

AUTO LOAN POLICY

Auto Loan Policy approved by the Board at 6th March 2021

PRODUCT POLICY-TWO WHEELER

Funding	Based on vehicle on road Price
Funding %	As per company policy
Minimum Loan Amount	Rs.15000/-
Maximum Loan Amount	Rs.300000/-
Minimum Tenure	12 months
Maximum Tenure	60 months
IRR	21% Minimum – 23% Maximum
	Below 60,000 of loan amt -2400 (Including GST)
	Up to 90,000 -3000+GST (18%)
Documentation Charge	Above 90,000 -3.5 +GST (18%)
GPA amount	Rs.200/-
Minimum Age of Hirer	18 Years
Maximum Age of Hirer	65 Years
AFC	36%
Cheque Bounce charge	Rs.450/-+GST
Pre-closure charge	3% +GST of Balance SOH
SOA charge	NILL
Duplicate NOC Charge	Rs.500/-+GST
Dealer Incentive (Normal)	3% of disbursement amount
Distance	30 Km surroundings of Branch
Approval Level	Credit Team
Deviations if any	Zonal Head
Major Deviations	Product Head

Documents

1) Borrower

KYC, Photo, Electricity Bill or Water Connection bill, or Latest LTR, 6NACH forms, Bank Passbook front page or statement

2) Guarantor (Not mandatory in all cases)

K y c & Photo.

If the applicant age is more than 30 yrs. , Guarantor is not mandatory

Employed Guarantor mandatorily required if the Borrower is aged below 30 and guarantor need to be a family member (Earning Member) of the Borrower.

No guarantor required for below 75% LTV cases

3) Dealer

Performa invoice (Quotation), Initial payment receipt (IP), invoice, Insurance.

4) Other Documents

Cibil Report, Field Verification Report, Tele-calling report, Application, Approval, Agreement, Sanction letter, Residence Photo with electrical post number.

Documents Details

A) **KYC**

Aadhar card, Passport, Voter Id (Additional documents Driving License, PAN Card)

A) **Photo**

New color passport size photo (within 6 months)

A) **Current bill, Water connection, or LTR**

- Current bill and Water connection bill with the period of last month, whether in the name of hirer or ration card members.
- LTR (Land tax receipt) Updated with current financial year

NACH

- Collect 6 NACH Forms
- Security instrument writing formula is 40+30+30 of Total SOH

E) Bank Statement

- Bank pass book front page copy or statement

F) Performa Invoice-Quotation

- Customer full address
- Vehicle on road price with all details
- Vehicle name with variant
- Dealer Seal with authorized signature

G) Initial Payment receipt (IP)

- Customer full address
- Full initial amount in figures and words.
- Vehicle name with variant
- Dealer Seal with authorized signature

H) Invoice

- Customer full address
- Our hypothecation
- Vehicle name with variant
- Dealer Seal with authorized signature

I) Insurance

- Customer full address
- Our hypothecation in
- Vehicle name with variant
- Dealer Seal with authorized signature

J) Verification report

- Customer & Guarantor full details with Land mark.
- Reference with full address of a neighbor & a relative
- Route map
- Signature of verification executive with date
- Land details with extent, amount and four boundaries.

K) Application

- Full details of customer & Guarantor
- Family details with income

- Vehicle & dealer details

L) Agreement

- Fully Filled with RTO Forms
- Customer & Guarantor with signature
- Ops Manager seal & signature
- DPN with one rupee revenue stamp affixed & EMI Schedule
- Affix Adhesive Stamp

M) Cibil Report

- Minimum score should be 700 for higher funding cases. (Considered as per track)
- STD tracks are positive.
- If a case is 31+ and it is only 2 month old, this is a non-starter, it is negative. This should be rejected.
- If a case is 61+. The life of contract has been completed more than the half of the tenure, It is considerable for approval.
- 91+, 121+, 181+ etc., written-off, suit filed etc. are negative or rejected.
- If a customer having report as " no consumer data found", score will be very low like-1, 5 or 6 etc., such cases can be considered as positive provided guarantor score is either -1or more than 700

N) Sanction Letter

- Loan approval letter. Both customer and company authorised person's signature with loan details.

O) Worksheet

- Loan details
- Disbursement details
- Repayment details

P) Tele-calling Report

- Tele verification call details of customer and Guarantor
- Branch Tele-calling executive name, signature, call time & opinion.

Loan Process

1) File Sourcing

- Executives Collect Enquiries from dealerships.
- After convincing the customer, Executives collect KYC documents and pass the documents to branch.

2) Cibil Checking

- Branch will Check Cibil and give confirmation to executives within 15 minutes.
- Before cibil checking a Tele-call awareness process must be completed.

3) Verification

- After getting branch confirmation Field executive will do physical verification and documentation within 2 hours and submit the report and executive execute the file with in 1 hour and submit respective branch.

4) Documents checking

- Branch Ops manager will check all documents with checklist.
- In case any deviation is required, a mail request should be forwarded to respective two wheeler manager.

5) Tele Verification

- After checking all documents Tele- verification of customer and Guarantor must be completed.
- Give awareness to customer about Loan and Emi details.
- If customer not attended the call, Hold the file and pass this information to respected Executive.

6) File Keying

- After completing all the verification process and documentation key-in the file by office staff.

7) Delivery Order.

- Sales managers to issue Delivery order to dealer through mail after credit approval.

8) Payment process.

- Corp Accounts team will release payment to respective dealers after credit approval on same day itself.
- Corp team will send a mail to respective dealers about payment details

9) PDD Collection.

- Executive will collect invoice and insurance within 7 days after disbursement.

10) File Storage.

- All the completed documents should reach the document room at Head office by the 10 of every month for the files logged in the previous month.
- A relaxation provided only for the RC book copy- the duly HP endorsed RC book copy to be collected in 90 days from the loan date and submitted to the document room.
- Doc room should ensure that the documentation is complete in all the files and deficiencies if any to be escalated immediately. They should additionally ensure that the witness for the agreements are the respective sales executive and sales manager/equivalent in the branch

11) EMI Awareness Call.

- EMI awareness call shall be done before EMI date by branch...

12) NACH Forms

- NACH mandates shall be sent every week from branches. Sales managers must ensure these processes are completed.
- NACH Presentation shall be done by Accounts team.
- EMI date is 10th (1-20 loan date) and after 20th date EMI date is second month 5th.
- First EMI shall be collected at branch in cash and second instalments onwards NACH shall be presented by H.O accounts.

13) Non-Starters.

- Business executive and FI executive must clear the non-starters.
- If any non-starter enters into second bucket managers must visit the customer.

14) Arrear

- One year old loan delinquency (0+1 buckets) of branch to be maintained at 10%. Where the one-year delinquency is more than 10% business needs to be paused in those respective branches until delinquency is under control.
- Branch must collect Arrear amount in the same month itself with all charges (Cheque bounce +AFC +Recovery expense) along with GST

15) NPA(3& above)

- One-year Loans NPA of branch maintained at below 2%.
- Total NPA of branch must maintain at below 5%.

16) Repossession

- Must repossess all Vehicles with 3 EMI overdue.

- Repossession/Surrendered vehicle should be sold within 90 days.
- Before Selling the vehicle, Legal Formalities should be completed
- If sold vehicle amount less than closing amount, Legal aspects should be initiated.
- All of them required approvals from higher authorities

17) Legal process.

- If repossession difficult cases more than 90 days and Sold vehicle loss cases Legal aspects should be initiated.

General Conditions

- One year old loan delinquency of branch to be maintained at 10%. Where the one-year delinquency is more than 10% business needs to be paused in those respective branches until delinquency is under control
- One Year NPA (above 90days) to be maintained below 2% and Total NPA to be maintained below 5%.
- 10-15% random files to be picked an end-to-end post verification to be done by a special Team at H.O under Zonal Head.
- Pre-verification to be compulsorily done by Sales executives for all products
- All verification reports should have the photo of residence(selfie)/land of the hirer/guarantor and should be maintained in the customer file
- All the completed documents should reach the document room by the 10 of every month for the files logged in the previous month. Any delay in this would have penalties for the executive and branch head.
- A relaxation provided only for the RC book copy- the duly HP endorsed RC book copy to be collected in 90 days from the loan date and submitted to the document room.
- Doc room should ensure that the documentation is complete in all the files and deficiencies if any to be escalated immediately. They should additionally ensure that the witness for the agreements are the respective sales executive and sales manager/equivalent in the branch
- The sales executive should see all the hardcopy of original documents and stamp a “original seen and verified” seal and sign himself.
- All the loan files should undergo a compulsory Tele-calling from the branch and a Tele-verification report should be attached with the loan file set of the customer
- The collection of the first EMI to be done by the sales executive who did the loan

- If house is rental, the domicile should minimum of 1 year. Also, the permanent address should be verified properly. In rental case B.M will take approval from Business head
- All the disbursements should have the approval from credit manager/ Zonal head/Product head/MD
- If the customer is not having current bill, Water connection bill or land tax receipt, we may take ration card members documents
- Invoice & insurance with our hypothecation should be collected within 7 working days after disbursement
- All Loans are covered by GPA Policy
- Repossession/Surrendered vehicle should be sold within 90 days.
- Before Sold the vehicle Legal Formalities should be completed
- If sold vehicle amount less than closing amount, Legal aspects should be initiated
- One Year NPA (above 90days) will be maintained below 2% and Total NPA will be maintained below 5%.