Assetline Leasing Company Ltd

Daily Interest Calculation

Version 2.0

27-APR-2015

ModularFour Solution Pvt Ltd.

Revision History

Date	Description	Author	Comments
22-04-2015	Initial Version	ModularFour	
27-04-2015	Added Receipt and Cheque Cancellation	ModularFour	

Document Approval

The following Software Requirements Specification has been accepted and approved by the following:

Signature	Printed Name	Title	Date

Table of Contents

1. Introduction

1.1 Purpose

Assetline has requested a further development on the existing iCAM loan application to support their daily interest calculation method.

1.2 Scope

A new interest frequency "Daily" is introduced. This is as same as the existing Monthly, Quarterly, Biannually and Annually. But a rental schedule will not be generated at facility activation. Further Interest or Capital will not be due till a receipt is done against such a facility.

1.3 Definitions, Acronyms, and Abbreviations

N/A

1.4 References

N/A

1.5 Overview

Introducing Daily Interest Calculation

2. General Description

N/A

2.1 Product Perspective

Commercial Credit, Pledge, Revolving, Invoice Discounting

2.2 Product Functions

N/A

2.3 User Characteristics

N/A

2.4 General Constraints

N/A

2.5 Assumptions and Dependencies

N/A

3. Specific Requirements

Contract Creation & Activation
- Contract creation and activation will follow the same procedure as existing.
- But there will be no rental schedule generated at activation.
- No GL entries will be posted.
- Debt will be due up until a receipting is processed.

There will be a mandatory interest of 15 days entitled to daily method facilities, yet that will also not be due until a receipt or a settlement is to be processed.

Partial Settlement
- When a partial settlement is done; it will first settle any Other Charge dues. Then the balance will be considered as an overpayment as no capital potion or an interest is due against the facility.

- When the day end process is executed on that particular night, interest will be due and overpayment will be settled. And Rental Due and Rental Settle Entry will be posted to the GL.

- If the receipt is a Cheque payment it will still be considered as an overpayment but the interest and overpayment settlement will be done only upon cheque realization.

- Same day Receipt Cancellation will be allowed since the Receipts still in Overpayment. And other charge settlement will be reversed if any processed.

- If a receipt is cancelled later, that settled Interest and capital potions will be reversed. Other Charge settlements will be reversed too. No OD Interest will be charge for reversed Interest or the Capital at the time of Cancellation.
- ODI Will be charge after the Contract get laps

Facility Closure
- During facility closure, there will be a separate option to view the total outstanding.

- Facility closure process will calculate the as at day due and settle off the facility.

    For example:
    Scenario1:   Settling a loan within first 15 days
                  During the settlement (closure);
                  Interest will be calculated for the entitled 15 fays
                  Due the interest against the facility
                  Calculate the total
    Scenario2:   Settling a loan after 20 days (after the first 15 days)
                  During the settlement (closure);
                  Interest will be calculated as at date
                  Due the total interest against the facility
                  Calculate the total outstanding

Facility Expiration
- When the facility expires the available balance will due.

- Interest will not be calculated against expired facilities. But an overdue charge will be calculated on a previously defined rate. This will be calculated on a daily basis.

- Previous set reminder will start generating since facility expiration.

Cheque Realization
- New screen to be introduced to realize the cheques which are posted to the Daily Basis facility.
- Email will be sent to the list of users daily basis, the list of receipts that are required realization

System constraints:
- Partial settlement are always considered as overpayment till the day end is processed

- All facilities will entitle the 15 days interest

- There will be no early settlement interest rebate

- When receipt is a Cheque overpayment settlement will be done only after cheque realization

- A scenario where a previous receipt is cancelled after settling another receipt on the same facility: Then the dues for the second receipt have been calculated for the balance following the first receipt. So later even though the first receipt resettlements are reversed, second receipt settlement will not be changed. This will be the same for all completed settlements since the cancelled receipt

- The Approved New interest rate will be applied to the base at one where the product is Variable Interest and Contract Status is "Active" and rentals due in future

Stakeholders:
Head of Loan Department (AssetLine), Head Of Accounts Department (AssetLine), Head of IT (AssetLine), Head of Process (Modular4), Director Projects (Modular4)