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| IFMR RURAL FINANCE |
| Risk Score 3 |
|  |
| **IFMR Rural Finance** |
| **11/15/2016** |

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# Stage definition

|  |  |
| --- | --- |
| **Stage** | **Description** |
| Risk Score 3 | System will tabulate risk score 3 based on data collect at screening, application and field appraisal stage |

# Stage-role access

|  |  |
| --- | --- |
| **Stage** | **Applicable Role** |
| Risk Score 3 | System |

# Screening Score (Risk Score 1)

## UI specification



|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Risk Score Map for RS 3 - Field Appraisal Stage** | | | |  |  |  |  |  |  |  |  |  |  |  |
| **S.No** | **Parameter** | **Stage** | **Entity** | **Main Tab** | **Field Name** | **Options** | **RS Option** | **Weightage in consolidated risk score** | **Weightage in Risk Score 3** | **Scoring** | | | | | Type |
| **1** | **2** | **3** | **4** | **5** |
| 1 | Age | Field Appraisal | Applicant | Applicant Details | Age |  | 1. < 25 2. 25 - 30 3. 30 - 40 4. 40 - 55 5. > 55 | 2 | 2.062% | 1 | 3 | 5 | 5 | 2 | Static |
| 2 | Qualification | Field Appraisal | 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 | 1.031% | 1 | 5 | 3 | 4 | 3 | Static |
| 3 | Exp in Biz | Field Appraisal | Applicant |  |  |  | 1. <2 years 2. 2-3 years 3. 3-4 years 4. 4-5 years 5. >5 years | 3 | 3.093% | 1 | 2 | 3 | 4 | 5 | Static |
| 4 | # of Years residence in area /Locality | Field Appraisal | 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 | 1.031% | 1 | 2 | 3 | 4 | 5 | Static |
| 5 | Housing Status | Field Appraisal | Applicant | Address Details | Ownership |  | 1. Owned 2. Own house without registration 3. Family Property 4. Leased 5. Rental | 2 | 2.062% | 5 | 4 | 3 | 2 | 1 | Static |
| 6 | Married Status | Field Appraisal | Applicant | Applicant Details | Marital Status |  | 1. Unmarried 2. Married 3. Separated 4. Divorced 5. Widow(er) | 1 | 1.031% | 4 | 5 | 0 | 1 | 3 | Static |
| 7 | Involvement in Biz | Field Appraisal | Applicant | Applicant Details | Business Involvement |  | 1. Full Time 2. Part Time 3. Not Involved | 3 | 3.093% | 5 | 3 | 0 |  |  | Static |
| 8 | CB score | Screening | Applicant |  |  |  | 1. No data/ -1 to 5 2. 700+ 3. 600-700 4. 550-600 5.<550 | 6 | 6.186% | 3 | 5 | 4 | 2 | 0 | Static |
| 9 | Psychometric Score | Field Appraisal | 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 | 1.031% | 0 | 2 | 3 | 4 | 5 | Static |
| 10 | Referred by | Field Appraisal | Business | Business Details | Referred by |  | 1. Channel Partner 2. Existing Customer Referral 3. Direct (Cold Call) 4. Referral Partner | 2 | 2.062% | 5 | 3 | 1 | 2 |  | Static |
| 11 | Business Vintage (verifiable) | Field Appraisal | Business | Business Details | Business Operating since |  | 1. <6 months 2. 6 months to 1 year 3. 1-2 years 4. 2-3 years 5. >3 years | 3 | 3.093% | 1 | 2 | 3 | 4 | 5 | Static |
| 12 | Revenue % from cash sales | Derived |  |  |  |  | 1. < 20 % 2. 20 - 30 % 3. 30-50 % 4. 50-80 % 5. > 80 % | 4 | 4.124% | 5 | 4 | 3 | 2 | 1 | Derived |
| 13 | # of Years business in area /Locality | Field Appraisal | 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 | 5.155% | 0 | 1 | 2 | 3 | 5 | Static |
| 14 | Business premises Status | Field Appraisal | Business | Business Details | Ownership |  | 1. Owned 2. Own house without registration 3. Family Property 4. Leased 5. Rental | 2 | 2.062% | 5 | 4 | 3 | 2 | 1 | Static |
| 15 | Business History | Field Appraisal | Business |  | Business History |  | 1.Clean - Single owner/structure 2.Partnership with 2 partners 3.Partnership with more than 2 partners 4.Previously closed another business 5.Previously dissolved partnership | 2 | 2.062% | 5 | 4 | 3 | 1 | 2 | Static |
| 16 | Proxy Indicator Score | Field Appraisal | Applicant | Proxy Indicator |  |  |  | 4 | 4.124% |  |  |  |  |  |  |
| 17 | Commercial High mark / CIBIL | Screening | Business | CB Check |  |  | 1. No Data 2. STD 3. Sub DBT, Loss | 5 | 5.155% | 3 | 5 | 0 |  |  | Conditional |
| 18 | No of cheque returns including EMI's | Field Appraisal | Business | Bank Statement Details | No. of cheques bounced |  | 1. 0-1 2. 2-3 3. 3-4 4. 4-6 5. >6 | 4 | 4.124% | 5 | 4 | 3 | 1 | 0 | Static |
| 19 | Number of EMI boucnes | Field Appraisal | 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 | 5.155% | 5 | 4 | 2 | 0 |  | Static |
| 20 | No of Bounces in kinara loan track | Field Appraisal |  |  |  | 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 | 5.155% | 5 | 4 | 2 | 0 |  | Conditional |
| 21 | 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 | 3.093% | 5 | 4 | 3 | 2 | 1 | Derived |
| 22 | 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 | 5.155% | 0 | 1 | 3 | 4 | 5 | Derived |
| 23 | Kinara EMI % Net Income | Derived |  |  |  |  | 1. < 20 % 2. 20 - 30 % 3. 30 - 40 % 4. 40 - 70 % 5. > 70 % | 6 | 6.186% | 5 | 4 | 4 | 3 |  | Derived |
| 24 | DSCR | Derived |  |  |  |  | 1.< 1.25 2. 1.25 - 1.5 3. 1.5 - 1.75 4. 1.75 - 2  5. > 2 | 6 | 6.186% | 0 | 2 | 3 | 4 |  | Derived |
| 25 | 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 | 3.093% | 5 | 4 | 3 | 2 |  | Derived |
| 26 | DSO (trading) | Derived |  |  |  |  | 1. 0 days 2. 1 - 7 days 3. 7 - 15 days 4. 15 - 30 days 5. > 30 days | 3 | 3.093% | 5 | 4 | 3 | 2 |  | Derived |
| 27 | Loan product type | Derived |  |  |  |  | 1. Secured LTL 2. Unsecured LTL 3. RFD 4. RFID | 1.5 | 1.546% | 5 | 3 | 5 | 5 |  | Static |
| 28 | 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 | 0.515% | 5 | 4 | 3 | 2 |  | Derived |
| 29 | 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 | 2.062% | 0 | 1 | 2 | 4 |  | Derived |
| 30 | 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 | 2.062% | 0 | 2 | 3 | 4 |  | Derived |
| 31 | Current ratio only for WC | Derived |  |  |  |  | 1.< 1  2. 1 - 1.5  3. 1.5 - 2  4. > 2 | 0.5 | 0.515% | 0 | 3 | 5 | 4 |  | Derived |
| 32 | LTV % (new asset) | Derived |  |  |  |  | 1. < 50 % 2. 50-60% 3. 60-75% 4.>75 % | 1 | 1.031% | 5 | 4 | 3 | 1 |  | Derived |
| 33 | LTV % (used asset) | Derived |  |  |  |  | 1. <40 % 2. 40 - 50 % 3. 50- 60% >60 % | 1 | 1.031% | 5 | 4 | 3 | 1 |  | Derived |
| 34 | Social impact | Derived |  |  |  |  | 1. New Jobs 2. Incremental Income 3. Interest Savings | 0.5 | 0.515% | 5 | 4 | 3 |  |  | Static |
| 35 | Electricity availability | Field Appraisal |  |  |  |  | 1. Yes 2. No | 0.5 | 0.515% | 5 | 0 |  |  |  | Static |
| 36 | Space availability | Field Appraisal |  |  |  |  | 1. Yes 2. No | 0.5 | 0.515% | 5 | 0 |  |  |  | Static |
| **CONSOLIDATED** | | | | | | | | **97** | **100%** |  |  |  |  |  |  |

## Screenshot

Required to attach

## Functional requirements

Risk Score 1 is a completely automated calculation.

* For risk score 3 to calculate, 36 parameters are used. These 36 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%. So if the weightage is 1/97% then its weightage is 1.030927%.
* 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)\*((2/97)\*100)= 2.06185567
* 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 92% (97-5).
* 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

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