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| IFMR RURAL FINANCE |
| Consolidated Risk Score |
|  |
| **IFMR Rural Finance** |
| **11/15/2016** |

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# Stage definition

|  |  |
| --- | --- |
| **Stage** | **Description** |
| Risk Score 1 | System will tabulate risk score 1 based on data collect at screening |

# Stage-role access

|  |  |
| --- | --- |
| **Stage** | **Applicable Role** |
| Risk Score 1 | System |

# Screening Score (Risk Score 1)

## UI specification

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Risk Score Map for Consolidated Risk Score - Central Risk Review** | | | | |  |  |  |  |  |  |  |  |  |
| **S.No** | **Parameter** | **Stage** | **Entity** | **Main Tab** | **Field Name** | **Options** | **RS Option** | **Weightage in consolidated risk score** | **Weitage in Consolidated Score** | **Scoring** | | | | |
| **1** | **2** | **3** | **4** | **5** |
| 1 | Age | Field Appraisal Review | Applicant | Applicant Details | Age |  | 1. < 25 2. 25 - 30 3. 30 - 40 4. 40 - 55 5. > 55 | 2 | 2% | 1 | 3 | 5 | 5 | 2 |
| 2 | Qualification | Field Appraisal Review | Applicant | Applicant Details | Education Level |  | 1. Below SSLC 2. ITI/Diploma/ Professional Qualification 3. Graduate/ Equivalent to graduate 4. Post graduate & equivalent 5. More than post graduation | 1 | 1% | 1 | 5 | 3 | 4 | 3 |
| 3 | Exp in Biz | Field Appraisal Review | Applicant |  |  |  | 1. <2 years 2. 2-3 years 3. 3-4 years 4. 4-5 years 5. >5 years | 3 | 3% | 1 | 2 | 3 | 4 | 5 |
| 4 | # of Years residence in area /Locality | Field Appraisal Review | Applicant | Address Details | How many years are you living in present Area? |  | 1. < 1 year 2. 1-3 years 3. 3-4 years 4.4-5 years 5. > 5years | 1 | 1% | 1 | 2 | 3 | 4 | 5 |
| 5 | Housing Status | Field Appraisal Review | Applicant | Address Details | Ownership |  | 1. Owned 2. Own house without registration 3. Family Property 4. Leased 5. Rental | 2 | 2% | 5 | 4 | 3 | 2 | 1 |
| 6 | Married Status | Field Appraisal Review | Applicant | Applicant Details | Marital Status |  | 1. Unmarried 2. Married 3. Separated 4. Divorced 5. Widow(er) | 1 | 1% | 4 | 5 | 0 | 1 | 3 |
| 7 | Involvement in Biz | Field Appraisal Review | Applicant | Applicant Details | Business Involvement |  | 1. Full Time 2. Part Time 3. Not Involved | 3 | 3% | 5 | 3 | 0 |  |  |
| 8 | CB score | Screening | Applicant |  |  |  | 1. No data/ -1 to 5 2. 700+ 3. 600-700 4. 550-600 5.<550 | 6 | 6% | 3 | 5 | 4 | 2 | 0 |
| 9 | Psychometric Score | Application | Summary | Psychometric Test | Psychometric Score |  | 1. Failed in all parameters 2. Failed in more than 3 parameters 3. Failed in 2 parameters 4. Passed in 5 of 6 parameters 5. Passed in all parameters | 1 | 1% | 0 | 2 | 3 | 4 | 5 |
| 10 | Referred by | Field Appraisal Review | Business | Business Details | Referred by |  | 1. Channel Partner 2. Existing Customer Referral 3. Direct (Cold Call) 4. Referral Partner | 2 | 2% | 5 | 3 | 1 | 2 |  |
| 11 | Reference Check Score | Field Appraisal Review | Summary | Reference Check |  |  | 1. Positive 2. Negative | 3 | 3% | 5 | 0 |  |  |  |
| 12 | Revenue % from cash sales | Derived |  |  |  |  | 1. < 20 % 2. 20 - 30 % 3. 30-50 % 4. 50-80 % 5. > 80 % | 4 | 4% | 5 | 4 | 3 | 2 | 1 |
| 13 | Business Vintage (verifiable) | Field Appraisal Review | Business | Business Details | Business Operating since | Reference Check Score | 1. <6 months 2. 6 months to 1 year 3. 1-2 years 4. 2-3 years 5. >3 years | 3 | 3% | 1 | 2 | 3 | 4 | 5 |
| 14 | # of Years business in area /Locality | Field Appraisal Review | Business | Business Details | How many years business in present Area? |  | 1. <6 months 2. 6 months to 1 year 3. 1-2 years 4. 2-3 years 5. >3 years | 5 | 5% | 0 | 1 | 2 | 3 | 5 |
| 15 | Business premises Status | Field Appraisal Review | Business | Business Details | Ownership |  | 1. Owned 2. Own house without registration 3. Family Property 4. Leased 5. Rental | 2 | 2% | 5 | 4 | 3 | 2 | 1 |
| 16 | Business History | Field Appraisal Review | Business | Business Details | Constitution | 1. Proprietorship  2. Partnership 3. Private LTD | 1. Clean - Single owner/ Structure | 2 | 2% | 5 | 4 | 3 | 1 | 2 |
| Business | Business Details | Constitution | 1. Proprietorship  2. Partnership 3. Private LTD | 2. Partnership with 2 partners |
| If partnership, how many total partners | 1. 2  2. 3 3. 4 4. >4 |
| Business | Business Details | Constitution | 1. Proprietorship  2. Partnership 3. Private LTD | 3. Partnership with more than 2 partners |
| If partnership, how many total partners | 1. 2  2. 3 3. 4 4. >4 |
| Applicant | Applicant Details | Have you ever been a proprietor or partner of any other company | 1. Yes 2. No | 4. Previously closed another business |
| If yes, did the business close? | 1. Yes 2. No |
| Business | Business Details | Has anyone else been a partner of your present business | 1. Yes 2. No | 5. Previously dissolved partnership |
| If yes, when was that partnership dissolved? | Date |
| 17 | Proxy Indicator Score | Field Appraisal | Applicant | Proxy Indicator |  |  |  | 4 | 4% |  |  |  |  |  |
| 18 | Commercial High mark / CIBIL | Screening | Business | CB Check |  |  | 1. No Data 2. STD 3. Sub DBT, Loss | 5 | 5% | 3 | 5 | 0 |  |  |
| 19 | No of cheque returns including EMI's | Field Appraisal Review | Business | Bank Statement Details | No. of cheques bounced |  | 1. 0-1 2. 2-3 3. 3-4 4. 4-6 5. >6 | 4 | 4% | 5 | 4 | 3 | 1 | 0 |
| 20 | Number of EMI bounces | Field Appraisal Review | Business | Bank Statement Details | No of EMI cheques bounced\* |  | 1. No Bounces 2. Technical Bounces paid in same month 3. 3 bounces paid in same month 4. >3 bounces paid after the month | 5 | 5% | 5 | 4 | 2 | 0 |  |
| 21 | No of Bounces in kinara loan track | Field Appraisal Review |  |  |  | From Kinara records for existing customer ID for applicant/ Business | 1. No Bounces 2. Technical Bounces paid in same month 3. 2 bounces paid in same month 4. >2 bounces paid after the month | 5 | 5% | 5 | 4 | 2 | 0 |  |
| 22 | Average bank deposits: Average revenue | Derived |  |  |  |  | 1. 100 % of revenue in the bank 2. 75 - 100 % of revenue in the bank 3. 50 - 75% of revenue in the bank 4. 25 - 50 % of revenue in the bank 5. <25 % of revenue in the bank | 3 | 3% | 5 | 4 | 3 | 2 | 1 |
| 23 | Kinara EMI% to ABB | Derived |  |  |  |  | 1.<1/2 EMI 2. 1/2 EMI 3. =EMI 4. 1.5 x EMI 5. 2 x EMI | 5 | 5% | 0 | 1 | 3 | 4 | 5 |
| 24 | Kinara EMI % Net Income | Derived |  |  |  |  | 1. < 20 % 2. 20 - 30 % 3. 30 - 40 % 4. 40 - 70 % 5. > 70 % | 6 | 6% | 5 | 4 | 4 | 3 |  |
| 25 | DSCR | Derived |  |  |  |  | 1.< 1.25 2. 1.25 - 1.5 3. 1.5 - 1.75 4. 1.75 - 2  5. > 2 | 6 | 6% | 0 | 2 | 3 | 4 |  |
| 26 | DSO (non-trading) | Derived |  |  |  |  | 1. 0-30 days (good) 2. 30 - 60 days 3. 60 - 90 days 4. 90 - 120 days 5. > 120 days | 3 | 3% | 5 | 4 | 3 | 2 |  |
| 27 | DSO (trading) | Derived |  |  |  |  | 1. 0 days 2. 1 - 7 days 3. 7 - 15 days 4. 15 - 30 days 5. > 30 days | 3 | 3% | 5 | 4 | 3 | 2 |  |
| 28 | Loan product type | Derived |  |  |  |  | 1. Secured LTL 2. Unsecured LTL 3. RFD 4. RFID | 1.5 | 2% | 5 | 3 | 5 | 5 |  |
| 29 | Turnover to Loan Amount Request Ratio (WC only) | Derived |  |  |  |  | 1.< 1 x 2. 1 x - 1.5 x 3. 1.5 x - 2 x 4. > 2x | 0.5 | 1% | 5 | 4 | 3 | 2 |  |
| 30 | Hypothecation value to loan amount ( coverage of loan) | Derived |  |  |  |  | 1. <1 time 2. 1 - 1.25 times 3. 1.25 - 1.5 times 4. 1.5 - 2 times 5. > 2 times | 2 | 2% | 0 | 1 | 2 | 4 |  |
| 31 | DSCR with new asset income | Derived |  |  |  |  | 1.< 1.25 2. 1.25 - 1.5 3. 1.5 - 1.75 4. 1.75 - 2  5. > 2 | 2 | 2% | 0 | 2 | 3 | 4 |  |
| 32 | Current ratio only for WC | Derived |  |  |  |  | 1.< 1  2. 1 - 1.5  3. 1.5 - 2  4. > 2 | 0.5 | 1% | 0 | 3 | 5 | 4 |  |
| 33 | LTV % (new asset) | Derived |  |  |  |  | 1. < 50 % 2. 50-60% 3. 60-75% 4.>75 % | 1 | 1% | 5 | 4 | 3 | 1 |  |
| 34 | LTV % (used asset) | Derived |  |  |  |  | 1. <40 % 2. 40 - 50 % 3. 50- 60% >60 % | 1 | 1% | 5 | 4 | 3 | 1 |  |
| 35 | Social impact | Derived |  |  |  |  | 1. New Jobs 2. Incremental Income 3. Interest Savings | 0.5 | 1% | 5 | 4 | 3 |  |  |
| 36 | Electricity availability | Field Appraisal |  |  |  |  | 1. Yes 2. No | 0.5 | 1% | 5 | 0 |  |  |  |
| 37 | Space availability | Field Appraisal |  |  |  |  | 1. Yes 2. No | 0.5 | 1% | 5 | 0 |  |  |  |
| **CONSOLIDATED** | | | | | | | | **100** | **100%** |  |  |  |  |  |

## Screenshot

Required to attach

## Functional requirements

Consolidated Risk Score is a completely automated calculation.

* For consolidated risk score to calculate, 37 parameters are used. These 37 parameters are mentioned in the table above.
* Each parameter has maximum of five categories- 1,2,3,4 and 5 (refer column no.8)
* The weightage for each parameter is mentioned in column no. 10. The total sum of each parameter is 100%.
* Value of each parameter will fall in one of the five categories say 1,2,3,4 or 5. For each category corresponding score is also mapped in column 11,12,13,14 and 15.
* By using one example we will understand this case. Applicant’s age (parameter 1) is 32 years. Thus applicant is falling in category 3(Column no.8). Now we will map category with score. Category 3 has corresponding scores in column 13 which in this case (score) is 5. For parameter age, applicant has scored 5 marks. The maximum mark each parameter can earn is 5. Thus, applicant has scored 5 out of 5.
* Score calculation method: (Score/5)\*(Weightage\*100)
* For the given applicant’s parameter age, he has scored : (5/5)\*((2/100)\*100)= 2
* The score for each parameter is necessary and applicant/business should fall in either of five categories.
* The maximum score for each parameter is 5. Thus any parameter will not fall in more than one category. For example, for parameter age, all the categories are mutually exclusive.
* Only those parameters will be calculated which are captured/calculated. E.g. if commercial CIBIL is not performed then here that parameter should be ignored. Post that score will be calculated by reducing weightage of the parameter from the overall parameter. In above case, weightage of Commercial CIBIL is 5%. The total weightage now will be reduced to 95% (100-5).
* The cut off score should be configurable. The score will be stored in the system only and it will not be shown anywhere.

## Upload

-NA-

## Download

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## Reports

-NA-