Kredila Operational Runbook: India Disbursement (Domestic & Abroad)

1. Document Overview

- **Entity:** Kredila Financial Services (India)
- **Compliance Framework:** RBI Fair Practices Code (FPC) & FEMA (LRS)
- **SLA:** * **Domestic:** 24–48 hours.
    - **International (LRS):** 48–72 hours.

2. Trigger Conditions

Disbursement is triggered only after the **Digital Loan Folder** is locked with:

1. **Signed Agreement:** E-signed via Aadhaar/DigiLocker.
2. **Repayment Setup:** Active **e-NACH/e-Mandate** registration for the co-applicant's account.
3. **Fee Invoice:** Valid university fee schedule or "Demand Letter."
4. **Security:** 9–12 Post-Dated Cheques (PDCs) received at the local branch (if applicable for unsecured loans).

3. Process Steps (The India Workflow)

Step 1: TCS (Tax Collected at Source) Calculation

As per 2026 regulations, the **LRS (Liberalised Remittance Scheme)** threshold and rates are critical:

- **Education Loan-Funded: 0% TCS** (exempted under Section 80E).
- **Self-Funded/Margin Money:** * Up to ₹10 Lakh: **NIL**.
    - Above ₹10 Lakh: **5%**.
- **Verification:** Ensure the loan sanction letter specifically mentions it is for "Higher Education" to claim the 0% rate.

Step 2: CIBIL & Compliance Update

- Refresh the **CIBIL** record of the student and co-applicant 24 hours prior to disbursement.

- **Action:** If a "new default" is detected, halt and move to Escalation Tier 2.

Step 3: Funds Allocation

Kredila splits the disbursement into two buckets:

- **Bucket A (Tuition):** Disbursed directly to the University account via **Flywire, GlobalPay, or SWIFT**.
- **Bucket B (Living Expenses):** Transferred to the student's **NRE/NRO account** or a Kredila-linked **Forex Card**.

Step 4: Remittance Documentation (Form A2)

For international transfers, the Ops team must file **Form A2** with the Authorised Dealer (AD Bank).

- **Formula for Remittance:**

$$Total Payment = (Fee_{USD} \times Rate_{FX}) + Bank Charges + GST_{18\% \text{ on charges}}$$

4. Critical Dependencies

- **AD-I Banks:** HDFC, ICICI, or SBI (for processing outward SWIFT).
- **UIDAI:** For Aadhaar-based e-KYC/e-Sign validation.
- **NPCI:** For e-NACH mandate processing.

5. Failure Scenarios – India Specific

Scenario	Troubleshooting Action
e-NACH Rejection	Re-initiate mandate link; disbursement cannot proceed without a valid repayment channel.
LRS Limit Exceeded	Check if the student has remitted > $250k USD this FY across all banks. If yes, reject.
Name Mismatch	Name on PAN/Aadhaar doesn't match University Admission Letter. Requires an **Affidavit of Identity**.
Inoperative PAN	If PAN is not linked to Aadhaar, the transaction will fail at the AD Bank. Student must link PAN immediately.

6. Escalation Matrix

- **Tier 1 (Ops Associate):** Standard processing & document verification.
- **Tier 2 (Ops Manager):** Delay > 12 hours due to **e-NACH/Forex rate mismatch**.
- **Tier 3 (Country Head/Compliance):** Any delay > 24 hours or **RBI/FEMA compliance alerts**.

7. Post-Disbursement

1. **Form 15CA/CB:** Ensure tax declarations are uploaded for foreign remittances.
2. **Interest Accrual:** Activate "Simple Interest" billing in the KMS for the moratorium period.
3. **Customer Advice:** Send the **UETR (Unique End-to-End Transaction Reference)** number to the student for tracking the SWIFT transfer.