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CREDIT POLICY MANUAL

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SMALL TICKET LAP / HIGH VALUE FUNDING (HOTELS, ETC)

Industrial Investment Trust Limited

CIN: L65990MH1933PLC001998

Regd. Off: 101A, The Capital, G-Block,

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Recommended By	CEO NBFC Operations
Approved By	Board – Meeting Dated 08-11-2023



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Statement of confidentiality	<p>Notice of distribution -</p> <p>This document is for limited circulation and will be available to all employees only in the concerned department on need basis. Any request to update this document will need a management approval.</p> <p>Notice of confidentiality –</p> <p>This document contains proprietary and confidential information of IITL Group. The recipient agrees to maintain this information in confidence and not reproduce or disclose the same.</p>
Purpose & Scope of Manual	<p>Credit Policy Manual defines the underwriting process for the credit department. Credit managers are expected to take their decisions within the Policy framework and are supposed to comply with all processes as set out. All Credit decisions will be made by the credit managers within well-defined credit authority as approved by Chairman/ Board of Directors/ Executive Management Committee/ CEO.</p> <p>The main objectives of the Credit Policy Manual are:</p> <ul style="list-style-type: none">✓ To manage & monitor credit risk in lending to borrowers✓ To build a robust process with co-ordination and support of all concerned departments✓ To act as a learning & reference tool for all employees✓ To generate business in a competitive environment by developing and implementing sound processes, good credit decision making and providing better services to the customer.✓ To keep a balance between profit, delinquency, company reputation & customer interest.✓ To build goodwill of the company among the existing & new customers through clear & transparent guidelines
Preface	<ul style="list-style-type: none">✓ The Policy shall be reviewed from time to time and based on the performance of the portfolio the same shall be revised as and when required.✓ IITL is engaged in the business of providing MSME Loans to the customers. For company, it is necessary to have a predefined credit norms and policy. This Policy defines such credit norms and is termed as Credit Policy.✓ The Company reserves right to alter/delete/add to these codes at any time without prior individual



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	<p>notice and such alterations /deletion/addition shall be binding and will be valid till further communication, the earlier credit policy will be superseded by this policy.</p>
Target Segment	<p>IITL will target market which does not have access to credit from formal financial sources. Small Ticket Size Loan Against Property to provide for the financial needs of India's unorganised and small businesses and enables the business owner to have access to finances in the form of loan for scaling up the day to day operations, and supports the inclusive growth of the underserved and informal sections of the society that face challenges of easy access and fast credit facilities from the formal banking and financial sector. Therefore, this segment creates an opportunity to offer financial products with focus on micro/small and medium enterprises.</p>
Typical Customer Profiles	<p>Retail: Grocery Store, Pharmacist, Textile/Garments, Stationary, Electrical & Electronic, Fancy goods, Bangle stores, Footwear retailer, Sweets shop, Crockery store, Home furnishing store, Sports shop, Florist, Leather products store, Juice center, Cycle and accessories shop, Dairy Business, etc.</p> <p>Services: Photocopier centers, Watch Repair, Mobile Repair, Computer Repairs, Auto Garages, Tire business, Call centres, Small eateries and hotels, Advertising & Promotion agency, Security Services, Transport services.</p> <p>Manufacturing industries: Cottage industries, Handicraft and artisan units, Metal ware workshops, Machine tools, Chemical industries, Food industries, Bricks Manufacturer.</p> <p>MSE Clusters: Artisans, Agarbathi, Machine Tools, Small-scale home-based products and linking of the supply chain network. Target customers may also be such industries/ individuals, especially women-oriented enterprises, like papad making units, stationary supply outfits, printing press, tailors, training center etc.</p> <p>Salaried Individuals: Any individual who is in permanent service & paid in monetary terms not in kind (Individual can be working in private limited company, multinational</p>



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	company, public limited company, government & semi government, public sector units, proprietorship & partnership firms.)
Purpose	<ul style="list-style-type: none">✓ Working capital requirement in small business.✓ Purchase of machinery/equipments required for business.✓ Debt consolidation (Consolidation of existing business loans)✓ Expansion of existing business.✓ Purchase/Construction/Repair/Renovation of built-up residential houses without sanction plan✓ Composite Loan (Purchase of land & Construction of house)✓ Loan against property for home improvement purpose.✓ Abroad Education/ Personal Needs✓ Balance Transfer of the existing LAP loan from another lending institution✓ Balance Transfer of the existing LAP loan from another lending institution with further loan amount as Top-up
Minimum loan amount	Rs. 3 lakhs
Maximum loan	Rs. 25 Lakhs
Loan Tenure	<ul style="list-style-type: none">✓ Minimum – 12 Months✓ Maximum – 84 Months Any deviation to be approved as per deviation matrix.
Age Norms	<ul style="list-style-type: none">✓ Applicant/Co- applicant/ Guarantor shall be Indian citizen above 18 years at the time of login.✓ Applicant /Co applicant (other than property owner) Guarantor age Maximum 60 years at the time of application or 70 at the time of loan maturity is eligible for availing loan.✓ Property owner age can be upto 80 years at the time of Maturity, however if property owner age crosses 70 years at the time of loan maturity then his/her income shall not be considered for eligibility purpose.



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	<ul style="list-style-type: none">✓ In case property owner above 70 years then all Legal heirs to be taken on loan deal or NOC to be taken from all legal heir.✓ Individual, either singly or jointly with other family members can avail the loan however they shall be taken as co-applicant.✓ In case age of Non Income earner or Non Property owner taken for comfort whose age crosses 70 at the time of maturity then no separate age deviation is required.✓ Lady Co-applicant shall be Mandatory in all the cases.
Number of Dependent on Applicant	Number of dependents not to exceed 6, if exceed then more than one individual to be an earning member.
Property owner to be Co-Applicant	All property owners to be part of the loan. Minor (age less than 18 years) shall not be taken on loan deal.
Constitution of applicant/co- applicant	All business enterprises irrespective of constitution (Proprietorship /Partnership /Companies /Trust / Association etc.) and all individuals whether salaried, Self Employed Non Professionals (SENP) and Self Employed Professionals (SEP) engaged in Business Activity /Salaried. No minor to be borrower.
Business / Employment Vintage	<ul style="list-style-type: none">✓ Business- Minimum 2 years vintage✓ Bank Salaried employees – Minimum 6 months banking salary✓ Others – Minimum 1 year Vintage
Geo Limit Norms	<ul style="list-style-type: none">✓ Business premises should be located within 60 Kms radius of Branch.✓ Collateral should be located within 60 kms radius of Branch.✓ Business or Collateral situated outside geo limit of 60 Kms as mentioned above, shall not be entertained.✓ Employees doing job outside geo limit may be considered provided collateral is situated within geo limit. <p>The Geo limit is to be identified through google maps from branch to the customer/property location.</p> <p>Any deviation for Geo limit is to be given as per deviation matrix.</p>
KYC Documents	KYC document should be seen and verified with original



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	<p>(OSV) by Sales team, Further all the documents to be self-attested by applicant/co-applicant/guarantor to which it is related.</p> <p>Refer Annexure I Below for Valid KYC Documents</p>
Personal Discussion (PD)/ Case Visit	<ul style="list-style-type: none">✓ Sales Officer/ Location Manager visit to business premises, residence and property and submission of sales PD sheet along with photographs having geo coordinates before login of file✓ Personal discussion is must for every case as per matrix and the same shall be done post login of file.✓ PD should be conducted at Business and Residence Place. Visit of Property to be mortgaged is compulsory. The aforesaid visit is to be substantiated through photographs/Selfie and the same to be documented in file. <p>Minimum 4 reference check (Including guarantor) to be documented in File.</p>
External Field Investigation of the property /BusinessPlace	<ul style="list-style-type: none">✓ External FI through empaneled agencies is mandatory for applicant and Co-applicant whose income is considered.✓ External Agency to capture photograph of the property, business place and Employer place where customer is working selfie with that locations.✓ In Case report status is Negative/Credit Refer then respective Credit Manager to take approval with proper justification from above authority.
Valuation of the Property	<ul style="list-style-type: none">✓ Valuation of property from empaneled valuer is mandatory.✓ Valuer to capture photograph of the property and mention the latitude and longitude of the property with google map.✓ Any Correction on the Valuation which is not material and done due to error can be validated by Credit Manager or above authority. (Eg:-Application number mismatch, Property Owner Differ mentioned , Lesser Area Considered etc.)✓ Technical report to be signed off by the respective Credit Manager <p>Any deviation to be approved as per deviation matrix.</p>
Guideline on Development %	<ul style="list-style-type: none">✓ Minimum 40% Development is required for accepting Collateral. <p>Any deviation to be approved as per deviation matrix.</p>



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Legal Report/ Vetting of report of the Property documents	<ul style="list-style-type: none">✓ Legal and vetting report of the property documents is must from Empaneled lawyer.✓ TSR shall be mandatory in case of registered documents.✓ Where Gift Deed execution is less than 1 year from the date of login, then certifiedcopies to be obtained. However if online RCU verification is obtained and found OK then certified copies are not required.✓ IAny correction in the legal report which is not material can be validated by BCM (Eg:-Application number mismatch, Property Owner Differ etc.)✓ Legal report to be signed off by the respective Credit Manager
Income Documents/Proofs	<p><u>For Salaried Person:</u></p> <ul style="list-style-type: none">✓ <u>If Paid by Cheque/Transfer in bank Account:</u> - Latest salary Slip along with banking in which salary is getting credited.✓ <u>Qualification for cash Salaried Employee:</u><ul style="list-style-type: none">✓ Salary Certificate on letter head of the Employer stating how long he has been working along with Salary Amount.✓ In Case the same is given on plain paper then it should contain Name of thefirm, Address, contact number.✓ CM/BM/FI agency to visit and confirm this in person with Supervisor and the same to be documented.✓ Minimum Salary Rs. 15000/- in case of single income (only one earning member) and Rs. 8000/- in case of multiple income. <p>Applicant/ Co-applicant working in proprietorship/ Partnership firm/ Private Limited Company.</p> <ul style="list-style-type: none">✓ Minimum employee strength of 10 in case of single income & 5 in case of case of multiple income. This point is applicable for both bank credited or cash salary. <p><u>For Self Employed Individuals:</u></p> <ul style="list-style-type: none">✓ Latest 2 years ITRs along with computation of income for applicant and Co-Applicant. (if available)✓ Cash flow analysis working done by credit/concerned person based on PD/TVR/Kuccha Record.



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Other Incomes	<ul style="list-style-type: none">✓ Rental Income if any to be considered at 50% of the rental income. The same shall be verified through PD. Ownership proof of rented property to be documented.✓ Pension income to be considered at 50% of Pension Income. The same shall be verified with Banking.✓ In case Cash salary is more than Rs. 30,000/- per month then same shall be considered at Rs. 30,000/- per month only for the calculation and eligibility purpose. <p>Any Deviation in above shall be as per the deviation matrix</p>
Obligations	<ul style="list-style-type: none">✓ All the running loans running in individual and joint capacity having remaining tenure of more than 3 Months to be considered as obligations. In case the same loan is appearing in one of the co-applicant the same to be obligated only once.✓ <u>Loans having Principal Outstanding (POS) in total as per latest bureau report up to Rs. 15K need not be obligated for loan approval up to Rs. 5 lacs.</u>✓ <u>Loans having Principal Outstanding (POS) in total as per latest bureau report up to Rs. 25K need not be obligated for loan approval above 5 lacs.</u>✓ In case of “Joint” ownership in credit report then the same to be obligated unless the applicant/co-applicant has proof or BCM has remarked on Credit Report/CAMreport that he is only guarantor or he is non-paying member in the loan/Facility.✓ <u>Co-Applicant/Applicant obligation shall be obligated whether his/her income is considered or not.</u>✓ Loans which are appearing in the capacity of guarantor shall not be obligated.✓ Gold Loan/KCC loans need not be obligated by credit manager.✓ Mudra Loan up to sanctioned limit up to 50K need not be obligated.✓ Loans which has repayment frequency other than monthly then same need to be obligated on monthly basis.
Credit Norms	Bureau <ul style="list-style-type: none">✓ Credit Bureau (e.g CIBIL) report to be extracted in all the cases for applicant/co-applicant and also for guarantor, if any.



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	<ul style="list-style-type: none">✓ Minimum 650 and -1, for primary applicant and Co-applicant.✓ Credit Bureau Report Score Deviation will be when score is in range of 300-650. Deviation in the score can be approved as per deviation matrix.✓ Cases where both CIBIL and CRIF are extracted, then the deviation is to be taken for the Higher of CIBIL score and CRIF score.✓ Credit Bureau report should be dated within 30 days prior to date of sanction and first disbursement is done beyond 30 days from date of sanction, then credit report should be pulled again and checked for new score.✓ If additional matches are present, such reports should also be generated incorporating customer details as mentioned in the Additional Matches.✓ CIBIL Acknowledgement Letter should be from applicant, co-applicants and Guarantors prior to pulling CIBIL Report.✓ Credit Cards (DPD's/ Written Off/ Settled/ DBT/SMA) = It can be considered if:<ul style="list-style-type: none">• Credit Card is more than 2 years old reported with closed/ settled/ written off/ SMA/ DBT• Nil DPD in last 6 months• Max one instance of 30 DPD's in last 12 monthsNote: Will full default/ Suit Filed can not be considered✓ Loans (DPD's/ Written Off/ Settled/ DBT/SMA) - It can be considered if:<ul style="list-style-type: none">• Loan is more than 2 years old reported with closed/ settled/ written off/ SMA/ DBT <p>Any Deviation in this shall be approved as per Deviation Matrix.</p>
Checking of Bank Statements, SOA and Tracks of Existing Loans	<ul style="list-style-type: none">✓ Last 6 months bank statement in case Loan amount applied is upto 5 lakhs✓ Last 12-month bank statement in case Loan amount applied is more than 5 lakhs.✓ Credit Manager to scrutinize the bank statements to ascertain banking habits, cheque return, EMI bouncing. In case the applicant/co-



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	<p>applicant is not having bank account and the same is recently opened, then the banking from the date of opening of Bank account will be sufficient.</p> <ul style="list-style-type: none">✓ The obligations should be identified through Credit Bureau Reports, loan statement, bank statements.✓ If existing loan is repaid through salary deduction or through bank statements or if loans are declared on application form or any other document, then these loans will be considered for FOIR if closure statement or less than 6 month's balance term proof is not given.✓ Nil Bounce in last 3 months (EMI bounced and cleared again on same day pr through representation need not be considered✓ If customer is having any non-EMI based repayment loan and any derogatory is reported in Cibil report within the last one year, then such cases can be processed post verifying his/her all existing EMI based loans subject to clean repayment spotted within last one year. If EMI based loans are not there, then the overall profile, collateral, Cibil score and credit worthiness of the customer need to be checked and can be processed further if found satisfactory. <p>Any Deviation in this shall be approved as per Deviation Matrix.</p>
Income and Fixed Obligation to Income Ratio (FOIR) Calculation Norms	<ul style="list-style-type: none">✓ SELF EMPLOYED FOIR:<ol style="list-style-type: none">1. Declared Income - 60%2. Assessed income – 60%✓ SALARIED FOIR:<ol style="list-style-type: none">1. Salary Per Month - Rs. 15000/- - Rs. 20000/- - 40%2. Salary Per Month - Rs. 20000/- - Rs. 25000/- - 45%3. Salary Per Month - Rs. 25001/- and above - 50% <p>Any Deviation in this shall be approved as per Deviation Matrix.</p>
Clubbing of income more	Two operational income can be considered for income computation provided the same is verified



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than one source either salaried / business man	
Clubbing of income	<p>Maximum 4 persons are allowed for clubbing of the income. Any clubbing of more than two persons will have to be properly mitigated and justified and will be considered as a deviation.</p> <p>Any Deviation in this shall be approved as per Deviation Matrix.</p>
Guarantor Norms	<p>Guarantor shall be taken on deal as per applicability mentioned in Annexure VI. While Selecting the guarantor the following to be ensured.</p> <ul style="list-style-type: none">✓ Credit Manager to do TVR with guarantor to ascertain whether he has given guarantee, Cheques (if any) and also to confirm relationship with the applicant/Co-applicant.✓ Credit Bureau report to be generated irrespective of loanamount.✓ IF guarantor is Govt. employee then FI of Such Guarantor is not required. However any one document shall be required for verification purpose:-<ul style="list-style-type: none">a) Salary Slip which is not older than 3 Monthsb) Form 16c) Bank Statement (at least 6 months)d) Appointment Letter✓ CPA or above /External agency to do residence visit and take selfie with guarantor.✓ Guarantor signing the Agreement/Deed, signing photo is must.✓ Guarantor should not be living in rented house.✓ In case two borrowers taking two separate loans are giving guarantee to each other, it is called a Cross Guarantee. In case of Cross guarantee, both the loans shall be cross linked with an affidavit and another third party guarantor shall be taken to secure loan. <p>Any Deviation in this to be approved as per deviation matrix.</p>
Collateral Details and LTV	<p>Only immovable properties are accepted as collateral</p> <ul style="list-style-type: none">✓ Acceptable Properties:<ul style="list-style-type: none">a) Self-Occupied/Rented/Vacant/ Under construction residential property



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	<p>b) Mixed usage- Residential/ Commercial c) Vacant residential plot d) Self-Occupied/Rented/Vacant/ Under construction commercial property e) Vacant Commercial plot f) Self occupied industrial property</p> <p>Any Deviation in this to be approved as per deviation matrix.</p> <p><u>Refer Annexure Below for LTV Grid</u></p>
Negative Profile	<ul style="list-style-type: none">✓ Anti-Social organizations and elements.✓ Politicians and persons with political influence/Politically exposed persons (PEP)✓ Chit fund companies/Stock Broking/Investment companies/Lottery companies and related employees.✓ Bar Owners and workers.✓ Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB, wildlife or products regulated under CITES.✓ Gambling, casinos and equivalent enterprises.✓ Customer working in Collection Department✓ Partnership business, if registered partnership deed is not there.✓ Customer is engaged in the business of speculation/ income is not recurring on daily basis.✓ Customer engaged in business of unsustainable fishing methods✓ Customer engaged in business of trans boundary trade in waste or waste products✓ Customer engaged in business of Production of, or trade in, arms (i.e. weapons, munitions or nuclear products, primarily designated for military purposes, including paramilitary material)✓ Customer engaged in business of Production or activities involving harmful or exploitative forms of forced labour and harmful child labour✓ Customer engaged in business of Prostitution and/ Pornography.✓ Production of or trade in, radioactive material and



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	<p>hazardous chemicals</p> <ul style="list-style-type: none">✓ Willful defaulter as mentioned in list circulated by RBI.✓ Person with criminal record, insolvent, adjudged insolvent, lunatic✓ Divorcee where divorce proceeding are not finalized.✓ HUF property, Benami transaction <p>All the above profiles shall be identified at the time of PD and reference check.</p>
KYC Documents	As per Annexure I
LTV Grid	As per Annexure II
Documentation	As per Annexure III
Deviation Matrix	As per Annexure IV
Technical/ Valuation Related Deviations	As per Annexure V
Approval Matrix	As per Annexure VI
Disbursal Cheque Signing Authority Matrix	As per Annexure VII
Modification in Policy	The Policy shall be reviewed on regular basis and the Company reserves right to alter/delete/add to at any time without prior individual notice and such alterations /deletion/addition shall be binding.

PRODUCT SPECIFIC NORMS

POLICY	IITL MSME LOAN	LRD	HIGH TICKET FUNDING CASH FLOW GENERATING (HOTELS, ETC)
Loan Amount (Rs) - Minimum	3,00,000.00	As per LRD Policy	25,00,000.00
Maximum	25,00,000.00		10,00,00,000.00
ROI (%)	18% - 24% Reducing		12%-14% Reducing
Tenure (Months) – Minimum	60		60
Maximum			
* Deviation as per matrix	84		84
Legal/Technical	Empanelled Vendor		Empanelled Vendor
Processing Fees (%)	3% + GST		2.5%+GST
Collateral Type	As per Policy		As per Policy
LTV	60%		50%



CREDIT SCORING FRAMEWORK

1) Business (20%)

a) Business Structure (5%)	
<u>Structure</u>	<u>Score (out of 5)</u>
Corporation/Limited Company	5
Partnership	3
Sole Proprietorship	1
b) Business Age (5%)	
<u>Age</u>	<u>Score (out of 5)</u>
More than 10 years	5
5 to 10 years	3
Less than 5 years	1
c) Promoter Education (5%)	
<u>Education</u>	<u>Score (out of 5)</u>
Relevant Professional Degree (e.g., MBA, Engineering)	5
Bachelor's Degree in a Relevant Field	4
Education in an Unrelated Field	3
High School Diploma or Equivalent	2
No Formal Education	1
d) Family Background (5%)	
<u>Background</u>	<u>Score (out of 5)</u>
Successful Family Entrepreneurs with Positive Track Record	5
Family with Business Experience, Some Success	4
Mixed Business History or Limited Success	3
Family with Limited Business Involvement	2
No Significant Family Business Background	1

2) Industry (10%)

Industry Type (10%)	
<u>Type</u>	<u>Score (out of 10)</u>
Automobiles	4
Pharma	7
FMCG	5
IT	6
Cement	7
Education & Training	8
Financial Services	5



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Hospitality	5
Renewable Energy	6
E-commerce/Retail	5
Real Estate	5
Other	5

3) Financial Cash Flows (40%)

a) Revenue Stability (10%)			
	<u>Score (out of</u>		
<u>Year-over-year Growth Rate</u>	<u>10)</u>		
Very High Growth (20% or more)	10		
High Growth (10% to 19%)	8		
Moderate Growth (5% to 10%)	6		
Low Growth (1%-4%)	4		
Stagnant (0%)	2		
Negative Growth (less than 0%)	1		
b) Profitability Margins (10%)			
	<u>Score (out of</u>		
<u>Net Profit Margin</u>	<u>10)</u>		
Consistently High Margin (Above 15%)	10		
Moderate Margin (10% - 15%)	8		
Satisfactory Margin (5% - 10%)	6		
Thin Margin (1% - 5%)	4		
Negative Margin (< 0%)	1		
c) Debt Servicing Ability (10%)			
	<u>Score (out of</u>		<u>Score (out</u>
<u>Debt-Equity Ratio (5%)</u>	<u>5)</u>	<u>DSCR (5%)</u>	<u>of 5)</u>
Strong Ability (< 0.5)	5	Strong Ability (> 2.0)	5
Moderate Ability (0.5 - 1.0)	4	Moderate Ability (1.5 - 2.0)	4
Adequate Ability (1.0 - 1.5)	3	Adequate Ability (1.0 - 1.5)	3
Challenging Ability (1.5 - 2.0)	2	Challenging Ability (0.8 - 1.0)	2
Limited Ability (> 2.0)	1	Limited Ability (< 0.8)	1
d) Liquidity Position (10%)			
	<u>Score (out of</u>		
<u>Current Ratio</u>	<u>10)</u>		
Very Strong Liquidity (> 2.0)	10		
Strong Liquidity (1.5 - 2.0)	8		
Moderate Liquidity (1.0 - 1.5)	6		
Marginal Liquidity (0.7 - 1.0)	4		
Weak Liquidity (< 0.7)	1		



4) Collateral (30%)

Type of Collateral (25%)		
<u>Type of Collateral</u>	<u>LTV (%)</u>	<u>Score (out of 25)</u>
Commercial Property	60	10
	50	15
	40	20
Residential (Non-Staying)	70	15
	60	20
	50	25
Residential (Staying)	80	20
	70	25
Marketability of Collateral (5%)		
<u>Marketability</u>	<u>Score (out of 5)</u>	
Highly Marketable (High Demand)	5	
Moderately Marketable (Moderate Demand)	4	
Average Marketability (Average Demand)	3	
Less Marketable (Limited Demand)	2	
Low Marketability (Low Demand)	1	



OPERATIONAL TERMS AND CONDITIONS

Particulars	Details
Login Fees	Rs 2000+GST Borrower credentials check to be done in – CIBIL / CRIF Spouse – CIBIL/ CRIF
Legal and Technical Fees	Rs. 4000 (including GST)
Validity of Sanction	<ul style="list-style-type: none"> • 30 days from the date of sanction. • Re-appraisal/re-sanction applicable <ul style="list-style-type: none"> ✓ If customer makes disbursement request after 30 days from sanction date, <p>For Re-appraisal cases CIBIL check, and latest bank statement required.</p>
Mode of Disbursement	<p>Credited to the Bank Account (as mentioned in Request for Disbursement form) through NEFT/ IMPS/ RTGS/ CHEQUE as acknowledged by the borrowers.</p> <p>(Processing Fee, broken period interest and Insurance Premium and other charges shall be deducted from the disbursement amount)</p>
Mode of Repayment	EMI basis through NACH mode/Cheque/Cash/Online payment mode
Overdue Interest	3% per month on the overdue amount for the actual number of days due
Bounce Charges (EMI/Cheque/NACH)	<ul style="list-style-type: none"> • Rs.750/- per instance along with GST • Rs 1000/- for second bounce • Rs1200/- for 3rd & above
Fore Closure Charges	<ul style="list-style-type: none"> • 5% of principal outstanding plus applicable Tax, allowed only after 6 EMIs
	<ul style="list-style-type: none"> • Credit Life insurance to be taken for the loan



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Credit Life Insurance	<p>amount and loan period. Insurance Premium will be extended as a loan in addition to the prior sanctioned amount and borrower will pay the EMIs for combined amount. Premium will be deducted from the sanctioned amount while disbursing the</p> <ul style="list-style-type: none">• loan amount along with the other charges mentioned.
NACH registration	<ul style="list-style-type: none">• NACH registration need to be done post disbursement and is mandatory irrespective of mode of repayment.



Annexures

Annexure I: KYC Documents

1. KYC Documents		
Entity	Parameters	Document required
INDIVIDUALS	KYC Documents – Photo ID / Address/Age Proof	Any two of following Officially valid document (OVD). <ol style="list-style-type: none"> 1 Driving license 2 Voter's ID card 3 Aadhaar Card** 4 Passport 5 Job Card issued by NREGA duly signed by an officer of the State Govt. 6 Letter issued by the National Population Register containing details of name and address.

- Note:**
1. PAN Card/Form 60 is mandatory for applicant, Co-applicant and Guarantor.
 2. There will be no relaxation in KYC as mentioned above, KYC may accept if PAN Card + 1 OVD, If PAN card is not available then 2 OVD is required.
 3. Single OVD can be accepted for Non Income Earners.
 4. Aadhaar card must be taken with customer consent and Aadhar number shall be masked in all the copies taken in file.
 5. Digital KYC will be accepted as per the latest guidelines circulated by RBI, further the process for digital KYC acceptance will be circulated by management time to time.
 6. Where the OVD furnished by the customer does not have updated address, the following documents shall additionally to be taken as a proof of updated address:-
 - a) Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
 - b) Property or Municipal tax receipt;
 - c) Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
 - d) Letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and license agreements with such employers allotting official accommodation.



Instructions for compliance with KYC document.

- ✓ The passport & driving license should be current i.e. the same should not be expired.

List of valid supporting KYC documents wherein OVDs (officially valid documents) are available in singlename:

- a. Electricity bill/Water Bill/Telephone Bill/Mobile Postpaid bill/Internet mobile phone, piped gas/LPG book with latest receipt.
- b. Ration card
- c. Letter (on letterhead only) from Sarpanch/Municipal corporator verifying the identity and residence of the customer, letter should have photo attested & DOB + father/spouse name mentioned thereon
- d. Bank Account/ Post Office Saving Bank Account Passbook, not more than 3 months old, having photograph attested thereon.
- e. Copy of title deeds, clearly indicating that the original title deeds were duly registered and stamped or copy of Land Patta / Jamabandi / 7/12 extract.



Annexure II: Type of collateral acceptable- with LTV grid

Type of properties	Fundable as per policy	Max LTV as per policy
Self occupied Residential	Acceptable	60% of Market value
Self occupied commercial	Acceptable	50% of Market value
Rented Residential	Acceptable	50% of Market value
Rented commercial	Acceptable	45% of Market value
Rented Industrial	Acceptable	40% of Market value
Self occupied Industrial	Acceptable	45% of Market value
Vacant Residential	Acceptable	50% of Market value
Vacant Commercial	Acceptable	40 % of Market value
Mixed usage- Residential + Commercial	Acceptable	50 % of Market value
Hotel Property	Acceptable	50% of Market value
Residential Plot	Acceptable	40% of Market value

Note: Any deviation as per deviation matrix

Annexure III. Documentations

SR. NO.	PARTICULARS	DETAILS
1.	Photos	1. Photos of applicant & co applicant signing agreement is must. 2. Photos of sales & credit team visiting customer is must.
2.	PDCs/NACH and ENACH Guideline	As per requirement rolled out from Product /Policy from timeto time.
3.	Declaration	Operation declaration is must mentioning that all charges have been explained to customer, cheque/ cash details submitted have been cross verified by customer.
4.	Signature verification	Banker's sign Verification for repayment account is mandatory
5.	Vernacular Requirement	In case where any party in the loan either have a signature in language other than English or have thumb impression as signature, a vernacular duly signed by that party is required which acknowledges that the agreement in English has been read and understood by that party and gives consent to abide with the terms and conditions
6.	Loan Agreement and Sanction letter	Loan agreement must be completely filled in and correctly stamped. The same must be signed by all the applicant /co-applicants. Any correction is to be signed by the applicant/co-applicant as the case may be. Sanction letter must be signed by applicant/Co-applicants.
7.	Valuation Report	Valuation report of the security by the empaneled valuer.
8.	Legal report	Legal opinion from an empaneled lawyer certifying a clear & marketable title to the property and vetting report of the documents by the empaneled lawyer.
9.	Repayment Track Record for BT Cases	One of the following documents is to be collected to establish the Repayment Track Record (RTR) <ol style="list-style-type: none"> 1. Bank statements for 12 months showing EMI. 2. Repayment Track record / statement for last one year showing EMI / Pre-EMI repayments from the earlier HFC / Bank / FI's (12 months' subject to actual no. of months of repayment to the earlier HFC.) 3. Last 6 months stamped vouchers in case of cash repayment showing EMI / Pre-EMI repayments to earlier HFC /Bank /FI's

10.	Property Documents	<p>Before sanction, copy of the property documents of the security is to be submitted and before disbursement, original property papers to be submitted by the customer. In case of BT the same to be submitted post BT.</p> <ul style="list-style-type: none"> ✓ In Gift deed cases an affidavit with regard to use of land for non agri purpose to be obtained.
		<ul style="list-style-type: none"> ✓ Undertaking/affidavit to be obtained in favour of IITL for having unconditional access to mortgaged property ✓ Affidavit from Property owner in Hindi. ✓ Stamp duty on the same shall be as applicable for respective state.
11.	List of Documents (LOD)-In BT Cases	Customer to submit a LOD issued by existing HFC / Bank / NBFC & photocopies of documents mentioned in LOD prior to sanction of loan.
12.	Foreclosure letter	<p>Must be on the letterhead of existing HFC/ Bank/NBFC's and must contain:</p> <ul style="list-style-type: none"> ✓ Date ✓ Applicant and/or co applicant names ✓ Loan account number ✓ Outstanding principal amount ✓ Pre-payment charges (if any) amount ✓ Any other dues (if any) amount ✓ Date on which the above amount must be prepaid ✓ Property address ✓ In case property address is not mentioned on the foreclosure letter, then the same to be verified from property details mentioned in LOD.
13.	Take Over Letter	In case of BT, operations department shall provide a takeover letter to BCM/Panel Lawyer/Authorized Person.
14.	Letter of authority from customer	In case of BT, required from the customer authorizing the Industrial Investment Trust Ltd representative to collect Original title documents & mortgage release letter on his behalf from the earlier HFC/Bank / NBFC's.
15.	Swapping of PDC	In case any customer wanted to swap its repayment account PDC's /ACH then approval from respective BCM is required.



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16.	Release of Registered Mortgage/ ROC charge wherever applicable	In cases of BT, where the previous HFC / Bank/NBFC has created a registered mortgage/ ROC charge on the property, the said charge would require to be cleared before release of balance payment.
17.	Insurance Form and Calculator	Insurance shall be done for the person whose income is more than EMI. Any Deviation in this shall require approval from Credit Head or above.
18.	Banking	Statement of account of SB A/c of all the applicant/co-applicant whose income is considered for loan eligibility is to be submitted before sanction. Waiver for banking can be approved by Credit Head or above..
19.	Swapping of Property Papers	In case customer desire to swap the collateral property mortgage with us, then approval of same is required from Credit Head or above authority on recommendation made by BCM.
		Before swapping valuation and legal of new property needs to execute. The valuation should suffice the LTV norms as per the credit policy and the valuation of the property should be equal or higher than the current mortgage collateral. Legal title should be clear as per the policy.
20.	Reschedule on Part Payment	In case customer deposited part payment then customer will provide in writing whether he wanted to reduce his tenure or his EMI amount. The same should be approved by BCM & Above.
21.	Affidavit Photo in Agreement	In cases where more than one properties are mortgaged with us, then additional affidavit shall be required for each property.

Annexure IV. Deviation Matrix

PARTICULARS	BCM	Risk Manager	CEO	CMD
	Personal Discussion/Case visit (First cut PD can be done by lower authority)	Upto 10 lacs	Upto Rs. 20 Lacs	More than Rs 20 lacs
Credit Bureau Report Deviation – Score	Upto 700	Upto 650	Upto 600	Less than 600
LTV deviation	Upto 2%	Upto 5%	Upto 15%	Beyond 15%
FOIR Deviation	NA	Upto 5%	Upto 15%	Beyond 15%
ROI waiver from Approved Rates	NA	NA	Upto 5%	Beyond 5%
PF Waiver from Approved Rates	NA	NA	Upto 1%	Beyond 1%
Relaxation in Bank statement.	NA	NA	Yes	Yes
Relaxation in Age of Borrower/Co-applicant (Income Earner)/Property Owner	NA	NA	Upto 10 years	Beyond 10 years
Age Deviation- If Income not considered)	NA	NA	Yes	Yes
Enhanced Loan Tenure	NA	NA	Upto 10 Years	Beyond 10 years
Considering Cash Salary above 30K	NA	NA	Yes	Yes
Extension of Geo Limit	NA	NA	Yes	Yes
Loan to Negative Profile	NA	NA	Yes	Yes
BT case If all EMI paid in Cash	NA	NA	Yes	Yes
Deviation for FI remarks Negative for Applicant/Co-applicant profile.	Yes	Yes	Yes	Yes
Waiver of Lady Co-applicant	NA	NA	NA	Yes



Annexure V: Technical /Valuation Related Deviations:

S. No	Deviations	Mitigents/ Justification	Approving Authority
1.	Mismatch in Direction and Dimensions.	On Case to case basis depending upon profile and quality of collateral.	CEO
2.	Actual Area is higher/Lesser than documented area.	Lower area to be considered.	BCM and above can signoff.
3.	Property situated near cemetery (Samshan/ Kabrishtan/ High tension line/Railway line/Low lying area/Gas pipe line etc.	On Case to case basis depending upon profile and quality of collateral.	CEO



Annexure VI: Authority for Approval of Loans

Loan Amount/Approving Authority	CEO – NBFC Operations	Promoter/ Director	Chairman
Loan upto Rs. 25 Lacs	✓		
Rs. 25.01 Lacs to Rs. 100 Lacs	✓	✓	
Rs. 100.01 Lacs to Rs. 500 Lacs	✓	✓	✓
Rs. 500.01 Lacs and above	✓	✓	✓

Note: All cases above Rs. 25 lacs to be recommend by CEO to approval authority as per matrix.

Annexure VII: Cheque Signing Authority for disbursal of loan

Signing Authority for cheque	Authority
Amount upto Rs. 25 Lacs	Jointly to be signed by CEO (NBFC Operations) and Group CFO
Rs. 25.01 Lacs and above	Jointly to be signed by Chairman, Dr. Bidhubhusan Samal and Director, Mr. Bipin Agarwal