



Since 1987

AMRIT MALWA CAPITAL LIMITED

“CREDIT POLICY”

Reviewed by the Board on January 14, 2023

CREDIT/LOAN POLICY

INTRODUCTION

Amrit Malwa Capital Limited (Formerly Amrit Hire Purchase Limited) is a Public Limited Company dealing in Hypothecation of Commercial Vehicles, Passenger Vehicles, Two Wheelers, Four Wheeler, Consumer Durables, E-vehicles, LAP Loan, Pre-owned (Personal) Loan etc.

OBJECTIVE

A need is felt for a long time that there should be a well drafted policy to guide the management in taking Credit decision. This Policy presents a Comprehensive framework and a road map for the Credit Department in discharging their functions. The Policy aims at strengthening the Credit Appraisal system for financing good quality assets and avoid slippage of assets become Non-Performing.

This policy lays down the detailed norms for, Credit Appraisal, Pre-Disbursement verification and Post-Disbursement follow up, Documentation and Delegation of Power.

ELIGIBILITY

The Company will generally provide credit against tangible and secured Assets.

A. CREDIT FOR LOANS

GENERAL

1) TYPES OF LOAN

The Company will provide finance the following types of vehicles

- (a) Two Wheeler (Petrol)
- (b) Two Wheeler (Electric Vehicles)
- (c) Three Wheeler (Electric Rickshaw)
- (d) Three Wheeler (CNG,DIESEL)
- (e) Heavy Vehicle / Four Wheeler and cars
- (f) Personal Loan
- (g) Loan Against Property / MSME Loan

2) MODE OF FINANCE

The Company will finance in the following mode

- (a) Hypothecation

3) TENOR

The tenure shall not normally exceed as under:-

- (a) Two Wheeler (Petrol) - 36 Months
- (b) Two Wheeler (Electric Vehicles) – 24 Months
- (c) Three Wheeler (CNG,DIESEL) – 48 Months
- (d) Three Wheeler (Electric Rickshaw) – 24 Months
- (e) Heavy Vehicle / Four Wheeler and cars – 60 Months
- (f) Personal Loan – 24 Months
- (g) Loan Against Property / MSME Loan – 180 Months

4) RATE OF INTEREST

The Managing Director or director authorized by the Board is empowered to frame any scheme for providing credit but the Rate of Interest (Flat) shall be between following specified limits :-

- (a) Two Wheeler (Petrol) - 12-20 %
- (b) Two Wheeler (Electric Vehicles) – 15-18%
- (c) Three Wheeler (CNG,DIESEL) – 14-16%
- (d) Three Wheeler (Electric Rickshaw) – 14-20%
- (e) Heavy Vehicle / Four Wheeler and cars – 15-20%
- (f) Personal Loan – 15-20%
- (g) Loan Against Property / MSME Loan – 15-16%

5) MARGIN

The Margin in respect of vehicles to be financed shall not fall below the cost Market Value of Vehicle (which ever is lower) as per the following limits:

- (a) Two Wheeler (Petrol) - 10%
- (b) Two Wheeler (Electric Vehicles) – 25%
- (c) Three Wheeler (CNG,DIESEL) – 20%
- (d) Three Wheeler (Electric Rickshaw) – 25%
- (e) Heavy Vehicle / Four Wheeler and cars – 35%

CREDIT APPRAISAL

1) IDENTIFICATION OF CUSTOMER

Whenever a customer approaches the Company for finance, identification of customer shall be verified by Field Investigation Staff. The Field Investigation Staff will verify the Credentials

of the customer and will submit a Customer Verification Report to the sanctioning Authority which will form part of Customer's file.

2) CONFIRMATION OF GUARANTOR'S

In cases where guarantor required, guarantor's credential will be verified by field staff. Field Staff will fill a Guarantor's Verification Report and submit to the sanctioning authority.

3) VEHICLE INVESTIGATION

Before financing a used vehicle or delivering a new vehicle, the field staff will make a survey about the Vehicle. They will fill Vehicle Inspection Report and this report will be a part of Customer's file.

4) CREDIT SCORE CHECK

Credit score in case of every loanee and guarantor wherever applicable, will be done at Head office level.

5) TVR CHECK :

Telephone verification of every loanee will be done at Head office level.

6) TRACK RECORD

Previous Track Record of existing customer should also be verified. Track Record of the new Customer will be checked from Other Financier where possible. Customer will be asked to submit the account detail of their previous borrowing from Other Financier if there is any.

7) REPAYMENT CAPACITY

Special care will be taken to assess the repayment capacity of the customer.

SANCATION OF ADVANCES

The sanctioning Authority, shall after perusing the material on record and satisfying itself about the Credit Appraisal sanction the case for financing.

DOCUMENTATION

1) LIST OF DOCUMENTS

The following documents shall be executed by the credit department after the sanction of the case:

- a) Proposal Form
- b) Personal Statement of Guarantor

- c) Proof of residence of the Hirer/Borrower/Guarantor
- d) Copy of Insurance Policy
- e) Copy of Registration Certificate of the Vehicle in case of Used Vehicles
- f) Permit of plying the Vehicle
- g) Sale Agreement of the Seller
- h) Agreement
- i) Acknowledgement of Agreement
- j) Evidence of immovable property if any
- k) Promissory Note
- l) Post dated Cheques or ECS mandate to the extent possible

2) VETTING DOCUMENTS

The documents executed by the Hirer/borrower/Guarantor will be vetted by Law Officer or any other competent person authorized by the Board.

DISBURSEMENT OF ADVANCES

Disbursement of Advances will be made by Direct Payment to Seller in the form of Cheque/Draft. In exceptional circumstances payment can be made to Seller in the form of Cheque/Draft in his name provided sufficient proof is furnished regarding the payment made to the seller.

ENTRY OF HYPOTHECATION

It shall be strictly ensured by the Credit Manager that necessary entry with regard to Hypothecation has been entered in the records of the Transport Authority and in the Registration Certificate of the Vehicle. A copy of the Registration Certificate shall be place on the file of the Customer.

POST DISBURSEMENT VERIFICATION

The field staff will submit a Vehicle Inspection Report for each case at least once in a year. Along with Vehicle Inspection Report they will also verify the renewal of insurance, Registration Certificate and complete other documents as may be required.

B. CREDIT FOR SECURED TANGIBLE ADVANCES OTHER THAN VEHICLES

The Managing Director shall be empowered to sanction Secured Tangible Advances other than Vehicles. The norms relating to Vehicle Financing shall apply mutas mutandi to these type of advances subject to the following.

- 1. Margin: Minimum 25%
- 2. Rate of Interest Minimum 16% p.a. compounded on monthly rests

3. Tenor Maximum 3 years

The Managing Director may impose such other conditions as he may think necessary for the security of such advance.

C. OTHER ADVANCES

Other Advance not failing in (A) and (B) shall not be normally encouraged. However these type of advances including unsecured advances shall be at the sole discretion of the Board. The Board may impose such terms and conditions in the interest of the Company as it may think fit.

E-Rickshaw Detail Policy

1. Credit Score Check

- Create Lead from Mobile app for CIBIL check (**Mandatory**)
- Both Side of Aadhaar Card upload in software Mandatory.

2. Borrower (Loanee)

- **2 KYC** with self-attested
- One latest Photographs
- Age between **21 to 65 (if any change , approval from Risk Head)**
- 1 Phone number of Borrower, **2 relative** or **2 Neighbour's** Phone number

3. Guarantor

- Guarantor is mandatory
- **1 KYC** with self-attested
- Age between **21 to 65 (if any change , approval from Risk Head)**

4. Loan

Loan amount should be between **30000 to 140000** for new E-Rickshaw (maximum LTV 75%)
(If any change, approval from Risk Head)

5. Tenure

- 6 to 24 months based on loan tenure (if any change , approval from Risk Head)

6. Payment

- ❖ **85% payment**
 - Invoice
 - Insurance
 - 21 and 22 Number
 - Full complete Signed loan file
 - Guarantee card of all components with Serial Number of Batteries
- ❖ **15% payment**
 - Tax deposit Receipts
 - HSRP

7. FI

- Check Repayment capacity: Family members, income capacity and estimated income of the family.
- 2 photos of House
- **Upload of manual field investigation Report**

8. TVR and approval Task

- Maximum **40%** of income capacity of family

9. Sanction Letter duly filled in.

10. Rate of Interest

14 - 18% (flat Rate of Interest)

Note- IRR should not be fall below 28 % in any case.
(if any change , approval from Risk Head)

12. Date of instalment 10th or 20th of every Month.

13. Processing fees

- Rupees: 1000 to 5000/-
(If any change, approval from Risk Head)

14. Repo Charges

- Repo charges Rs. 1050/-

E-Bike Scooters

STATE OF WORKING : PUNJAB AND HIMACHAL

. CIBIL Check

- Create Lead from Mobile app for CIBIL check (**Mandatory**)
- Both Side of Aadhaar Card upload in software Mandatory.

2. Borrower (Loanee)

- **2 KYC** with self-attested
- Two latest Photograp
- Age between **21 to 60**
- 1 Phone number of Borrower

3. Loan

- **Loan amount shall be 40% to 65% of the On road Price (in case of Lead Battery)**
- **Loan amount shall be 40% to 75% of the On road Price (in case of Lithium Battery)**

Note- If Exceeds the limit, prior approval is mandatory to be taken from Risk Head.

4. Tenure

- For Lead Battery Case – Tenure must be of 6 to 15 Months
- For Lithium Battery Case – Tenure must be of 6 to 18 Months

Note- If exceeds, prior approval is mandatory to be taken from Risk Head.

5. RC & Insurance

- Insurance is Mandatory
- RC is Mandatory for High Speed Vehicles (as per Transportation Guidelines)
Note – For Low Speed Vehicle RC is not mandatory as per Transportation Guidelines

6. Battery

- Battery must be of minimum 1 Year Guarantee
Note - Battery below the 1 Year guarantee is **not allowed**.

7. FI

- Check Repayment capacity: Family members, income capacity and estimated income of the family.

8. TVR and approval Task

- Maximum **40%** of income capacity of family

9. Sanction Letter duly filled in.

10. Payment

- Payment will be disburse after 24 hours of the submission of fully completed Signed loan file

11. Rate of Interest

- 16% to 20% Flat (IRR should not fall below 27% in any case)

Note: In case rate of interest vary i.e. (below the specified rate), need prior approval from CFO or Risk Head for the respective case.

13. Date of instalment 10th or 20th of every Month.

14. Processing fees

- Rupees: 500 to 2500

Note- If Less, prior approval is mandatory to be taken from Risk Head.

CNG & DIESEL AUTOS

Credit Score Check

- Create Lead from Mobile app for CIBIL check (**Mandatory**)
- Both Side of Aadhaar Card upload in software Mandatory.

2. Borrower (Loanee)

- **2 KYC** with self-attested
- Two latest Photographs
- Age between **21 to 60**
- 2 Phone number of Borrower

3. Loan

Loan amount 230000 to 280000

Note- If Exceeds the limit, prior approval is mandatory to be taken from Risk Head.

4. Tenure

2 Years to 4 years

Note- If exceeds, prior approval is mandatory to be taken from Risk Head.

5. RC & Insurance

- Insurance is Mandatory
- RC is mandatory

6. FI

- Check Repayment capacity: Family members, income capacity and estimated income of the family.
- 1 photos of House

7. TVR and approval Task

- Maximum **40%** of income capacity of family

08. Delivery of vehicle

- Physical Verification

09. Rate of Interest

- 14% to 16%Flat

Note: In case rate of interest vary i.e. (below the specified rate), need prior approval from Risk Head for the respective case.

10. Date of instalment 10th or 20th of every Month.

LOANS AGAINST PROPERTY

It has been observed that there are certain cases which are not strictly covered under the existing mortgage schemes in market and such cases are not considered for sanctioning due to non-availability of standard proof of income i.e. financials & ITRs. Therefore, now onwards, in order to promote mortgage-based loans, it has been decided to cover the following categories under the "Property Loan Scheme" on the following terms and conditions.

OBJECTIVE

We will offer Micro, Small & Medium Enterprises (MSME) Loans for a fixed amount repayable over a fixed tenure. All loans being offered will be close ended and payments will be made by the customer in equated monthly installments. The loans are provided against residential, commercial or industrial property to a resident Indian. This is to meet any kind of financial requirement (Other than speculative in nature) viz. Business requirement, start new business, Working Capital etc. Disbursements are done only after assessing the value of the property & end use of the loan.

CATEGORIES TO BE CONSIDERED:

- Purchase/Construction/Repair/Renovation of built up residential house without sanction plan located within the municipal limits, having electricity connection.
- Loan against property for home improvement purpose.
- Loan for meeting the personal obligations/needs
- Business Purposes
- Working Capital
- Asset Acquisition

Business profile

- These are businessmen in trades like Kirana / provisions, Medical retailers, fancy shops, garments, restaurants, hardware, agri-inputs, chemists, Stationery shops, Metal ware, Electrical and electronics, Cycle shops, Spare Parts Shop,
- Tea Stall, Fruit & Vegetable Shop, Mobile Shop, Chapmans, Traders of agriculture commodities or other commodities, etc.
- These also include small manufacturing or processing units like cottage industries, brick or tile makers, agro processing units, artisan units, etc.
- These also cover services like Engineering works, Mechanic shops/ garage etc.
- These are mostly retail in nature meeting the requirements of the respective village/ town.

Eligibility

- The scheme is primarily drafted for catering unorganized market segment hence eligibility to be derived based on assessment of total family cash · inflows & outflows through visit & general discussion with the applicant.
- While assessing repayment capacity, it should be ensured that take home is not less than 40% of total monthly income assessed as above after repayment of emi's.

Quantum of Loan

Rs. 1 Lac to 15 Lac (extended up to 20 Lacs with mgt. approval)

Margin

- Purchase of Built up house- 50-60% of the market value.
- Repair and renovation- 50% of the value of property mortgaged as well as 25% estimate of repair/renovation.
- LAP for personal use-50-60% of the value of property to be mortgaged.

Age limit

Age of the borrower should not be more than 60 years. In case of borrower is aged more than 60 years, his/her son/spouse with reasonable earning capacity should be taken as co-applicant.

Repayment tenure

Upto Rs. 5.00 lac

The loan shall be repaid in 60 equal monthly installments. This may be extend to 84 EMI's with the approval of Credit Manager after assessing the needs and repayment capacity of the proposed borrower.

Above Rs 5.00 lac and upto Rs 10.00 lac

The loan shall be repaid in 60 equal monthly installments This may be extend to 120 EMI's with the approval of Credit Manager after assessing the needs and repayment capacity of the proposed borrower.

Above Rs 10.00 lac and upto Rs 20.00 lac

The loan shall be repaid in 84 equal monthly installments This may be extend to 180 EMI's with the approval of Credit Manager after assessing the needs and repayment capacity of the proposed borrower.

Security

Equitable mortgage of Residential/ Commercial property/Open Land.

Borrower's eligibility criteria:

Age Limit	18 Years to 60 Years
Occupations	Must have any running occupation of own/ husband / children from last two years
Ownership of House	Borrower must living in her own house. Ownership of house can be on the name of any other family borrower.

	In case of rented residence, one of the applicant must own any property in the same area (loan shall be given for construction on own land/purchase of new property where permanent residence is proposed to be shifted)
Credit History	<ul style="list-style-type: none"> • Repayment tracks to be checked • Credit Score must not be lower than 600. (Deviations can be taken based on Credit Manager's assessment of Credit scores from reports of different CICs)
Ability	Borrower must have ability to repay the loan and her cash flow must be good.
KYC norms	<ul style="list-style-type: none"> • He/She must have Adhaar card as primary KYC and provide any other ID as a secondary KYC. No exception will be granted under KYC Norms. • Borrower's spouse must have (Adhaar or PAN) and Voter ID.

Co-borrower and guarantee

- Co-borrower shall be the spouse. In case there is no spouse-
 - Co-borrower shall be mother, sister, sister-in law (brother's wife-bhabhi) in case borrower is male
 - Co-borrower shall be father, brother, brother-in-law (sister's husband- Jija)
- Third party guarantee of substantial means invariably in all cases.
- NACH of the borrower to be collected (wherever possible), otherwise cash collection to be done.
- 3 PDCs and 2 Security Cheque of the borrower
- 1 PDC and 1 Security Cheque from co-borrower.

Co - applicant criteria

- Applicant's Parents/Spouse/ Son can only be the Co-Applicant.
- If the Parents/Son of Applicant are taken as co - applicant, then they/he/ she must be living under the common roof and household income should be common.
- Age of Co-applicant must be between 18 - 60 Years.
- Applicant's daughter cannot be a co-applicant.

Who cannot become the applicant of AMCL?

- Applicant or her family borrower should not be Police personnel, Politician, Lawyer, Editor , Sub-Editor, Journalist, Media person or Press Reporter.
- Applicant or any one of her family members should not be Recovery officers of any finance companies/banks.
- Applicant or her family members having the active criminal case cannot become Applicant of AMCL.

Guarantee

- Third party guarantee of substantial means shall be obtained invariably in all the cases.
- In special cases, where third party guarantee not available, personal guarantee of spouse, parents, brother or other family member of the Borrower (preferably spouse) shall be taken. (subject to management approval).

Guarantor criteria:

- Guarantor should not be the blood relative of borrower.
- Guarantor should not be policeman, journalist, recovery, politician, lawyer etc.
- Guarantor must own his/ her own house.

KYC requirement of borrower, Co - borrower and guarantor:

As per the KYC Standards, Following are the four Valid KYCs:

1. Aadhaar card or letter issued by the Unique Identification Authority of India containing details of Name, Age, Address and Aadhaar Number.
2. Voter Identity card issued by the Election Commission of India.
3. Any one -Passport/Driving Licence.
4. PAN

As per AMCL KYC Policy, at least two KYCs document has to be captured as Primary and Secondary KYCs for every loan given to borrower and Co-borrower. Primary KYC has to be either Aadhaar Card or Voter Card. No loan will be the sanction without the compliance of Primary KYC i.e. Aadhaar card and Voter Card.

Additional Documents to be collected from borrowers along with Primary & Secondary KYCs as stated above:

1. One Photograph of Borrower
2. One Photograph of Spouse
3. One Family Photograph
4. Photocopy of Bank account passbook including the transaction copy side.
5. Residence Proof signed by Sarpanch / Ward Councilor in case borrower have Aadhaar card & Voter card of her parents address.
6. Electricity bill
7. Aadhaar Card of Guarantor/PAN
8. Photo of Guarantor.
9. Property papers

Interest rate

- 15% Flat (In case ITR's for last two years are available as evidence of income)
- 16% Per annum (For all other cases)

Matrix for interest rate exceptions: -

Credit Manager	Upto 0.5%
Retail Credit Head	Upto 1%
Credit Committee	Upto 1.5%

Operational terms and conditions

PARTICULARS	AMOUNT
Login Fees	2000+GST Borrower credentials check to be done in - CIBIL / CRIF/ EQUIFAX Spouse - CRIF / CIBIL
Processing Charges	2.5% of Loan amount
Legal and Technical charges	Rs. 6000/-
Prepayment and foreclosure	Less than 6 months - 7% of outstanding amount More than 6 months - 5% of outstanding amount

	Prepayment will be allowed upto 25% of loan amount outstanding.
PRE- EMI	Pre-EMI shall be obtained where ever applicable.
Insurance	Life Insurance will be done of the prime earning member of the family (Prime earning member must be a borrower or Co-borrower in the loan agreement)till the tenure of the loan.
Visiting Charges	In case of NACH Bouncing, noNACH will be presented again. It will be collected in cash with charges of Rs 500+GST
Cheque Bouncing	First Bounce – 500+GST Second Bounce- 750+GST Third Bounce - 1000+GST
Overdue Charges	3% per month of overdue EMI amount.

PRE-LOAN AND POST LOAN DOCUMENTATION:

Pre - Loan Documentation:

- Loan Application cum Field Investigation Form
- Photo of Business Premises
- Reference check of Vendor
- TVR report
- PD Report
- Credit Assessment Memo (CAM)
- Desktop valuation/Technical Report
- Legal Report

Post Loan documentation:

- Stamp Paper of Rs 500 of Borrower, Co-borrower and Guarantor.
- Demand Promissory Note
- NACH Form
- Sanction cum Disbursement Note
- Equitable Mortgage on Property of Individual
- Agreement of Guarantee
- No Litigation Pending Certificate
- Bank Sign Verification.
- EUV Form in case of Top- Up
- 4 Cheques from Borrower, 2 cheque of Co-applicant and 1 cheque of Guarantor
- Self-declaration cum Aadhar holder consent form and Cheque submission form
- Vernacular Language
- Power of Attorney
- Memorandum of Deposit of Title deed

INCOME/REPAYMENT CAPACITY

Income/Repayment capacity shall be assessed on the basis of:

1. Interaction with the Customer
2. Market Information
3. Reference Checks

4. Bill Books/Purchase Bills (If available)
5. Operation in Saving a/c
6. ITR's if available.

Business Margins

Net margin across sectors/ Industry. This is applicable for all type of business (Retail, wholesale or manufacturing). We have taken maximum margin across 3 types of business (wherever applicable).

Assessment of loan

In order to give focus on lending to the small borrowers for purchase/construction/renovation & home improvement, the loan proposals may be considered in the absence of financial papers in view of the credit worthiness/trustworthiness of the client. In such cases, market information/ field investigation be done with great care by the Credit Manager so as to ensure that only genuine cases are entertained under this scheme.

In the above cases, in depth verification is warranted by the Credit Manager the Assessment of sales shall be done on the basis of physical verification of the unit, Information collected from the borrower and market sources and other references.

The Assessment of Loan against property may be made in the absence of financial statements/ITR's in view of the credit worthiness and trustworthiness of the client. The information collected from the client, his neighbors and other references should be analyzed in depth to arrive at conclusion.

Following points be kept in view while assessing the credit requirement:

- Present status of business and existing cashflow
- Future business prospects and requirements
- Operation in current a/c and saving a/c

- Projection provided by the client and their feasibility
- Existing loan's Repayment Track.

Checking of Credit Bureau and Credit Assessment:

Once the loan application has taken from the customer, Branch executive will mark the entry of Loan application in software. Credit Bureau report from "**CRIF**" *will be generated("CIBIL"- generated wherever required)* of Borrower and Co-Borrower Credit Bureau report will be verified based on the Credentials submitted. **Minimum credit score of at least one of the applicants should be 600.** If borrower pass the Credit Bureau and Credit Scoring, then only her application will be processed further. Otherwise application will be rejected and no exception will be granted.

Sanctioning authority

Sanctioning team at HO will sanction the case based on Cash Flow Model.

Legal search and technical valuation of properties to be Mortgaged

Legal Search and Technical Valuation of Properties to be Mortgaged would be done by Third Party Vendors. All fees to such Vendors shall be directly paid by Lender. However, fees paid to such vendors shall be charged from Borrower by Lender directly as per Credit Policy.

Equitable Mortgage Property to be mortgaged is to be done in case of MSME and Loan Against Property. For this Legal and Technical verification of the property will be done by respective Legal and Technical Vendors and TAT will be of 48 hrs. Fees will be charged from customers as per matrix in Credit Policy.

Disbursement

Lender shall make disbursement of Loan after taking complete documents from Borrower in his Bank Account directly. However, before making disbursement, NACH Activation would be done with Borrower Bank.

End use verification

The Credit Manager shall visit the residential house after disbursement within a period of 30 days from the release of Loan (if the loan is given for house purchase/repair, renovation) and shall ensure the end use of the loan sanctioned in favour of the borrower.

Top-up plan

After the satisfactory repayment track of 12 months, the case shall be reviewed and considered for top-up

Other terms and conditions

- The borrower should be actually engaged in the business carried out by him.
- Loan application should accompany the photograph of the client and his business premises.
- Loan application, field investigation report, appraisal note and end use verification formats prescribed for this scheme shall only be used.
- Security Cheques and PDCs shall be obtained from the borrower.
- All the loans shall be backed by mortgage of immovable property invariably. It should also be ensured that the mortgager is either the borrower/co- borrower.
- In case of mortgage, charge shall be noted with CERSAI and Revenue Department.
- Photograph of the borrower, guarantor and business premises are mandatory.
- Following documents shall be collected to verify the ownership of property
 - Title Deeds of the property.
 - Latest Fard Jamabandi, if the previous title deeds are not available, Jamabandi for the last 15 years be procured.
 - Property Tax receipt/ T.S.1
 - Water Bill/Electricity Bill
 - Approved map if available
- Other documents as per policy: -
- Documents relating to ID proof, Address proof, business proof and Income proof shall be obtained KYC policy of the Bank. Aadhar number of the borrower is mandatory.
- ❖ While assessing repayment capacity, it should be ensured that take home is not less than 40% of total monthly income after the repayment of fixed EMI's.
- ❖ The applicant should own either house or shop in his/her own name.
- ❖ In case of salaried persons, state/central Govt. employee/employees of public sector undertakings/ reputed public limited companies/ multinational companies/ regular employees of Govt. aided/affiliated educational institution

with minimum permanent/regular service of 2 years shall be eligible for loan under the scheme.

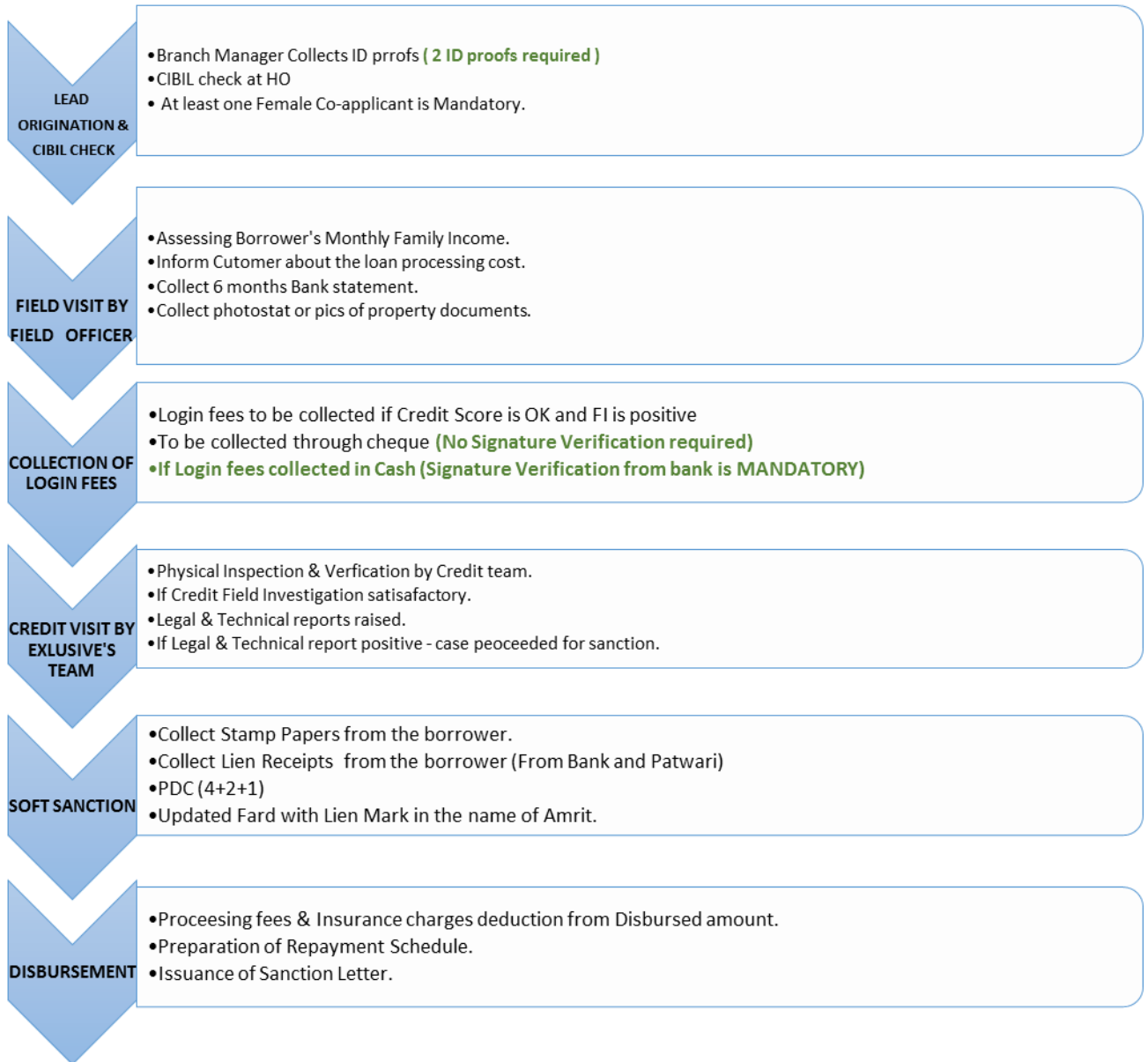
NOTE - Deviation with regard to ROI and other norms lies with Credit Department.

Negative Profiles

- Amusement Parks
- Travel Agent without own vehicle
- Liquor parlors and bars
- Commission Agents (without visible stocks & Commission not credit in banking)
- Businesses involved in the production, processing or distribution of illegal drugs.
- DSA/ Collection agency (Agents for Banks/MF!)
- Production or trade in any product or activity deemed illegal
- Building Material Suppliers (without stock)
- Media
- Real estate agents
- Politician
- Builders & Developers
- Policemen
- Unlawful entertainment and recreation centers
- Lawyers and law enforcement agencies
- Gambling and gaming business
- Local News Paper
- Places of worship
- Local Finance Company

- Gambling, casinos and equivalent enterprises.
- Production or trade in weapons and ammunitions
- Production or trade in alcoholic beverages 24. Any other profile that is identified locally.

LAP Process Flow



PRE-OWNED - PERSONAL LOAN

➤ **Purpose:**

Amrit Malwa Capital LTD provides loan to meet various Personal requirements of customers and their family. Such as loan for medical expenses, educational expenses, purchase of consumer durables and Personal use etc.

➤ **Eligible borrowers:**

Personal loans will be extended mainly to all existing borrowers in the Amrit Malwa Capital Ltd whether salaried employees of Public Sector units, Private Sector units and self-employed.

➤ **Eligibility Criteria:**

- The Age of customer should be in between 21 to 65 years.
- The customer should be a Permanent Resident of states in which company offering their services i.e. Punjab and Himachal Pradesh.
In case customer belongs to any other state or rented house, one local guarantor is required.
- Customer should be an Existing customer of Amrit Malwa Capital Ltd.
- In case any change, with approval of Risk Head or CFO.

➤ **Extent of Funding:**

The extent of funding shall be determined on the basis of appraisal so as to ensure that the cash flows of the borrowers are sufficient to service total debt satisfactory. To the extent possible, the following shall serve as guiding factors for determining the quantum of funding:

- Borrowers with the satisfactory repayment record for the past Six months will be eligible for Rs.10000 to 15000 Personal loan.
- Borrowers with the satisfactory repayment record for the past Twelve months will be eligible for Rs.20000 personal loan.
- Borrowers with the satisfactory repayment record or have DPD less than 60 days.

In case customer has satisfactory credit worthiness and repayment capacity, company preserve the right to amend the funding amount with prior approval of Risk Head or CFO.

➤ **Tenure of the Loan:**

The company shall make a short term loan for a period of 6 months to 12 months from the date of disbursement of the loan.

In case any change, with approval of Risk Head or CFO.

➤ **Interest Rate:**

Interest rates will be 18 to 24 % fixed on the basis of risk assessment, cost of funds, cost of operations etc. In case any change, with approval of Risk Head or CFO.

➤ **Processing Charges:**

The company has decided to charge Rs.400 processing fee for the funding amount of 10000 and Rs.500 for the funding amount is 15000 and Rs.600 for the funding amount is 20000. Any revision in these charges would be implemented prospective basis with due communication to customers. These charges would be decided upon by respective company's Higher Authority of Head Office (Risk Head or CFO.)

➤ **Loan Disbursement:**

The loan disbursement would be made within 8 hour to 24 hours starts from the application received from the customer.

➤ **Repayment Mode:**

By way of monthly EMI. EMI can be paid through E-mandate and Cash mode and credited to a dedicated account. The other mode of payment is also acceptable such as UPI & Internet Banking. Repayment will be start one month after disbursement of the loan.

➤ **Documents Required:**

- One KYC (Aadhaar card) of borrower is required at the time of loan application.

➤ **Credit worthiness:**

Loans will be granted to individuals only after the Company is satisfied about the credit worthiness, integrity and repayment capacity of each borrower. Without intimation or CIBIL check no branch will be allowed to make loan otherwise concerned employee will be responsible for the payment.

➤ **Due date for Installment:**

The Company may, at the request of the borrower, allow repayment in convenient instalments or equated monthly instalments. Repayment will be start one month after disbursement of the loan and date will be 10th of every month.

➤ **Incentive for Employees:**

As a valued employees of Amrit Malwa Capital Ltd, company provides an opportunity to earn Rs.200 per case incentive on Personal loan. In case rate of interest more than 20% or more , Addition incentive Rs. 100.

Categorization of Risk Profiles of customers :

a)	Low Risk	All Resident Individuals; All other customers (other than medium and high risks category) whose identities and source of wealth can be easily identified may be categorised as low risk.
b)	Medium Risk	All NRIs/Foreign Nationals
c)	High Risk	<ul style="list-style-type: none"> I. Political Exposed Persons: II. Individuals or entities listed in the schedule to the order under section 51A of the Unlawful Activities (Prevention) Act, 1967 relating to the purposes of prevention of, and for coping with terrorist activities III. Customers with dubious reputation as per public information available or commercially available watch lists IV. High net worth individuals V. Firms with 'sleeping partners VI. Trusts, charities, NGOs/ unregulated clubs and organizations receiving donations VII. Customers engaged in industries that might relate to nuclear proliferation activities or explosives VIII. Customers that may appear to be Multi-level marketing companies etc IX. Persons from FATF countries--- as amended from time to time.

RE-KYC/KYC Updation

Further, the company would need to continue to carry out on-going due diligence with respect to the business relationship with every client and closely examine the transactions in order to ensure that they are consistent with the knowledge of the client, his business and risk profile and wherever necessary the source of funds.

- a) For Low risk customers - Periodic updation/Re KYC will be done at least once in every ten years.
- b) For Medium risk customers- Periodic updation/Re KYC will be done at least once in every Eight years.
- c) For High Risk customers- Periodic updation/Re KYC will be done at least once in every two years.

DELEGATION OF POWER

The Board shall have the supreme power to sanction any time of advance. The Managing Director shall have the power to sanction secured advances against tangible security. The Board may time to time authorize any director or any executive including Branch functionaries to sanction advances as the Board may deem fit.

REPORTING

All the Credit transactions shall be reported to the Board at least on quarterly basis. However the Board may prescribe early reporting of the transactions.

EXCEPTION

Any Exception to the Policy shall be confirmed by the Managing Director

Accepted in Board Meeting Held on January 14, 2023

**By the order of the Board
For Amrit Malwa Capital Limited**

**Sd/-
(AJIT PAL SINGH)
Managing Director**