LOS

The primary objectives are to onboard the customer efficiently and to comprehensively track the entire life cycle of the loan application, from initial submission to final approval and disbursement. Additionally, this phase includes the monitoring of critical aspects such as deferrals and covenants after the loan has been disbursed. This ensures that all necessary conditions are met and that any potential issues are identified and addressed in a timely manner.

Features and Functionalities available in the existing Solution:

Business or Onboarding Stage:

1. **Contact Management:** Institutions, Stakeholders, Individuals, Partners, Directors, Buyers, and Sellers will each be assigned a unique ID during onboarding and underwriting, facilitated by PAN, DIN, or Aadhar. *This approach aims to establish a single source of truth.* When creating applications and underwriting, these master values will be utilized, enabling us to provide a comprehensive 360-degree view of our relationship with each entity. API integrated to do the necessary checks of KYC like PAN, GST, Aadhar, etc.,

2. **Assisted Mode:** To support the Business Team, an assisted mode workflow has been established. The Business Team has the option to handle complete data digitization or to create the basic application and request assistance. The Assistance Team will then complete the digitization process and return it to the Business Team for further action. The ownership of the application request always remains with the Business Team.

3. **Digitization of Guarantor, Middle B, Joint Loan Hold, etc.,** Digitization of Guarantor, Middle B (Co-applicant), Joint Loan Holder, etc., against each customer involves documenting additional individuals or entities associated with a loan application or account. This information enhances the understanding of the borrower's financial obligations and relationships within the lending context.

   Each role is documented to establish a clear understanding of the borrower's financial relationships and obligations. This comprehensive data helps in assessing creditworthiness, managing risk, and ensuring compliance with lending regulations. It also facilitates effective communication and decision-making throughout the loan lifecycle.

4. **Lending Methods:** The system is designed to onboard and manage all methods: B2B,

B2B2C, and B2C. At the application level, we can map Guarantors, Co-Applicants, Promoters, etc., An illustrated matrix given below:

Category	Applicant	Guarantor	Sample	
			Applicant	Guarantor
1	Institution	Institution	XYZ Construction Pvt., Ltd.,	XYZ Transports Pvt., Ltd.,
2	Institution	Individual	XYZ NBFC	Durai (Director), Raja (Director)
3	Individual	Institution	Raja (Proprietor)	ABC Enterprises
4	Individual	Individual	Seethamma (Farmer)	Rajappa (Spouse)

5. **Customer Consent Validation:** Before pulling Bureau data for a customer, it is essential to obtain their consent. To ensure compliance, the following validation will be implemented in the Bureau digitization tab. The system will check for the presence of the digital consent document. If the consent is not submitted, an error message will prompt the user to upload the necessary document. Initiation of API Call: Only after successful validation of the customer consent verification will the system allow the API call to proceed.

Assessment or Underwriting Stage:

6. **Credit Underwriting:** Credit underwriting is crucial for lenders to make informed decisions, manage risk effectively, and maintain financial stability. It involves thorough analysis, documentation review, and adherence to standards to ensure responsible lending practices and protect both borrowers and lenders.

   Our system supports all lending methods, including both centralized and decentralized allocation and approval flows. Our system offers the capability to digitize financials, bank details, hypothecation, collateral and other relevant information.

   Limits can be set at both Overall Request Level and Facility Level, providing flexibility and control. Additionally, there is a feature to generate Credit Appraisal Memo (CAM) using predefined templates, ensuring consistency and efficiency in the approval process.

7. **Third Patry Data:** API integration enabled checking the IFSC Code, Bank Account, Peny drop, etc., For now whatever the GST data available was pulled through API. If the customer is willing to give the consent at the time of API trigger, we can even pull the financial parameters.

   Our system is flexible to customize or integrate to receive the third-party data like Probe42, Perfios, etc., and establish dashboards to provide credit history, income verification, and

debt-to-income ratio to facilitate the user to do the necessary check and creditworthiness and accurate risk evaluation. This can be accommodated as part of Integration Phase.

8. **Document Check List:** We offer a facility to define a document checklist specific to each facility/product as per company policy. This serves as a comprehensive guide for all teams, ensuring proper approval and documentation before disbursement. Moreover, it allows us to track all deferrals post-disbursement to meet regulatory and compliance requirements effectively.

9. **Co-Lending Capabilities:** We provide a facility to set parameters such as ratios, maximum/minimum interest rates applicability, overall limits, and more at the master level for both originators and lenders. During underwriting, this capability allows for fitment checks and presents multiple options to the committee or management, facilitating informed decision-making.

10. **Parallel Data Digitization:** We offer a facility to digitize additional data such as hypothecation details, Collateral details, Priority Sector Lending (PSL) criteria, and Climate Smart Agriculture (CSA) information at the application level. This capability ensures that we have comprehensive data available for preparing investor reports accurately and efficiently.

11. **Business Rule Engine (BRE):** We enabled the facility to configure the BRE at product level to establish the Automated Application Processing. This will reduce manual errors, speed up processing times, and enhance overall efficiency. This feature in general opted for small tickets.

Committee / Decision of Go/No-go Stage:

12. **Committee:** We provide a facility to define multiple committees based on parameters such as ticket size, product, vertical, etc. These committees can schedule meetings, execute discussions, digitize Minutes of Meetings (MoM), and route the application for approval to the respected participants. In certain cases, there may be a requirement to pass the committee. In such instances, ownership is maintained while allowing the approval process to bypass other procedural steps as necessary. This flexibility ensures efficient decision-making while adhering to governance and approval protocols.

13. **Ratification:** It signifies the formal approval or confirmation of financial decisions,

contracts, budgets, or audit findings by authorized individuals or bodies within an organization. It serves to validate and ensure accountability in financial transactions and governance processes. In some entities, there may be a company policy requiring ratification by the CEO or another designated person before initiating disbursements for specific cases. Our committee flow enables the routing of application requests to the relevant person for ratification acceptance. This digitization in the flow, in turn, provides required evidence during both internal and external audits.

Credit Administration or Sanction and Post Sanction Stage:

14. **Credit Admin:** Our system supports both centralized and decentralized methods for allocation and approval flows. Predefined checkpoints are established against documents, ensuring users fulfill requirements and take ownership of document verification. This approach removes the burden of training for the document verification process steps. Verification activities can occur both before and after approval stages.

    Additionally, the system offers the capability to generate Sanction Letters and Limit Advice using predefined templates. This ensures consistency and efficiency in document handling and approval processes across various stages.

15. **PDD Management:** Documentation is a crucial aspect of lending, and our system supports tracking both *deferral documents approved to collect later and initiate the disbursement and covenants/Post Disbursement Document (PDD)*. Markings are applied at the application level and can be viewed by the business team at the customer level, facilitating easier customer follow-up. Rules can be configured to manage expired documents, ensuring efficiency in document management processes.

16. *Issuance of NOC and NDC:* When customers request a No Objection Certificate (NOC) or a No- Due Certificate (NDC), the process involves several steps to ensure accuracy and compliance. A workflow with the following steps will be established.

    a. **Customer Request:** The process begins when a customer submits a request through mail for an NOC or NDC to their respective SPoC of Business Team. These certificates are typically required when the customer is seeking to prove that there are no outstanding obligations or issues related to their account.

    b. **Business Team Request:** Upon receiving the customer's request, the Business Team is responsible for initiating the process. They will formally raise a request to the Credit Administration (Credit Admin) team.

    c. **Verification and Validation:** Once the Credit Admin team receives the request,

they undertake a thorough verification and validation process. This includes checking the customer's account status, ensuring all dues are cleared, and confirming that there are no pending issues or objections related to the account.

    d. Issuance of Certificates: After successful verification and validation, the Credit Admin team proceeds to issue the requested NOC or NDC in the digital PDF format file to the requested SPoC from Business Team.

    e. Communication and Documentation: Business Team SPoC will in turn share the same to the customer as proof that their account is in good standing and that no further obligations remain.

17. **Penalty on Non-Submission of the Documents:** In certain cases, financial institutions may have a policy to impose a penalty on customers for delays in submitting deferral and covenant documents. A workflow with the following process steps ensures visibility to all relevant parties:

    a. **Logic:** A customized norm will be established to identify cases that may exceed the committed due date.

    b. **Early Warning Signal:** A communication will be sent to both the customer and the Business Team to prompt necessary actions well in advance to prevent the applicability of the penalty.

    c. **Extension Request:** The Business Team will have the facility to raise an extension request based on the customer's input. If approved, the due date will be updated accordingly for further tracking.

    d. **Waiver:** The Business Team will have the facility to request a waiver of the penalty. If approved, these cases will be marked as "Waived" and considered closed.

    e. **Penalty Processing:** If no action is taken by the Business Team despite the warning, communication will be sent to the customer, with a copy to the Business Team's SPoC (Single Point of Contact), detailing the penalty amount to be deducted from their subsequent repayment. This information will also be communicated to the Operations Team for the penalty to be deducted as instructed.

Operations Stage or Disbursement Request to LMS:

18. **Operations:** The disbursement request can be initiated by the Business Team, ensuring thorough verification against predefined norms outlined in the Credit Appraisal Memo (CAM) and approved by the Committee prior to actual disbursement. Disbursements can be processed either individually at the customer level or in bulk. This seamless integration

with our Lending solution ensures continuous support throughout the entire loan cycle journey.

Common feature:

19. **Dashboards:** Dashboards with search functionality are available at all stages of the process. This feature allows users to easily navigate and retrieve specific information pertinent to their tasks or inquiries, enhancing efficiency and accessibility throughout operations.

20. **Reports:** Each customer has unique preferences for viewing the LOS journey, and we are committed to accommodating these by offering customized reports at every stage of the process. Our goal is to provide a diverse range of reports that users can further analyse to extract detailed analytics and insights across various operational dimensions. This advanced reporting capability not only supports informed decision-making but also enhances regulatory compliance and aids in strategic planning. By tailoring reports to meet specific needs, we ensure that users can effectively leverage data to drive organizational success.