

THAR COMMERCIAL FINANCE PVT. LTD. OPERATIONS POLICY

Document Details	Information
Policy Title	Operations Policy
Applicable Entity	Thar Commercial Finance Pvt. Ltd. (TCFPL)
Registration	Registered NBFC — Non-Banking Financial Company
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1. Preamble and Introduction

1.1 Background

Thar Commercial Finance Pvt. Ltd. (hereinafter referred to as 'TCFPL' or 'the Company') is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). The Company offers a diversified portfolio of financial products including Insurance Claims Finance, Patient Finance, Health Insurance Premium Finance, Business Loans, Personal Loans, and Real Estate Construction Finance.

This **Operations Policy** ('Policy') has been formulated in strict compliance with the RBI Master Direction – Non-Banking Financial Company Directions, 2016 (as amended), RBI Fair Practices Code for NBFCs, RBI Guidelines on Digital Lending (2022), and other applicable circulars and statutory provisions governing recovery and collection practices of NBFCs in India.

The Policy governs all collection, recovery, and delinquency management activities across TCFPL's loan portfolio, including:

- Health Insurance Premium Financing (Personal Loan for Insurance Premium)
- Hospital Finance (Short-Term Bridge Finance for Hospitalization)
- Personal Loan
- Business Loan
- Real Estate Project Loan
- Working Capital Loan
- Solar Loan

1.2 Objective of this Policy

This Operations Policy is formulated to:

- Establish uniform operating standards and procedures across all business functions of TCFPL.
- Ensure compliance with RBI guidelines, Master Directions, and applicable laws and regulations.
- Define roles, responsibilities, and accountability frameworks for all operational activities.
- Provide a framework for sound credit, risk, and governance practices as required under Base Layer NBFC regulations.
- Protect the interests of borrowers, lenders, investors, and other stakeholders.

1.3 Regulatory Framework

This Policy is framed in accordance with and shall be read in conjunction with the following regulations and guidelines:

- RBI Act, 1934 - Sections 45-IA to 45-MB
- Master Directions - Non-Banking Financial Company - Scale Based Regulation, 2023 (RBI/2023-24/94)
- Fair Practices Code for NBFCs - RBI Master Circular
- Know Your Customer (KYC) Directions, 2016 (updated)
- RBI Directions on Outsourcing of Financial Services by NBFCs
- Prevention of Money Laundering Act, 2002 (PMLA) and Rules thereunder
- Information Technology Act, 2000 and IT (Amendment) Act, 2008
- RBI Digital Lending Guidelines, 2022
- SARFAESI Act, 2002 (where applicable)
- Income Tax Act, 1961 and applicable GST provisions

2. Scope and Applicability

2.1 Scope of Application

This Policy applies to:

- All business units, departments, and functions of TCFPL.
- All employees, officers, directors, and contract staff engaged in the operations of the Company.
- All service providers, outsourced entities, and business correspondents/channel partners working on behalf of TCFPL.
- All loan products currently offered by TCFPL, including but not limited to: Insurance Claims Finance, Patient Finance, Health Insurance Premium Finance, Business Loans, Personal Loans, Real Estate Loans, Loan Against Property, and Working Capital Loans.

2.2 Geographic Scope

This Policy applies to all operations conducted by TCFPL across all states and union territories where the Company operates.

3. Governance Structure and Responsibilities

3.1 Board of Directors

The Board of Directors of TCFPL holds ultimate responsibility for:

- Approval of this Operations Policy and all material amendments thereto.
- Oversight of the overall risk management framework and operational controls.
- Annual review of this Policy and compliance confirmation.
- Appointment of the Principal Officer / Compliance Officer and Chief Risk Officer.
- Ensuring the Company operates within the regulatory framework prescribed by the RBI.

The Board comprises:

Name	Designation	Background
Vivek Thar	Director	Wealth Management, Financial Planning, Corporate Structuring
Chintan Shah	Director	Risk Mgmt, Insurance, HR, Asset Management (20+ yrs)
Yatin Mankad	Independent Director	Retired DGM, IDBI Bank - 36 years banking experience

3.2 Committees

The following Board and Management Committees shall oversee operations:

Committee	Key Responsibilities
Audit Committee	Oversight of internal audit, financial reporting, and compliance
Risk Management Committee	Credit risk, market risk, liquidity risk, and operational risk oversight
Asset Liability Management (ALM) Committee	Management of asset-liability mismatch and liquidity

3.3 Key Managerial Personnel (KMP) Responsibilities

- CEO / MD: Day-to-day management, strategic execution, regulatory liaison.
- CFO & Risk Management Head: Financial reporting, NPA management, capital adequacy, risk frameworks.
- Compliance Officer / Principal Officer: PMLA compliance, RBI returns, regulatory correspondence.

- Operations Head: Loan processing, disbursement, collections, and customer service.
- IT Head: System security, data integrity, digital lending platforms.

4. Products and Lending Operations

4.1 Approved Loan Products

TCFPL offers the following loan products as approved by the Board, consistent with its NBFC registration:

#	Product	Type	Avg. Tenure	ROI Range	Ticket Size
01	Insurance Claims Finance (Hospital)	Unsecured	2 Months	17–21%	> Rs. 25L, <= Rs. 50 L
02	Patient Finance	Unsecured	12 Months	17–21%	Avg. Rs. 1 Lakh
03	Health Insurance Premium Finance	Unsecured	3–12 EMIs	17–21%	Avg. Rs. 50K
04	Business Loans (MSME)	Unsecured	30 Months	15–18%	> Rs. 25L, <= Rs. 5 Cr
05	Personal Loans	Unsecured	12 Months	12–21%	> Rs. 25L, <= Rs. 5 Cr
06	Real Estate / Construction Finance	Secured	60 Months	15–18%	> Rs. 5 Cr
07	Loan Against Property (LAP)	Secured	48 Months	15–18%	> Rs. 25L, <= Rs. 5 Cr
08	Working Capital Loan	Secured	24 Months	15–18%	> Rs. 25L, <= Rs. 5 Cr

4.2 New Product Approval Process

Any new product or significant modification to an existing product shall require:

1. Preparation of a Product Note by the business/product team detailing features, target segment, risk assessment, and regulatory compliance.
2. Review and approval by the Risk Management Committee.
3. Legal and compliance review for regulatory permissibility.
4. Final approval by the Board of Directors.
5. Regulatory filing / communication to RBI, if required.

5. Credit Policy and Underwriting Standards

5.1 Credit Philosophy

TCFPL follows a disciplined credit approach combining fundamental financial analysis with technology-driven data science. The Company targets middle-class India, MSME borrowers, hospitals (institutional), and healthcare finance with emphasis on asset quality.

5.2 Eligible Borrowers

Segment	Eligibility Criteria
Hospitals / Healthcare Institutions	Min. 50-bed capacity, Tier II cities or above, empanelled with insurers/TPA, minimum 3 years operations
Patients (Individual)	CIBIL score 700+, valid health insurance policy, KYC compliant, Indian resident
MSME / Business Borrowers	Minimum 2 years business vintage, ITR filed for 2 years, profitable operations, manufacturing/services/trade

Segment	Eligibility Criteria
Salaried Individuals (Personal Loan)	Minimum 1 Year continuous employment, CIBIL 700+, net monthly income >= Rs. 25,000
Real Estate / Developers	Minimum 3 completed projects, RERA registered, clear land title, financial statements for 3 years

5.3 Credit Appraisal Process

1. Lead Generation and Application Receipt
2. KYC Verification (CKYC / Physical)
3. Document Collection: ITR, bank statements, insurance documents, KYC, cancel cheque, property documents (as applicable)
4. CIBIL / Bureau Check (min. score 650 for retail)
5. Field Investigation (FI) for business loans above Rs. 10 Lakhs
6. Credit Underwriting and Risk Assessment by Credit Officer
7. Sanctioning Authority Approval (per Delegation of Authority matrix)
8. Sanction Letter issuance and acceptance by borrower
9. Legal documentation and execution
10. Disbursement

5.4 Delegation of Authority (Credit Sanctioning)

Authority Level	Sanctioning Limit
Credit Officer	Up to Rs. 5 Lakhs
Senior Credit Officer / Credit Head	Up to Rs. 25 Lakhs
CFO	Up to Rs. 1 Crore
MD / CEO	Up to Rs. 5 Crores
Credit Committee (Board Level)	Above Rs. 5 Crores

6. KYC / AML / CFT Policy

6.1 Regulatory Basis

TCFPL's KYC/AML/CFT program is implemented in accordance with the Prevention of Money Laundering Act, 2002 (PMLA), the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, and the RBI KYC Master Direction, 2016 (as updated).

6.2 KYC Requirements

6.2.1 Individual Borrowers

- Proof of Identity: Aadhaar, Passport, Voter ID, Driving Licence
- Proof of Address: Aadhaar, Utility Bill (< 3 months), Bank Statement
- PAN Card (mandatory for all borrowers)
- Photograph
- CKYC: TCFPL shall invoke CKYC records through the CKYC Registry before processing new applications.

6.2.2 Non-Individual Borrowers (Hospitals / MSME / Corporates)

- Certificate of Incorporation / Registration Certificate
- GST Registration, RERA Registration (for developers)
- Memorandum and Articles of Association / Partnership Deed
- List of Directors / Partners / Beneficial Owners
- Board Resolution authorising the loan
- PAN of entity and Key Managerial Personnel
- Beneficial Ownership Declaration (for entities with > 25% ownership)

6.3 Customer Due Diligence (CDD) and Risk Categorisation

Risk Category	Profile	Review Frequency
Low Risk	Salaried individuals, hospitals with established track record, government entities	Every 10 years
Medium Risk	MSME borrowers, small developers, self-employed professionals	Every 8 years
High Risk	PEP connections, high-value transactions, new-to-credit, structurally complex entities	Every 2 years

6.4 Suspicious Transaction Reporting (STR)

- TCFPL shall file STRs with the Financial Intelligence Unit - India (FIU-IND) within 7 working days of determination of suspicion.
- The Principal Officer is designated as the reporting authority to FIU-IND.
- All employees are trained to identify and report suspicious transactions to the Compliance team.
- Cash Transaction Reports (CTR) shall be filed for cash transactions exceeding Rs. 10 Lakhs.

7. Fair Practices Code

7.1 Principles

TCFPL is committed to the following fair practice principles as mandated by the RBI's Fair Practices Code for NBFCs:

- Transparency in loan pricing, terms, fees, and charges.
- Non-discriminatory practices in lending.
- Prompt and courteous handling of customer queries and grievances.
- No coercive recovery practices.
- Responsible lending aligned with borrower's repayment capacity.

7.2 Loan Application and Sanction

- All loan applications shall be acknowledged with a reference number within 24 hours.
- Decisions on loan applications shall be communicated within 7 working days for retail loans and 15 working days for corporate/real estate loans.
- Reasons for rejection shall be communicated to the applicant in writing.
- Sanction letters shall disclose: loan amount, rate of interest (annualised), processing fees, prepayment terms, tenure, EMI, and total cost of borrowing.

7.3 Interest Rate Policy

TCFPL follows a Board-approved Interest Rate Policy. Key principles:

- Interest rates are determined based on cost of funds, risk premium, operating costs, and competitive benchmarks.
- The range of rates charged to borrowers is: 12% to 24% per annum

- Penal interest for delayed repayment shall not be capitalised.
- Floating rate loans: interest resets shall be communicated at least 30 days in advance.

7.4 Grievance Redressal Mechanism

- Level 1: Customer contacts TCFPL via phone (022-6715-4321) or email (compliance@tcfpl.co.in). Resolution target: 7 working days.
- Level 2: Escalation to Grievance Redressal Officer (GRO). Resolution target: 15 working days.
- Level 3: If unresolved, customer may approach the RBI Ombudsman under the Integrated Ombudsman Scheme (IOS), 2021.

The Grievance Redressal Officer's details shall be prominently displayed on the Company website and all loan documents.

8. Loan Disbursement and Account Management

8.1 Pre-Disbursement Checklist

- Executed loan agreement (physically signed or e-signed as per IT Act)
- E-NACH mandate registration (for EMI-based products)
- Post-Dated Cheques (PDCs) / NACH / SI - as required per product
- Security creation (for secured loans): mortgage registration, hypothecation, insurance assignment
- Disbursement approval by sanctioning authority
- Pre-payment of all fees and charges

8.2 Disbursement Norms

- All disbursements shall be made through electronic bank transfer (NEFT/RTGS/IMPS) only. No cash disbursements are permitted.
- Disbursement shall be made to the borrower's verified bank account (as per KYC).
- For Insurance Claims Finance: funds disbursed directly to the hospital's designated account upon invoice verification.
- For Patient Finance: funds disbursed to the hospital on behalf of the patient.
- For Health Insurance Premium Finance: funds disbursed directly to the insurance company.
- Disbursement shall occur within 2 working days of all pre-disbursement conditions being met.

8.3 Post-Disbursement Monitoring

- Monthly statement of account to be provided to all borrowers.
- Annual intimation of outstanding balance and interest charged.
- Borrower to be informed of any changes in terms 30 days in advance.
- TCFPL shall maintain a Loan Management System (LMS) recording all transactions.

9. Collections and Recovery Policy

9.1 Collection Framework

TCFPL's collections are managed through the following mechanisms:

Mode	Description
E-NACH	Auto-debit on 5th working day of every month for EMI-based products
RTGS / NEFT	For lump sum / bullet repayments on maturity
Insurance Claim Settlement	Direct recovery upon insurer settling the claim (Insurance Claims Finance)

Mode	Description
Post-Dated Cheques	For borrowers without NACH mandate
UPI / Digital Payments	Available for small-ticket retail borrowers

9.2 NPA Classification and Provisioning

TCFPL follows RBI prudential norms for NPA recognition:

NPA Category	Overdue Period	Minimum Provisioning
Standard Asset	Less than 90 days	0.25% of outstanding
Sub-Standard Asset (NPA)	90 days to 12 months	10% of outstanding
Doubtful - Category I	12 to 24 months	25% secured; 100% unsecured
Doubtful - Category II	24 to 36 months	40% secured; 100% unsecured
Doubtful - Category III	More than 36 months	100%
Loss Asset	As identified by auditors/RBI	100%

9.3 Recovery Practices

- Recovery agents / outsourced collection entities shall be engaged only after Board approval and RBI notification (as applicable).
- All recovery personnel shall be trained on TCFPL's Code of Conduct and RBI guidelines on collections.
- No harassment, coercion, intimidation, or use of abusive language is permitted during recovery.
- Visits to borrower premises shall only be between 8:00 AM and 7:00 PM.
- Legal recovery (SARFAESI, DRT, civil courts) shall be initiated only after exhausting negotiation and restructuring options.
- Deceased borrowers: Claims of legal heirs shall be processed with sensitivity and within 30 days of submission of required documents.

10. Regulatory Reporting and Compliance

10.1 RBI Statutory Returns

Return / Report	Frequency	Regulatory Reference
NBS-1: Assets and Liabilities	Quarterly	RBI NBFC Returns Directions
NBS-2: Capital Adequacy	Quarterly	Prudential Norms Master Direction
ALM Return (NBS-ALM)	Monthly	ALM Guidelines for NBFCs
FIU-IND: CTR/STR/CCR	As applicable	PMLA Rules 2005
CRILC Reporting	Monthly	RBI CRILC Guidelines
CERSAI Registration	Per transaction	SARFAESI Act (for secured loans)
Annual Return (NBS-7)	Annual	RBI Master Direction
Audited Financial Statements	Annual	Companies Act 2013
Board Resolution on Fair Practices Code	Annual	RBI FPC Circular

10.2 Internal Compliance Calendar

- Monthly: ALM Return, CRILC, FIU filings, portfolio review by Risk Committee.

- Quarterly: Board meeting, capital adequacy review, NBS-1 / NBS-2 submissions.
- Half-yearly: Internal audit report, statutory audit update.
- Annual: Board approval of all policies, RBI supervisory inspection preparedness, Annual Report, Auditor's Report.

11.3 Compliance Monitoring

- A dedicated Compliance Officer shall monitor all regulatory obligations and report to the Board.
- A compliance checklist shall be maintained and reviewed monthly.
- Any regulatory breach or penalty shall be immediately reported to the Board and rectified within the timeframe stipulated by the RBI.

12. Human Resources and Training

12.1 Fit and Proper Criteria

All Directors and Key Managerial Personnel (KMPs) of TCFPL shall meet the Fit and Proper criteria as prescribed by the RBI. Self-declarations shall be obtained annually from all Directors and KMPs.

12.2 Training and Awareness

- All employees shall undergo mandatory induction training covering TCFPL's policies, RBI regulations, KYC/AML, and fair practices.
- Annual refresher training on AML/CFT, data protection, and regulatory updates.
- Credit officers shall be certified / trained in credit underwriting and MSME lending.
- Collections staff shall be trained on TCFPL's Code of Conduct and RBI guidelines before deployment.

12.3 Whistleblower Policy

TCFPL shall maintain a Board-approved Whistleblower Policy enabling employees, customers, and other stakeholders to report concerns about unethical conduct, fraud, or regulatory violations without fear of retaliation. Reports shall be investigated by the Compliance Officer and escalated to the Board as required.

13. Related Party Transactions

All related party transactions (RPTs) shall be:

- Conducted at arm's length and in the ordinary course of business.
- Disclosed in the Annual Report as per Companies Act, 2013 requirements.
- Approved by the Audit Committee / Board, where required by applicable thresholds.
- Directors and KMPs with a conflict of interest in any transaction shall recuse themselves from the approval process.

14. Policy Review, Exceptions, and Amendments

14.1 Annual Review

This Operations Policy shall be reviewed annually by the Board or more frequently in the event of:

- Material changes in RBI regulations or guidelines.
- Significant changes in the Company's business model, product mix, or risk profile.
- Any other circumstance that materially affects the operations of the Company.

14.2 Exceptions

Any exception to this Policy shall require:

11. Written justification by the department head.
12. Approval by the CFO / Risk Management Head for operational exceptions.
13. Approval by the Board for policy-level exceptions.
14. All exceptions to be documented and placed before the Audit Committee.

14.3 Precedence

In the event of any conflict between this Policy and applicable RBI regulations or statutory requirements, the regulatory requirements shall prevail.

Declaration

This Collection Policy has been reviewed and approved by the Board of Directors of Thar Commercial Finance Private Limited. All employees, recovery agents, outsourced service providers, and channel partners are required to adhere strictly to the provisions of this Policy. Non-compliance may result in disciplinary action, immediate termination of engagement, and/or reporting to appropriate regulatory authorities including the Reserve Bank of India.