

### **Introduction and Company Overview:**

Vridhi Home Finance is a housing-finance company that combines technology with traditional branch-based support. The organisation positions itself as a "tech-enabled brick and mortar" lender. This means it uses digital tools to simplify loan processing, while still providing personal interaction and physical branch assistance for trust and support. The company aims to bring underserved and unserved populations into the financial mainstream. These include customers who may not have formal income documentation such as Income Tax Returns (ITR), salary slips, or structured banking history. Vridhi offers loan solutions that are simple, transparent, and accessible, making home-ownership and property-related financing easier for individuals and families. Vridhi provides a wide variety of loan products not only for buying homes, but also for constructing houses, renovating existing property, expanding homes, and borrowing against property for business or personal needs.

### **Detailed Overview of Loan Products**

#### **Home Purchase Loan:**

A Home Purchase Loan is a loan used to buy a home that is either ready-to-move or under construction. This loan helps people purchase a house without paying the full price upfront. Borrowers typically pay a portion called the down payment, and the remaining amount is financed through the loan. This loan comes with long repayment tenures and competitive interest rates. Borrowers may also receive tax benefits under applicable sections of Indian tax laws. This type of loan is useful for salaried individuals, self-employed people, and families wanting to buy a property for living or investment.

#### **Home Construction Loan:**

A Home Construction Loan is meant for customers who already own a plot of land and want to build a house on it. Instead of receiving the full loan amount at once, borrowers get the money in stages. Each stage corresponds to construction progress, such as foundation, walls, roofing, and finishing work. This model reduces interest burden because borrowers pay interest only on the disbursed amount. It is ideal for those who want to design their home according to personal preferences and manage construction in phases.

#### **Plot Purchase Plus Construction Loan:**

This loan serves two purposes: buying a plot and building a home on it. Instead of applying for two separate loans, customers can get both needs fulfilled under a single loan structure. This loan is suitable for families who want to start with land purchase and gradually move towards constructing their home. It simplifies financial planning and reduces documentation efforts. Borrowers may also customise the design and architecture of their homes, making this option very flexible.

#### **Home Renovation Loan:**

A Home Renovation or Home Improvement Loan is designed for repairing or upgrading an existing house. This includes painting, flooring changes, room redesign, electrical upgrades, plumbing work, structural strengthening, exterior repairs, and modernising old features. This loan helps homeowners improve comfort and durability without using large amounts of

savings. Renovation loans typically have shorter tenures than home purchase or construction loans but still offer manageable EMI options and transparent charges.

#### **Home Expansion Loan:**

A Home Expansion Loan is used for adding space to an existing home. This may include adding a new room, balcony, extra floor, or extending an existing area. This loan is helpful for growing families or people who need more functional space but do not want to shift to a new property. The loan provides long tenures and competitive interest rates, making it easier to increase living space based on personal needs.

#### **Loan Against Property (LAP):**

A Loan Against Property allows customers to borrow money by keeping their existing residential or commercial property as collateral. This is a secured loan and is generally offered at better interest rates compared to unsecured loans. Loan Against Property is useful for business expansion, children's education, medical emergencies, or any personal financial requirement. Borrowers continue to own their property as long as the loan is repaid on time.

#### **MSME Loan:**

The MSME Loan supports small and medium-sized businesses. Many business owners in informal sectors do not get financing from traditional banks. Vridhi helps such entrepreneurs by offering business loans with flexible repayment structures. These loans can be used for business expansion, buying machinery, stocking inventory, or improving working capital. The documentation process is designed to be simpler and more accessible.

#### **Key Principles, Eligibility Flexibility, and Lending Model:**

Vridhi focuses heavily on customers with informal incomes or without traditional documentation. To support them, the company accepts alternative proofs of income such as bank statements, business records, rental receipts, or other verifiable financial evidence. Their model combines digital processes like online applications with physical branch support for verification, documentation, and customer assistance. This hybrid model offers both convenience and reliability.

The company also adopts conservative loan-to-value ratios. This means they only lend a portion of the property value, which protects both the borrower and lender from financial risk. Such cautious lending ensures sustainable growth and better loan performance.

#### **Key Domain Terms Explained (Text Only)**

Here are simplified explanations of important terms you will encounter when understanding home-finance products:

##### **Home Purchase Loan**

A loan used to buy a ready or under-construction house.

##### **Home Construction Loan**

A loan used to build a home on your own land; money is released in stages.

##### **Plot Purchase Plus Construction Loan**

A single loan that helps you buy land and build a home on it.

**Home Renovation Loan**

A loan used for repairing or improving an existing home.

**Home Expansion Loan**

A loan for adding new rooms, floors, or extending home space.

**Loan Against Property**

A loan where your property is kept as collateral in exchange for funds.

**Down Payment**

The part of the home price you pay yourself before taking the loan.

**EMI (Equated Monthly Instalments)**

The fixed monthly amount you pay toward the loan, including interest.

**Loan-to-Value Ratio**

The percentage of the property's value that the lender agrees to finance. A lower ratio means safer lending.

**Fixed Interest Rate**

A rate that remains the same throughout the loan period.

**Floating Interest Rate**

A rate that changes over time based on market conditions.

**Prepayment or Foreclosure**

Paying off the loan earlier than planned. This may reduce interest burden. important Things to Check Before Applying

Before taking a loan from Vridhi or any other lender, consider the following:

Check income stability and ability to pay monthly EMIs.

Understand how much down payment you need to make.

Review all charges such as processing fees, valuation fees, legal fees, etc.

Choose loan tenure carefully. A long tenure reduces EMI but increases overall interest.

Ensure you have the right documents or alternate income proofs.

If taking a Loan Against Property, remember the property remains at risk if you fail to repay.

Check prepayment rules to know whether you can close the loan early without penalty.

**Why Vridhi May Be a Good Choice:**

Vridhi offers flexible documentation requirements, which makes it easier for self-employed and informal-income customers to qualify. The variety of loan products serves almost every housing-related need—from buying to building to renovating. Their combination of technology and physical support ensures a smooth loan journey. Transparent pricing, structured repayment plans, and risk-controlled lending make Vridhi a potentially suitable option for customers looking for accessible home finance.