR 500 + Applicable taxes
E)	Duplicate Issuance of NOC	INR 500 + Applicable taxes
H)	Document retrieval Charges (per retrieval)	INR 100 + Applicable taxes
I)	Duplicate Statement of Accounts	INR 200 + Applicable taxes
J)	Foreclosure Letter Issuance	INR 500 + Applicable taxes
K)	Stamping Charges	As per specific rates defined by regulators
L)	Loan Cancellation Charges (Post Disbursal)	INR 2000 + Applicable taxes
M)	Interest on Late Payment (Overdue Interest)	2% per month on unpaid installment
N)	NACH / E-Mandate Rejection service charge	INR 500 + Applicable taxes
O)	“No Instrument” Charges for EMI Payment	INR 200 + GST
2	Two Wheeler (TW)	
	Fees Type	Charges
A)	Processing Charges	Up to 10%



	B)	Foreclosure Charges	6 Months lock-in, 4% of POS + Applicable taxes
	C)	Cheque / PDC/ ECS/NACH bounce charges – per presentation	INR 250 + Applicable taxes
	D)	Repayment Instrument Swap Charges	INR 500 + Applicable taxes
	E)	Duplicate Issuance of NOC	INR 250 + Applicable taxes
	H)	Document retrieval Charges (per retrieval)	Nil
	I)	Duplicate Statement of Accounts	Nil
	J)	Stamping Charges	As per specific rates defined by regulators
	K)	Loan Cancellation Charges (Post Disbursal)	INR 1000 + Applicable taxes
	L)	Interest on Late Payment (Overdue Interest)	2.5% per month on unpaid installment
	M)	NACH / E-Mandate Rejection service charge	Nil
	N)	“No Instrument” Charges for EMI Payment	INR 200 + GST
3		Consumer Loans (CL)	
		Fees Type	Charges
	A)	Processing Charges	Up to 10%
	B)	Foreclosure Charges	Up to 7%
	C)	PDD / Cheque/ ECS/NACH bounce charges – per presentation	Up to INR 1500 + Applicable taxes
	D)	Repayment Instrument Swap Charges	Up to INR 500 + Applicable taxes
	E)	Issuance of NOC	Up to INR 500 + Applicable taxes
	H)	Document retrieval Foreclosure Statement	Up to INR 100 + Applicable taxes
	I)	Statement of Accounts	Up to INR 200 + Applicable taxes
	J)	Stamping Charges	As per specific rates defined by regulators
	K)	Cancellation Charges (Post Disbursal)	Processing fee to be deducted
	L)	Interest on Late Payment	Up to 24% per annum
	M)	“No Instrument” Charges for EMI Payment	INR 200 + GST
3		Auto Lease	
		Fees Type	Charges
	A)	Prepayment Fee	Up to 2% of Outstanding Amt
	B)	Late Payment Int	Up to 2%
4		Auto- SME	
		Fees Type	Charges
	A)	Prepayment Fee	Up to 2% of Outstanding Amount
	B)	Late Payment Intt	Up to 2.00%
	C)	Restructure Fee	Up to 1% of Outstanding Amt. (MIN INR 1000)



	D)	Admn & Doc Fee	Min INR 1000
	E)	Customer Service Fee	
		- NSF Cheques	Up to INR 200
		- Document Copies	Up to INR 500
		- Cheque Bouncing Charges	Up to INR 500
	F)	Processing Fees / Loan Applied Fees	Up to 0.5% of the loan amount
5		Auto-Used	
		Fees Type	Charges
	A)	Prepayment Fee	Up to 5% of Outstanding Amt
	B)	Late Payment Intt	Up to 2.00%
	C)	Restructure Fee	Up to 1% of Outstanding Amt (Min INR 1000)
	D)	Admn & Doc Fee	Min INR 1000
	E)	Customer Service Fee	
		- NSF Cheques	Up to INR 200
		- Document Copies	Up to INR 500
		- Cheque Bouncing Charges	Up to INR 500
	F)	Processing Fees / Loan Applied Fees	Up to 0.5% of the loan amount
D.PAYTM			
1		PAYTM - Merchant Loans	
		Fees Type	Standard Rate
	A)	Late Payment Interest	0.1% of Overdue amount per day
	B)	PDC/NACH/ESC bounce charges	Up to 300 Applicable Taxes
	C)	Repayment instrument change/ swap charges	Up to 300 Applicable Taxes
	D)	Processing Fees / Loan Applied Fees	Up to 10% of the loan amount
2		PAYTM - Personal Loans	
		Fees Type	Standard Rate
	A)	Loan Processing Fee	1% to 6.25% of Loan Amount
	B)	Foreclosure Charge	4% of Principal O/s + Applicable Taxes
	C)	Bouncing Charge	INR 250 + Applicable Taxes
	D)	Repayment Swapping Charges	INR 200 + Applicable Taxes
	E)	Loan Cancellation Charges	INR 500 + Applicable Taxes
	F)	NACH / E-mandate Rejection Service Charge	INR 250+ Applicable Taxes
	G)	Overdue Interest Charge	Monthly ROI as applicable as per agreement
3		PAYTM - POSTPAID	
		Fees Type	Standard Rate (Excl. Taxes)
	A)	Convenience Charge	0-3% of monthly spends



	B)	Interest Rate	0% for base Postpaid product (sub-vented by OCL); Up to 36% for EMI Conversion	
	C)	Late Payment Fee (as per applicable slab)	Outstanding Amount	Late fees (per month)
			Up to INR 100	INR 0
			INR 101 to INR 250	INR 10
			INR 251 to INR 500	INR 25
			INR 501 to INR 1000	INR 50
			INR 1001 to INR 2000	INR 100
			INR 2001 to INR 5000	INR 250
			INR 5001 and above	INR 500
E. HFS				
1.		Healthcare Financial Services (HFS) / Equipment		
		Fees Type	Standard Rate	
	A)	Prepayment Fee	0-12 Months- 6% + Applicable Taxes	
			12-24 Months- 5%+ Applicable Taxes	
			Above 24 Months- 4% + Applicable Taxes	
			i. Part-prepayment is not permitted. Borrower shall prepay the Loan in full. ii. Above rate is applicable, if foreclosure done by own fund. In case other source of fund, it will be 6% of Principal O/s + Applicable Taxes	
	B)	Interest on Late Payment (Overdue Interest)	@ Up to 36% p.a of overdue Amt	
	C)	Processing Fees	Up to 2% of loan amount	
	D)	Restructure Fee	1% of Outstanding Amt (Min INR 1000)	
	E)	Administrative & Doc Fee	Up to INR 1000	
	F)	Customer Service Fee		
		- NSF Cheques	Up to INR 200	
		- Document Copies	Up to INR 500 +APPLICABLE TAXES	
		- Bouncing Charges	Up to INR 500 (Incl. Of APPLICABLE TAXES)	
		- Foreclosure Letter Issuance	Up to INR 500 +APPLICABLE TAXES	
	G)	Misc. Fee		
		Letter of Credit	Up to 1% of value of LC amount	