

CHARTERED FINANCE & LEASING
LTD. (CFL)

(“NBFC/ B-13.02480”)

SUMMARY OF POLICY

Particular	Details
Policy Name	Personal Loan Policy – External Borrowers
Version	V2
Latest Approval/Review Date	20 th May, 2025
Review Cycle	Annually
Approver	Board of Directors of Chartered Finance & Leasing Ltd

VERSION HISTORY

Version no.	Approval	Version Description	Regulatory Reference	Remarks
I	Board Meeting dated 27th March, 2021	2021	RBI Regulation	Policy adopted by the Board
II	Board Meeting dated 20th May, 2025	2025	RBI Regulation	Reviewed by Board

Personal Loan Policy – External Borrowers

1. Objective

To provide unsecured, short- to medium-term personal loans to individuals for legitimate personal purposes such as medical expenses, education, weddings, or other emergencies, while ensuring compliance with RBI regulations applicable to middle-layer NBFCs.

2. Scope

This policy applies to:

- All individual external borrowers meeting eligibility criteria.
- Personal loans for non-business, non-speculative, and non-commercial use.
- Applicable across all branches and digital lending platforms of the NBFC.

3. Eligibility Criteria

Criteria	Conditions	Remarks
Age	Minimum 21 years, Maximum 60 years (at loan maturity)	PAN/Aadhaar to verify
Citizenship	Indian Residents only	NRI not eligible
Employment	Salaried (government/private) or self-employed individuals	Income proof mandatory
Minimum Income	₹20,000/month (metro); ₹15,000/month (non-metro)	Net income considered
Credit Score	Minimum CIBIL 650	Subject to internal credit policy
Loan History	No recent defaults or write-offs in last 12 months	Verified via bureau reports
Banking History	Minimum 6 months of salary or business income in bank account	Statement required

4. Loan Terms & Conditions

Parameter	Standard Norms	Remarks
Loan Amount	₹50,000 – ₹15,00,00,000	Based on credit score, income, FOIR
Tenure	12 to 60 months	Borrower's choice within limits
Interest Rate	7% – 24% per annum	Risk-based pricing; fixed/floating as per policy
Processing Fee	1% – 2.5% of loan amount (plus GST)	Non-refundable
Repayment Mode	EMI via NACH mandate / eMandate / Post-dated cheques	Mandatory for all borrowers
Prepayment	As per sanction Letter	As per sanction Letter
Part Payment	As per sanction Letter	As per sanction Letter

Parameter	Standard Norms	Remarks
Penal Interest	As per sanction Letter	As per sanction Letter
Top-up Loan	Eligible after 12 months with clean repayment record	Subject to reassessment

5. Documentation Requirements

- **KYC Documents:** PAN, Aadhaar (or Passport/Voter ID/Driving License), Address Proof
- **Income Proof:**
 - Salaried: Last 3 months' salary slips, 6-month bank statement, Form 16
 - Self-Employed: ITRs (2 years), GST returns, bank statement (12 months)
- **Photograph:** Passport-sized photo
- **Other Forms:** Loan application, eMandate/NACH form, consent for bureau check, personal discussion notes

6. Risk Management & Control Measures

Risk Type	Control Measure
Credit Risk	Risk-based pricing; CIBIL and bureau checks; income-to-EMI ratio (FOIR < 50%)
Operational Risk	Centralized credit appraisal; maker-checker process; loan management system
Liquidity Risk	Monthly cap on disbursement; ALM monitoring
Fraud Risk	Bank statement and KYC verification
Regulatory Risk	RBI Fair Practices Code; KYC/AML adherence; data privacy policies
Concentration Risk	Diversified borrower profile; exposure limits

7. Loan Disbursement Process

1. **Loan Application** – Online or branch submission.
2. **Verification** – KYC and income document verification.
3. **Credit Assessment** – Score-based evaluation, FOIR check.
4. **Sanction & Agreement** – Loan offer letter, agreement signing (digital/physical).
5. **Disbursement** – Direct transfer to borrower's bank account.

8. Monitoring, Recovery & Reporting

- **Loan Monitoring:**
 - Daily overdue tracking via LMS.
 - Delinquency reports to Credit team.
 - Bureau reporting (monthly) per RBI norms.
- **Collections & Recovery:**
 - In-house or third-party recovery agents (as per RBI guidelines).
 - Soft collection for 0–90 DPD.
 - Legal notice beyond 90 DPD or willful default.
- **Reporting:**
 - Regular MIS to senior management.
 - RBI CRILC/SMA reporting if applicable.
 - Audit review (internal/external) every 6 months.

9. Compliance & Fair Practice Code

- Loan sanction, terms, and conditions clearly communicated in writing.
- Borrower acknowledgment and understanding of all terms before disbursal.
- No coercive recovery practices.
- All charges disclosed upfront.

10. Review & Policy Revision

- This policy will be reviewed annually or as required by regulatory changes.
- Any deviation must be approved by the Board or designated committee.