



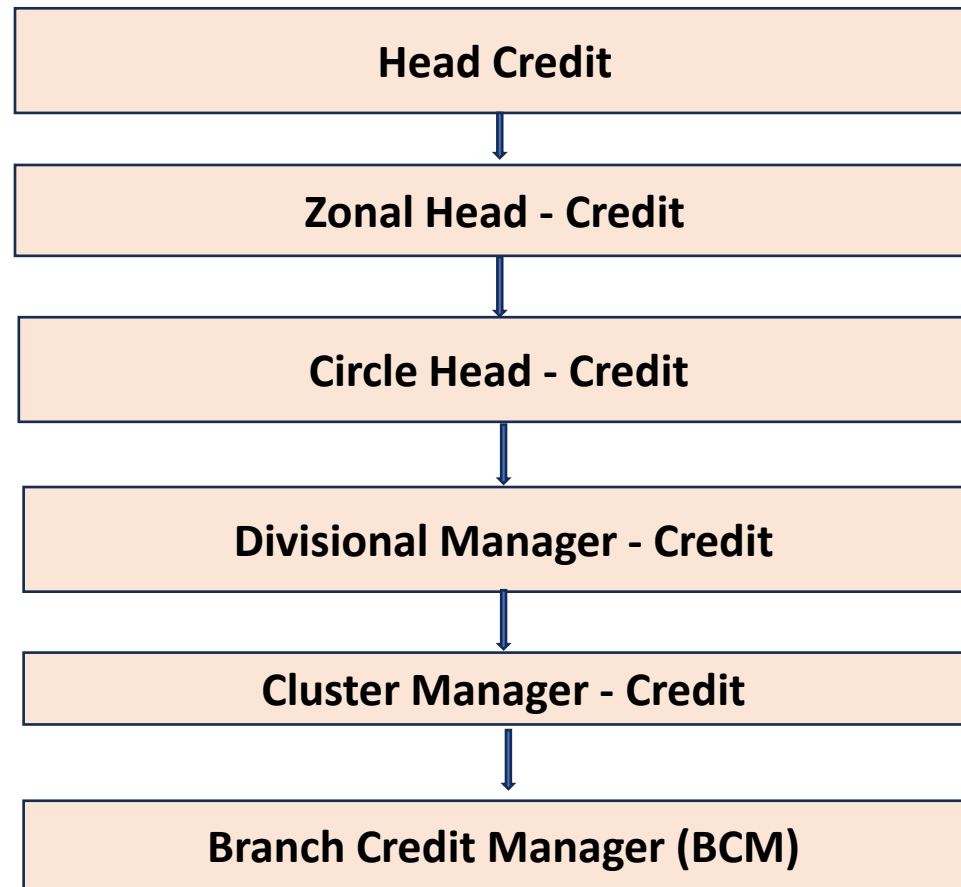
Induction Training

Credit Process

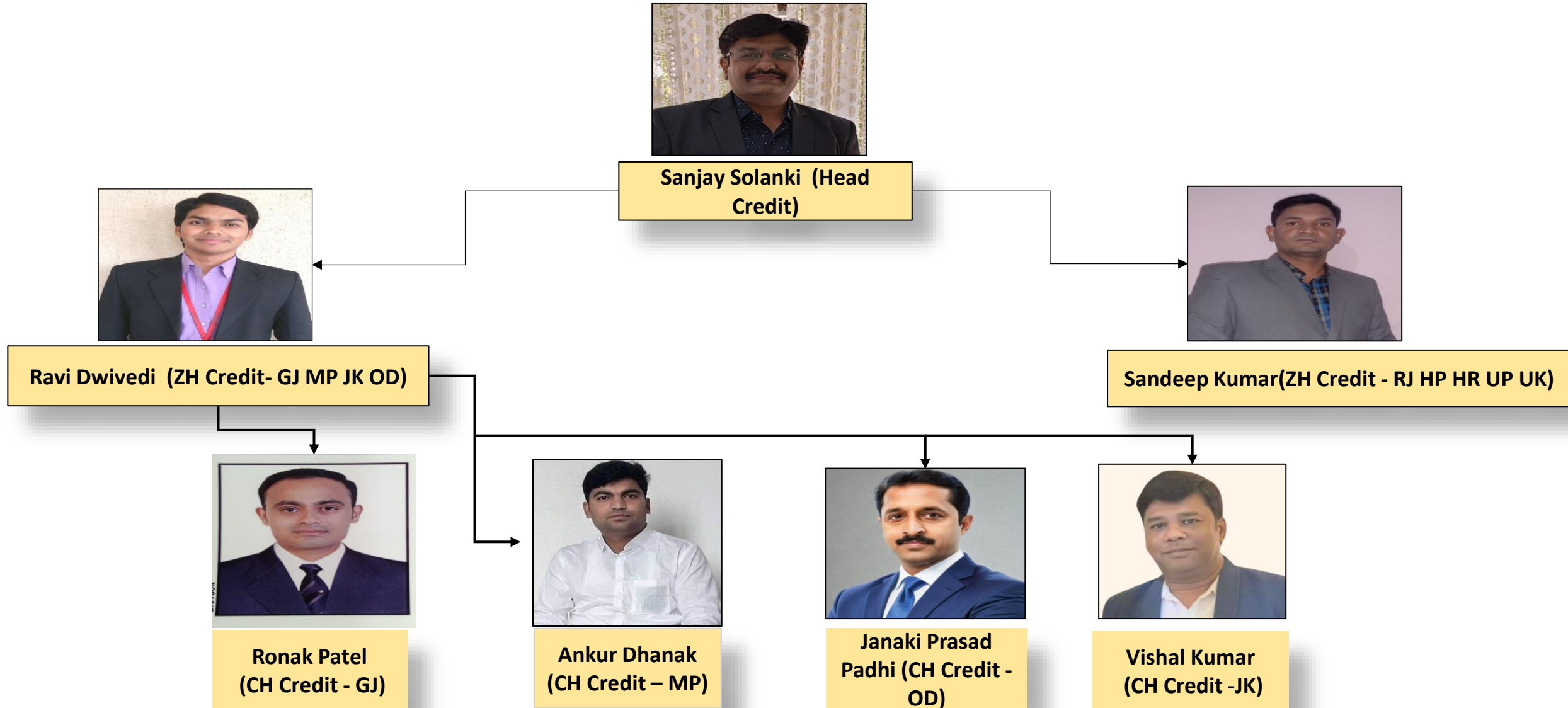
Prepared by-Training Team

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Credit Team at Light Microfinance



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Credit Team at Light Microfinance



Sanjay Solanki (Head Credit)



Ravi Dwivedi (ZH Credit- GJ MP JK OD)



Sandeep Kumar(ZH Credit - RJ HP HR UP UK)



**Sandeep Jangir
(CH Credit –
HR,HP)**



**Sudhir Kumar
(CH Credit –
UP,UK)**

Credit HO Team



Jagdish Makwana
Manager HO Credit Team



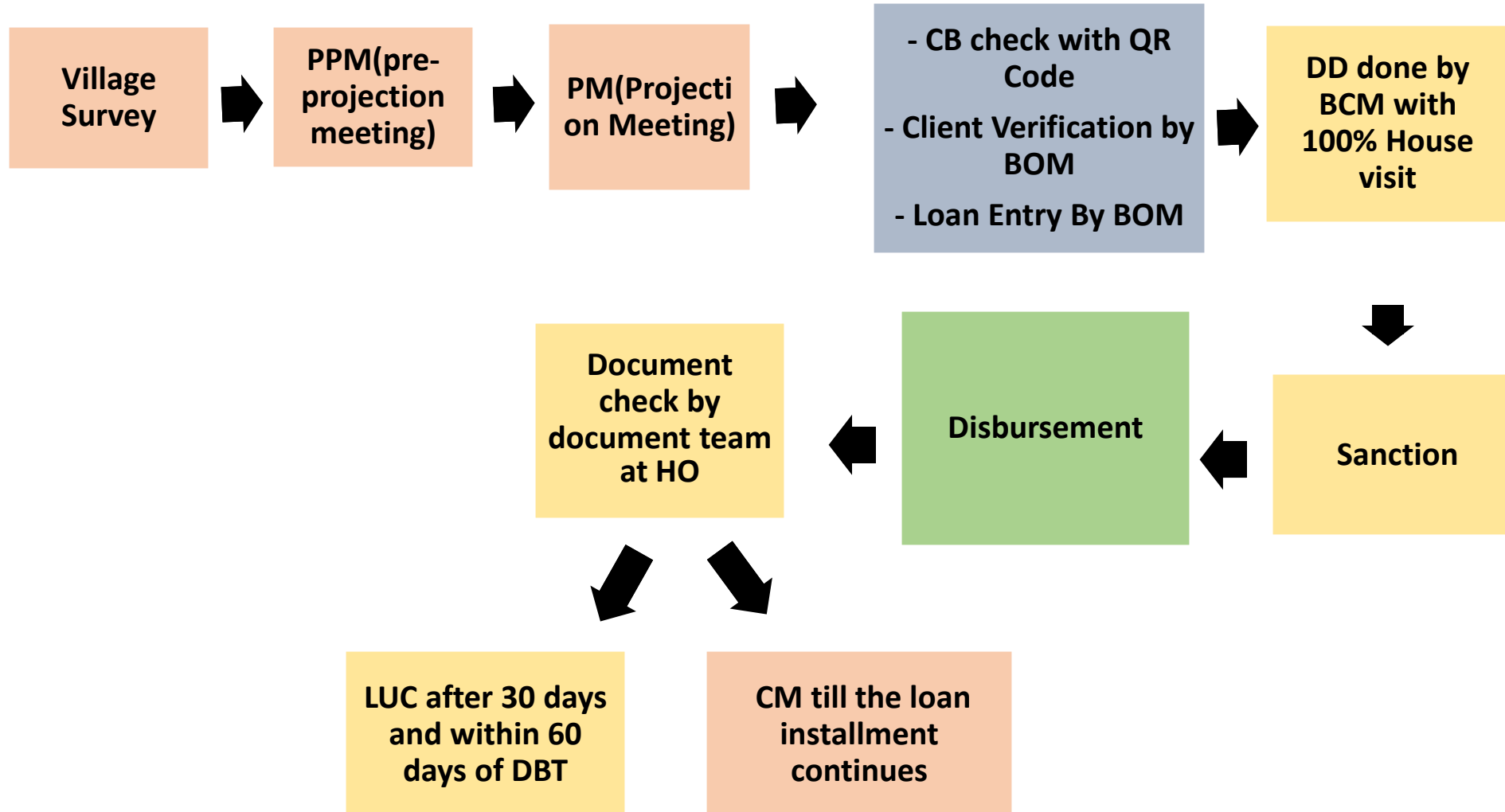
Kajal Mashru
**Manager-Credit Co-
Ordinator (MIS)**



Sourcing Process Flow



Sourcing Process Flow





Work Process In 3 Steps

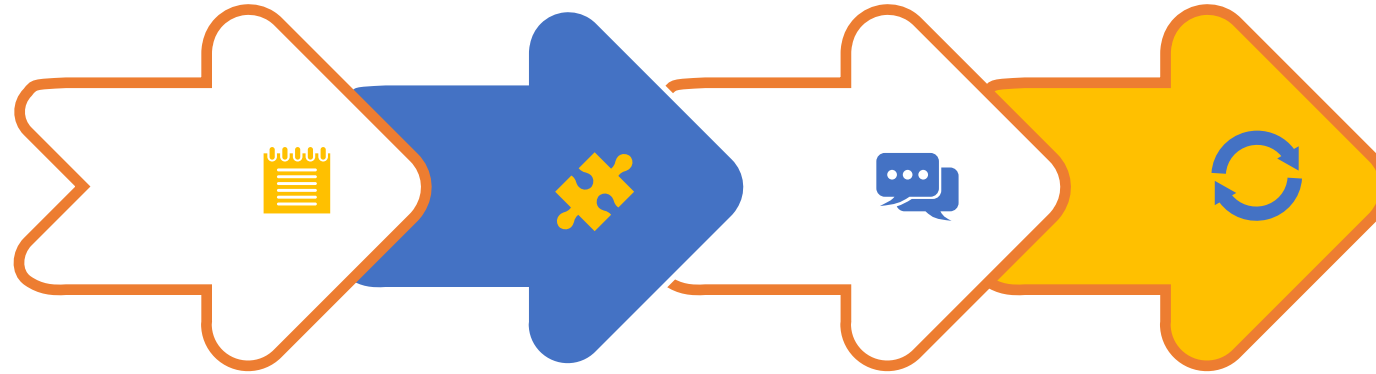
Day	New Client
Day 0	<p>PM – FE will collect Member Application ,KYC Documents of Applicant and Co-Applicant for further process.</p> <p>Online Credit check will be done by FE using QR Code of UID.</p> <p>Client verification and Loan Entry will be done by BOM in Branch after proper documents check.</p>
Day 1 or 2	For New center Credit DD (BM) - 100% House Visit Done (taking Selfie with client and her house) + KYC Verification to be done with OSV
Day 3	Sanction list from HO and FE informs the Clients for DBT Date and Time and required Documents.
Day 3	Disbursement

Day	Renewal Client
Day 0	PM – FE will collect Member Application ,KYC Documents of Applicant and Co-Applicant for further process in Mobilight. Online Credit check will be done by FE from Mobilight.
Day 1 or 2	Loan Entry will be done by BOM in Branch after proper documents check. For Renewal center Credit DD (BCM) - 100% House Visit Done (taking Selfie with client and her house) + KYC Verification to be done with OSV
Day 3	Sanction list from HO and FE informs the Clients for DBT Date and Time and required Documents.
Day 3	Disbursement



Role of Credit in Sourcing Process

Key Responsibility Area of BCM



01 **DD**
Timely Conduct Credit Due Diligence (DD)

03 **Center Meeting Visit**
Regular Center Meeting visit & PAR Center visit

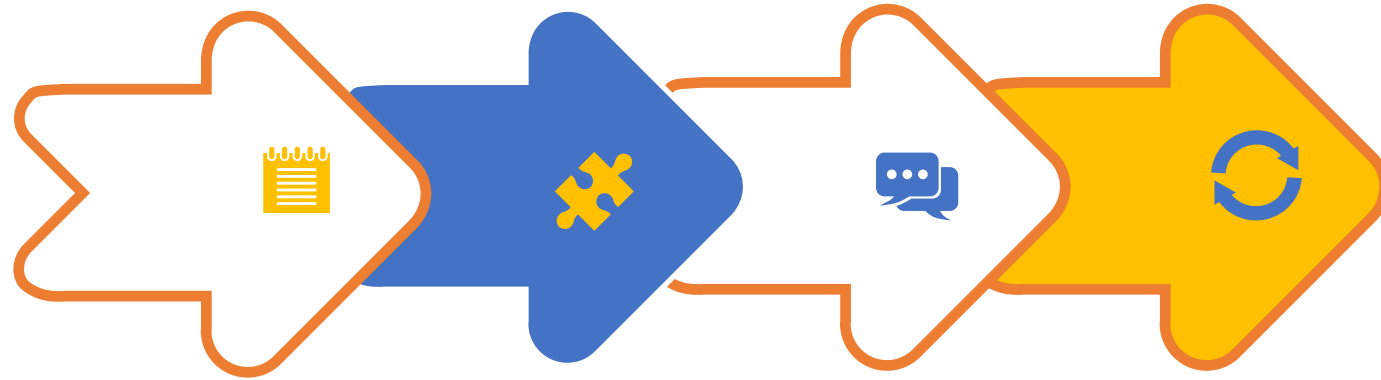
05 **OD Visit**
Overdue client visit & support in collection

02 **LUC**
Timely conduct Loan Utilization Check

04 **Cash Audit**
Branch Cash Audit

06 **Coaching**
Motivational Branch Coaching

Key Responsibility Area of BCM



07

Branch Registers

Branch register check on monthly basis

08

Compliance

Compliance documents and registers check on monthly basis.

DD

Checkpoints

- **Minimum of 3 members for New Client, 1 members for Add in Client and 1 member for Renewal Client**
- **House Distance not more then 1 Kilometer in village & 500 Meter in City area**
- **Physical KYC Verification with KYC details given in system**
- **Reinforcing JLG concept**
- **Relatives in group (5<No pair allowed, 6to10>1 pair are allowed)**
- **House should be Own, Rented profile not allowed**
- **Ownership verification with Electricity bill and Check meter Number with Electricity bill**
- **House Condition: Should be Pucca (Kucha house not allowed)**
- **Loan not passed for New Business start Loan purpose.**
- **Loan is being taken for income generating activities**
- **Loan Purpose and Knowledge about the income generating activity in which the member is going to invest**
- **Verification of Total Family Member, Earning Member and Dependent Member**
- **Assessment of Income Analysis**

DD

Checkpoints

- Breakdown of the regular monthly family expenses like Food, Electricity Bill, Medical expenses, Mobile Bill, Commutation expenses, School fees of Children (if applicable)
- Per Adult expense Deduction 2000 Rs. (It will be calculated by HO Sanction Team).
- Monthly installments paid for other MFI's or Loans like : Moneylenders, vehicle or gold loans
- Verify bank passbook with original updated entry done or not, Bank account number, IFSC code available or not.(if passbook is not updated, inform to client and branch also)
- Health condition of the family members & Reference check on any marriage planning, if the children are near by marriage age
- The member who has applied for a loan for the business and taking a loan for investment in the business will also check the business
- No earnings from illegal activities
- Negative profile work, Member or other family member's profile should not be - Police, Lawyers, Leaders, Liquor Contractors, Commission Agents, Brokers etc..
- Ensuring no involvement of RL/Pipelining/Commissioning, Third Person involvement at the time of House visit and meeting place
- Verification of land holding size and required documents to be provided.
- Migration check and Reference check with both neighbors and other key personnel in the vicinity.
- DD with 100% House visit with Selfie photo (with client & client's house)
- Mobilight App – Credit Module

What is Kutcha house(GJ)?

Definition

Below Checks if found in House while DD process the House will be considered as Kutcha House.

1. Mud House
2. Steel sheet walls in House
3. Without walls - like a stable
4. Weak Wall, Thin wall, Mud Wall (Poor House)
5. Shaded with tarpaulin (Plastic)
6. The wall around the house is made of bamboo, Dry Grass, Tree Branches, wooden wall.

Note for Mud House: For Example if we look at Gandhinagar Branch then we are not Accepting Mud Houses. But we look at Panchmahal location Branches like Lunawada, Santrampur etc. we are Considering Mud house with wide Wall and enough Height and also Well maintain Inside the House. We can also considered Level of Income during confirmation of House.

What is Kutcha house(RJ/HR/HP)?

Definition

RJ/HR/HP-Kutcha/pakka, -the walls of the house should be fixed, the house should be well maintained that is consider.

If the walls of the house are fixed and tin is put on the roof and the house is well kept, then it should not be counted in the kutcha house, and if the walls of a house are fixed, tin is also poured, but there is no material in the house, then it is worse than raw.

If the four walls of the house are fixed but there is no roof, then also it will be considered a raw house. There should not be soil wall.

If a client showing someone else's house, it is called a fake house visit, in this case such client is rejected.

What is Kutcha house(MP)?

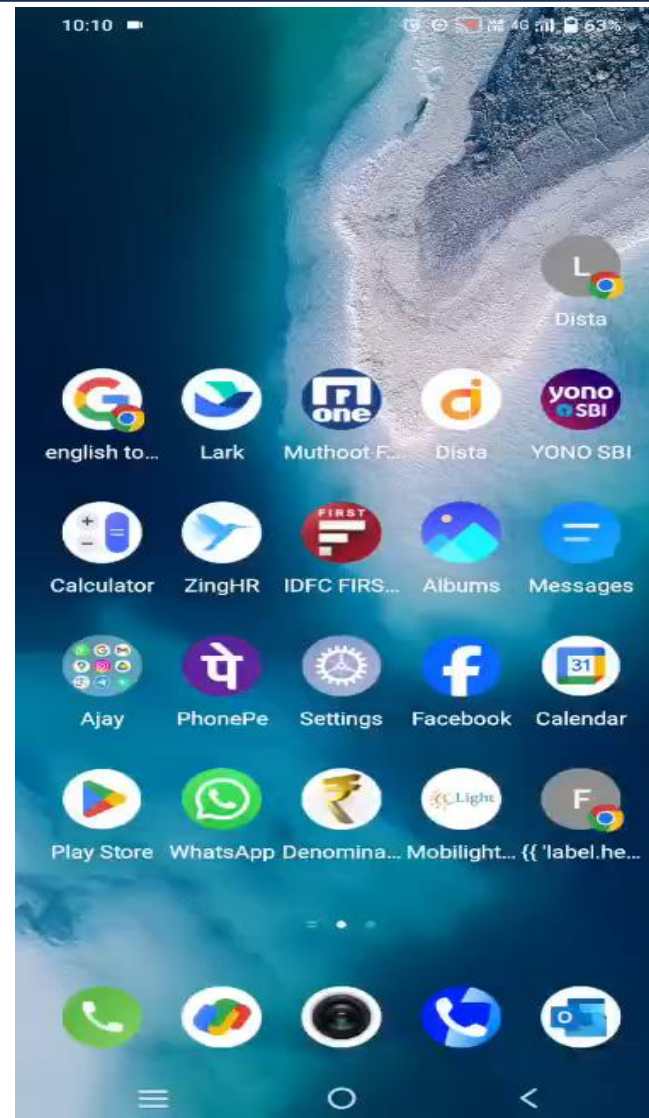
Definition

- 1.The walls of the house should be fixed, the house should be well maintained. If the walls of the house are fixed and tin is put on the roof and the house is well kept, then it should not be counted in the kutcha house.
- 2.If the walls of a house are fixed, tin is also poured, but there is no material in the house, then it is worse than raw, house should have some assets.
- 3.If the walls of the house are fixed but there is no roof, then also it will be considered a Kutcha house.
- 4.Client should have some source of income and loan should be utilize in income generated activity, also client have good track record.
5. If a client showing someone else's house, it is called a fake house visit, in this case such client is rejected.



Let's see how DD Uploaded in Mobilight Credit ?

DD in Mobilight Credit



Wrong image taken at the time of credit DD



Right image taken at the time of credit DD



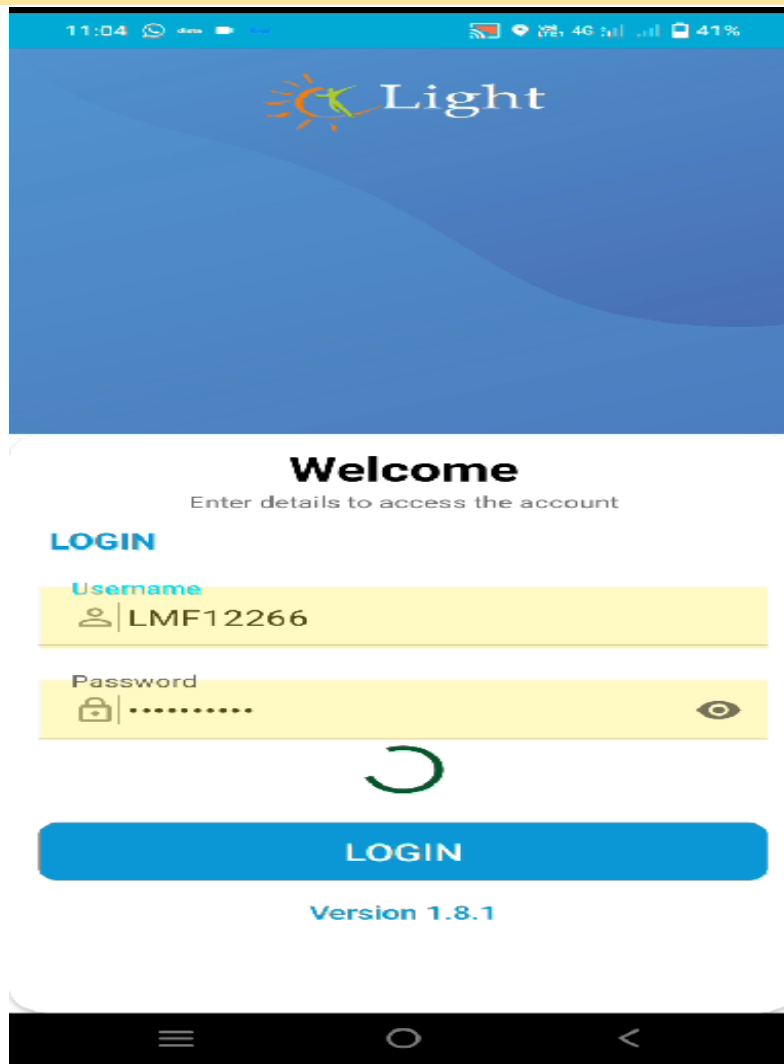
Meeting at the time of Credit DD






Let's see how Penny Drop
Uploaded in Mobilight
Credit ?

Penny Drop at the time of Credit DD



11:04 4G 41%


 Light

Welcome
Enter details to access the account

LOGIN

Username
LMF12266

Password
.....



LOGIN

Version 1.8.1

Center Meeting

Checkpoints

- **CM Register check**
- **CM Attendance**
- **Repayment Schedule Verification**
- **Field Officer's Timings and Behavior**
- **Pipelining/RL/Commissioning Issue check**
- **Sourcing Quality Check**
- **Process knowledge of member check (Repayment issues in center(JLG), VAR Collection, Grievance redressal knowledge, LPF or Insurance Fees)**
- **Collection done through Digital receipt/Online Collection.**
- **Other Major observations**

Cash Audit

Checkpoints

- ❖ **Cash Opening and Closing Verification with Physical Cash**
- ❖ **Cash Audit will not be Count if Physical Cash not available in Branch**
- ❖ **Branch Audit, Collection receipt verification audit, Branch Expense Cross verification with bill , Voucher or Approval.**
- ❖ **Reporting cash differences(if any) to EOD and Credit Team**

Loan Utilization Check (LUC)

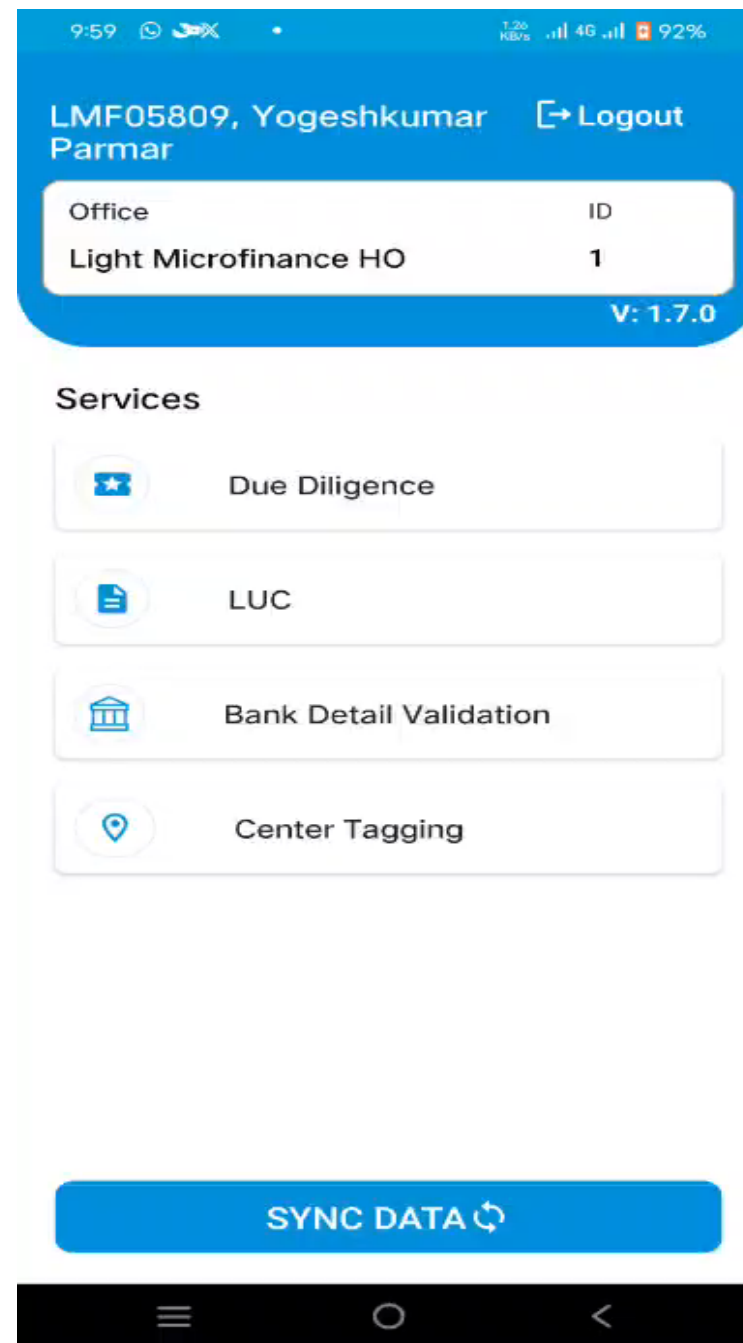
Checkpoints

- ❖ **Loan utilized for the purpose as mentioned in loan application**
- ❖ **Physical verification of the loan utilization**
- ❖ **Any other source of funding for the loan purpose**
- ❖ **Reference Check**
- ❖ **Take selfie photo at the time of LUC with Loan Purpose, client & Credit Person in Mobilight LUC module application**



How LUC is uploaded in Mobilight Credit ?

LUC in Mobilight Credit



Wrong image taken at the time of LUC Check



Utilization purpose not identified

Right image taken at the time of LUC Check



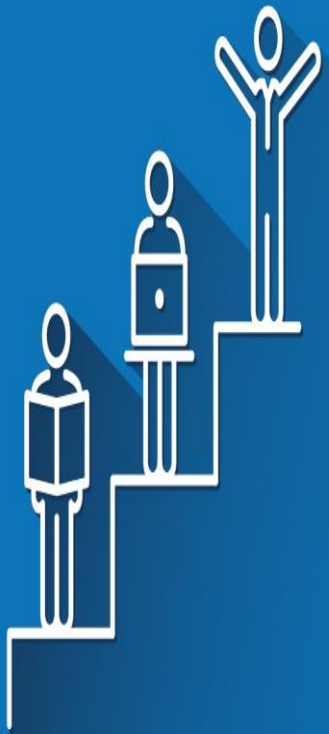
Utilization purpose identified

Branch Compliance

Checkpoints

- BCM will check all the documents are properly displayed or not on notice board – like updated interest rate, grievance cell number, RBI Registration Certificate, Code of conduct, MFIN Certificate, shops and establishment certificate of the branch, GST Certificate etc..
- BCM will guide BOM/BM if updation is required.

Coaching At Branch by BCM



Train
to Grow!



Branch Coaching



BCM Focus Areas

- All BCM must focus on All KRA's.
- Need to punch on daily in home branch morning 7:30 AM and evening 5:30 PM.
- Daily Cash Audit. (Minimum 26 times)
- Center meeting visit on Collection time. (Minimum 35 center meeting)
- LUC Done as per Given Target (Minimum 35 Client's) and 15% of DBT clients LUC to be done.
- PAR Center Visit.
- Send the Observation Report if found and Critical Issue.
- Minimum 5 Center credit DD visit New joining FE.
- Monthly Check all register in branch and send report to CM-Credit.
- Confirmation with BM and FE daily DD planning before one day.
- 100% original KYC Verify at DD Time.
- Inform to respective branch for DD Time Client attendance.
- Required BM & BCM Signature on Daily Conduct DD Status.
- DD Report, LUC Report, Cash Audit Send to CM-Credit
- Send to Monthly Report to CM-Credit (Compliance Report, Neg. & Positive Area, FRC)

CM- Credit Focus Areas

- All CM-Credit must focus on All KRA's.
- Daily Tracking your BCM Plan Vs achievement.
- Daily tracking Rejection Reason & also Remark update in DD time.
- Need to punch on daily in home branch morning 7:30 AM and evening 5:30 PM.
- Cash Audit (Minimum 05 times)
- Center Meeting (Minimum 30 times)
- Branch visit
- Branch Audit, Collection receipt verification audit, Branch Expense with Cross verification with bill and Approval.
- FRC verification carefully.
- Competitor Visit and Collect Data as Per Required 1st to 4th every month & Branch Visit Time
- Training Meeting Conduct at Branch Visit Time with Branch Team.
- Send the Monthly Report to CH-Credit and Kajal Mashru and Virati Shah (Compliance Report, Negative & Positive Area, FRC, Other MFI's Data BCM KRA Rating).
- Incentive depend on your BCM working so keep tracking and co-ordinate with all your BCM.
- Cross verified BCM all Report like DD, LUC done in Mobilight.

Points to Focus and Revise

- In new Disbursement center adding there is no time limit to add client in that center.
- Hospicase related information (30 days & Maximum 30000)
- Co-applicant single KYC verified Original With Application (UID Or VID)
- Ration Card is not mandatory document ,its only verified for Relation match with applicant & co-applicant
- Light Bill, House Tax Paid Receipt (Vera Pavti) House Akarni, Tax Bill copy, Corporation Tax copy, House allotment latter, House Sale / Purchase Agreement (Dastavej)all document is only for house verification & ownership purpose.
- CIBIL PDF verification for Client and Client Husband will be done at DD Time.
- We allowed center in same village our office staff working but condition is 1) Distance form our light Employee house more then 1KM (2) population more then 5000 people in same village (3) our Employee relative not allow in center.
- Co-applicant must be Client's husband only.
- At DD time credit person should ensure that where the meeting is being held, check the meeting of any other company is also held there (if more than 1 company) then the location of the meeting should be changed
- Family Income should be 3 lacs yearly and total household EMI not more than 50 % of monthly Income(Rs 12500).
- Maintain daily DD submission report with BM signature (only BM and above person signature valid)
- Required comments in every center meeting file good or bad both comments.
- Incentive 100% depend only and only on your Achievement against target done.
- Loans are not given to people of the same caste and society. Physical disabled (Handicapped) customers are not given Loan, If He/She able to come at a Disbursement& Center meeting time.