

LOAN AGAINST DIGITAL PAYMENTS

PRODUCT and POLICY PROGRAM

DOCUMENT Version 1.04

CONFIDENTIAL

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SECTION 1: Overview

1.1 : Background

We, R.K. Bansal Finance Private Limited , an RBI registered NBFC committed to providing personal loans to employed professionals. We easily meet your unique financial needs by incorporating innovation into the credit availing process, giving you instant access to funds directly. We offer loans at affordable interest rates due to a minimal risk profile. At Ram Fincorp, we take pride in offering the lowest interest rates to our borrowers, ensuring they are not unnecessarily burdened by high interest rates.

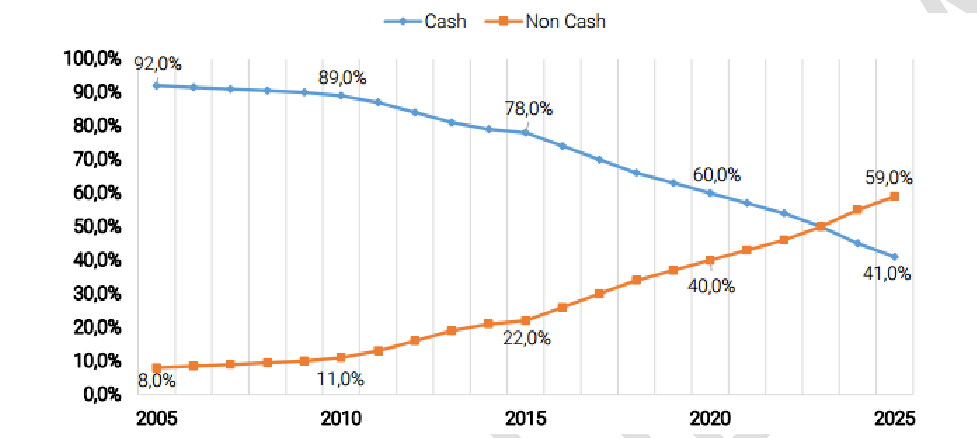
1.2 : Purpose of Manual

The purpose of this document is to provide a detailed description of the target customer profile for this product, sourcing strategy, customer selection criteria, product and program offering, detail credit and risk norms, risk mitigation and provide a high-level business process flow.

SECTION 2: Payments Landscape

2.1 : Recent Trends

While the Indian economy has traditionally been a cash-based economy, this trend is fast changing. Non-cash-based payments have been registering an upward trend in recent times. India's digital payment system is expected to be worth around \$500 billion by 2020. The digital payments sector is expected to contribute to 15% of India's gross domestic product (GDP) in four years' time. Multiple factors and official & behavioral trends are fueling this shift towards a cashless economy.

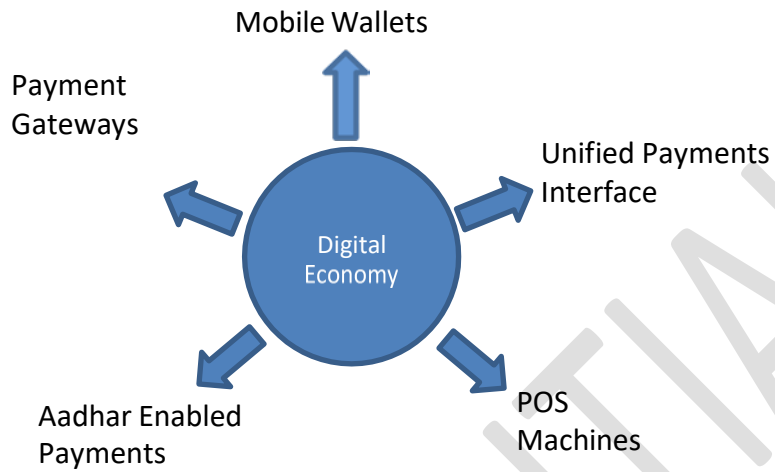


Enhanced internet connectivity, high rate of penetration of smartphones and flagship government initiatives such as 'Digital India' have been acting as key catalysts for this change. In fact, it is expected that non-cash payments which constitute 22% of all user payments right now will overtake cash transactions by 2023.

(* Source: Digital Payments 2020 – A report by BCG & Google)

2.2 : Digital Economy – key Enablers

There are 5 key enablers which have hastened the transformation to a digital economy.



a) Payment Gateways:

A payment gateway is a merchant service provided by an e-commerce application service provider that authorizes credit card or direct payment processing for e-businesses, online retailers, bricks and clicks, or traditional brick and mortar.

Online ticketing companies were the first to introduce a significant population to digital payments, by pushing Indian users to get familiar with transacting online for routine services.

This includes transportation such as booking tickets for railways (IRCTC), airlines (MakeMyTrip, Yatra), and buses (RedBus), movie and event ticketing (BookMyShow), and in recent times utility bills payment portals (Bill Desk, Paytm, Citizen Portal, PayU, Oxigen Wallet).

The arrival of online shopping changed the allure of digital payment transactions in India.

Shopping websites like Flipkart, Snapdeal, Amazon, Myntra, Jabong and others, offer highly discounted range, and digital payment such as cash back deals.

b) Mobile Wallets

With the affordable access to smartphones, mobile wallet companies began entering each sector.

The main point was the useful storage of money in digital wallets that made online transactions easier and faster.

Leading mobile wallet companies include Paytm, Mobikwik, Oxigen wallet, Citrus, Freecharge, and PayUMoney.

Today these companies have turned their focus into motivating their users to transact using their service at retail outlets, local grocery stores, restaurants, petrol filling stations, and app-based transport aggregators.

c) Unified Payments Interface (UPI)

Launched by National Payments Corporation of India (NPCI), UPI is a rather big accomplishment for RBI, especially because it simplifies and unifies the online money transfer process.

UPI is a payments system that allows money transfer between any two bank accounts by using a smartphone app, without the hassle of typing credit/debit card details, IFSC code, or net banking/wallet passwords. Instead, consumers need to register their mobile number with the bank.

UPI also supports pull and push type of payment requests.

d) Aadhar enabled payments

'Aadhar Payment Bridge (APB)' helps make payments directly to the Aadhar enabled bank accounts of people.

'Aadhar Payment System (APS)' can provide their Aadhar number and fingerprints at a micro ATM to benefit financial services.

While the authentication is done by UIDAI, the financial transactions are handled by NPCI.

e) POS Machines (Credit/ Debit Card Swipe)

Demonetization has created the need for a shift to digital transactions, its surprise element depriving cash of the security and confidence it once enjoyed as a legal tender. A point of sale terminal (POS machine) is an electronic device used to process card payments at retail locations. A POS terminal generally does the following:

1. Reads the information of a customer's credit or debit card
2. Checks whether the funds in a customer's bank account are enough
3. Transfers the funds from the customer's account to the seller's account (or at least, accounts for the transfer with the credit card network)
4. Records the transaction and prints a receipt

As of May'18, there were 13.76 crore credit card transactions and 35.21 crore debit card transactions at POS machines in India, with the total number of POS machines being 32.47 Lakhs in May 2018, almost double from 15.11 lakhs machines that were functioning as of Oct'2016, a month before demonetization.

SECTION 3: Why This Product Requirement?

Merchants are often on the lookout for real short term working capital requirements e.g. a restaurant which needs to change its décor or install new air-conditioning or increase its menu options. Banks do not normally enhance their clients CC/OD limits for such purposes and will not be able to help the merchant for such ad-hoc requirements, which are nevertheless important for business to sustain and grow. Further, most banks ask for a collateral for such loans. Merchants are often faced with the following questions:

- Is there a loan product which I can repay according to my business cycle?..... where I pay more if my turnover increases and less in a lean season?
- Can there be a logical and easy mechanism to avail a loan without getting into multiple meetings and extensive paperwork to explain and justify my business model?
- Can I repay in small amounts from my daily or weekly earnings to reduce my debt component and not have to wait for the month end to make bulky payments?

3.1 : Why this product

In the digital world, we believe that we can find satisfactory answers to the above merchant aspirations, by advancing a short term working capital loan against credit /debit card swipes happening on POS machine basis the following strengths:

- Short term loan ≤ 12 months (typical average tenor) can be advanced basis average monthly swipes on the POS machine.
- Possibility of taking daily fixed repayment to reduce the merchant's debt burden
- Possibility of taking flexible repayment as per the merchant's business cycle (pay more when business is doing well and pay less when there is a lean period)
- Loan eligibility can be top line driven basis the average data of the POS machine, which will entail a great reduction in paper work and faster decisioning.

3.2 : Unique product identity

The Loan Against Digital Payments have the following differences as compared to a conventional Business L

Sr. No	Item	Business Loan	Loan Against Digital Payments	Risk	Mitigant
1	Repayment frequency	Monthly	Daily	Dependent on daily sales (and hence daily receipts) which may not happen – weekends/holidays/ seasonality in sales	Daily payment receipt monitoring critical ~ MIS generated by the processor and to be actioned by the Risk/Product
2	Repayment from	Banking	Auto deduction from POS Machine/NACH	While the business will endeavor, we may not have exclusive POS presence at the borrowers' premise	Exposure to borrowers where we don't have exclusive POS machine capped and to be tracked separately for performance; however at least 1 of our processors POS machine will be Present
3	Consumer Bureau score	Yes	Yes	NA	
4	Eligibility	Driven by bottom line	Driven by top line	Over leveraging	<p>1. Top line driven product with control on cash flows.</p> <p>2. Daily Repayment is also automated without any intervention by the client</p> <p>3. Eligibility basis median monthly POS settlement & % withholding.</p>

5	Financial checks	DSCR (≥ 1), Cash profit turn over growth, leverage, Interest coverage, Net Working Capital	No financials		
6	Corporate Bureau score	Yes	Yes	NA	
7	Banking	To derive Banking Turnover	To derive average card sale/month	NA	
8	Residence/office ownership	At least one property owned	Property Ownership Not Mandatory	NA	Restriction on loan amount and higher business vintage
9	Business vintage	≥ 3 yrs	≥ 2 yrs	Lower stability	<ol style="list-style-type: none"> 1. Underwriting basis Personal discussion at customers business premise which will help address concerns if any on business stability / sustainability 2. Average LADP tenure ≤ 15 months vs. business loan where average tenure is ≤ 30 months.

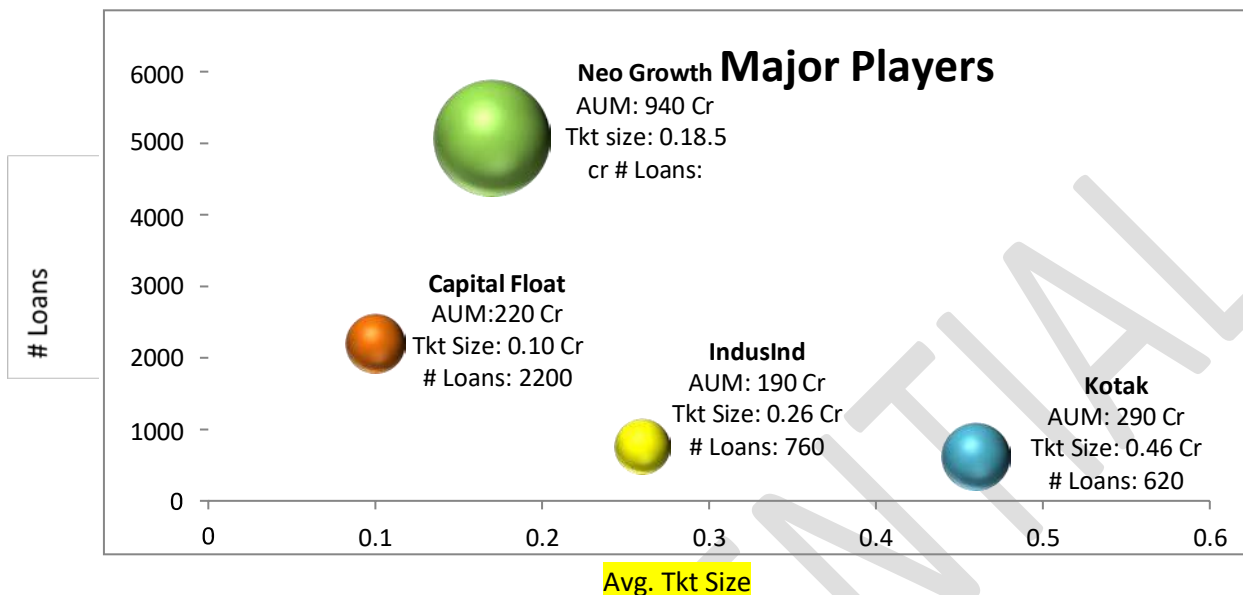
SECTION 4: Product Fundamentals

4.1 : Product USP

- The Loan Against Credit/Debit card swipes (also referred to in the industry, as Merchant Cash Advance) rides on the trend of card swipes at POS machines installed at merchant outlets and offers the merchant a short-term loan.
- The merchant's revenue is estimated basis a history of daily settlements at the POS machine at merchant premises, as evident from his bank statement.
- Repayment of the loan is technology enabled
- The merchant benefits from getting quick, hassle -free short-term loan to take care of his working capital needs, without the need to fulfill bulky Equated Monthly Installments (EMIs). The split mechanism is seamlessly automated with almost no intervention from the merchant.

SECTION 5: Competition Landscape

The merchant cash advance market is relatively new and has a few players. Details of the 4 major players are below:



Kotak Mahindra Bank

With Facility against Credit Card Receivables (FCCR), a merchant outlet with a POS machine can avail of either a Business Loan or an Overdraft Facility based on the yearly sales that takes place on the credit card POS machine. The maximum loan amount given is 3 crores. The bank targets sole proprietorships, partnerships, private Ltd and public Ltd companies operating from owned premises, with sales through credit cards of over Rs 60 lakhs and a positive profit before tax for the last 2 years.

The bank has recently launched a retail Facility against Credit Card receivables product with a maximum ticket size of 30 lakhs, with underwriting solely based on the last 12-month card settlement history in the absence of financials.

IndusInd Bank

IndusInd, one of the fastest growing banks in India with over 850 branches, offers an unsecured overdraft (OD) or Dropline Overdraft (DLOD) to fulfill immediate financial needs of working capital. Loan amounts vary from 5 to 50 lakhs and can be extended to 300 lakhs if backed by security. Interest is applicable only of an amount utilized. The product is offered to entities which are in business for at least 3 years, and requires 3 years audited financials and bank statements for the last 6 months of an account attached to current POS machines

NeoGrowth

NeoGrowth is the current market leader in the retail Merchant Cash Advance product. This was the first company which is totally dedicated towards this product with an exclusive team working only on this product.

NeoGrowth is a technology-enabled lending business, which started commercial operations in 2013, that provides unsecured loans to small retailers in all major Indian Cities (Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Chandigarh, Jaipur, Kolkata, Pune and Ahmedabad) repaid by future card receivables, e-commerce sales and other non-cash payments. More than half of the loans made by NeoGrowth are less than Rs. 10 lakhs each and greater than 80% of loans have been given to Proprietorship and Partnership firms. The company also offers NeoCash Online, designed exclusively for online sellers on e-commerce marketplaces and retailers selling online through independent portals.

Capital Float

Capital Float is the trade name of Zen Lefin Pvt. Ltd., a non-banking finance company (NBFC) registered with the RBI. It is the second company (after Neo Growth) to have Merchant Cash advance as an exclusive product line, served by an exclusive team. The company's 'Merchant Cash Advance' offering targets merchants with revenue from debit and credit card swipes to enable merchants a short tenure loan for meeting their working capital requirements. For this, the company has partnered with multiple point-of-sale (POS) card machine. Other than the MCA, Capital Float offers term loans, online seller financier, supply chain and taxi finance.

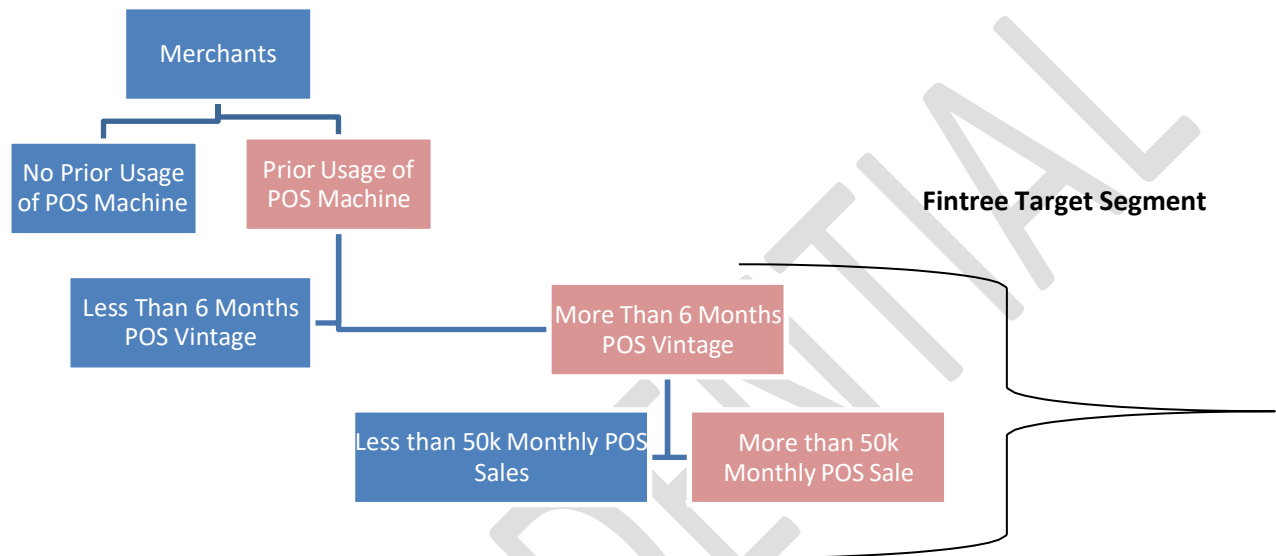
New Entrants:

New entrants into the Merchant Cash Advance marketplace include Tab Capital, Flexi Loans, Fintree and IIFL

SECTION 6: Customer Profile

Loan Against Digital Payments customers can be classified according to whether they have prior usage of a POS machine, and if so, the length of time they have used these POS machines.

Segment Definition:



6.1 : Segment for Fintree in the Pilot Phase

Any customer facing outlet having a POS machine for greater than 6 months with a sufficiently high card through-put is a customer for Fintree.

6.2 : Typical Customer Profile

- Card Sales per month: >100k
- Business Vintage: > 1 years for FINSWIPE and >3 Year for FINBLAZE & FING
- Age of Borrower: 21 to 70 years
- Loan amount: 1 lakhs to 25 lakhs
- Loan tenure: 36 months (Max)

6.3 : Targeted Merchants

Category	Establishment Type (Retail outlets)
Food and Boarding	Food & Beverages, Restaurants,
Provisions	Groceries, stationary
Ready-mades	*Apparels, foot-ware, kid's shoppe,
For the home	Furniture, home furnishing, novelty stores
Medical	Pathology labs, Pharmacies, optician outlets
CDIT	Consumer durables, IT equipment
Vehicle related	Petrol outlets, automobile sellers and equipment
Leisure related	Spas and salons, Musical Instruments, pet shops, sports equipment

*Currently Apparels are to be put in cautious profile

6.4 : Product Offering

The focus of the Loan Against Digital Payments would be on offering hassle -free credit to the under-served SME retail segment in the quickest possible time, by mitigating risk using a scorecard & analytics driven underwriting model backed by technology

SECTION 7: Credit Policy

7.1 : Customer Selection Criteria

S.No.	Parameter	Guidelines
Demographic	Target Segment	<ul style="list-style-type: none"> ▪ SENP (Individual & Entity) and ▪ SEP (Individual & Entity)
	Business Vintage	Minimum 1 years in same line for FINSWIPE & 3 years for FINBLAZE & FING (Group should be in same trade line and backward/forward integration is also allowed)
	Age of individuals on loan	Minimum 21 years at time of application Maximum: At least 1 co-applicant to be =< 70 years at the time of maturity and should be involved in running the business.
	Borrower Profile	No-Go Industry is not allowed (As per List defined below).
	Consumer Bureau	<p>Minimum 650 for FINSWIPE & 675 for FINBLAZE & FING for all co-applicants (Other than 0/-1/1/2, Less than 650 or 675 score as the case may be allowed if:</p> <ul style="list-style-type: none"> ▪ Due to technical delinquency backed by rationale ▪ Unpaid overdue charges on credit cards (delay or otherwise) ▪ Annual repayment product – Gold Loan / Kisan credit card loan delays/default ▪ Delinquency string reported by PSU/co-operative bank for Cash based repayment loan ▪ Due to Low Bureau Vintage ▪ DPD string (leading to low score) due to unpaid bounce charges (esp for TATA Capital loans) ▪ Higher number of Bureau enquiries ▪ High recent borrowing <p>Under all such cases it will not be covered under Bureau deviation. Any trade line (Excluding credit cards and where it is only due to overdue/cheque bouncing charges) that is written off/settled/NPA in last 12 months is a No-Go More than 3 DPD in Past 3 Month is No Go. (Other than dpd in Credit Card/Gold Loan/Loan against Receivable) No Trade line to be in 30 DPD's in last 12, except credit card where proper justification is taken from customer and deviation is jointly signed off. First time Borrowers to be Given Max of 3L Loan amount subject to fulfilling all other norms. (Only for FINBLAZE)</p>
	Office	Residence cum Office set-up with specific demarcation (Separate entry and Exist) is only allowed Office should not be in Negative Area
	Property ownership	Customer or his family member should own at least one property within Geo limit as defined either in own name or in name of family members (Excluding Land) for Loan of more than Rs 5 Lacs. Family member include spouse, father, mother, brother (if staying together) Property Ownership Not Mandatory Ownership Property should not fall in negative area defined as per Policy

	Geo Limits	Residence and Office or Factory must be situated within Municipal City (MC) Limits of the Fintree Branch/office. Local teams to confirm MC limits. Specific Geo limit is defined in Annexure
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7.2 : Sourcing Strategy

Fintree shall have 3 channel sourcing strategies ~ Merchants will be sourced from (i) Channel Partners (ii) Strategic Partnerships and (iii) direct sourcing. Leads will flow from various channels shown above to the Hub Manager/ Business Development Manager at the location.



7.3 : Other Parameters

Sr. No.	Parameter	Norm
1	Loan Amount	Minimum: 1 lakhs Maximum: 25 lakhs
2	Tenure	Minimum: 6 months Maximum: 36 months
3	Purpose	For Business needs like Working capital, CAPEX, Expansion, Debt Consolidation.
4	Disbursal Favoring	Disbursal will be done in favor of business account only and not in personal saving's account of promoter/director/partner/proprietor.
5	End Use	Undertaking by the borrower specifying the end use of the loan and the loan shall not be used for any speculative, illegal activities, litigation or any other nefarious activities. The attached format to be used.
6	Insurance	Maximum Insurance Capping to 5% of the Loan Amount.

7.4: Customer Profiling Norms

Sr. No.	Parameter	Norm
1	Eligible borrower	<ul style="list-style-type: none"> ▪ Individuals ▪ Proprietorships ▪ Partnerships ▪ LLPs/ Private Limited Companies ▪ HUF
2	Co-applicant	<ul style="list-style-type: none"> ▪ Main entity who is taking the loan will be the applicant ▪ Minimum 2 individuals to be on loan as co- borrower for all cases. ▪ 1 Lady should be mandatory on loan structure in all Proprietorship cases. ▪ In the case of partnership firm, all partners to be the Co-applicantsto loan in addition to the partnership firm. ▪ In the case of company, the company should come in as Applicant. Any shareholder holding > 25% should be on the loan structure s.t. total of 51% of shareholders on the loan structure. ▪ Compliance of section-185 to be adhered. ▪ Co-borrower can be either stakeholder in business and/or immediate family member (Immediate family member consists of borrower's parents/spouse/son only)

7.4 .1: Banking Norms & Go-No-Go Norms

S. No	Parameters	Norm
1	Minimum median monthly BTO (over 6-month period as visible from Bank Statement for Loan of Less than 5 Lakhs) and (over 9-month period as visible from Bank Statement for Loan of Greater than Equal to 5 Lakhs and Less than equal to 25 Lakhs)	<ul style="list-style-type: none"> 100k POS machine should be in use for last 6 months All chargebacks/reversals to be excluded while calculating last 6/12 months median POS settlements For POS/NACH case if eligibility is derived basis Saving bank account then Max loan to be restricted to 3 lakh only for Direct sourcing
2	Minimum median monthly number of POS Settlements (over 6-month period as visible from Bank Statement)	<ul style="list-style-type: none"> No of POS Settlement less than 10 in Month is No Go.
3	Average Banking Balance (ABB)	<ul style="list-style-type: none"> ABB to be Median ABB for 1, 5,10,15,20,25 EOD balance. Final Median ABB is Median of above ABB Incase of FINSWIPE there should be ABB of 0.8 time Incase of FINBLAZE if the total number of business credit should be more than 3 and ABB to EMI should be 1.5 times for loan amount upto 10 lakh and 2.5 times for loan amount more than 10 lakh Incase of FING if the total number of business credit should be more than 3 and ABB to EMI should be 1.5
4	Banking Turnover (BTO)	<ul style="list-style-type: none"> BTO should excluded any Bounces, Loan Credit, internal entries reflecting on credit side of the bank statement Monthly BTO as compared to Monthly EMI should be min 5 times for Service, 8 times for trader and 10 times for Manufacture i.e. EMI X 5
3	Loan Cheque bouncing norms (applicable for latest 6 months)	<ul style="list-style-type: none"> No bounce in the last 6 months w.r.t. any loans except for technical bounces I/W <= 3% of Total Debit Entries in Bank accounts. O/W <= 5% of Total Credit Entries in Bank accounts For daily NACH based repayment loans ~ Minimum 80% of the debits should have been cleared on presentation date with no un-paid aging over 5 days

4	Banking throughput (<i>norm applicable for 6/12 months banking</i>)	<ul style="list-style-type: none"> All chargebacks/reversals to be excluded while calculating last 12 months median POS settlements.
5	Financials	Loan Amounts up to 10 lakhs: No financials

7.4 .2: LOAN Amount GRID

SR. NO	Parameter	Maximum Loan Amt	Maximum Tenure
1	Business Vintage >=24 Months - <=36 Months.	INR 5 Lakhs	18 months
2	Business Vintage > 36 Months.	INR 25 Lakhs	36 months
3	No Owned Property in Geo Limit	INR 5 Lakhs	12 months
4	FINSWIP	INR 10 Lakhs	12 months
5	FINBLAZE	INR 15 Lakhs	24 months
6	FING	INR 25 Lakhs	36 months

7.5 : Mode of Finance and Repayment

Sr. No.	Parameter	Norm
1	Mode of Finance	Unsecured Credit Facility
2	Nature of Facility	Amortizing
3	Frequency	Daily/ Weekly/ Fortnightly/ Monthly
4	Mode	<ul style="list-style-type: none">• The settlement of the merchant's transactions will be daily for FINSWIPE• By way of daily/ weekly/ Fortnightly/ Monthly NACH in case of FINBLAZE• By way of Monthly NACH in case of FING
5	Repayment	Daily based Repayment. In Case of Holiday payment will be Recovered in Next working Day

7.6: Loan Amount Eligibility Calculation:

Loan amount is a function of the below variables:

- Median monthly POS settlement
- With-holding percentage
- Loan tenure (tenure cap of 36 months)
- Interest Rate
- Minimum loan amount = Rs 1 lakhs.
- Maximum Loan amount = Rs 25 lakhs
- In case of 'Exclusive Merchants', i.e. merchants using all POS machines associated with Fintree, Loan amount calculated by the 'With-holding' method should not exceed 3 times of median monthly POS Settlement for last 6/12 months. In case of 'Non-Exclusive Merchants', i.e. merchants using other POS machines along with a POS machine from Fintree it should not be more than 2 times of the median POS Settlement for last 6/12 months. Both these types of transactions will be tracked and flagged separately for portfolio performance.
- In case of an existing loan repaid by means of the POS machine of the merchant (as evident from banking), future principle to be deducted from the proposed loan amount to arrive at the eligible loan amount.

7.7 : Verifications Checks and Other Parameters

S.No	Parameters	Norms	
1	Personal Discussion	Why Personal Discussion (PD) is Required in a Loan Product?	
		A personal Discussion is required mainly physically to see Business is running, the Locality in which the Business Running, Stock Check and understanding the Customer to have a personal touch.	
		As our product is based on the Risk Score Card Model basis the Loan Eligibility will be determined and the Physical Personal Discussion will be done away with basis the below mentioned mitigants:	
		PD Check Requirement	Requirement Mitigant
		Locality	Geo Tagging FI Report with Locality Description Goggle Search
		Existing POS machine check	FI person to take snapshot of charge slip & POS machine
		Stock	Snap Shot of Stock in FI Report
		Neighbor Check	2 nearby Business Reference Check in FI Report. Updation Date of Office Address in Bureau if Available
		Personal Touch	Tele PD with Customer
2	Docs Verification	Business Check	Snap Shot of Business Sign Board in FI Report
		No of Employees	Details mentioned in FI Report
3	Residence & Office Field Verification	<p>100% FCU Sampling on Banking and Ownership Proof documents. Rest of the documents on trigger basis.</p> <p>To be done for all applicants/ Co-applicants by Agency at Residence and Office Premises along with Geo Tagging.</p> <p>Negative FI due to Applicant(s) not met (as there could be multiple co-borrowers on the loan and everyone might not be met during FI visit); Door locked(resi) – can be addressed by reinitiating FI/visit by Fintree Employee; Door Locked/ Entry Not Allowed but TPC positive. In such cases FI deviation need not be raised.</p>	

4	Residence & Office Tele verification	<p>Landline/ Postpaid Mobile/ Prepaid mobile at residence or office is mandatory.</p> <p>Telephonic verification (TVR) is mandatory to be done for all cases to be done by Credit/CPA on office/factory/residence Landline/WLL/Mobile to establish contactability. Report to be signed by person conducting TVR and documented in file and to be done for all applicants/ Co-applicants.</p> <p>Verification is not Required in Case of Following</p> <table><tr><td>Match 1</td><td>=</td><td>Match 2</td><td>=</td><td>Match 3</td></tr><tr><td>Residence Address</td><td>=</td><td>Address as per Aadhar</td><td>=</td><td>Owned Property > 1 Year</td></tr><tr><td>Residence Address</td><td>=</td><td>Address as per Aadhar</td><td>=</td><td>Owned Property > 1 Year</td></tr><tr><td>Office Address</td><td>=</td><td>Address on Utility Bill</td><td>=</td><td>Owned Property > 1 Year</td></tr><tr><td>Office Address</td><td>=</td><td>Address Proof</td><td>=</td><td>Address on Bank Statement > 1 Year</td></tr><tr><td>Residence Address</td><td>=</td><td>Address as per Aadhar</td><td>=</td><td>Address as per Ration Card > 1 Year</td></tr><tr><td>Office Address</td><td>=</td><td>Address Visited by Fintree Employee</td><td></td><td></td></tr><tr><td>Office Address</td><td>=</td><td>PD done at Same Office Address by Vendor</td><td></td><td></td></tr></table>	Match 1	=	Match 2	=	Match 3	Residence Address	=	Address as per Aadhar	=	Owned Property > 1 Year	Residence Address	=	Address as per Aadhar	=	Owned Property > 1 Year	Office Address	=	Address on Utility Bill	=	Owned Property > 1 Year	Office Address	=	Address Proof	=	Address on Bank Statement > 1 Year	Residence Address	=	Address as per Aadhar	=	Address as per Ration Card > 1 Year	Office Address	=	Address Visited by Fintree Employee			Office Address	=	PD done at Same Office Address by Vendor		
Match 1	=	Match 2	=	Match 3																																						
Residence Address	=	Address as per Aadhar	=	Owned Property > 1 Year																																						
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Office Address	=	PD done at Same Office Address by Vendor																																								
5	Trade Reference check	Minimum one independent reference check to be done on mandatory basis from Supplier/Banker etc. and to be documented in approval note.																																								
6	Watch out Investors Search	No Adverse remarks against any applicants/ firm/ company or its promoters /directors on www.watchoutinvestors.com site.																																								

7	RBI Defaulter's List / SMA List/ BIFR	Applicants/ Guarantors should not be part of RBI defaulters list and any other list as provided.
8	Internet Checks	<ul style="list-style-type: none"> There are no set norms for intelligent proactive credit. Underwriting is about taking initiative to probe and find further details beyond the documents made available in the loan proposal. Much information is available in the respective company web-sites and various search engine website like www.google.com/ www.mca.gov.in / www.sebi.gov.in www.bsnl.com/ www.mtnl.com/ http://companyinfoz.com/ www.watchoutinvestors.com etc. As an Underwriting culture, we must become proficient in verifying credentials of borrower from websites, pulling out any information which can be adverse feedbacks, any court rulings, any police investigations, any past disputes, any local news items etc. and such inputs which may influence credit decision There are dedicated web-sites to verify pay details, employment details of certain companies etc. Credit to make all efforts to do these online verifications to authenticate the loan proposal.
9	ROC Search & MCA Check	Online ROC Search & MCA check to be done for all company cases.
10	Acceptance of Internet Downloaded Bank statements	The Internet Generated bank statement to have the bank Name, Logo and account number appearing in the statement. 100 % sampling of Internet generated bank statement either through FCU or Document verification agency.
11	Residence/Office Stability & Contactability norms	<p><u>Office Stability</u></p> <ol style="list-style-type: none"> The applicant should be operating from same office/workplace for last 6 Months Self-Owned/Family Owned – 1 month at least in same office. Long term Pagdi structure (Balance lease to cover proposed Loan tenure) – 6 Months. <p><u>Residence Stability</u></p> <ol style="list-style-type: none"> Rented residence – Same residence for at least 6 Months Self-owned/Family owned – 1 Month at least in same residence
12	Property Ownership	<p>Property Ownership (Any one)</p> <ol style="list-style-type: none"> Owned residence or office to be within Geo limits of Branch. Factory/ office/ shop to be owned/long term lease/ On Pagdi

			<p>The applicant must provide ownership as part of regular loan documentation</p> <p>It is mandatory to do CPV/FI of both owned property (as per docs provided) as well as current present address and same to be documented in file. Proper neighborhood check to be done to see that customer has not sold the property.</p> <p>Note:</p> <ol style="list-style-type: none"> 1. Land is not acceptable as property ownership 2. Applicant must own a residence or office in his name or jointly with family members. <p>(Property Ownership is Mandatory for Loan Amount greater than Rs 5 Lacs)</p>
13	No. of Co-Applicant		Minimum - 2 (across entity types)
14	Age Norms		For applicant whose income is considered should be minimum 21 years & maximum 70 Years.
15	Validity of Reports	De-dupe, Bureau, FI, ROC & FCU	<p>< 30 Days on date of approval.</p> <p>< 30 days on date of disbursal from deal approval date.</p>
		CPV/TVR	<p>< 30 Days on date of approval</p> <p>< 30 days on date of disbursal from deal approval date. Beyond this fresh TVR/CPV to be done.</p>
		PD reports by Underwriter	Valid up to 60 days from date of PD else PD to be done again.
		Sanction Letter /Loan approval validity	Valid for 30 days from the date of issue of sanction. Re-credit to be done once 30 days period has expired. Extension can be given provided it is found that there is no aberration in Bureau, Banking, Financial, CPV, No negative market feedback/news.
16	Negative Area		Applicant's Residence /Office should not be in Negative area as identified by Risk for each location.
17	Consumer Bureau Policy		<ol style="list-style-type: none"> 1. Bureau Check is mandatory for all cases and to be done for all borrowers/co-borrowers on loan structure. Bureau is not only about Score. It plays a very critical role in any underwriting proposal. It should be thoroughly checked for: <ol style="list-style-type: none"> a. Demographic details like name, address, contact nos, PAN no etc. updated in Bureau and provided in file (KYC documents) b. History of running loans c. History of enquiries made vis-a-vis loans availed. d. Last updated details of the individual repayment records e. All such recent enquiries in Bureau to be probed thoroughly to the satisfaction of Credit <p>At least one of the IDs i.e. PAN card, Voter ID card or Passport number</p>

		<p>should be put while generating the Bureau report.</p> <p>Other norms are as below:</p> <ol style="list-style-type: none"> 1. Minimum Bureau score of 650 for all individuals on loan. 2. Cases with score as “-”, “1-5”, “-1” can be processed as standard transactions <p>Other than the below mentioned points, all other delinquency string / low score as per credit bureau would be considered as negative and will be governed by deviation with proper rationale:</p> <ul style="list-style-type: none"> ▪ Due to technical delinquency backed by rationale ▪ Unpaid overdue charges on credit cards (delay or otherwise) ▪ Kisan credit card loan delays/default ▪ Delinquency string reported by PSU/co-operative bank for Cash based repayment loan ▪ Due to Low Bureau Vintage ▪ Higher number of Bureau enquiries ▪ High recent borrowing ▪ Deviation need not be raised for Credit Card related over dues up to INR 25000 if the same is more than 12 months’ old <p>Some of the events (not exhaustive) that would need exception approval are:</p> <ol style="list-style-type: none"> i. Customer has been reported Ever 30 DPD in the delinquency history in last 12 months. ii. SF/WO/Settlement/Restructured cases within last 36 months (except credit cards) iii. Low score due to derogatory history for reasons other than mentioned above <p>Note: Documentation for delinquency history not required if the same is more than 2 years’ old. Documentation for delinquency history (within in 2yrs) to be decided on a case to case basis and PD note to capture details/rationale.</p> <p>Delays in Credit Card payments (and overdue charges) if recent (in the last 3 months), need to be investigated as this could potentially be an early delinquency trigger.</p>
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18	Commercial Bureau Policy	<p>Following Bureau catches would be considered as negative for all products and will be governed by deviation with proper rationale:</p> <ul style="list-style-type: none"> • Litigation/Fraud/Legal suit filed/Willful defaulter in name of entity ever. • Entities with facility that have ever been reported as special mention accounts in last 24 months. • Commercial score Less than or Equal to 3 or Less than 650
19	Commercial Bureau	<p>Bureau MSME Rank (Score) is a risk indicator for Micro, Small and Medium Enterprises (MSMEs). SCORE is targeted for usage on MSME having aggregated credit exposure in the range of INR 10 lakhs – 10 crores. SCORE predicts probability of default (PD) in next one year for MSMEs. SCORE crystalizes the ‘ability’ and the ‘willingness’ of the commercial entity to repay its debt obligations.</p> <p>Bureau MSME Rank granularly differentiates between MSMEs with very low risk of default and those with high risk of default. An MSME can be ranked in any of the 10 ranks based on its profile. SCORE-10 denotes least probability of default and SCORE-1 denotes the highest probability of default.</p> <p>SCORE of Less than or Equal to 3 or Less than 650 will be considered as negative and will be governed by deviation with proper rationale.</p>
20	Dedupe Check	Site to be Check
21	Risk Categorization	<p>All customers to be categorized into High, Medium, low risk category basis AML guidelines/procedures and basis calculator as given in AML guidelines published by Compliance team of Fintree. Risk categorization to be mentioned in CET/CAM by Underwriter. Periodic and event-based reviews to be done as per guidelines mentioned in AML guidelines/procedures published by compliance team.</p>
22	System Checks	Credit to ensure uploading of reports/documents as per norms

		Type of Transaction	Single Outlet	Multiple Outlets
		Exclusive	Card Sales of all POS Machines in that outlet to be taken for eligibility. Our POS Machine to be installed in that outlet and to be replaced with all existing machines at that outlet.	It can be exclusive for a single outlet out of multiple outlets or can be exclusive at all outlets. In case it is exclusive for single outlet out of multiple outlet then card sales of only that outlet need to be considered for eligibility. In case it is exclusive for all outlets then card sales of all outlets to be considered.
23	Funding Scenarios	Non Exclusive -	Card Sales of all POS Machines in that outlet to be taken for eligibility. Our POS Machine to be installed in that outlet in addition to existing machines.	Card sales of all outlets to be considered if POS machine is to be installed in all outlets in addition to existing machines or in case POS machine is to be installed only at single outlet in addition to existing machine already installed then card sales of that specific outlet to be considered for eligibility.
24	Single Outlet/Multiple Outlet sales tracking	Loan Calculation <ul style="list-style-type: none"> Where customer has single outlet and single machine in that outlet: Card sales of that outlet to be taken from banking and same to match with TID (Transaction ID) in bank account with TID number mentioned on duplicate charge slip. Where customer has multiple outlets or multiple machines in single outlet: Underwriting team may find 		

		<p>that transactions from different machines in same outlet or different outlets are transferred in bank account and each Outlet/Machine credit is differentiated basis different TID (Transaction ID) in bank account. In such scenario Underwriter/Sales Manager need to document duplicate charge slip of that Machine at the time of login/PD and should match TID number as mentioned in banking with TID number mentioned on duplicate charge slip. Accordingly, we can take credits of Machine /Outlets basis TID to arrive at card sales for eligibility purposes.</p> <ul style="list-style-type: none"> Where customer has multiple outlets: Underwriting team may find that transactions from different machines/outlets are transferred to single swipe account and then a single consolidated entry with narration "transfer from swipe account" is reflecting when the amount is transferred to bank account. In such cases only Merchant ID is mentioned in bank statement and is not at all differentiated basis TID. We need to ask customer for a split of credit transactions by each POS/outlet to arrive at actual card sales of that POS/Outlet. Such a summary can be considered from sales ledger/tally outlet wise details. In cases where Fintree is installing POS at one of the many outlets that the customer has, it then becomes critical to assess POS and Overall sales for the said outlet. Card sales information of the said outlet, if not available, should be sought from the borrower. <p>Operational Execution</p> <ul style="list-style-type: none"> Deductions and Credit done by the POS provider happen at the Merchant Level (and not the Terminal level). So, if a merchant has 4 outlets and we install one POS machine at each outlet, Provider would give the merchant 1 MID (Merchant Identification Number) and 4 different TIDs (Terminal Identification Numbers) -- one for each POS machine. However, for this to happen (i.e. to give the merchant one common MID) it is necessary that all 4 POS machines are linked to the same bank account. So, there will be one POS Settlement entry happening each day (for all the 4 POS machines) at this Bank account. In case the POS machines are linked to different Bank Accounts-- say in our example POS machines in 2 outlets are linked to Bank Account A and POS machines in the other 2 outlets are linked to POS machine B, the merchant will have to be enrolled under 2 Separate MIDs, so that there are 2 separate transactions -- 1 in each bank account. In this case, it is better that they come in as different accounts In case the customer wishes to take funding for multiple
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		<p>outlets, each of these outlets would need to have at least 1 of our POS machines, with distinct daily repayment amounts, determined by underwriting POS sales at each outlet separately. Such POS machines at separate outlets having distinct daily repayment amounts can be part of a single loan account. Individual POS machines daily repayment amount needs to be decided post discussion with the Customer and will be mentioned in the Sanction Letter (Serial # 7 under 'Total Amount to be Repaid') and the Authorization Letter</p> <ul style="list-style-type: none"> ▪ In the outlet where Fintree is installing the POS (exclusive or non-exclusive), the underwriter in all circumstances must have an assessment of the card sales (and total sales) originating from the said outlet.
25	Acknowledgement letter	Acknowledgement letter of the Bank/ NBFC acknowledging return of old EDC machine (for 'exclusive' merchants) and same needs to be tagged as PDD with resolution within 30 Days
26	Verification Reports	<ul style="list-style-type: none"> ▪ <i>Bureau reports</i> – System based Report ▪ <i>FI report</i> – System based ▪ <i>FCU report</i> -- System based ▪ <i>Dedupe Report</i> – System based ▪ <i>Deal approval</i> – System based ▪ <i>CAM</i> – System based
27	Group Exposure	<p>Maximum Group Exposure Capping is at Rs 25 Lacs</p> <p>(Group Exposure Includes Sister Concern Firm/Company, Holding Firm Company, Subsidiary Firm/ Company, Firm/Company with any of the common Stake Holders, Any Other Family Owned Firm/Company)</p> <p>CEO Approval Required for Loan Amount Exceeding Group Exposure Limit</p>

7.8 : Top Up, Renewal & Group Loan Process

S.No.	Parameters	Norms														
1	Renewal Loan Parameters	<p>Existing Loan is Applicable for Renewal based on Following Conditions</p> <ul style="list-style-type: none"> • MOB at the time of new application should not be less than 4 months. • The same can be 3 months with CEEO/CRO deviation. • Existing Track of Fintree Loan should be more than 5 Days which is to be checked post 10 days of disbursement. • NO GO industries not to be funded. • NACH to be activated on the existing track. • $\geq 80\%$ Clean Track of Existing Fintree Loan • Overall Exposure with Renewal is restricted to Rs 10 Lacs <p>Calculation for Enhancement of Loan is based as per per mentioned Table</p> <table> <tr> <th rowspan="2">Existing Track Clearance</th><th colspan="2">Minimum of the Following</th></tr> <tr> <th>Renewal to Existing Loan</th><th>Eligibility</th></tr> <tr> <td>$\geq 95\%$</td><td>130%</td><td rowspan="4">Eligibility based on POS Sales at the time of Renewal</td></tr> <tr> <td>$< 95\%$ or $\geq 90\%$</td><td>120%</td></tr> <tr> <td>$< 90\%$ or $\geq 85\%$</td><td>110%</td></tr> <tr> <td>$\geq 80\%$</td><td>100%</td></tr> </table> <p>For Group Loan:</p> <ul style="list-style-type: none"> • Existing Customer applying for fresh loan, for different branch/office, with Similar MID but different TID. • Existing Loan track – Maximum of 5 DPD in Last 3 months. • Office / Branch location for new loan to be different from the Office/Branch of the existing Loan. • Red Flagged – if track goes beyond 15 DPD once in any of the active loans. • NACH to be registered for the Active loan. 	Existing Track Clearance	Minimum of the Following		Renewal to Existing Loan	Eligibility	$\geq 95\%$	130%	Eligibility based on POS Sales at the time of Renewal	$< 95\%$ or $\geq 90\%$	120%	$< 90\%$ or $\geq 85\%$	110%	$\geq 80\%$	100%
Existing Track Clearance	Minimum of the Following															
	Renewal to Existing Loan	Eligibility														
$\geq 95\%$	130%	Eligibility based on POS Sales at the time of Renewal														
$< 95\%$ or $\geq 90\%$	120%															
$< 90\%$ or $\geq 85\%$	110%															
$\geq 80\%$	100%															
2	Loan Amount & Eligibility	<ul style="list-style-type: none"> • Max Loan amount – 25 L (Refer the Grid) • Fresh Loan Eligibility to be calculated based on Current Swipes / Banking • Other credit & verification conditions for fresh loans applicable as per existing policy. (FI/FCU/CIBIL/ITRs) • Proposed loan would be with deduction of outstanding Principle & charges of the active Loan • IRR as applicable • PF – as applicable, on the Top-up Amount • Pos Machine rental to be charged for Extra Tenure • Total Group Exposure (Active Loan + Proposed Loan) not to be more than 25L. 														

		<table><tr><th>Particular</th><th>FINSWIP</th><th>FINBLAZE</th><th>FING</th></tr><tr><td>GST Requirement</td><td>NA</td><td>More than 10 lakh</td><td>Yes</td></tr><tr><td>Number month of GST</td><td>NA</td><td>12</td><td>12</td></tr><tr><td>Margins Applicable</td><td>NA</td><td>NA</td><td>As per the annexure</td></tr><tr><td>Profit</td><td>NA</td><td>NA</td><td>GST turnover of last 12 months X Margin</td></tr><tr><td>DSCR</td><td>NA</td><td>NA</td><td>1</td></tr><tr><td>ABB to EMI</td><td>0.8</td><td>1.5 upto 10 lakh 2.5 more than 10 lakh</td><td>1.5 time</td></tr><tr><td>BTO to EMI(total)</td><td>NA</td><td>5 time in Service 8 time in Trader 10 time in Manufacture</td><td>NA</td></tr><tr><td>USL to BTO</td><td>10%</td><td>10%</td><td>20%</td></tr></table>	Particular	FINSWIP	FINBLAZE	FING	GST Requirement	NA	More than 10 lakh	Yes	Number month of GST	NA	12	12	Margins Applicable	NA	NA	As per the annexure	Profit	NA	NA	GST turnover of last 12 months X Margin	DSCR	NA	NA	1	ABB to EMI	0.8	1.5 upto 10 lakh 2.5 more than 10 lakh	1.5 time	BTO to EMI(total)	NA	5 time in Service 8 time in Trader 10 time in Manufacture	NA	USL to BTO	10%	10%	20%
Particular	FINSWIP	FINBLAZE	FING																																			
GST Requirement	NA	More than 10 lakh	Yes																																			
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Profit	NA	NA	GST turnover of last 12 months X Margin																																			
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ABB to EMI	0.8	1.5 upto 10 lakh 2.5 more than 10 lakh	1.5 time																																			
BTO to EMI(total)	NA	5 time in Service 8 time in Trader 10 time in Manufacture	NA																																			
USL to BTO	10%	10%	20%																																			
3.	Tenure	Tenure Upto 36 months for the Top-up Loan (Refer Grid).																																				
4.	Deviation	<ul style="list-style-type: none">Tenure – Upto 3 months based on exceptional repayment (CEO / CRO)DPD – 5 DPD Upto 5 times (CEO / CRO)																																				

7.9 : No Go Industry

- Multi-Level Marketing Companies
- Astrologers
- Dance Bar owners
- Builders, Building contractors and material suppliers
- Manpower consultants
- Cable TV operators
- Chit Funds
- Politicians
- Journalists
- Consultants operating from residence
- Labor Contractors
- Direct Sales agents
- Field Investigators
- Recovery agents
- Non-qualified Medical practitioners
- Gambling/Lottery Business
- Private Financiers
- Money lenders
- Time sharing Business
- Casino and gambling equipment
- Arms & ammunition dealers
- Cyber Cafes
- Music and Video Rental outlets
- Jewelry /diamond /bullion manufacturing
- Standalone Local Liquor outlets
- Jewelry
- Mobile Retailer/Trader
- E-Commerce/E-Pos and Payment gateway (not under the pilot)
- Infrastructure Contractors, EPC Contractors, All Civil Contractors (Irrespective of Class/Category)
- Apparels

7.10: Approval & Deviations:

Approval Matrix: (Proposed)

Level	L1 = CM+RSM	L2 = ACM/RCM+RSM	L3 = NCC	L4 = CCC
Definition	Credit Manager/ Credit Officer	Area Credit Manager/ Regional Credit Manager	NCC = (NCM + NBH(Raakesh)+ NPH) any two of the above	CCC = NCC + CEO / President
Loan Amount	3 lakhs	5 lakhs	10 lakhs (15 lakhs group exposure)	Specific deviation
Tenure	Upto 12 months	Upto 12 months	Upto 12 months	More than 12 months
<ul style="list-style-type: none"> Approving power at CM and ACM/RCM level is subject to 3 months Vintage in the company and post clearing Policy test with 80% marks NCC Power assigned by CEO & President 				

Deviation/ Approval Matrix:

Level		L1	L2	L3	L4
CIBIL	Score	Upto 675 (Finswipe)/650 (Finblaze)		625	NA
	CIBIL Score 1,0,1,2,3,4 of any applicant	No	Yes	Yes	Yes
	Remark such as SMA/SUB/DBT/LSS (no to be in last 12 months) any time in the track	No	No	Yes	Yes
	DPD in CIBIL in last 12 months (if any DPD in last 3 months case to be approved at one level higher restricted to NCC)	No	No	Upto 30 days	Upto 60 day
	Number of enquiries	Upto 10	Upto 10	Upto 15	More than 15
Age Norms		NA		Maximum Age norms with another applicants age with the limit	In case of Breach of Minimum Age Norms for any applicant
FI Report		NA	Referred	Negative	Negative
FCU Report		NA	Referred	Negative	Negative
RTR Bounce		1 Bounce in last 12 months	3 bounce in last 12 mounts	>3 bounce in last 12 months or any bounce in last 3 bounce in last 3 months	>3 bounce in last 3 month
Tenure		Upto 12 months	Upto 12 months	Upto 12 months	Above 12 month
POS Vintage		Min 1 year	Min 1 year	Upto 6 months	Upto 6 months
Business Vintage	Finswipe	More than 1 year	More than 1 year	Less than 1 year but upto 6 months	Less than 1 year but upto 6 months
	Finblaze	NA	NA	2 year to 3 Year	Below 2 year

Business Score			No Deviation	No Deviation	60 to 65	Below 60
Banking Norms	Inward bounce (after removing technical bounce)		NA	NA	Upto 4%	>4%
	Outward Bounce		NA	NA	Upto 10 %	>10%
	ABB	Finswipe	NA	NA	20 time with 15 credit entries	< 20 time or < 15 credit entries or both
		Finblaze	NA	NA	25 time with 20 Credit entries	< 25 time or < 20 Credit entries or both
	Monthly BTO time of monthly EDI	Finswipe	Upto 15 time	Upto 10 time	Upto 5 time	Upto 5 time
		Finblaze	Upto 15 time	Upto 10 time	Upto 5 time	Upto 5 time
Lady Co applicant			NO	No	Yes	
Shareholding Pattern	Partnership		100% no deviation	100% no deviation	100% no deviation	100% no deviation
	LLP		Min 75%	Min 75%	Upto 70%	Below 70%
	Pvt Ltd		Min 51%	Min 51%	Min 51%	Less than 51%
	Public Ltd		Min 50%	Min 50%	Upto 26%	Upto 26%
Topup vintage			NA	NA	NA	Below 3 months
Dedupe			NA	NA	Yes	
Google search and other search			Positive	NA	Negative	
Stability	Residence		>2 years	Upto 1.5 years	9 to 18 months	Less than 9 moths
	Office		>3 years	Upto 2 years	9 to 24 months	Less than 9 moths
Cautious Profile			NA	NA	NA	Yes
Negative Area	Residence		NA	NA	Yes	
	Office		NA	NA	Yes	
Ownership	Residence		Both owned	Rented	Both Rented upto 5 lakh	Both Rented more than 5 lakh
	Office		Both owned	Owned		
Expiry of Reports such as FCU/FI/CIBIL (i.e. 30 days)			NA	NA	Yes (upto 2% of the case)	Yes (More 2% of the case)

Any deviation which breaches policy (or not mentioned in deviation matrix) will be at CCC level. The merged deviation will come in effect only in combination with the approving authority

7.11: Key Competition Analysis

Parameter	Kotak Mahindra	Indusind Bank	NeoGrowth	Capital Float	Fintree
Type Of Facility	Term Loan	OD /TL / D-OD	Term Loan	Term Loan	Term Loan
Minimum Loan	5 Lakhs	5 Lakhs	3 lakhs	1 Lakhs	0.5 Lakhs
Maximum Loan	30 Lakhs	50 lakhs	1.50 Crore	1 Crore	10 Lakhs
Loan Tenure	Min: 06 months	Min: 6 months	Min: 6 months	Min: 6 months	Min: 3 Months
	Max: 18 months	Max: 36 months	Max: 24 months	Max: 12 months	Max: 12 months
Business Vintage	2 Years	3 years	3 years	1 year	1 years
POS Usage	12 months	12 months	6 months	6 months	6 months
Minimum avg. monthly Amt of POS Settlements	2.5 Lakhs	2 Lakhs	2 Lakhs	1 Lakh	50k
Minimum avg. monthly no. of card	NA	12	12	6	10
settlements					
Multiplier	2.5	5	3.5	2	3
Threshold for requesting Financials	No financials	Financials (2 yrs) for all cases	Financials (2 yrs) + VAT returns for cases above 15 lakhs	Financials (2 yrs) + VAT returns for cases above 15 lakhs	No financials program up to 10 lakhs;
Financial Criteria	NA	-Min. Turnover: 50 lakhs -DSCR: 0.6 -No dip in turnover No negative NWC - Leverage <=5	-No cash loss -Positive Net-worth -Stat. payments paid	-Min. Fin turnover: 20 lakhs -DSCR: 0.5 -Positive net worth -VAT/ ST growth in last 6 months	NA

Loan Amount Eligibility	Monthly Swipes * up to 2.5 (-) All Current O/s of FCCR loans	Monthly Swipes * 5 – proportionate deductions for nonexclusive POS machines	Lower of: 1) Monthly Swipes * multiplier (1.5 to 3.5) 2) Average daily Swipes * industry related With-holding amount will be calculating PV formula	Ave daily Swipes * industry related With-holding (adjusted for existing MCA loans)	Function of: Median daily Swipes With holding % Tenure Rate Exclusive POS: Loan amount =< 3 times median monthly swipes/credits Non-exclusive POS: Loan amount =< 2 times median Monthly swipes/credits
Credit Personal Discussion (PD)	Tele PD for all cases	Physical PD for all cases	Up to 25 L telephonic PD Above 20 L: Physical PD	Up to 15 lacs Virtual PD Above 15 Lacs Physical PD	Vendor PD for all cases
Bureau cut off	Min 650	Min 650 with all justifications	No specific Criteria Does -1, 0 or low scores With Justification	Application CF bureau score of 827	Min 650 with all justifications
Program Experience	After the initial Launch, Kotak has setup a Separate Vertical for Retail LACR targeting Loan up to Rs 30 Lacs with No Financials. Post Launch 4 Months (Avg Booking 7 Crs)	Not Offering Term Loan, Only Offering OD Facility	Current Market Leader – 40-45% business non-exclusive POS (loan up to 50L as per std and 75L with deviation); Exclusive POS – INR 1.5 cr Avg booking of 70 Cr per month	Not a focus product for them; Stable Avg booking for 15-18 Cr per month	Under Pilot Extension

SECTION 8: Program Financials, Triggers & Portfolio Monitoring

Commercials:

Portfolio Yield	26%
Processing Fee	2% plus applicable taxes
Credit Loss	2%
Average Tenor	12 months
Volume till Mar'19	20 Cr
Cheque Bounce / NACH return Charge	Rs 500 per cheque/ NACH return
Outstanding Interest	3% on any amount which is 5 days past due

8.1 : Program Limit

- Targeting an AUM of INR 100 Cr / 6 months whichever is earlier

8.2 : Portfolio Review & Triggers

Program review to cover the following:

- Performance vs. Budget:
 - Booking volume vis-à-vis target
 - Average ticket size assumption vis-à-vis budget
 - Program Pricing vis-à-vis target
- Competition update
- Learning's on:
 - Market/channel feedback on process and policies
 - Overall Process - overview and gaps/improvement areas if any
 - Experience of daily monitoring and way forward
 - IT issues, if any
 - Operations feedback and gaps, if any
 - Overall Roles and responsibilities – gaps if any
 - Deviation Rate
- Plan for the next 3 months

The below portfolio triggers will be maintained for the Loan Against Card Digital Payment book:

Trigger Type	Parameter	Thresholds	Corrective Action
Early Warning	Mapping fortnightly Credit Cards Sales vis-à-vis Sales assessed at the time of application (for exclusive accounts)	>50% Dip (Account wise)	Discussion with the borrower Mystery shopping where applicable

Early Warning	Trends on Number of Nil Settlement Days	3 Nil Settlement Days in a Week	Discussion with the borrower
Delinquency Based	Portfolio Level	30+: >5% 90+: >3%	Undertake portfolio segment to identify underlying segment contributing to early 30+ Review Mid/late bucket collection process

8.3 : Post Disbursement Monitoring

Given that the product construct is based on daily receipts basis sales on POS machines at the merchant's outlet, its critical to monitor receipts on a daily basis. Key activities and associated times and ownership are captured below:

S. No.	DPD	Activity	Owner of Activity
1	All	Review daily 'Cumulative daily amount due' file to identify cases where payment is due (4+ days) (Total o/s amount to be calculated after deducting Amt Held by the Processor)	LACR Team
2	4 days due	For up to cases with 4 days delay, Credit team to call the key borrower to check for reason behind the short fall in payment receipt. PTP to be documented in the MIS	Product
3	6 days due	Further, reminder call to be undertaken at +2 (overall 6 days delay) in case the shortfall persists. Inform customer incase payment isn't received by the next day, Fintree will be banking the cheque	Product
4	7 days due	Where DPD hasn't rolled back (as evident from change in the "Held back amt"), reminder call to be made again with focus on immediate resolution and understanding the reason behind the continued delay. Also, mention that the customer could swipe his/her personal card on the POS to regularize the account.	Product
5	10-12 days due	Physical visit at borrower's premise (where the POS was installed) to be undertaken by Risk/Credit and/or Business and to assess reason behind the delay and assess intention and ability to pay and regularize.	Credit, Risk & Business
6	12-14 days due	Outcome of the physical report to be shared internally with the relevant team. In case the customer has given a PTP, Risk to follow up and monitor	Credit
7	14 days due	Operations to be informed that NACH presentation for value equivalent to the overdue amount to be sent for banking. Risk to inform Operations; Collections and Business	Credit
8	15 days due	NACH to be presented	Operations
9	16-17 days	Follow up on clearance status of the NACH (payment would also reflect in the 'Portfolio Monitoring Report' file).	Credit
10	18- 23 days	If NACH has not cleared, continue calls + physical visit follow Up	Credit & Business

S. No.	DPD	Activity	Owner of Activity
11	24 days due	Operations to be informed that NACH presentation for value equivalent to the overdue amount to be sent for banking. Risk to inform Operations; Collections and Business	Credit
12	25 days due	NACH to be presented	Operations
13	26-30 days	Follow up on clearance status of the NACH (payment would also reflect in the 'Portfolio Monitoring Report' file).	Credit
14	30+	In case there is no roll back of the account, collections to take over the account and execute agreed collection strategy	Collections

SECTION 9: Collections Strategy

DPD based	
NACH presentation intimation to Ops for shortfall on every 15th and 30th of every month	
Days Past Due	Actions
Day 0- 30	Portfolio Monitoring team – Product, Sales and Risk
Day 31-35	Joint visits by Sales and Collections
Day 31-33	Sec 138 notice for bounced NACH
Day 32-33	Demand Notice email
Day 35	Demand Notice by external counsel
Day 35-90	Collections follow-up/visits
Day 45	2nd demand notice by external counsel
Day 50-55	Filing of Sec 138 NI Act case (first bounce)
Day 55	Termination notice by external counsel
Day 62	Presentation of NACH /PDC for termination amount
Day 64-66	Issuance of Sec 138 NI Act Notice
Day 85-90	Filing of Sec 138 NI Act case (termination amount bounce)
Day 90	File Civil Suit basis the DPN u/o37 CPC
Day 90	Case allocated to Collection Agency on Recovery Basis

SECTION 10: Key Risks and Mitigants

Key Risk and Mitigants for the product program are captured below:

	Risk	Mitigant
Loan Assessment	<ul style="list-style-type: none"> Loan amount not linked to Financials ~ DSCR/other financial ratios not assessed 	<ul style="list-style-type: none"> 12 months business banking assessed for establishing continuity of business and reflect preceding 12 months turnover Performance of business current debt as evident from Commercial bureau and reflected on the personal bureau, are key filtering criteria
Current Business Performance	<ul style="list-style-type: none"> Customer may not be meeting minimum credit norms of BIL like – YoY T/o growth/ Whether the entity is loss making/net worth trend etc. Settlement amount on particular days may not be sufficient to cover Daily repayment amount, resulting in delay of receivable & loss of Interest 	<ul style="list-style-type: none"> Loan Amount is capped as compared to BIL to address risk There is buffer with respect to affordability as max of 30% of the daily credits are assigned for servicing the debt Daily Repayment is also automated without any intervention by the client Underwriting basis Personal discussion at customer's business premise which will help address concerns if any on business stability / sustainability Taking lower exposure from a tenor perspective - Average LACR tenure <=15 months vs. business loan where average tenure is <=30 months.
POS Exclusivity	<ul style="list-style-type: none"> Merchants using POS machines associated with processors where Fintree has no tie up 	<ul style="list-style-type: none"> If the merchant agrees to replacing his current POS machines and thereby giving Fintree exclusivity at the counter, Fintree will monitor return of the existing POS machines Where Fintree isn't the exclusive counter, the merchant will still have a POS machine as provided by Fintree (basis merchant tie up) – also here the loan exposure is capped and is lower vis-à-vis exclusive counter
Customer Banking and Loan Eligibility Data	<ul style="list-style-type: none"> Loan eligibility calculation not on system and offline calculation is undertaken. 	<ul style="list-style-type: none"> Credit evaluation template capturing pre-defined policy rules to be password protected with version control Manual tracking and reporting of key banking related data by Credit Analytics team to have access to this data
No obligation being considered for loan assessment	<ul style="list-style-type: none"> Funding to over leveraged borrowers 	<ul style="list-style-type: none"> Performance of business current debt as evident from Commercial bureau and reflected on the personal bureau, are key filtering criteria Card sales on which loan is assessed is net of obligation of POS based loan NACH based obligation (from other banks) are based on residual cash balance which would be credited post the customer servicing the obligation of Fintree via daily Sales

Section 11: Documentation

11.1 : Documentation submission

Documents to be uploaded:

1. **Application form** (mandatory):
 - Should be filled in completely and signed by each co-borrower
 - Co-borrower photos must be provided & self-attested with cross signatures individually
 - In case of partnership /corporate, the application form to be signed by any partner/director of the firm/company who is authorized to sign on such documents vide Board.
 - Resolution/Partnership Authorization Letter. Common seal of the firm/company to be affixed on the form. Company / Partnership shareholding pattern to be provided with the applicationform
2. PAN Card of Main Applicant (mandatory)
3. KYC for each co applicant: Both the below documents to be collected for each co-applicant
 - Pan Card (Mandatory)
 - Aadhaar Card (Mandatory;)
 - Driving License (to be used only in case the above 2 options are unavailable)
 - Passport (to be used only in case the above 2 options are unavailable)

4. Entity Proof for Main Applicant—depending on customer profile

Proprietor (any one)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Factory Registration Certificate
Bank Passbook / Latest Bank Account Statement (<i>First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records</i>)
Importer-Exporter Code Certificate
Sales Tax Return duly acknowledged by the department with seal and date
SSI registration certificate
Trade license certificate
Partnership (any one)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Factory Registration Certificate
Bank Passbook / Latest Bank Account Statement (<i>First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records</i>)
Importer-Exporter Code Certificate
Sales Tax Return duly acknowledged by the department with seal and date
SSI registration certificate
Trade license certificate
Partnership Deed / Certificate of Registration in case the firm is registered
Pvt Ltd (any one)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Factory Registration Certificate

Bank Passbook / Latest Bank Account Statement (<i>First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records</i>)
Importer-Exporter Code Certificate
Sales Tax Return duly acknowledged by the department with seal and date
SSI registration certificate
Trade license certificate
MOA and AOA along with certificate of Incorporation.
LLP (any one)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Factory Registration Certificate
Bank Passbook / Latest Bank Account Statement (<i>First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records</i>)
Importer-Exporter Code Certificate
Sales Tax Return duly acknowledged by the department with seal and date
SSI registration certificate
Trade license certificate
Limited Liability Partnership (LLP) - Registration Certificate issued by MCA

5. Address proof for main applicant —depending on customer profile

Proprietorship (any one)
Latest Telephone Bill (<i>Not older than 3 months & showing consumption</i>)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Sale deed of the property, if self-owned, supported by latest commercial/ Industrial tax receipt
Registered Rent Agreement
Electricity Bill (<i>Not older than 3 months & showing consumption</i>)
Municipality Water Bill (<i>Not older than 3 months & showing consumption</i>)
Bank Passbook / Latest Bank Account Statement (<i>First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records</i>)
Municipality Tax Receipt / Property Tax Receipt
Partnership (any one)
Latest Telephone Bill (<i>Not older than 3 months & showing consumption</i>)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Sale deed of the property, if self-owned, supported by latest commercial/ Industrial tax receipt
Registered Rent Agreement
Electricity Bill (<i>Not older than 3 months & showing consumption</i>)
Municipality Water Bill (<i>Not older than 3 months & showing consumption</i>)
Bank Passbook / Latest Bank Account Statement (<i>First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records</i>)
Municipality Tax Receipt / Property Tax Receipt
Registered partnership deed for partnership firm
Pvt Ltd (any one)
Latest Telephone Bill (<i>Not older than 3 months & showing consumption</i>)
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Sale deed of the property, if self-owned, supported by latest commercial/ Industrial tax receipt
Registered Rent Agreement
Electricity Bill (<i>Not older than 3 months & showing consumption</i>)

Municipality Water Bill <i>(Not older than 3 months & showing consumption)</i>
Bank Passbook / Latest Bank Account Statement <i>(First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records)</i>
Municipality Tax Receipt / Property Tax Receipt
Certificate of Incorporation issued by MCA
Form 18 shall be accepted as a proof of change in the address of the Company
LLP (any one)
Latest Telephone Bill <i>(Not older than 3 months & showing consumption)</i>
Sales Tax / VAT / Service Tax Registration Certificate
Shop & Establishment Certificate
Sale deed of the property, if self-owned, supported by latest commercial/ Industrial tax receipt
Registered Rent Agreement
Electricity Bill <i>(Not older than 3 months & showing consumption)</i>
Municipality Water Bill <i>(Not older than 3 months & showing consumption)</i>
Bank Passbook / Latest Bank Account Statement <i>(First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records)</i>
Municipality Tax Receipt / Property Tax Receipt
Certificate of Incorporation issued by MCA
Form 18 shall be accepted as a proof of change in the address of the Company

6. Address proof for each co applicant (any one)

Official Valid Documents (Preferred Documentation)
Copy of Valid Indian Passport
Copy of Voter's Identity Card
Copy of Driving License <i>(Permanent only)</i>
AADHAAR Card (issued by UIDAI)
Simplified Address Proofs (to be accepted in case of Risk identified Low Risk cases only)
Latest Telephone Bill <i>(Not older than 3 months & showing consumption)</i>
Electricity Bill - <i>(Not older than 3 months & showing consumption)</i>
Post Paid Piped Gas Connection <i>(Not older than 3 months & showing consumption)</i>
Post Paid Mobile Bill <i>(Not older than 3 months & showing usage)</i>
Municipality Water Bill <i>(Not older than 3 months & showing consumption)</i>
Registered Rent Agreement along with Bank debits regular bank debits
Bank Passbook / Latest Bank Account Statement <i>(First page showing complete address, in case of pass book pages showing latest transactions should also be taken on records)</i>
Sale deed of the property, if self-owned, supported by latest house tax receipt
Latest premium receipt of general / life insurance company (not more than 3 months old in case of annual premium)

In case spouse of co-applicant has no residence proof, a document showing relationship with the main applicant to be taken (Marriage certificate/ Passport/ Driving license/ Voters ID). In the absence of such a document, the attached declaration format should be used. This document must be attested by a gazetted officer OR notarized.

7. Ownership Proof (for residence or workplace)

Document Options	
Document Type	Document Description
Ownership proof (Any One)	Electricity Bill (Not older than 2 months & showing consumption)
	Municipality Tax Receipt / Property Tax Receipt (max 1 years old)
	Registered Sale deed
	Share certificate along with society maintenance receipt

8. 6 Months Banking (preferably in PDF format)

11.2 Document Verification:

- **Original Seen and Verified (OSV):** OSV to be done by Channel partner for cases sourced by them on all KYC documents. The documents verified to be signed as Original Seen and Verified with name, designation and stamp of DSA covering all details in case of Channel Partners.
For cases sourced by employees, they will see the originals & upload the documents (KYC) in the system. Verification will be done using technology & tools provided by service providers (bureau)
- **KYC documents:** as defined above to be self-attested by the applicant to whom it pertains. All other documents in file can be self-attested by any one of the applicants to the loan. In all other documents like Bank statements etc. no customer signature and OSV from channel is required but an undertaking to be taken as per format which will be duly signed by customer and channel partner. The attached formats to be used.

Disbursal Documents: -

- Loan Agreement with Demand Promissory Note
- Repayment Cheque Acknowledgement
- End Use Agreement
- Business Continuity Document
- POS Repayment Agreement
- Customer Authorization for information sharing
- Customer Declaration for Daily Machine swipe
- Customer Declaration
- Channel partner Declaration
- 2 NACH Form from the Main Business Account
- 7 Sets of PDC – 1 Full Loan Amount, 2 for 3-day Installment Each, 4 for 7-day Installment Each
- In case of Partnership Firm - Partnership Authority Letter, Partnership Addendum.
- In Case of Pvt Limited Company – Board Resolution
- In Case of HUF – HUF Declaration

Location:

Cat A	Cat B	Cat C
Greater Mumbai	Lucknow	
NCR	Indore	
Hyderabad	Coimbatore	
Bengaluru		
Pune		
Ahmedabad		
Chennai		

Cat A Capped at 25 lakh (Group 25 lakh), Cat B Capped at 20 Lakh (Group 20 lakh), Cat C capped at 10 lakh (Group 8 lakh)

Industry Margin List:

If any of the margin is not found in that case default margin is 5%:

Sr No	Sector	Segment	Margin (%)
1	Manufacturing	Aerospace and Defence Equipoment	8.2
2	Manufacturing	Agricultural Products -Others	5.4
3	Manufacturing	Aluminium	8.9
4	Manufacturing	Auto Components and Ancillary	7.9
5	Manufacturing	Basmati Rice (Agricultural Products)	5.1
6	Manufacturing	Chemicals -Agro Chemicals	8.3
7	Manufacturing	Chemicals -Bulk & Polymers	7.5
8	Manufacturing	Chemicals -Diversified	6.3
9	Manufacturing	Chemicals Fertiliser	6.8
10	Manufacturing	Chemicals -Speciality	8.2
11	Manufacturing	Construction Material -Others	10.7
12	Manufacturing	Consumer Durables -Household Appliances	0.1
13	Manufacturing	Edible Oil (Packaged Foods)	3.4
14	Manufacturing	Electrical Components and Equipments	6.2
15	Manufacturing	Electronic Components -Others	8.4
16	Manufacturing	Electronic Components-Transformers	8.4
17	Manufacturing	Electronic Equipment and Instruments	10.3
18	Manufacturing	Engineering &Capital Goods	9.8
19	Manufacturing	FMCG	6.8
20	Manufacturing	Home Furnishing	9.1
21	Manufacturing	Houseware Kitchenwares and Specialities	9.3
22	Manufacturing	Industrial machinery and consumables	9.6
23	Manufacturing	Industrial paper	8.1
24	Manufacturing	leather & lether goods	8.1
25	Manufacturing	Manufacturing -Diversified	10.9
26	Manufacturing	Meat Poultry & Fish (Packged Foods)	9.1
27	Manufacturing	Metal and Mining -Diversified	6.9
28	Manufacturing	Milk and Dairy Products (packged Foods)	7.2
29	Manufacturing	Packged Agricultural products-Others	8.7

30	Manufacturing	Packging -Metal ,Plastic & Glass	8.7
31	Manufacturing	Packging -Paper	10.3
32	Manufacturing	Pharmaceuticals -Bulk Drugs	11
33	Manufacturing	Pharmaceuticals -Formulation	10.8
34	Manufacturing	Pharmaceuticals -Others	9.9
35	Manufacturing	Pipe and Pipe Fitting	5.9
36	Manufacturing	Plywood & laminates	6.5
37	Manufacturing	Power Storage Equipments	15.2
38	Manufacturing	Printing	13.8
39	Manufacturing	Steel -Bullet and Ingot	5.1
40	Manufacturing	Steel Ferro Alloy	0.8
41	Manufacturing	Steel -Intregrated TMT /Rolled/Structural Products	7.5
42	Manufacturing	Steel -non-Intregrated TMT /Rolled/Structural Products	5.9
43	Manufacturing	Steel -Semi-Intregrated TMT /Rolled/Structural Products	7.5
44	Manufacturing	Tea and Coffee(Agricultural Product)	11.1
45	Manufacturing	Textile -Cotton -Spinning	7.5
46	Manufacturing	Textile Manmade-Spinning	4.3
47	Manufacturing	Textile-Others	6.2
48	Manufacturing	Textile Ready Made Garments	8.8
49	Manufacturing	Textile Weaving Knitting &Processing	10.9
50	Manufacturing	Transmission Tower	0.9
51	Manufacturing	Tyres and Rubbers	2.3
52	Manufacturing	Wheat Flour & Related Products (Agricultural Products)	5.7
53	Manufacturing	Bicycle Manufacturing	7.6
54	Manufacturing	Bio-Technology	1.5
55	Manufacturing	Commercial Real Estate Development	10.4
56	Manufacturing	Commodity Chemicals	6.5
57	Manufacturing	Computer Hardware	5.1
58	Manufacturing	Computer Storage and Peripherals	0.3
59	Manufacturing	Comsumer durables-Comsumer electronics products	8
60	Manufacturing	FMCG-Others	8.6
61	Manufacturing	Footwear	9.4
62	Manufacturing	Forest Product	4.4
63	Manufacturing	Industrial Gases	9.2
64	Manufacturing	Leisure Products	9.5
65	Manufacturing	Office Equipments and Writing instruments	13.3
66	Manufacturing	Oil and Gas Equipments and Services	6.3
67	Manufacturing	Residential Real Estate Developments	18.2
68	Manufacturing	Ship Building	15.4
69	Manufacturing	Soft Drinks	12.7
70	Manufacturing	Steel Sponge Pig Iron	4.2
71	Manufacturing	Textile Ginning	3.3
72	Manufacturing	Tractor and Farm Equipments	5.8
73	Manufacturing	Writing and Printing Paper	9.6

74	Services	Automobile -Dealers	3.3
75	Services	Construction -Commercial & Industrial	12.1
76	Services	Construction -Diversified	11.2
77	Services	Construction- irrigation projects	16.3
78	Services	Construction -Roads and Bridges	14
79	Services	Diamond Jewellery -Retail	10.1
80	Services	Distribution -General Merchandise	10.2
81	Services	Distributor -Others	5.6
82	Services	Gems and Jewellery (Others) -Retail	5.9
83	Services	IT- Consulting &Other Services	6.8
84	Services	Media - Advertising	10.2
85	Services	Publishing -Others	4.6
86	Services	Research and consulting Services	14.7
87	Services	Security Services	8.2
88	Services	Specialized Consumer Services	10.3
89	Services	Support and Maintainance Services	13.4
90	Services	Transport and logistics	10.7
91	Services	Travel agent & Tour Operator	18.8
92	Services	Air- Shipping Freight Logistics	13.1
93	Services	Alternative Carriers	6.4
94	Services	Transport and logistics	10.7
95	Services	Travel agent & Tour Operator	18.8
96	Services	Air- Shipping Freight Logistics	13.1
97	Services	Alternative Carriers	6.4
98	Services	Application Devlopment and maintenance	17.2
99	Services	Computer and electronics retail	4.6
100	Services	Construction water and waste management	8.6
101	Services	Food retail	4.1
102	Services	Gems & Jewellery -Diamond Polishing	6.6
103	Services	Health Care Distributors	6.4
104	Services	Health care suppliers	16.3
105	Services	Homebuilding	16.2
106	Services	home Furnishing Retail	0.7
107	Services	Human Resource & Employment Services	10.3
108	Services	Internet software & Services	19.9
109	Services	Real estate services	16.4
110	Services	Restaurent	14.4
111	Services	Ship breaking	2.4
112	Services	System Softwares	20.6
113	Services	Traders	4.5
114	Services	Trading	5.8
115	Services	Water Utilities	26.8
116	Services	Aerospace and Defence Equipoment	5.2
117	Services	Agricultural Products -Others	4.5

118	Services	Auto Components and Ancillary	5.2
119	Services	Chemicals -Agro Chemicals	3.4
120	Services	Chemicals -Bulk & Polymers	7
121	Services	Chemicals -Speciality	6.3
122	Services	Coal and consumable fuels	7.5
123	Services	Computer and electronics retail	4.6
124	Services	Construction Material	7.1
125	Services	Consumer Durables -Consumer Electronic Products	5.6
126	Services	Diversified Chemicals	4.1
127	Trading	Computer and electronics retail	4.6
128	Trading	Construction Retail	7.1
129	Trading	Consumer Durables -Consumer Electronic Products	5.6
130	Trading	Diversified Chemicals	4.1
131	Trading	Diversified Support Services	15.9
132	Trading	Electronics Equipments & Equipments	5.4
133	Trading	Electronic Components -Others	6.9
134	Trading	Electrical Components and Instruments	7.8
135	Trading	Engineering &Capital Goods	8.6
136	Trading	FMCG	5
137	Trading	FMCG-Others	10.7
138	Trading	Food retail	3.8
139	Trading	Forest Product	8
140	Trading	Gems & Jewellery -Gold Jewellery & Retailing	8.6
141	Trading	Health Care Distributors	13
142	Trading	Health Care Equipments	11
143	Trading	Home Furnishing	4.4
144	Trading	Houseware & Specialities	7.4
145	Trading	Industrial machinery and consumables	7.4
146	Trading	IT- Consulting &Other Services	6.6
147	Trading	Leisure Products	5.6
148	Trading	Meat Poultry & Fish	7.6
149	Trading	Packged foods and Meats	3.4
150	Trading	Packging -Metal ,Plastic & Glass	3
151	Trading	Pharmaceuticals -Bulk Drugs	6.1
152	Trading	Pharmaceuticals -others	3.6
153	Trading	Pipe and Pipe Fitting	4.1
154	Trading	Plywood & laminates	4.4
155	Trading	Power Storage Equipments	5.1
156	Trading	Security Services	13
157	Trading	Steel -Others	4.7
158	Trading	Textile-Others	4.1
159	Trading	Textile-RMG	1.7
160	Trading	Traders	6.3
161	Trading	Health Care Equipments	11

162	Trading	Home Furnishing	4.4
163	Trading	Houseware & Specialities	7.4
164	Trading	Industrial machinery and consumables	7.4
165	Trading	IT- Consulting & Other Services	6.6
166	Trading	Leisure Products	5.6
167	Trading	Meat Poultry & Fish	7.6
168	Trading	Packged foods and Meats	3.4
169	Trading	Packaging -Metal ,Plastic & Glass	3
170	Trading	Pharmaceuticals -Bulk Drugs	6.1
171	Trading	Pharmaceuticals -others	3.6
172	Trading	Pipe and Pipe Fitting	4.1
173	Trading	Plywood & laminates	4.4
174	Trading	Power Storage Equipments	5.1
175	Trading	Security Services	13
176	Trading	Steel -Others	4.7
177	Trading	Textile-Others	4.1
178	Trading	Textile -RMG	1.7
179	Trading	Traders	6.3
180	Trading	Trading (Import and Export)	6
181	Trading	Apparel Retail	6.4

POLICY AMENDMENTS (20-01-2022)

Sr. No.	PARAMETER	Current	Amended
1.	Loan Amount	Minimum: 1 lakh Maximum: 25 lakhs	Minimum: 1 lakh Maximum: 25 lakhs
2.	Tenure	Minimum: 6 months Maximum: 36 months	Minimum: 6 months Maximum: 36 months
3.	Purpose	For Business needs like Working capital, CAPEX, Expansion, Debt Consolidation	For Business needs like Working capital, CAPEX, Expansion, Debt Consolidation.
4.	Disbursal Favours	Disbursal will be done in favour of business account only. Note: Disbursal in saving Accounts permitted only in Proprietorship firms with max loan amount of Rs. 5 lacs	Disbursal will be done in favour of business account only. Note: Disbursal in saving Accounts permitted only in Proprietorship firms with max loan amount of Rs. 5 lacs.
5.	End Use	Undertaking by the borrower specifying the end use of the loan and the loan shall not be used for any speculative, illegal activities, litigation or any other nefarious activities. The attached format to be used.	Undertaking by the borrower specifying the end use of the loan and the loan shall not be used for any speculative, illegal activities, litigation or any other nefarious activities. The attached format to be used.
6.	Insurance Premium	Maximum Insurance Capping to 5% of the Loan Amount.	Maximum Insurance Capping to 5% of the Loan Amount.
7.	Age of Applicant/Co-applicant	=< 70 years at the time of maturity	<= 65 years at the time of maturity One of the co-applicant's age should be less than 60 years.
8.	Business Vintage	Min 3 years	Min. 2 years
9.	Products	Cases to be assessed in below two products: - • ABB Product • GST Product • POS	Cases to be assessed in below two products: - • ABB product • GST Product
10.	CIBIL Norms	Minimum 650 for FINSWIPE & 675 for FINBLAZE & FING for all co-applicants (Other than 0/-1/1/2, Less than 650 or 675 score as the case may be allowed if:	1) Min 675 for essential segment which include below profile: - ▪ Grocery store/Kirana ▪ Pharmacy ▪ Hospital/clinics

		<ul style="list-style-type: none"> • Due to technical delinquency backed by rationale • Unpaid overdue charges on credit cards (delay or otherwise) • Annual repayment product – Gold Loan / Kisan credit card loan delays/default • Delinquency string reported by PSU/co-operative bank for Cash based repayment loan • Due to Low Bureau Vintage • DPD string (leading to low score) due to unpaid bounce charges (esp for TATA Capital loans) • Higher number of Bureau enquiries • High recent borrowing 	<ul style="list-style-type: none"> ▪ Stationary ▪ Opticians ▪ Pathology ▪ Milk and Dairy ▪ Vegetable and Fruits with proper setup <p>2) Min 720 for Non-essential segment which includes below profiles: -</p> <ul style="list-style-type: none"> ▪ Electric items ▪ Sanitaryware ▪ Hardware shops ▪ Food & Beverages (Restaurants & Takeaway) ▪ Footwear ▪ Novelty stores <p>3) Min 750 for cautious segments like: -</p> <ul style="list-style-type: none"> ▪ Textile/Garments ▪ Petrol pumps ▪ Automobile/spare parts ▪ Salons and Spa ▪ Mobile and Electronic appliances ▪ Cold storage ▪ Chicken, Meat and Eggs trading ▪ Mobile Accessories, sim cards trading <p>Note: CIBIL score “0, -1, 1-5” loan amount to be restricted to Rs. 2 lacs. And profiles that can be considered with this cibil score have to be as mentioned in 1) and 2) above.</p>
11.	DPD/RTR Norms	<p>No bounce in the last 6 months w.r.t. any loans except for technical bounces</p> <ul style="list-style-type: none"> • I/W <= 3% of Total Debit Entries in Bank accounts. • O/W <= 5% of Total Credit Entries in Bank accounts • For daily NACH based repayment loans ~ Minimum 80% of the debits should have been cleared on presentation date with no unpaid aging over 5 days 	<ul style="list-style-type: none"> • NIL bounces allowed in last three months except due to technical reasons. • One bounce permitted in last three to six months (<= 30 DPD's) • Two bounces permitted in last six to twelve months (<=30 dpds) <p>Note: Nil 30+ DPDs are allowed in any loan account in last 24 months.</p> <p>For Credit Card: -</p> <ul style="list-style-type: none"> • <=30 dpds are allowed in last 3 months with current Overdue not exceeding Rs 10,000/-

			<ul style="list-style-type: none">• <=30 dpds allowed in last 12 months in maximum 3 times in each account. <p>For Gold Loan: -</p> <ul style="list-style-type: none">• DPDs and Overdue not to be considered in Bureau however current statement to be provided.																										
12.	Loan amount and Tenure	NA	<div>Loan amount to be restricted as per below table in accordance with BV: -<table><tr><th>Business Vintage</th><th>Loan Amount</th><th>Tenure</th></tr><tr><td>2 Years</td><td>Upto Rs. 2 lacs</td><td>18 months</td></tr><tr><td>>2-3 Years</td><td>Upto Rs. 5 lacs</td><td>24 months</td></tr><tr><td>>3-5 Years</td><td>Upto Rs. 10 lacs</td><td>24 months</td></tr><tr><td>>5 Years</td><td>Upto Rs. 25 lacs</td><td>36 months</td></tr></table></div>	Business Vintage	Loan Amount	Tenure	2 Years	Upto Rs. 2 lacs	18 months	>2-3 Years	Upto Rs. 5 lacs	24 months	>3-5 Years	Upto Rs. 10 lacs	24 months	>5 Years	Upto Rs. 25 lacs	36 months											
Business Vintage	Loan Amount	Tenure																											
2 Years	Upto Rs. 2 lacs	18 months																											
>2-3 Years	Upto Rs. 5 lacs	24 months																											
>3-5 Years	Upto Rs. 10 lacs	24 months																											
>5 Years	Upto Rs. 25 lacs	36 months																											
13.	Eligibility Calculation	<table><tr><th>PARTICULAR</th><th>ABB Product</th><th>GST Product</th></tr><tr><td>GST Requirement</td><td>More than Rs. 10 lakhs</td><td>Yes</td></tr><tr><td>Number month of GST</td><td>12</td><td>12</td></tr><tr><td>Margins Applicable</td><td>NA</td><td>As per Annexure</td></tr><tr><td>Profit</td><td>NA</td><td>GST turnover of last 12 months X Margin</td></tr><tr><td>DSCR</td><td>NA</td><td>1</td></tr><tr><td>ABB to EMI</td><td>1.5 for upto Rs.10 lakh 2.5 for more than Rs.10 lakh</td><td>1.5 times</td></tr><tr><td>BTO to EMI(total)</td><td>5 time in Service 8 time in Manufacturer 10 time in Trading</td><td>5 time in Service 8 time in Manufacturer 10 time in Trading</td></tr><tr><td>USL to BTO</td><td>10%</td><td>10%</td></tr></table>	PARTICULAR	ABB Product	GST Product	GST Requirement	More than Rs. 10 lakhs	Yes	Number month of GST	12	12	Margins Applicable	NA	As per Annexure	Profit	NA	GST turnover of last 12 months X Margin	DSCR	NA	1	ABB to EMI	1.5 for upto Rs.10 lakh 2.5 for more than Rs.10 lakh	1.5 times	BTO to EMI(total)	5 time in Service 8 time in Manufacturer 10 time in Trading	5 time in Service 8 time in Manufacturer 10 time in Trading	USL to BTO	10%	10%
PARTICULAR	ABB Product	GST Product																											
GST Requirement	More than Rs. 10 lakhs	Yes																											
Number month of GST	12	12																											
Margins Applicable	NA	As per Annexure																											
Profit	NA	GST turnover of last 12 months X Margin																											
DSCR	NA	1																											
ABB to EMI	1.5 for upto Rs.10 lakh 2.5 for more than Rs.10 lakh	1.5 times																											
BTO to EMI(total)	5 time in Service 8 time in Manufacturer 10 time in Trading	5 time in Service 8 time in Manufacturer 10 time in Trading																											
USL to BTO	10%	10%																											
14.	Eligibility Restrictions for Topup/Renewals	<div>Eligibility for Top-ups to be determined basis below norms: -<ul style="list-style-type: none">• 1.30 times of the average USL served with >=90% completion• 1.20 times of the average USL served with <95% or >=90% completion• 1.10 times of the average USL served with <90% or >=85% completion.• 1 times of average USL served with >=80% completion.</div>	<div>Eligibility for Top-ups to be determined basis below norms: -<ul style="list-style-type: none">• 1.25 times of the average USL served with 90% completion.• 1.10 times of the average USL served with 75% completion.• 1 times of the average USL served with 50% completion</div>																										

15.	No of Unsecured Loans	NA	Live Unsecured loans to be not more than 10 and POS TO BE <=Rs.100 lacs. Also, total no. of new borrowings permitted in last three months is maximum 3.
16.	No. of Enquiries	Total no of USL enquiries in last 3 months not to be more than 15.	Total no of USL enquiries in last 3 months not to be more than 15
17.	Base ROI	NA	Base ROI has to be 24% irrespective of the loan amount. And 1 advance EMI compulsory.
18.	Bouncing Norms	I/W <= 3% of Total Debit Entries in Bank accounts. O/W <= 5% of Total Credit Entries in Bank accounts	I/W Bounces allowed upto 3% of Total Debit entries (including EMI and cheque bounces) O/W Bounces allowed upto 5% of Total credit entries
19	Penal Charges		Penal Charges of Rs. per day/ per month shall be levied in case of default in payment or non-compliance of material terms and conditions of loan contract.

BANKING NORMS AND GO-NO-GO NORMS: -

Sr. No.	Parameters	Norms
1.	Minimum median monthly BTO (<i>over 6-month period as visible from Bank Statement for Loan of Less than 5 Lakhs</i>) and (<i>over 9-month period as visible from Bank Statement for Loan of Greater than Equal to 5 Lakhs and Less than equal to 25 Lakhs</i>)	100k ▪ For case if eligibility is derived basis Saving bank account, then Max loan to be restricted to Rs. 3 lakhs only for Direct sourcing
2.	Average Banking Balance (ABB)	ABB to be Average ABB for 2 nd , 8 th , 15 th , 22 nd , 27 th EOD balance. <ul style="list-style-type: none"> Final Average ABB is Average of above ABB In case of ABB product if the total number of business credit should be more than 3 and ABB to EMI should be 1.5 times for loan amount upto 10 lakh and 2.5 times for loan amount more than 10 lakh In case of GST product if the total number of business credit should be more than 3 and ABB to EMI should be 1.5
3.	Banking Turnover (BTO)	<ul style="list-style-type: none"> BTO should excluded any Bounces, Loan Credit, internal entries reflecting on credit side of the bank statement

		<ul style="list-style-type: none"> Monthly BTO as compared to Monthly EMI should be min 5 times for Service, 8 times for manufacturer and 10 times for Trader.
4.	Financials	Loan Amounts up to Rs. 10 lakhs: No financials

Verifications Checks and Other Parameters

Sr No	Particulars	Norms
1.	Personal Discussion	Tele PD is conducted by Credit Manager before recommendation. Telephonic verification is mandatory to be done for all cases to be done by Credit/CPA on office/factory/residence Landline/WLL/Mobile to establish contact-ability.
2.	Docs Verification	100% FCU (Fraud Check Unit) Sampling on Banking and Ownership Proof documents. Rest of the documents on trigger basis.
3	Residence & Office Field Verification	To be done for all applicants/ Co-applicants by Agency at Residence and Office Premises along with Geo Tagging. Negative Field Investigation (FI) due to Applicant(s) not met (as there could be multiple co-borrowers on the loan and everyone might not be met during FI visit); Door locked (resi) – can be addressed by reinitiating FI/visit by Fintree Employee; Door Locked/ Entry Not Allowed but TPC positive. In such cases FI deviation need not be raised. Photographs of the business setup, signboard, surroundings are compulsorily attached in the reports.
4.	Checks	Below credit checks are compulsorily conducted: - <ul style="list-style-type: none"> ROC Search & MCA Check PAN check Google check GST check Kanoon Check

No Go Industry

- Multi-Level Marketing Companies
- Astrologers
- Dance Bar owners
- Builders, Building contractors and material suppliers
- Manpower consultants
- Cable TV operators / Broadband operator
- Chit Funds
- Politicians
- Journalists
- Consultants operating from residence
- Labor Contractors
- Direct Sales agents
- Field Investigators
- Recovery agents
- Non-qualified medical practitioners
- Gambling/Lottery Business

- Private Financiers
- Money lenders
- Time sharing Business
- Casino and gambling equipment
- Arms & ammunition dealers
- Cyber Cafes
- Music and Video Rental outlets
- Jewellery /diamond /bullion manufacturing
- Standalone Local Liquor outlets
- Jewellery
- Mobile Retailer/Trader
- E-Commerce/E-Pos and Payment gateway (not under the pilot)
- Infrastructure Contractors, EPC Contractors, All Civil Contractors (Irrespective of Class/Category)

INDUSTRY MARGIN LIST (FOR GST PRODUCT)

ACTIVITY	MAX NET PROFIT MARGIN
Real Estate	20-25%
Government Contractors	10%
Private Contractors	10%
Restaurant/Sweet shop/confectionary	40%
Hotel Industry	30%
Education	35%
Dairy/Animal Husbandry	40%
Transport	20%
Spinning & Weaving	5% for the spinning plant. 10% for the weaving plant. For integrated plants- 10%
Petrol PUMPS	2.50%
Mining/Quarry/Brick kiln/Crushers	20%
Mining	20%
All Retail stores of Agri input, medicines, grocery, machinery, hardware, electrical & electronics, timber & wood, crockery, books & Stationery, cloth stores, shoes & leather articles, cosmetics, slaughter, houses, bangle stores etc.	10%
Franchise Stores	15%
Private practitioners' doctor, Compounders	80%
Nursing Homes/Hospitals	25%
Printing Press/ Publisher	15%
Entertainment (Cinema, etc.)	15%
Tent House	40%
Marriage Gardens	70%
Automobile Industry	15%
Gems & Jewellers	6% dealing only in Gold, 10% for clients in stones and stone related jewellery
Diamond Polishing	8%
Service Centres/ Workshops	50%
Argo Processing Industries	8%
Wholesale Trading Business	5%
Commission agents/ Arties	2%
C & F Agents	4%
Poultry/ Trading of eggs	10% (Layer & Breeding) 3% (Trading of eggs)
Consulting Activity	50%
Manufacturing of Industrial gases	20%

PROCESS NOTE:-

Sourcing of file



File Login



Sanity check of the file(KYC, Income documents, Bank Account statement, & Property Documents)



CAM preparation



Allocation to Credit managers



Tele PD by Credit managers and credit checks



Recommendation by credit managers as per eligibility



Decisioning.

NOTE: FOR ANY POLICY DEVIATION APPROVAL TO BE TAKEN BY CRO/CEO

ANNEXURE

Annexure-1

Login Checklist

Login Checklist					
No	Login	Proprietorship	Partnership	Pvt / Ltd Company	Mandatory for login (Y /N)
1	Application form	Complete filled customer details Excel sheet with customer consent mail.	Complete filled customer details Excel sheet with customer consent mail.	Complete filled customer details Excel sheet with customer consent mail.	Yes
2	Business Pics	4 Business pics (Sign board, Front part of shop with neighbour shops or office, Inside shop or Office with owner and Stocks	4 Business pics (Sign board, Front part of shop with neighbour shops or office, Inside shop or Office with owner and Stocks	4 Business pics (Sign board, Front part of shop with neighbour shops or office, Inside shop or Office with owner and Stocks	Yes
3	KYC	PAN or From 60 & Aadhar	PAN or From 60 & Aadhar	PAN or From 60 & Aadhar	Yes
4	Residence Address	Electricity Bill / Rent Agreement with Electricity Bill / Index II / Property Tax Recipet/Water bill / Pipeline Gas bill / Property bill	Electricity Bill / Rent Agreement with Electricity Bill / Index II / Property Tax Recipet /Water bill / Pipeline Gas bill / Property bill	Electricity Bill / Rent Agreement with Electricity Bill / Index II / Property Tax Recipet/Water bill / Pipeline Gas bill / Property bill	Yes
5	Business Address	Electricity Bill / Rent Agreement with Electricity Bill / Index II / Property Tax Recipet / GST / Bank Statement / ITR (latest bill upto 3 months)	Electricity Bill / Rent Agreement with Electricity Bill / Index II / Property Tax Recipet / GST / Bank Statement / ITR / (latest bill upto 3 months)	Electricity Bill / Rent Agreement with Electricity Bill / Index II / Property Tax Recipet / GST / Bank Statement / ITR (latest bill upto 3 months)	Yes
6	Business Proof	GSTCertificate / Trade Licence / Gumasta (Shop Act)	Partnership Deed / Company Pan Card	Company pan card / MOA/AOA/ COI/ List of directors and share holding pattern	Yes

7	Business Vintage /Proof	Minimum 3 years - ITR / GST / Current A/C Bank Statement / Trade Licence / Gumasta	Minimum 3 years - ITR / GST / Current A/c Bank Statement / Trade Licence / Gumasta / Company Pan Card	Minimum 3 years - ITR / GST / Current A/c Bank Statement / Trade Licence / Gumasta / Company Pan Card	Yes
8	Bank Statements	12 months Main Current or OD Bank A /c with GST Returns	12 months Main Current or OD Bank A /c with GST Returns	12 months Main Current or OD Bank A /c with GST Returns	Yes
9	Alternate Bank Statement	Live Current / OD / Saving A/c	Live Current / OD A/c	Live Current / OD A/c	No
10	Income documents	Last 12 months GST Returns	Last 12 months GST Returns	Last 12 months GST Returns	No
11	Co-Applicant / Guarantor	Spouse / Mother / Father / Son	Partners	Director with Share holding	Yes
12	Mandatory Co-applicant / Guarantor	Wife or Mother	100% Partners with Partner's Authority Letter	51% Director with Shareholding with Board Resolution	Yes

Annexure-2

Regarding FI related approvals.

FI related approvals to be taken as below:-

- For North location (including Delhi and Jaipur) approvals to be taken from RCM/ACM.
- For rest locations (West & South) approvals to be taken from Policy Manager.

Annexure-3

Regarding Online link check.

All below link to be checked and take a screen shot wherever applicable.

SR NO	PURPOSE	IMPORTANT LINKS FOR ONLINE CHECKS
1	CIC's DEFAULTERS LIST WILFUL DEFAULTERS LIST	https://suit.cibil.com/
2	CRILC DATABASE	https://secweb.rbi.org.in/orfsxbrl/
3	GSTIN VERIFICATION	https://services.gst.gov.in/services/searchtp
4	EMPLOYEE PROVIDENT FUND ORGANISATION	http://www.epfindia.gov.in/site_en/index.php
5	ECGC CAUTION LIST	https://www.ecgcltd.in/ecgcportal/
6	LIST OF DISQUALIFIED DIRECTORS	http://www.mca.gov.in/
7	AADHAAR VERIFICATION	https://resident.uidai.gov.in/verify
8	PAN VERIFICATION	https://www1.incometaxindiaefiling.gov.in/e-FilingGS/Services/VerifyYourPanDeatils.html?lang=eng
9	VOTER ID CARD VERIFICATION	https://electoralsearch.in/
10	DRIVING LICENSE	https://parivahan.gov.in/rcdlstatus/?pur_cd=101

	VERIFICATI ON	
11	VEHICLE REGISTRATI ON VERIFICATI ON	https://vahan.nic.in/nrservices/faces/user/searchstatus.xhtml
12	GSTIN VERIFICATI ON -PAN NO.	https://services.gst.gov.in/services/searchtpbypan
13	GSTIN VERIFICATI ON	https://services.gst.gov.in/services/searchtp
14	CERSAI VERIFICATI ON	https://www.cersai.org.in/CERSAI/
15	UDHYOG AADHAR VERIFICTION	https://udyogaadhaar.gov.in/UA/UAM_Registration.aspx
16	ITR FILING STATUS	https://www1.incometaxindiaefiling.gov.in/e-FilingGS/Services/ITRStatusLink.html?lang=eng

Annexure-4

Regarding GSTR requirement and assessment under ABB and GST product

Below mentioned practice to be followed for all cases: -

- For cases to be assessed in ABB product up to 8 lacs no GSTR required although GST filing status should be checked online and should be up to date.
- For cases above 8 lacs in ABB product GSTR is mandatory to be provided at login stage only.
- For cases to be assessed in GST product irrespective of any loan amount GSTR should be provided at login stage only.
- 12 months banking to be compulsorily provided at login stage.

ANNEXURE-5

Regarding Login Clarification

We can take 3rd Party co-applicant only in case where there is no family member available to come structure. This would require special approval from CRO stating the reason for taking 3rd party on structure and relation with the proprietor. Documentation to remain same.

ANNEXURE-6

Regarding Rented Premises-Address Proof

1. Office Address –
 - a) Rent Agreement with owner + Electricity bill
 - b) Incase rent agreement is not available – Electricity bill + Shop Act Licence (Gumasta) or Trade licence or GST certificate or MSME certificate or ITR Acknowledgement or Bank statement with address (Credit to initiate FI for address proof confirmation)
2. Residence Address –
 - a) Rent Agreement with owner + Electricity bill
 - b) Incase rent agreement is not available – Electricity bill + Aadhar card or Driving Licence or Voter card or Passport or NREGA card or Ration card or Telephone bill or Authoursied Govt Card or ITR Acknowledgement or Bank statement (Credit to initiate FI for address proof confirmation)

ANNEXURE-7

Regarding TVR

It is compulsory to attach this check in recommendation mail.

No	Company Name	Person Name	Ref Type (Debtors / Creditors)	Contact No	Location	Relationship (yrs)	Monthly Transaction (Value)	Payment days

ANNEXURE-8

Group Exposure Norms.

1. Total group exposure limited to maximum 40 L s.t.
 - a) Existing loan completion of 9 months
 - b) Incase completion is between 6-9 months, exposure limited to 35 L
2. Group exposure will be considered for the following
 - a) Within family members (blood relation) only
 - b) Within group companies having common partners , directors and proprietor having stake in partnership firm or Pvt / Ltd companies.

- c) for entities operating from the same address location, even when the partners/directors/majority shareholders are not common.
- 3. Group exposure will be restricted to 25 L if multiple applications are applied at the same time or within 6 months
- 4. Group exposure will be restricted to maximum 2 firms or 2 loans.
- 5. Existing loan should have nil bounce in last 6 months and not more than 2 bounce permitted from start tenor till date.
- 6. Group exposure or future exposure will not be permitted incase the existing loan has 30+ dpd.
- 7. Group exposure will be permitted s.t. there is no PDD pending, NACH is registered or full PDC is in our custody.

ANNEXURE-9

Regarding inclusion of certain details in Recommendation Mails.

- Mention Outstanding Debtors and Outstanding creditors as on date.
- Mention Total requirement of customer and end use of funds.
- Also, now onwards we need to fetch Commercial CIBIL (Experian report) even for Proprietorship Business if recommended loan amount exceeds 10 lacs irrespective of Co-lender.
- Now onwards margin as per financials to be calculated basis EBITDA and not GP. Please note and follow with immediate effect.

ANNEXURE-10

Regarding PD

Guideline to conduct Video PD and Physical PD for cases.

- For case above 15 lacs physical PD should be conducted on sample basis for at least 10% of total cases.
- For cases above 10 lacs video PD should be conducted for at least 20% of total cases.

ANNEXURE-11

Regarding Waiver Approvals

Waiver approvals to be taken as below: -

1. For advance EMI waiver- From **Pabitra Mitra** Sir.
2. For PDC waivers- For North from **Arun Sinha**, for south and west(Mumbai & Pune) from **Nishtha Gawshinde** and for Gujrat from **Parth Akhani**.
3. Deferral approvals to be taken in below formats: -

Sr. No.	Date	Case Name	Deferral (Y or N)	Waiver (Y or N)	Submission Date (In case of Deferral)	RM name	Hub Manager

ANNEXURE-12

Regarding Quality Check of Files

All cases with above 30k ABB and 650 CIBIL score to be sent directly for CAM preparation, and cases below the threshold limit to be rejected at login stage upfront.

Amended threshold		
ABB	CIBIL Score	Next Action
<30,000	Less than 650	To be rejected at Login stage only
>30000	More than 650	To be sent for CAM Preparation

ANNEXURE-13

Regarding Negative Industry List

1. Re-login of rejected case to be done after 3 months only. We have circulated this earlier also but discrepancies have been noticed. Please adhere to this rule. Any deviation in this rule prior approval required from Keith Sir.
2. Also, please note that no files should be logged in from Negative industry without prior approval of Keith Sir. Sales team need to take prior approval from Keith Sir before login only otherwise Credit will not process the case further. Negative Industry as mentioned in Policy.

ANNEXURE-14

Regarding FI-FCU

FCU team will follow the below process flow as part of the checks.

1. 100% cases to be screened
2. Online checks mandatory for 100% screened cases. TAT per case will be 1 hour.

Sr No.	List Of Documents	Dox	Sampling	Source Of verification	Link	Remarks
1	Bank statement referred by Finbit	Bank Statement	Mandatory	Centralized FCU Vendor (Rudransh Associates)		

	(Uncertain and Suspicious)					
2	Business Proof	GST	Mandatory	Link	https://services.gst.gov.in/services/search	If GST check report not available in the file, while initiating the FCU Stampin g
		MSME	Mandatory	Link	https://udyamregistration.gov.in/Udyam_Verify.aspx	
		Shop registration Certificate	Trigger	Local FCU Vendor		
		VAT	Trigger	Local FCU Vendor		
3	KYC	PAN	Mandatory	Link	https://eportal.incometax.gov.in/iec/fose rvices/#/pre-login/knowYourAO	If PAN check report not available in the file, while initiating the FCU Stampin g
		UID	Trigger	Centralized FCU Vendor(Rudransh Associates)		
		VID	Trigger	Link		
4	Address Proof/Ownership Proof	Rent Agreement	Trigger	Local FCU Vendor		
		Sale Deed	Trigger	Local FCU Vendor		

		Index 2	Trigger	Local FCU Vendor		
		Property TAX payment Receipt	Trigger	Local FCU Vendor		
		Electricity Bill	Mandatory	Link/Local FCU Vendor	https://www.tatapower-ddl.com/billpay/download-last-epayment-receipt.aspx	If the electricity bill couldn't be verified from the website, then we are initiating the same for verification to the local FCU vendor
					https://wss.mahadiscom.in/wss/wss_view_pay_bill.aspx	
					https://www.adanielectricity.com/Payment/pay-your-bill	
					https://epayment.uhbn.org.in/b2cviewbillhistory.aspx	

3. 10-20% cases to be mandatory sampled for vendor verification
4. Additional suspicious cases to be sampled for verification
5. Vendor verification for the following documents:
 - a) Bank statements (referred by FinBit / Perfios – uncertain and suspicious)
 - b) Rent Agreement
 - c) Sale Deed / Index II / Property Tax receipt
 - d) UID
 - e) SOAs
 - f) OD/CC limit letter
 - g) Shop Registration Certificate
 - h) Electricity bills
6. Vendor TAT for verification < 48 hours
7. In case of rented premises following to be the scenarios: -
 - If Rent agreement is backed by Utility bill, then screening can be done basis that.
 - If rent agreement is not backed by Utility bill and FI for the same address has been found Positive or Refer (validating the address on rent agreement) then screening can be done basis that.
 - If rent agreement is not backed by Utility bill and FI also found negative, then FCU to be initiated
 - If the rent agreement provided is within last 3 months, then mandatory sampling for agency verification.
8. In case of Sale Deed is provided as ownership proof, Utility bill will be mandatory and only screening to be done.

9. Fraud Control Unit will be an independent run department and will not be intervened / influenced by sourcing team. Interaction will be restricted to unclear and validity of the documents.
10. In case of document fraud, FCU will report to CRO and CBO on mail highlighting the Case Name / Location / RM Name / Document type / Date of Sample / Agency Name / Nature of fraud for further action.

LOANS AGAINST PROPERTY (LAP) POLICY

Fintree Finance Private Limited, Mumbai

SECTION 1: PRODUCT FEATURES

S.No	Parameters	Description
1.	Loan Type	Secured Term Loan against Immovable Property
2.	Loan Amount	Rs. 5 lacs to Rs. 50 lacs
3.	Age of Promoters / Partners / Directors / Guarantors	<ul style="list-style-type: none"> • Min Age - 21 years • Maximum Age - 75 years for promoter and property owner at the time of loan maturity
4.	Target Segment – (Applicant Profile)	<ul style="list-style-type: none"> - Resident Indians (Salaried / SEP / SENP), - SEP includes CA/CS/ICWA, DOC, Professional Engineers, Architects. - SENP includes all other self-employed individuals / entities excluding SEP
5.	Co-applicant requirement	<ul style="list-style-type: none"> • Minimum one co-applicant required • All property owners to be the party to loan & their income can be clubbed for the eligibility. • Female member to be on loan structure as mandatory if in case of proprietorship or individual. • Income of HUF can be considered
6.	Individual, Professional, Proprietorship	<ul style="list-style-type: none"> • Spouse, parents, children - Exception: Daughter and Sister of main applicants not allowed as co- applicant – both for Income and Property ownership reasons. Such cases to be referred to NCM/CRO for decisioning.
7.	Partnership firm	<ul style="list-style-type: none"> • Firm to be registered/unregistered partnership firm. • All Partners to be on the loan structure. • All partners (100% shareholding) to authorize the partners on loan structure

8.	Company	<ul style="list-style-type: none"> At least 2 Directors to be on the loan structure <ul style="list-style-type: none"> Key Shareholders with at least 51% stake in case of Private limited company to be on the loan structure. Shareholders can be family members / friends with at least 51% shareholding within the family In case company on loan structure, section 185 of companies to be comply ROC search is mandatory, wherever company is into the loan structure as a property owner or for income. wherever Company/Firm is property owner loan amount disbursement to be done in Property owner company/Firm account only Following information shall be made available: <ul style="list-style-type: none"> Latest financial s filed Details of charges along with collateral details Shareholding pattern List of directors Suits filed, if any 			
9.	Co-applicants in case of joint / non-individual ownership	<ul style="list-style-type: none"> All co-owners to the property must be co-applicants (no exceptions) When property is in the name of partnership / company the following conditions should be satisfied: <ul style="list-style-type: none"> The firm / company should be an applicant to the loan If property is own by firm, firm to be registered with ROF. For properties owned by companies, ROC search shall be done & charge shall be filed with ROC HUF / Trust property ownership not allowed. 			
10.	Professional Stability Norms	<ul style="list-style-type: none"> Professional – Post Qualification minimum 3 years of work experience Businessmen - Minimum 3 years with at least 2 years in the same business & same business premise. To be validated through last 2 years ITRs. Partnership / Pvt Ltd Co/LLP - Minimum 3 years seasoning from commencement of business 			
11.	Residence Stability Norms	<ul style="list-style-type: none"> Minimum 3 years in the city, with at least one year in current premises. (Exception :- SORP) 			
12.	Security	Loan shall be secured by the way of: <ul style="list-style-type: none"> Equitable / Registered mortgage by the way of deposit of original title deeds and exclusive first charge 			
13.	Property Type	<ul style="list-style-type: none"> Residential, Commercial & Industrial – self occupied, Vacant and Rented. Commercial and Industrial vacant properties not allowed. Rented Properties – compulsory Tenant NOC to be taken in Fintree Format and rent agreement to be documented Industrial converted to commercial will be allowed as commercial property NATP land can be considered as additional collateral. No-go List: Where SARFAESI is not applied. Industrial property geography to be defined by Fintree All the property should be NA. Exclusion of property owned by trust, society HUF, AOP, Society, AOP Mall Property Not Allowed 			
14	LTV	Type of Property	Self occupied	Rented	Vacant

		<table><tr><td>Residential</td><td>60%</td><td>55%</td><td>50%</td></tr><tr><td>Commercial</td><td>55%</td><td>50%</td><td>NA</td></tr><tr><td>Industrial</td><td>45%</td><td>40%</td><td>NA</td></tr></table>	Residential	60%	55%	50%	Commercial	55%	50%	NA	Industrial	45%	40%	NA
Residential	60%	55%	50%											
Commercial	55%	50%	NA											
Industrial	45%	40%	NA											
15.	End Use / Purpose	<ul style="list-style-type: none">- Meet working capital- Business expansion- Consolidation of existing liabilities- Personal use (education, marriage, creation of asset) Customer shall produce an 'End Use' declaration with every loan application												
16.	Repayment Dates	<ul style="list-style-type: none">- 5th of every month												
17.	Loan tenure	<ul style="list-style-type: none">- Minimum: 12 months- Maximum: 180 months												
18.	Locations	As Per Fintree approved locations. - Distance upto 100 Kms from branch locations for Mumbai/Delhi and 50 km for other locations												
19.	ROI	As per prevailing rates												
	Legal and Technical Fees	<ul style="list-style-type: none">• For all cases, Legal and Technical fees of Rs 5000+GST or actuals expenses + GST (whichever is higher) to be collected per collateral property• For top up cases, legal & technical charges (wherever applicable) as per actuals + GST will be collected.• This amount to be adjusted/netted-off later in the Processing Fee. Processing Fee to be netted off from disbursement post approval from CRO / CBO												
20.	Processing Fee	2% of the Loan amount, exception to be signed off by Business Head. (Legal and Technical fee to be collected upfront and should be netted off from processing fees at Disbursement post approval from CRO/CBO.												
21	NACH / Cheque Bounce Charges	<ul style="list-style-type: none">• Rs 500 +GST per bounce. Penal Interest at 24% per annum												
21	Part Payment	Max in accordance to the regulations.												
22	Foreclosure charges	<ul style="list-style-type: none">• No Foreclosure permitted before completion of 12 months.• 13 to 24 months – 4 % charges + GST will be levied on the total outstanding• More than 24 months - 3% charges + GST will be levied on the total outstanding Waiver of charges like foreclosure, part payment and legal charges needs approval of Business Head.												
23.	Insurance	Upto 3%												
24.	Penal Charges	Penal Charges of Rs. per day/ per month shall be levied in case of default in payment or non-compliance of material terms and conditions of loan contract.												

SECTION 2: LENDING NORMS

S.No	Parameters	Description
1.	Credit Assessment	<p>Standard Process to be followed:</p> <ul style="list-style-type: none"> - Application assessment - LOS data entry - Internal Dedupe

		<ul style="list-style-type: none"> - Credit Bureau checks - Income Assessment - Personal Discussion - Field Investigation - Technical & Legal Search for security - CERSAI & ROC Charge to be checked - Approval as per authority matrix
2.	KYC & Documentation	<p>As per the existing KYC policy and Standard documentation kit</p> <ul style="list-style-type: none"> • KYC – (Individual & Business, as applicable) • Complete set of property documents, (Photocopy at login and original set at disbursement, LOD & FC in case of BT) • Financials of last 2 years • Bank statement last 12 months • Property owner must be compulsorily on the deal or specific registered POA to be taken from the property owner in the name of party to the loan structure.
3.	Age	<ul style="list-style-type: none"> - Maximum age of the main applicant: 75 years at loan maturity. - Minimum age of the main applicant: 21 years - Age norms for co-applicant/guarantor: between 21 – 75 years at loan maturity. - In case of Property owner, any applicant/co-applicant being more than 65 years of age at the time of loan application, one co-applicant has to be of less than 60 years to be taken on loan structure. - If property owner is more than 70 years, then NOC / Registered will of the heirs to the property to be taken, at the time of the application.
4.	Technical Verification	To be carried out by empaneled vendors
5.	Legal Verification	<p>To be carried out by empaneled vendors</p> <p>(In case of any deviation first approval to be taken of the empaneled agency conducting the TSR, along with internal legal head)</p>
6.	Credit Bureau	<ul style="list-style-type: none"> - Customer to have a minimum credit history of 24 months - Minimum CIBIL score of 650 - There should not be bounce in last 12 months in the BT track except technical (if the payment delay is due to COVID then the same to be paid within 30 Days) - 30 + not in last 6 months and 60 + not in 12 months - No "SUB" in last 24 months and No "LSS" or "Write off" in last 36 months. - There should not be any remark such as "settled", in last 36 months and there should not be any remark such as "Suit Filed", "Willful Default" during any time during the track. - Following are the exception to the above: - No overdue more than 25000/- - Credit Card Default less than 30 days or if the same is due to old track history. - Any default due to technical reason - Any default in gold loan due to failure of renewal of the limit

	Commercial Bureau Check	Applicable for cases greater than 10 lakhs.
7.	Approved Locations	Business shall be sourced from approved locations only wherein the customer resides, and the proposed property shall be in approved locations. Specific locations shall be approved by the President and CEO from time to time based on recommendations by the Credit Head and Sales Head.
8.	Personal Discussion	Mandatory PD by the credit manager, for all cases. In case of assessed income cases, specific information to be captured in the prescribed format.
9.	Trade Reference Checks	Minimum 2 trade reference should be done. Trade Reference to be in the combination of at least 1 suppliers + 1 customer or more.
10.	FCU Verification	100% documents sampling (KYC's, Business Proof, ITR, Profile and Bank statement, etc.)

SECTION 3: INCOME ASSESSMENT

3.1 Normal / Vanilla Income program (Program Capping RS 50 lakhs).

Criteria	Assessment
Reported GTI	Income to positive in past 2 financials years <ul style="list-style-type: none"> - Minimum Income for Salaries Rs. 3 lacs - Minimum Income for self-employed Rs. 3 lacs
Key Financial Ratios	<ul style="list-style-type: none"> - Business to report positive EBITDA in past 2 financial years - - Debt Service Ratio (Min) 1 post Fintree exposure
FOIR	Salaried - Maximum 50% to 60% including Fintree exposure of Net Salary as per income slab. Up to 5 lakhs 50% and more than 5 lakhs 60%. Self Employed - Maximum 70% including Fintree exposure
Consolidated income	<ul style="list-style-type: none"> - In case of salaried, family income can be clubbed – parents, spouse, and unmarried children to be considered a family -
Income assessment for non-individual borrowers (self Employed individual)	<ul style="list-style-type: none"> - Net profit: 100% - Depreciation (only in case of audited financials): 100% - Interest <p>Other income that can be included for income / FOIR evaluation</p> <ul style="list-style-type: none"> - Rental income: 100% of total income reflecting in bank statement / IT (Not more than business income if business is main source of income.) -

	<ul style="list-style-type: none"> - Agricultural Income: 50% of the average income as reported in ITR for last 2 financial years <p>Imp: if there is dip in income of more than 50% then current year to be taken.</p> <ul style="list-style-type: none"> - Eligibility to be Lowest of the following - a) Eligibility as per FOIR - b) Eligibility as per LTV
Income assessment for non-individual borrowers (Pvt limited cos, LLP and Partnerships)	<ul style="list-style-type: none"> - Net profit: 100% - Depreciation (only in case of audited financials): 100% - Interest - Salary to Partner / Directors (subject to individual ITR validation): 100% - Rental income: 100% of total income reflecting in bank statement / IT. (Not more than business income if business is main source of income.) - Eligibility to be Lowest of the following - a) Eligibility as per FOIR - b) Eligibility as per LTV

3.2 Banking Program (program capping 50 lakh)

Criteria	Assessment
Bank account norms	<ul style="list-style-type: none"> - Account to be maintained in a scheduled commercial bank - Minimum account vintage 2 years - OD/CC Account will not be eligible for condition for ABB - Inward cheque returns not more than 3% of total monthly value - Bank statement to be assessed for past 12 month's - A minimum of 3 business transactions to be present for the purpose of considering the statement for assessment
Average Bank balance	<ul style="list-style-type: none"> - ABB to be calculated based on balances as on 2, 8, 15, 22 and 27 day of the month - Min ABB to be 2x of the proposed EMI - If there is any EMI not reflecting in the bank accounts considered for the eligibility calculations, same to be deducted from 2X, before arriving at the eligibility - Eligibility to be Lowest of the following - Eligibility as per FOIR on the basis of ABB. - Eligibility as per LTV -
Specific documentation	<ul style="list-style-type: none"> - IT for past 2 FYs for health check purposes, although not be used for income assessment - Upto 5 banks accounts of the applicant / company can be clubbed for the purpose of ABB assessment

3.3 Rental Income Program – (Program Cap 200 lakh)

Criteria	Assessment
Consideration / Eligibility	<ul style="list-style-type: none"> - If reflecting in ITR , registered rent agreement and bank statement / registered rent agreement and bank statement of past two years: Avg of last two years rent subject to cap maximum cap of current year - If rent not reflecting in the bank statement but backed (Cash Rental) and registered rent agreement: consider 50% total income in the last financial year - Rental must not be assigned to any other lender / party - Eligibility to be Lowest of the following - a) Eligibility as per FOIR - b) Eligibility as per LTV -
FOIR	To be capped at 65%
Consolidation of income	<ul style="list-style-type: none"> - Income from upto 5 properties can be clubbed for the purpose of eligibility assessment

3.4 Industry Margin / Hybrid Program (Self-employed individual) (Program Cap: 50 lakh)

Criteria	Assessment
Consideration / Eligibility	<p>Combination of following income criteria to be includes for the purpose of assessment:</p> <ol style="list-style-type: none"> 1. Industrial margin (Define by Fintree time to time) applied to business turnover. Refer to the attached annexure for industry wise margins. 2. Turnover to be assessed based on GST returns for the past 12 months 3. Credit Manager to visit business premise and make a detailed report on applicants monthly earning/income and expenses including purchases, Business cycle, Business model and viability analysis. 4. Top line to be assessed by filings of GST returns. Sales from GSTR-1 to match with GSTR-3 with applied Industry margin GST returns for 6 months to be collected. 5. For seasonal business last 12 months GST returns to be collected Mandatorily. <p>In additional to the above, following additional income can be considered for the purpose of assessment:</p> <p>Rental Income: upto 100% as assesses from credits in the bank, and backed by rent agreement (Not more than business income if business is main source of income.)</p> <ol style="list-style-type: none"> 6. Eligibility to be Lowest of the following 7. a) Eligibility as per FOIR

	8. b) Eligibility as per LTV
FOIR	- Maximum FOIR of 70 % including Fintree's exposure

3.5 Liquid Income Profile (LIP) (Self-employed individual) (Program Cap: 50 lakh)

Criteria	Assessment
Consideration / Eligibility	<p>Combination of following income criteria to be includes for the purpose of assessment:</p> <ol style="list-style-type: none"> 1. Vendor shall be empaneled, and he shall be responsible for computation of the income of the customer basis the documents provided by the customer and also the detailed PD carried out by the agency 2. They will ascertain the actual expanse of business activities by analyzing both formal and informal books of the customer i.e. sales, purchase, expense register, etc. Business Profit calculated as such would be "Assessed Profit", forming the base for the eligibility calculations. 3. Assessed profit to be capped at maximum of 3x of average profit reported as per last 2 years financials 4. If dip in current years declared profit is more than 50% than 3x of current year's profit. <p>In additional to the above, following additional income can be considered for the purpose of assessment: Rental Income: upto 50% as assesses from credits in the bank, and backed by rent agreement Regular Rental 75% 50% of Average of Agriculture Income reported in the ITR of the last 2 years supported by the proof</p> <ul style="list-style-type: none"> - Eligibility to be Lowest of the following - a) Eligibility as per FOIR - b) Eligibility as per LTV
FOIR	- Maximum FOIR of 65 % including Fintree's exposure

3.6 Assessed Income Program (Self-employed individual) (Program Cap: 50 lakh)

Criteria	Assessment
Consideration	<p>Combination of following income criteria to be includes for the purpose of assessment:</p> <ol style="list-style-type: none"> 1. Credit manager to visit customer business premise for observing / analyzing the commercial activities. 2. They will ascertain the actual expanse of business activities by analyzing both formal and informal books of the customer i.e. sales, purchase, expense

	<p>register, etc. Business Profit calculated as such would be “Assessed Profit”, forming the base for the eligibility calculations.</p> <ol style="list-style-type: none"> Assessed profit to be capped at maximum of 3x of average profit reported as per last 2 years financials If dip in current years declared profit is more than 50% than 2.5x of current year’s profit. <p>In additional to the above, following additional income can be considered for the purpose of assessment: Rental Income: upto 100% as assesses from credits in the bank, and backed by rent agreement 50% of Average of Agriculture Income reported in the ITR of the last 2 years supported by the proof Eligibility to be Lowest of the following</p> <ol style="list-style-type: none"> Eligibility as per FOIR Eligibility as per LTV
FOIR	- Maximum FOIR of 65 % including Fintreee’s exposure

3.7 Low LTV (Program Capping: 50 lakh)

Criteria	Assessment
Consideration / Eligibility	<p>Combination of following income criteria to be includes for the purpose of assessment:</p> <ol style="list-style-type: none"> Credit Manager to do the PD and assess on the ability to repay the EMI. Income assessment to be done basis Self - Assessment. LTV of the property to be restricted to 40% of the Valuation of the property Industrial Property not allowed under the program <p>Eligibility to be Lowest of the following</p> <ol style="list-style-type: none"> Eligibility as per self-assessment Calculator Eligibility as per LTV
LTV	- Max restricted to 40%

3.8 Emi Multiplier Program/ RTR Program.

Criteria	Assessment		
Consideration / Eligibility	Multiplier Norms for Eligibility Calculation		
	Loan Variant	No. of EMIs Paid	Multiplier
	HL/LAP	24-36	1.85x
	HL/LAP	37-48	2x
	HL/LAP	> 48	2.25x
	AL / PL / BL	12-18	1.85x
	AL / PL / BL	> 18	2x

	<p>Note:</p> <ol style="list-style-type: none"> 1. Minimum 12 months repayment track/banking required for Auto / Personal / Business Loan and 24 months repayment track/banking for Home Loan/Loan Against Property 2. Loans matured/closed within 6 months from date of login can be taken in Eligibility calculation. <p>Eligibility to be Lowest of the following</p> <ol style="list-style-type: none"> a) Eligibility as per RTR Calculator b) Eligibility as per LTV
LTV	- As Per Grid

SECTION 4: Balance Transfer (BT) Program

Criteria	Assessment
Eligible borrowers	Salaried / Self Employed Individuals
Minimum Requirement	<ul style="list-style-type: none"> - MOB of other lender: 12 months - LTV / Credit Score / Age/ End Use: Refer to the common section - BT from all the PSUs and scheduled commercial private banks and NBFCs. - BT from approved list of the co-op Banks as published by Fintree from time to time. - Loan to be current at the time of transaction
Income Assessment	- As per the regular program norms
LTV	- As per the regular program norms
Additional Documents	<ol style="list-style-type: none"> 1. Any available LOD at the time of login. 2. Fresh LOD & Foreclosure letter at the time of Disbursement.

SECTION 5: TOP-UP

All Customers satisfying the following conditions are eligible for top-up offer:

- Time MOB > 12 month + last disbursal > 12 months (tranches / parallel loans)
- Performance Clean performance track record – no bounce in last 6 months with Fintree
- LTV Exposure: same as original norms for NTB
- Minimum Credit Score: CIBIL 650
- KYC to be revised
- Physical / Vide PD mandatory
- End use letter mandatory
- Income assessment norms: same as regular program if the top up requirement is more than 20% of the existing limit enjoyed by the customer else max top-up to be restricted to 20% basis the track record with the Fintree subject to LTV restriction.

SECTION 6 :-- OTHER NORMS

Collateral Norms	
Acceptable Collaterals	<ul style="list-style-type: none"> • Self-owned and occupied Residential /Commercial Property. • Rented Residential/Commercial Properties accepted subject to LTV norms. • Rented Commercial Properties with Government/Semi-Government/Banks as tenants not to be accepted as collaterals.
Collateral Ownership	<ul style="list-style-type: none"> • Collateral can be In the name of the entity OR in the name of the Proprietor / Partners / Directors / Promoters - Spouse, children, parents, siblings. • All Property owners to mandatorily join the loan structure
Maximum Permissible Tenants	<ul style="list-style-type: none"> • Number of tenants permissible in multi tenanted properties to be capped at 6
Property Valuation	<ul style="list-style-type: none"> • For Loan value < = Rs 25 Lakhs, 1 valuation from empaneled valuers to be done. • For Loan value > Rs 25 Lakhs, 2 valuations from empaneled valuers to be done with average of both valuations considered for LTV calculation. Incase of variance of greater than 20% from lower valuation, 3rd valuation to be initiated and average of all 3 valuations to be considered • Online property website check to be done and documented in both scenarios
Collateral Visit	<ul style="list-style-type: none"> • Collateral visit by Credit manager mandatory for all cases - visit report to be documented in file.
Legal Opinion	<ul style="list-style-type: none"> • Legal opinion from empaneled lawyer to be obtained • Only properties with clear & marketable title is eligible for funding
Title Search	<ul style="list-style-type: none"> • Minimum 13 years Title search/Encumbrance certificate (or as suggested by empaneled lawyer) to be obtained to establish clear title. The same to be certified by empaneled lawyers • Original documents to be vetted by empaneled lawyers before disbursement
Security Creation	<ul style="list-style-type: none"> • Valid mortgage to be created & data to be reported in CERSAI • Equitable mortgage / Memorandum Of Deposit of Title Deeds (MODTD) / Memorandum of Entry (MOE) / Registered mortgage (as applicable) to be created • Registered mortgage to be done if advised by the empaneled legal advisor

ImPerfect Collateral Norms	
Definition	<ul style="list-style-type: none"> • Collateral properties with only Latest Sale Deed / Transfer Deed / Gift Deed subject to previous chain documents (Notarized Deeds / Gram Panchayat / Agreement

	to Sale) available with possession proof of 5 years like Electricity Bill, etc.
Acceptable Collaterals	<ul style="list-style-type: none"> Self-owned and occupied Residential / Commercial Property only
Collateral Ownership	<ul style="list-style-type: none"> Collateral can be In the name of the entity OR in the name of the Proprietor / Partners / Directors / Promoters - Spouse, children, parents, siblings. All Property owners to mandatorily join the loan structure
Facility Amount	<ul style="list-style-type: none"> Minimum Rs. 5 Lakhs and Maximum of Rs. 20 Lakhs Loan Amount to be restricted to Rs. 15 Lakhs if the CIBIL score is 0 to 5 or -1 subject to Average Bank Balance more than or equal to EMI else Loan amount to be further restricted to Rs 10 Lakhs
Loan to value	<ul style="list-style-type: none"> 10 percent below LTV as per defined in above products
Tenor	<ul style="list-style-type: none"> Minimum Tenor - 24 months Maximum Tenor - 84 months
Title Search	<ul style="list-style-type: none"> Minimum 13 years Title search/Encumbrance certificate (or as suggested by empaneled lawyer) to be obtained to establish clear title. The same to be certified by empaneled lawyers
Security Creation	<ul style="list-style-type: none"> Registered mortgage to be done in all cases. Data to be reported in CERSAI

Insurance	
Credit Life	<ul style="list-style-type: none"> Life insurance to be obtained in the name of the main promoter for full loan amount.
Property Insurance	<ul style="list-style-type: none"> Property to be insured with lien marked in favour of the company

Other Norms	
Group Exposure Norms	<ul style="list-style-type: none"> Definition of Group exposure - <ul style="list-style-type: none"> a) Partners / Directors having common holding in other firms to be termed as group companies. b) Business run by immediate family members (spouse, siblings, parents) to be termed as group business
Balance Transfer Norms	<ul style="list-style-type: none"> Minimum 12 EMI paid on loan proposed for Balance Transfer, Up to 10 percent bounces on total EMI's serviced till date to be ignored subject to No bounces in last 12 months. Exceptions on above to be approved by Credit Head
Security Post Dated Cheque Requirement	<ul style="list-style-type: none"> 12 SPDC to be collected from Entity's Current/Saving Account 8 SPDC (cheque should be stamped stated "Not exceeding Principal+ interest amount) 1 cheque for last EMI amount 3 cheques for first 3 EMIs in lieu of NACH activation.

Additional guarantee	Spouse guarantee / major family member guarantee would continue for all proprietorship concerns.
Clubbing of Rental income	<p>a. Up to 100% of main business income provided rental income is supported by the following:</p> <p>i) Valid rental agreements and</p> <p>ii) Supported by bank credits or income tax returns.</p> <p>b. Up to 50% of main business income (where bank credits are not available) provided rental income is supported by the following:</p> <p>i) Visit assessment by credit under-writer and meeting the tenants</p> <p>ii) Valid ownership proof/rental agreement is submitted</p>
Non recurring Income	Non recurring Income like one time income from sale of Assets, maturity of Fixed Deposit, one time sale of Mutual funds etc. not to be considered for Eligibility calculation
Tenant NOC	Tenant NOC to be documented for all valid rent agreement holders for rented out property cases.
Negative Profiles	<ol style="list-style-type: none"> 1. Politicians 2. STD / PCO outlets/Video Parlours 3. Private money lenders 4. Lawyers (except solicitor firms) 5. Journalists 6. Security / Police personnel 7. Gambling business / Lottery business / Massage Parlours 8. NRI's / business run by NRI's 9. Firms / companies dealing in Plantation/Agri based business / Aquaculture / Chit Funds / Nidhis money lending 10. Cybercafés / Internet Companies 11. Multi-level / network marketing business 12. Astrologers / Purohits - money exchangers 13. Defence equipment manufacturer / trader / dealer 14. Offensive & warfare products; 15. Environmentally unfriendly products like Tobacco, Tannery, etc. 16. Plastic Manufacturing and Packaging 17. Stock Brokers 18. Film personalities - TV & Film Industry (actors /artists /producers/ directors) / film distributors 19. Owners of Finance companies 20. Builders/Real-estate Developers 21. Auto / Auto-ancillary / Auto Spare Parts segment 22. Municipal Contractors 23. Capital Good Manufacturing 24. Wilful defaulters and defaulters listed in CIBIL/RBI list and also where no favourable reports coming from bankers/other financial institutions for our confidential enquiries
Caution Profile	<p>Caution profiles to be approved by State Head or above. Case will be approved as per delegated Authority.</p> <ol style="list-style-type: none"> 1. Large Courier Companies 2. Wine shops and exclusive bars

	3. Cable operators 4. Management consultants 5. Manpower Consultants / placement agencies / labour contractors/civil contractor 6. Tax consultants (non- qualified) & Non-Professional consultants 7. Antique Dealers 8. Scrap Dealer 9. Jewellery Shops and Bullion Traders 10. Metals & Mining 11. Municipal Contractors
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LIST OF SHAREHOLDERS

Role and Responsibilities	
Sales	1. Acquisition of new customers through DSA's or Direct sources 2. Completing the documentation formalities. 3. Service the customer post on boarding.
Credit	1. Appraise the case as per the credit norms and policy laid down. 2. Coordinating with panel lawyer, valuer, other vendors, sales team and borrower(s). 3. Ensuring that the loan documentation is done as per the laid down norms
Operations	1. Handle the Disbursal activity as per the defined process and norms. 2. Movement of original title document docket to permanent and PDD updation.
Panel Lawyers	Legal documents verification, Title Search, BT formalities and vetting report issuance.
Panel Valuers	Valuation of the properties offered as collateral to bank.
Other Panel vendors	Other panel vendors who do FIs & CPVs and Document FCU for the customers getting on boarded

TAT Summery

1) TAT STANDARDS FOR TICKET-SIZE CATEGORIES

TAT on first decision	Income based sanction	Sanctioned with Collateral	Post PD hold	Reject re-appeal	TAT category
SFor loans up to 25 Lakh	3 days	5 days	2 days	2 days	TAT 1
For loans between 25 to 50 lakhs	4 days	7 days	2 days	2 days	TAT 2

2) SUMMARY OF GO-TO BASELINE PROCESS STAGE-WISE AND TAT

#	Process stage	TAT	Stakeholder
1	Pre-login to login stage	Day 0 (8 hrs)	Sales and credit

2	Post-login verification	Day 1	Credit
3	Underwriting Stage	TAT1 / TAT2	Credit and vendors
4	Recommendation / decision & Sanction	TAT1 / TAT2	Credit
5	Loan documentation	Day 6 - Day 7	Sales and Credit
6	Disbursement activities	Day 7 - Day 9	Credit and Operations
Total		Day 0 - Day 9	Sales, credit, Panel Vendors and Operations

SECTION 7:-LENDING AUTHORITY

Particular	Approving Authority
Upto 10 lakh	RCM
Upto 25 lakh	NCM
Upto 50 lakh	Committee (NCM+CRO+NSM+CEO)

SECTION 7: POLICY DEVIATIONS

Particular	Authority
LTV upto 5%	NCM
LTV upto 10%	NCM
FOIR upto 10 %	NCM
Upto 20%	NCM
Inward Bounce upto 3%	NCM
Outward Bounce upto 8%	NCM
FI Referred	CM
FI Negative	NCM + FI & FCU head
OGI Property	NA
OGI Business or Residence	NCM

