

THAR COMMERCIAL FINANCE PRIVATE LIMITED

UNDERWRITING POLICY

Document Details	Information
Policy Title	Underwriting Policy
Applicable Entity	Thar Commercial Finance Pvt. Ltd. (TCFPL)
Registration	Registered NBFC — Non-Banking Financial Company
Regulatory Framework	RBI Master Directions for NBFCs, 2023 & Applicable Circulars
Policy Version	Version 1.0 — FY 2026
Board Approval Date	As per Board Resolution
Next Review Date	Annual
Prepared By	CFO & Credit Risk Head
Reviewed By	Board of Directors

CLASSIFICATION: CONFIDENTIAL — FOR INTERNAL USE ONLY

Table of Contents

1. Preamble, Purpose, and Applicability	3
1.1 Purpose of this Policy	3
1.2 Applicability.....	3
2. Credit Philosophy and Risk Appetite.....	3
2.1 Core Credit Principles.....	3
2.2 Risk Appetite	4
3. Borrower Eligibility Criteria	4
3.1 Health Insurance Premium Financing / Personal Loan.....	4
3.2 Hospital Finance	4
3.3 Business / MSME Loan	5
3.4 Real Estate Construction Finance.....	5
4. Mandatory Reject Conditions (Hard Declines).....	6
5. Underwriting Framework	6
5.1 Common Assessment Pillars (All Products).....	6
5.2 Bureau Score Tiering.....	6
5.3 FOIR Guidelines	7
5.4 Automated vs Manual Underwriting	7
6. Product Parameters and Loan Terms	7
6.1 Interest Rate Framework (Indicative)	7
7. Key Documentation Requirements	8
8. Delegation of Credit Authority (DCA)	8
9. Fraud Prevention and Control.....	8
10. Asset Classification and Provisioning (IRAC Norms)	9
11. Portfolio Monitoring and Early Warning System	9
11.1 Key Monitoring Metrics	9
11.2 Early Warning Triggers.....	9
11.3 Resolution Strategy	9
12. Credit Committee – Composition and Powers.....	10
13. Policy Governance and Review	10
13.1 Policy Ownership.....	10
13.2 Review Triggers.....	10
13.3 Version Control.....	10
14. Declaration and Board Approval	10

1. Preamble, Purpose, and Applicability

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 Underwriting Policy ('Policy') establishes the credit philosophy, risk appetite, underwriting standards, approval authority structure, and portfolio management framework governing TCFPL's core lending products:

This Policy has been formulated in compliance with applicable RBI guidelines including:

- RBI Master Direction – Non-Banking Financial Companies (Reserve Bank) Directions, 2016 (as amended)
- RBI Scale Based Regulation (SBR) Framework for NBFCs (2021)
- RBI Circular on Prudential Framework for Resolution of Stressed Assets (2019)
- RBI Guidelines on Income Recognition, Asset Classification & Provisioning (IRAC Norms)
- RBI Guidelines on Digital Lending (2022)
- RBI Fair Practices Code for NBFCs
- RBI Master Direction on KYC (2016, updated)

1.1 Purpose of this Policy

- To define TCFPL's credit risk appetite and establish boundaries for permissible lending.
- To standardise underwriting criteria, credit assessment processes, and decision-making frameworks across both products.
- To delineate Delegation of Credit Authority (DCA) and approval hierarchy.
- To ensure compliance with RBI prudential norms, IRAC guidelines, and fair lending obligations.
- To embed risk controls at origination to minimise credit losses, fraud, and mis-selling.
- To facilitate consistent, objective, and auditable credit decisions.

1.2 Applicability

- All credit officers, underwriters, and credit committee members of TCFPL.
- All business development, operations, and collections teams involved in the credit lifecycle.
- All channel partners and Lending Service Providers (LSPs) who perform any part of the origination or underwriting support function on behalf of TCFPL.
- All technology systems and automated decisioning engines used for credit assessment.

Important: Notwithstanding any delegation, the final credit decision authority rests solely with TCFPL's authorised credit functionaries. No channel partner or LSP is empowered to approve or decline any credit application on behalf of TCFPL.

2. Credit Philosophy and Risk Appetite

2.1 Core Credit Principles

Principle	Description
Responsible Lending	Extend credit only where repayment capacity is demonstrated. Avoid over-indebtedness.
Purpose Clarity	All loans must have a clearly defined and verifiable end-use. No fund diversion permitted.

Principle	Description
Data-Driven Decisioning	Decisions based on bureau scores, verified income, and product-specific documentation.
Portfolio Diversification	Manage concentration risk across channels, borrowers, insurers, and geographies.
Fraud Prevention	Multi-layered KYC, negative list checks, and automated pre-screening at origination.
Fair Lending	No adverse decisions based on caste, religion, gender, or geography.

2.2 Risk Appetite

Parameter	Threshold
Target Gross NPA (GNPA)	< 3% of portfolio (rolling 12 months)
Net NPA (NNPA)	< 1.5% of portfolio
Concentration – Single Channel Partner	< 25% of total AUM
Concentration – Single Insurer	< 30% of Health Insurance Financing AUM
Concentration – Single Hospital	< 10% of Hospital Finance AUM
Minimum Bureau Score at Origination	700 (CIBIL / Experian / Equifax)
Maximum FOIR	55% (borderline up to 65% with Senior CO approval)

3. Borrower Eligibility Criteria

3.1 Health Insurance Premium Financing / Personal Loan

Parameter	Requirement	Notes
Age	18 – 65 years	Must not exceed 65 at maturity
Residency	Indian Resident	NRI: exception basis with enhanced KYC
Income Type	Salaried / SEP / Business Owner	Income must be document-verified
Min. Net Monthly Income	Rs. 15,000	Higher threshold for manual track
Bureau Score	Min. 700 (CIBIL / Experian)	Hard reject below 680
FOIR	≤ 55% post-EMI	56–65%: senior approval; >65%: decline
KYC	Aadhaar + PAN	V-KYC for remote; CKYC seeding mandatory
Insurance Policy	Valid proposed/existing health policy	Must not be lapsed or excluded
Down Payment	Min. 10% of premium	10% for scores 700–720

3.2 Hospital Finance

Parameter	Requirement	Notes
Insurance Policy	Valid & active at admission	Corporate/group preferred policies

Parameter	Requirement	Notes
Sum Insured Adequacy	≥ 120% of estimated hospitalization cost	Buffer for deductions / co-pays
Claim pre-admissibility	Favourable assessment preliminary	Hard reject if doubtful / contested
Bureau Score	Min. 700 (CIBIL)	No exceptions below 700 for this product
KYC	Aadhaar + PAN	V-CIP for remote onboarding
Hospital Empanelment	Empanelled hospital only	Non-empanelled: automatic rejection
e-NACH Mandate	Mandatory prior to disbursement	Auto-debit on claim receipt
Max Ticket Size	Rs. 5,00,000 (subject to sum insured)	Larger: senior credit officer approval

3.3 Business / MSME Loan

Parameter	Requirement	Notes
Age	18 – 60 years	Must not exceed 60 at maturity
Residency	Indian Resident	NRI: not eligible
Income Type	Self-Employed / Business Owner	Document + bank statement verification
Min. Annual Turnover / Income	Rs. 10,00,000 p.a.	Higher for larger ticket sizes
Bureau Score	Min. 700 (CIBIL / Experian)	Hard reject below 680
FOIR	≤ 55% post-EMI	
KYC	Aadhaar + PAN of all Beneficial Owners	CKYC seeding; V-KYC for remote
Business Vintage	Min. 3 years	Manufacturing/trading < 3 years: not eligible

3.4 Real Estate Construction Finance

Parameter	Requirement	Notes
Business Vintage	> 5 years	
Project Type	Residential & Commercial	
Completed Projects	Min. 3 projects (3–5 lakh sq. ft. construction area)	
Geography	Maharashtra & Gujarat only	
Disbursement	Linked to construction stage / local authority approvals	RERA + Commencement Certificate mandatory before sanction
Bureau Score	Min. 700 (CIBIL / Experian)	Hard reject below 680
KYC	Aadhaar + PAN of promoters / Beneficial Owners	CKYC seeding mandatory

4. Mandatory Reject Conditions (Hard Declines)

No exception, override, or escalation is permitted for applications triggering any of the following:

#	Hard Decline Trigger	Product
1	Bureau score below 680 under any circumstance	All
2	Active wilful default, write-off, or NPA on bureau report	All
3	Match on TCFPL / industry / RBI Caution List	All
4	Minor (age < 18)	All
5	Forged, tampered, or misrepresented KYC documents	All
6	Unverifiable income or repayment source	All
7	FOIR > 70% post-EMI	All
8	Insurance policy lapsed, disputed, or not yet issued	Health Insurance Financing
9	Unfavourable claim pre-admissibility or excluded condition	Hospital Finance
10	Sum insured < 100% of estimated hospitalization cost	Hospital Finance
11	Treatment at non-empanelled hospital	Hospital Finance
12	Adverse AML / sanction / PEP screening	All
13	Prior fraud against TCFPL or related entity	All
14	Fabricated income proof or bank statements	All

5. Underwriting Framework

5.1 Common Assessment Pillars (All Products)

Pillar	Assessment Area	Priority
1	Credit Bureau Assessment (min. score 700)	Primary Filter
2	Income & Repayment Capacity (FOIR)	Primary Filter
3	KYC / Identity Verification	Mandatory Gate
4	Negative List & Fraud Screening	Mandatory Gate
5	Product-Specific Risk Mitigant (Policy / Collateral / Project)	Risk Mitigant

5.2 Bureau Score Tiering

Score Band	Eligibility	Down Payment (Ins. Financing)	Max Tenure	Pricing Tier
< 680	Hard Reject	—	—	—
680 – 699	Hard Reject (No Exception)	—	—	—
700 – 720	Eligible with Conditions	Min. 20%	18 months	Tier C
721 – 750	Standard Eligible	Min. 15%	24 months	Tier B
751 – 800	Standard Eligible	Min. 10%	30 months	Tier A
> 800	Preferred Eligible	Min. 10%	48 months	Tier A+

5.3 FOIR Guidelines

FOIR Range	Decision
Up to 40%	Comfortable – approve at standard terms
41% – 55%	Acceptable – approve; no adverse bureau flags
56% – 65%	Borderline – Senior Credit Officer approval + higher down payment
Above 65%	Decline (Hard Decline above 70%)

5.4 Automated vs Manual Underwriting

Track	Criteria	Decision Maker	TAT
Fully Automated	Score \geq 721; FOIR \leq 50%; ticket \leq Rs. 1,00,000; clean negative list	System Engine (Rule)	< 30 min
Semi-Manual	Score 700–720; FOIR 51–65%; ticket Rs. 1,00,001 – 5,00,000	Junior Officer Credit	Same day
Full Manual	Exception / high ticket / income anomaly / thin bureau	Senior Officer Credit	1–2 working days
Credit Committee	Ticket > Rs. 50,00,000 (if applicable); policy deviations; high-risk	Credit Committee	3–5 working days

6. Product Parameters and Loan Terms

Parameter	Health Insurance Financing	Hospital Finance	Business / MSME Loan	RE Construction Finance
Min. Loan Amount	Rs. 5,000	Rs. 10,000	Rs. 1,00,000	Rs. 25,00,000
Max. Loan Amount	Rs. 5,00,000	Rs. 5,00,000	Rs. 5,00,00,000	As per project
Min. Tenure	3 months	15 days	12 months	12 months
Max. Tenure	18 months	60 days	60 months	48 months
Repayment	Monthly EMI	Bullet (P+I at maturity)	Monthly EMI / Structured EMI	Structured Repayment
Disbursement	Direct to Insurer	Direct Empanelled Hospital	To borrower / vendor	Stage-wise to Developer
Security	Lien on insurance policy	e-NACH	Hypothecation / PDC / Personal guarantee	Mortgage
Prepayment	No penalty after 6 months	No penalty anytime	As per agreement	As per agreement

6.1 Interest Rate Framework (Indicative)

Product	Score Tier	Rate (p.a.)	Processing Fee
Health Insurance Financing		17%	1.0% – 1.5%
Hospital Finance	Standard (\geq 700 with pre-auth)	18% – 22% (annualised)	--

Product	Score Tier	Rate (p.a.)	Processing Fee
Business / MSME Loan	Risk-based (700+)	18% – 24%	1% – 3.0%
RE Construction Finance	Project & developer rating	14% – 18%	1.0% – 2.0%

7. Key Documentation Requirements

Document	Health Financing	Ins.	Hospital Finance	Business Loan	RE Finance
Aadhaar + PAN	✓		✓	✓ (all BOs)	✓ (all promoters)
Income Proof (Salary slips / ITR)	✓		–	✓ (2 years ITR)	✓ (2 years ITR)
Bank Statement (6–12 months)	✓		–	✓ (12 months)	✓ (12 months)
Insurance Policy Document	✓		✓	–	–
Hospital Estimate / Pre-auth Letter	–		✓	–	–
Bureau Consent	✓		✓	✓	✓
e-NACH / NACH Mandate	✓		✓	✓	✓
Loan Agreement + Sanction Letter	✓		✓	✓	✓
Business Proof / GST Returns	–		–	✓	✓
Project / RERA approvals	–		–	–	✓
Mortgage Documents	–		–	Situational	✓

8. Delegation of Credit Authority (DCA)

Level	Designation	Sanction Limit (Per Case)	Exception Powers
L1 – System	Automated Rule Engine	Up to Rs. 1,00,000 (clean profile)	None – no deviations
L2 – Junior CO	Credit Analyst / Sr. Credit Officer	Rs. 1,00,001 – Rs. 5,00,000	Minor exceptions with documentation
L3 – Senior CO	Senior Credit Officer / Manager	Rs. 5,00,001 – Rs. 25,00,000	Moderate exceptions with justification
L4 – Credit Head	Head of Credit / CCO	Rs. 25,00,001 – Rs. 1,00,00,000	Significant exceptions; document rationale
L5 – Credit Committee	Credit Committee (min. 3 members)	Above Rs. 1,00,00,000; policy deviations	Policy waivers; Board reporting required

9. Fraud Prevention and Control

- Aadhaar-linked OTP / facial authentication (V-CIP) for all digital applications
- Automated document verification – DigiLocker integration, OCR-based tamper detection
- Negative list screening: TCFPL internal list, RBI Caution List, industry fraud databases
- Duplicate application detection across channels
- Bank statement analysis to validate stated income against actual credits
- Insurance / policy verification via insurer portal / API (for Insurance and Hospital Finance)
- Device and IP fingerprinting for digital applications

10. Asset Classification and Provisioning (IRAC Norms)

Classification	DPD Criteria	Provisioning
Standard Asset	DPD 0 – 29	0.40% of outstanding
SMA-0	DPD 1 – 30	Monitoring; no incremental provision
SMA-1	DPD 31 – 60	Early Warning System trigger
SMA-2	DPD 61 – 90	Resolution / restructuring process
Sub-Standard (NPA)	DPD 90+	10% minimum
Doubtful D1	NPA for ≤ 12 months	20% secured; 100% unsecured
Doubtful D2	NPA 12–36 months	30% secured; 100% unsecured
Doubtful D3	NPA > 36 months	50% secured; 100% unsecured
Loss Asset	Identified as uncollectible	100%; write-off recommended

Income Recognition: Accrual basis for Standard Assets. On NPA classification, income recognition is stopped and reversed; recognised on cash basis only.

11. Portfolio Monitoring and Early Warning System

11.1 Key Monitoring Metrics

Metric	Frequency	Escalation Threshold
Gross NPA %	Quarterly	> 3% → Risk Committee
Net NPA %	Quarterly	> 1.5% → Board
SMA-2 bucket (value & count)	Fortnightly	> 5% of AUM → Credit Committee
NACH Bounce / Dishonour %	Monthly	> 8% → Collections deep-dive
Channel-wise NPA	Monthly	Any channel > 5% NPA → review partner
Portfolio Vintage Analysis	Quarterly	Cohort NPA > 2x average
Insurance Claim Settlement Rate	Monthly	< 80% → escalate to Product team
Write-off Rate	Quarterly	> 1.5% annualised → Board review

11.2 Early Warning Triggers

- Missed EMI or NACH dishonour on first presentation
- Bureau alerts: new NPA, write-off, or score drop > 50 points post-disbursement
- Insurance policy lapse or cancellation post-disbursement
- Insurance claim delay > 45 days from hospital discharge
- Partial claim settlement significantly below financed amount
- Change in employment or salary account detected via bank statement monitoring

11.3 Resolution Strategy

Stage	DPD Range	Action
Early Warning	0 – 30	Proactive outreach; payment reminders; NACH re-presentation
Early Delinquency	31 – 60	Collections agent; payment arrangement; policy lien invocation
Mid Delinquency	61 – 90	Restructuring / rescheduling; OTS discussion; claim assignment enforcement

Stage	DPD Range	Action
NPA Sub-Standard	90 – 180	Legal notice; insurance claim recovery; field recovery
Doubtful / Loss	> 180	Legal proceedings; write-off assessment; ARC / settlement

12. Credit Committee – Composition and Powers

Member	Designation	Role
Chairperson	Managing Director / CEO	Voting; final decision authority
Member	Chief Financial Officer (CFO)	Voting; risk assessment lead
Member	Head of Credit	Voting; credit recommendation lead

Meeting Frequency: At least monthly (emergency sessions within 24–48 hours). Quorum: minimum 3 voting members including Chairperson. Decisions by majority vote; Chairperson has casting vote in case of tie.

13. Policy Governance and Review

13.1 Policy Ownership

Function	Responsibility
Board of Directors	Approval and oversight; material amendment ratification
Credit Committee	Periodic review; escalation of major changes to Board
Chief Finance Officer (CFO)	Day-to-day implementation; annual review coordination
Head of Credit	Operational adherence; team training; DCA enforcement
Chief Compliance Officer	Regulatory alignment; RBI guideline tracking

13.2 Review Triggers

- Annual review (minimum)
- Material changes in RBI guidelines, IRAC norms, or NBFC SBR Framework
- Significant changes to TCFPL's product portfolio or business model
- Portfolio NPA exceeding approved risk appetite thresholds
- Regulatory inspections, audit findings, or Board directives

13.3 Version Control

Version	Effective Date	Summary	Approved By
V1.0	April 01, 2026	Initial formulation (Hospital Finance & Health Insurance Premium Financing)	Board of Directors

14. Declaration and Board Approval

This Underwriting Policy has been reviewed, approved, and adopted by the Board of Directors of Thar Commercial Finance Private Limited. All employees, credit officers, channel partners, and service providers are required to adhere strictly to this Policy. Any deliberate breach shall be subject to disciplinary action, including termination and reporting to regulatory authorities.