

PRODUCT NOTE: AARAMBH REIN

This product note is related to the product AARAMBH REIN which is offered by Save Microfinance Pvt. Ltd. (Hereafter SMPL) to the potential clients and falls under the ambit of microfinance loans.

1) General Guidelines

Below are the basic guidelines for availing of AARAMBH REIN from SMPL.

General Guidelines

- AARAMBH REIN loans would be offered only to women (Married/Widow only) for income generation activity within Urban/Semi-Urban/Rural areas of India.
- AARAMBH REIN will be given to the group of women who fulfill all the norms prescribed by RBI and internal policies of SMPL.
- Indebtedness of the client should not be greater than Rs 1,75,000.
- Loans disbursed would be collateral free and under Joint Liability Group lending model.
- SMPL would ensure that client is not overburdened and client selection and loan sanction would be done on basis of a credit bureau check and any additional check (If Any).
- Interest Rate charged on AARAMBH REIN would be 24% on diminishing balance basis.
- Clients under JLG lending should mutually agree to pay on behalf of another client of the same group (if she fails to pay due to any emergency)

2) Product Features

Below are product features of AARAMBH REIN:

Eligible Loan Cycle	1st Loan Cycle Only								
	AARAMBH REIN_18M			AARAMBH REIN_24M		AARAMBH SHREE REIN			
Product Name									
Loan Amount (In Rs.)	20,000	25,000	30,000	25,000	30,000	35,000	40,000	45,000	50,000
Loan Tenure (In Months)	18			24		24			
Repayment Frequency	Monthly			Monthly		Monthly			
Rate of Interest (Diminishing Balance)	24%			24%		24%			
Processing Fees	1% +GST			1% +GST		1% +GST			
Insurance (Client+ Guarantor)	Mandatory			Mandatory		Mandatory			
Foreclosure of Loan	Allowed			Allowed		Allowed			
Geographic Applicability	All States			All States		All States except Chhattisgarh			

3) Eligibility Criteria

SMPL has set eligibility criteria as per its internal policy for the disbursement of loans under the AARAMBH REIN category. Basic eligibility criteria* are mentioned which should be followed by SMPL staff for the sourcing and disbursement of loans.

	AARAMBH_18M	AARAMBH_24M	AARAMBH SHREE REIN
Age	18 to 58	18 to 58	18 to 58
Indebtedness (In Rs)	<= 1.75 Lacs	<= 1.75 Lacs	<= 1.75 Lacs
CB Score	>=550	>=550	>=550

	AARAMBH_18M	AARAMBH_24M	AARAMBH SHREE REIN
Overdue Amount (In Rs.)	Shall be less than or equal to Rs.1000	Shall be less than or equal to Rs.1000	Shall be less than or equal to Rs.1000
Household Income(For MFI Loan)	<=3,00,000	<=3,00,000	<=3,00,000
FOIR Ratio	<=50%	<=50%	<=50%
Centre Size (Members in Group)	Minimum 8 Maximum 30	Minimum 8 Maximum 30	Minimum 8 Maximum 30
Kin Relationship	More than one person from the same family will not be included in the same group	More than one person from the same family will not be included in the same group	More than one person from the same family will not be included in the same group

* All criteria apart from the above-mentioned criteria must be followed per organization policy.

4) Instalment and Charges

Below are the details related to instalment and insurance charges to be levied against AARAMBH REIN products:

Product Name	Product Code	Loan Amount (In Rs.)	IR (FY22-23)	Tenure	Repayment Frequency	LPF	Insurance Charges	Installment
AARAMBH REIN_18M	AARAMBH REIN-0118	20000	24%	18	Monthly	236 (200+36)	352 (176+176)	1340
AARAMBH REIN_18M	AARAMBH REIN-0118	25000	24%	18	Monthly	295 (250+45)	440 (220+220)	1670
AARAMBH REIN_18M	AARAMBH REIN-0118	30000	24%	18	Monthly	354 (300+54)	528 (264+264)	2010
AARAMBH REIN_24M	AARAMBH REIN -0124	25000	24%	24	Monthly	295 (250+45)	550 (275+275)	1330
AARAMBH REIN_24M	AARAMBH REIN-0124	30000	24%	24	Monthly	354 (300+54)	660 (330+330)	1590
AARAMBH SHREE REIN	AARAMBH SHREE REIN-0124	35000	24%	24	Monthly	413 (350+63)	770 (385+385)	1860
AARAMBH SHREE REIN	AARAMBH SHREE REIN-0124	40000	24%	24	Monthly	472 (400+72)	880 (440+440)	2120
AARAMBH SHREE REIN	AARAMBH SHREE REIN-0124	45000	24%	24	Monthly	531 (450+81)	990 (495+495)	2380
AARAMBH SHREE REIN	AARAMBH SHREE REIN-0124	50000	24%	24	Monthly	590 (500+90)	1100 (550+550)	2650

5) Repayment

All the products under AARAMBH REIN have a monthly repayment frequency. Below are the details related to repayment applicable for all the loan products under AARAMBH REIN.

Repayment frequency

Monthly (Between the 2nd to 13th of the month) is divided into 2 parts:	
Part-1	Part-2
2nd to 7th of the month, in case of any holiday in between this period, the collection would be preponed on 1st of the same month	10th to 13th of the month, in case of any holiday in between this period, the collection would be preponed on 8th and 9th of the same month
Note- 1st, 8th, and 9th would be kept vacant for preponed collection/ Sourcing and Disbursement.	

6) Foreclosure/Pre-closure of Loan

All the loan products under AARAMBH REIN are eligible for foreclosure of the loan. Foreclosure of loans should be done as per organizational policy. No penal charges would be charged from the client for foreclosure of the loan.

As per SMPL policy, the client should complete 80% of the instalments of her loan tenure to be eligible for a higher cycle loan. Below are the eligibility criteria for a higher cycle loan on foreclosure of the loan.

Loan Product	No. of Instalments	80% of Instalments	Pre-closure under Monthly Repayment	Higher Cycle Loan Eligibility
AARAMBH REIN_18M	18	14	Before 14th Instalment	Not Eligible
			On or after the 14th Instalment	Eligible
AARAMBH REIN_24M	24	19	Before 19th Instalment	Not Eligible
			On or after the 19th Instalment	Eligible
AARAMBH SHREE REIN	24	19	Before 19th Instalment	Not Eligible
			On or after the 19th Instalment	Eligible

7) Process Flow

Timeline	Process Owner	Process Flow	Tool	Activity Area
Day 1	CRO	Village Meeting	Physical Presence	Field
Day 2	CRO	CB	Tab	Field
Day 2	CRO	Group Formation	Tab	Centre
Day 2	CRO	House Verification	Tab	Field
Day 3	CRO	CGT Day 1 (Loan Application)	Tab	Centre
Day 4	CRO	CGT Day 2	Tab	Center
Day 4	QC team	QC	Web	HO
Day 5	BM	GRT (HV)	Tab	Centre
Day 5	BM	Loan Sanction	Web	Branch
Day 5	BM	Disbursement kit request	Web	Branch
Day 5	BM	Sanctioned kit print out	Web	Branch
Day 6	BM	Field Disbursement	Physical Presence	Center

Day 7	Finance	NEFT	Web	HO
Day 7	Finance	Fund Mapping	Web	HO
	CRO	LUC	Tab	Field
	CRO	Centre Meeting	Tab	Centre

8) Risk Assessment

Risk	Applied	Control (system/Manual)	Enforcement	Effectiveness	Further check
Basic CB rule including CB score	All	System	System	System Audit	Report
Basic Pricing & Other Regulatory Norms	All	System	System	System Audit	Report
House Hold Assessment	All	System & Manual	System & Manual	System Audit & Training	Report & Branch Audit Report
Client Income & Risk Profile (S1 to S5)	All	Manual	Manual by BM/CRO	Training and Communications	To be part of the Branch Audit Report
KYC documents	All	System & QC Screen	System	Training	Monthly QC Audit at HO
Bank account	All	System & QC Screen	System	Training	Monthly QC Audit at HO
Gap Between Two Loans	All	System	System	System Audit	Report
EMI Schedule	All	System & Manual	System & Manual	System Audit	Report