

# Oracle® Banking Credit Facilities Process Management Cloud Service

## Policy Definition User Guide



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ORACLE®

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7 Approval from Credit Team

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# 1

## Preface

### 1.1 About this guide

This guide provides the user with all the information necessary to define a policy for credit processes in **OBCFPM**.

### 1.2 Intended Audience

This document is intended for the banking personnel's responsible for defining and approving policies associated with credit processes.

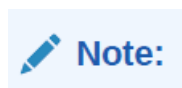
### 1.3 Conventions Used

The following table lists the conventions that are used in this document.

**Table 1-1 Conventions Used**

Convention	Description
<b>Bold</b>	Bold indicates: <ul style="list-style-type: none"><li>• Field Name</li><li>• Screen Name</li><li>• Drop-down Options</li><li>• Other UX labels</li></ul>
	This icon indicates a Note.

**Figure 1-1 Note**



### 1.4 Common Icons in OBCFPM

The following table describes the icons that are commonly used in **OBCFPM**:

Table 1-2 Common Icons





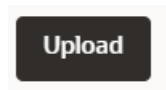
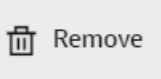




Icons	Purpose
<div><div>Figure 1-2 Add</div><div></div></div>	To add new record.
<div><div>Figure 1-3 Edit</div><div></div></div>	To modify existing record.
<div><div>Figure 1-4 Delete</div><div></div></div>	To delete a record.
<div><div>Figure 1-5 Calendar</div><div></div></div>	To select start or end date.
<div><div>Figure 1-6 Upload</div><div></div></div>	To upload a record.

Table 1-2 (Cont.) Common Icons

Icons	Purpose
	To remove the record.
<b>Figure 1-7 Remove</b>	
	To change the screen layout to list view.
<b>Figure 1-8 List View</b>	
	To change the screen layout to table view.
<b>Figure 1-9 Table View</b>	
	To change the screen layout to tree view.
<b>Figure 1-10 Tree View</b>	
	To view, edit, and delete a record
<b>Figure 1-11 Action Button</b>	

**Table 1-2 (Cont.) Common Icons**

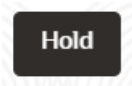

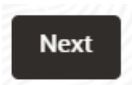

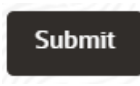
Icons	Purpose
<b>Figure 1-12 Hold</b> 	To hold the process.
<b>Figure 1-13 Back</b> 	To go back to the previous screen.
<b>Figure 1-14 Next</b> 	To go to the next data segment.
<b>Figure 1-15 Save and Close</b> 	To save the captured information and exit the process window.
<b>Figure 1-16 Submit</b> 	To submit the task to next stage.



Table 1-2 (Cont.) Common Icons

Icons	Purpose
	To exit the window without saving the captured information.

Figure 1-17 Cancel



# 2

## Policy Definition Overview

Policy Definition is the process followed by Policy Analysts in the financial institutions to define Credit Policy for various Financial products and services based on the guidelines from the regulatory bodies. Credit Policies defined in **OBCFPM** acts as the tool to validate business transaction and mitigate the overall risk. The fields validated in credit processes are listed separately in the document.

The following are the stages involved in **Policy Definition**:

- Policy Initiation
- Sector Evaluation
- Headroom Definition
- Policy Definition
- Business Recommendation
- Approval from Legal Head
- Approval from Policy Team
- Approval from Credit Team
- Risk Recommendations
- Compliance Recommendations
- Policy Approval

# 3

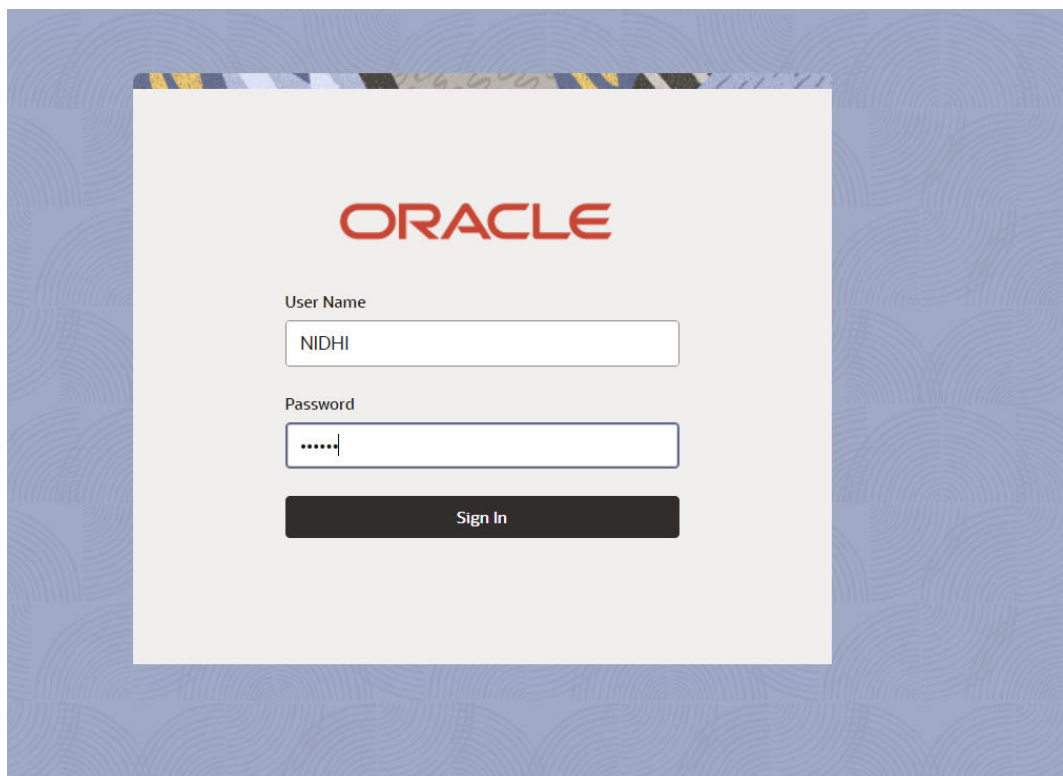
## Policy Initiation

Policy initiation is the first stage in policy definition process. In this stage, actual policy is defined by the Policy Analyst and sent for multiple approvals. The policy defined in **OBCFPM** is used to validate the data captured throughout the credit processes to facilitate the overall process performed in bank.

### Steps to define policy

1. Login to **OBCFPM**. Enter your **User Name**, **Password** and click **Sign In**.

**Figure 3-1 Login Screen**



2. Navigate to **Policy > Policy Definition**. Select **Sector** from drop-down list and Click **Initiate Policy**. **Policy Initiation** page is displayed.

Figure 3-2 Policy Initiation

The screenshot shows the Oracle Policy Definition page. The top navigation bar includes the Oracle logo, a search bar, and user information (FLEXCUBE UNIVERSAL B... October 28, 2019, NIDHISHREE). The left sidebar has a 'Menu Item Search...' bar and a 'Policy' section with links to 'Policy Definition' and 'Policy Library'. The main content area is titled 'Policy Definition' and features a 'Select Sector' dropdown menu with 'Material' selected. Below the dropdown is an 'Initiate Policy' button.

Figure 3-3 Policy Initiation

The screenshot shows the 'Policy Definition - Policy Initiation' page. The left sidebar has a 'Select Sector' section with links to 'Sector Evaluation', 'Headroom Definition', 'Policy Definition', 'Policy Summary', and 'Comments'. The main content area is titled 'Select Sector' and features a 'Basic Information' section with fields for 'Policy ID' (PL2319142), 'Effective Date', 'Valid Till', and 'Next Review Date'. Below these fields is a 'Currency' dropdown and a 'Policy Description' text area. At the bottom, there are four tabs: '1. Select Sector', '2. Select Industry group', '3. Select Industry', and '4. Select Sub Industry'. The '2. Select Industry group' tab is active, showing a search bar and a list of items including 'Materials'.

## 3.1 Policy Initiation

In **OBCFPM**, the Policy Analysts can set the policy for the sector and its associated industry group, industry and sub-industry while defining the policy.

Figure 3-4 Policy Initiation

The screenshot shows the 'Policy Definition - Policy Initiation' page. The left sidebar has a 'Select Sector' section with links to 'Sector Evaluation', 'Headroom Definition', 'Policy Definition', 'Policy Summary', and 'Comments'. The main content area is titled 'Select Sector' and features a 'Basic Information' section with fields for 'Policy ID' (PL2319142), 'Effective Date', 'Valid Till', and 'Next Review Date'. Below these fields is a 'Currency' dropdown and a 'Policy Description' text area. At the bottom, there are four tabs: '1. Select Sector', '2. Select Industry group', '3. Select Industry', and '4. Select Sub Industry'. The '2. Select Industry group' tab is active, showing a search bar and a list of items including 'Materials'.

**Figure 3-5 Policy Initiation**

**Select Sector** screen:

For information on Select Sector, refer the below table.

**Table 3-1 Select Sector**

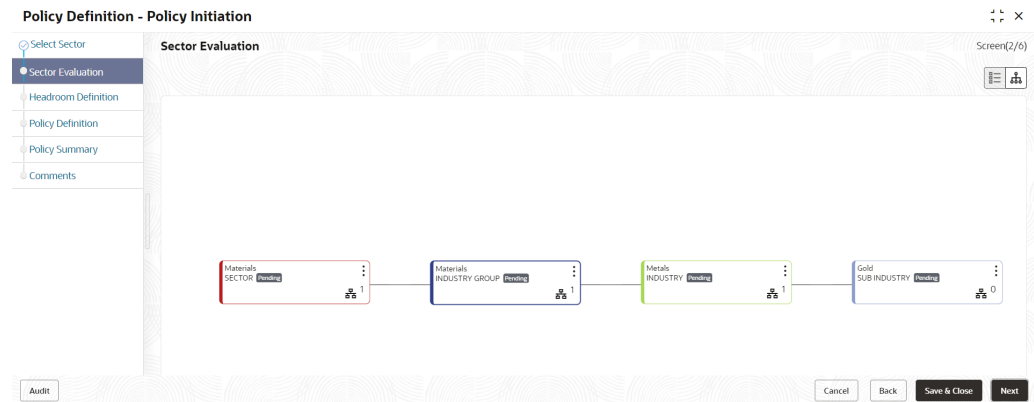
Fields/Icons	Description
<b>Effective Date</b>	Select <b>Effective Date</b> for the policy by clicking <b>Calendar</b> icon. The <b>Effective Date</b> should be in future.
<b>Valid Till</b>	Select <b>Valid Till</b> date for the policy by clicking <b>Calendar</b> icon. The <b>Valid Till</b> date should be in future and more than the effective date.
<b>Next Review Date</b>	Select <b>Next Review Date</b> date for the policy by clicking <b>Calendar</b> icon. The <b>Next Review Date</b> should be in future and more than the effective date.
<b>Currency</b>	Search and fetch <b>Currency</b> for the policy.
<b>Policy Description</b>	Enter the description for the policy in <b>Policy Description</b> field.
<b>Select Sector</b>	<b>Select Sector</b> for which policy needs to be defined.

1. In **Select Industry Group** section, select the required group.
2. In **Select Industry** and **Sub - Industry** section:  
Select required **Industry** and **Sub - Industry**.
3. Click **Next**. **Sector Evaluation** page is displayed.

## 3.2 Sector Evaluation

**OBCFPM** allows the Policy Analysts to evaluate the sector, industry group, industry and sub - industry selected and view the score for each evaluation instantly.

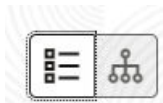
Figure 3-6 Sector Evaluation



In **Sector Evaluation** page:

1. To change the layout of the tree view, click the configuration icon at the top right corner. The layout options are displayed as shown below:

Figure 3-7 Layout



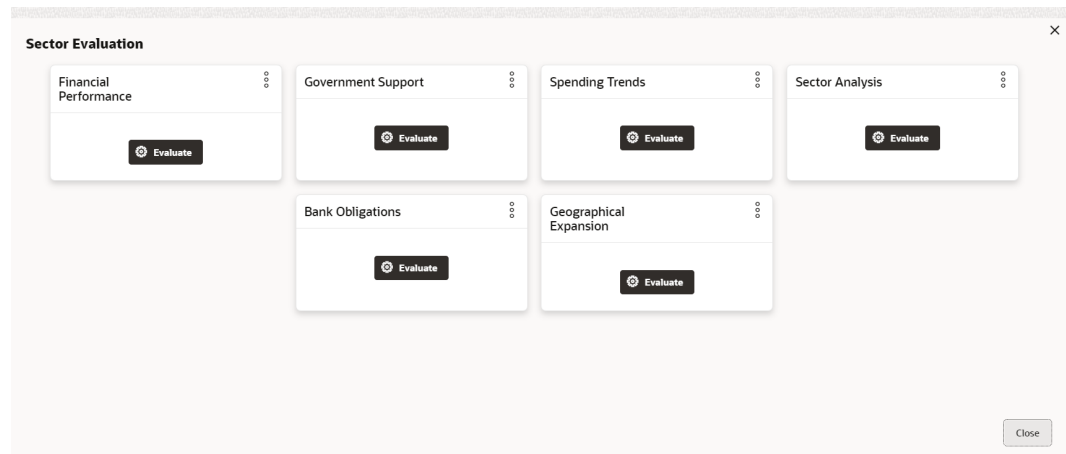
2. To change the tree view to list view, click the list icon at the top left corner. **Sector Evaluation** page view is changed as shown below:

Figure 3-8 Sector Evaluation

Materials	Materials	Metals	Gold
Materials SECTOR	Materials INDUSTRY GROUP	Metals INDUSTRY	Gold SUBINDUSTRY
Finance Performance: 0	Finance Performance: 0	Finance Performance: 0	Finance Performance: 0
Government Support: 0	Government Support: 0	Government Support: 0	Government Support: 0
Geographical Expansion: 0	Geographical Expansion: 0	Geographical Expansion: 0	Geographical Expansion: 0
Bank Obligations: 0	Bank Obligations: 0	Bank Obligations: 0	Bank Obligations: 0
Spending Trends: 0	Spending Trends: 0	Spending Trends: 0	Spending Trends: 0
Sector Analysis: 0	Sector Analysis: 0	Sector Analysis: 0	Sector Analysis: 0

3. To evaluate the sector, click **Evaluate Now** button in list view or right click sector icon in tree view. **Sector Evaluation** window is displayed.

Figure 3-9 Sector Evaluation

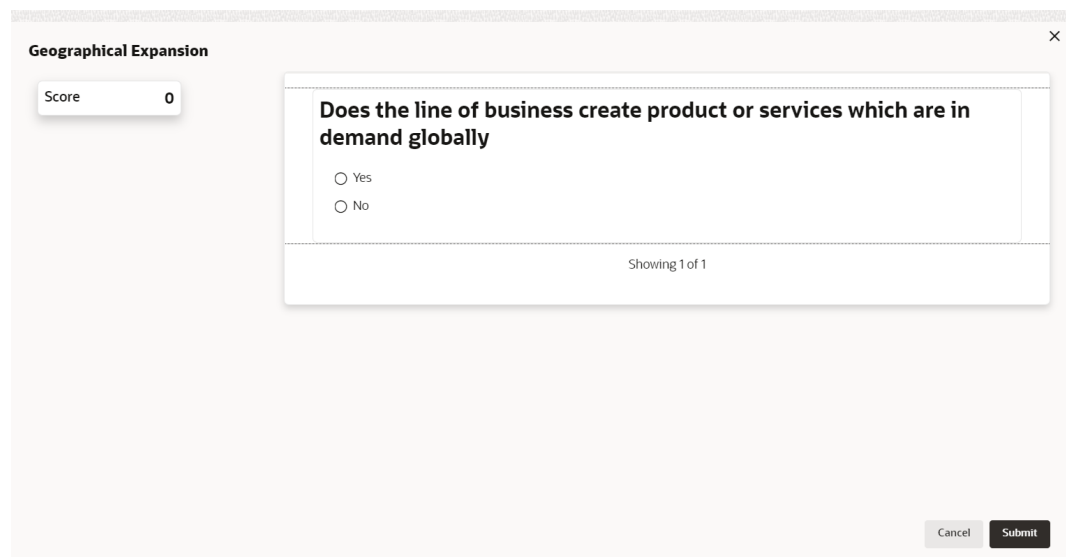


4. Click **Evaluate** button and evaluate the following elements:

- Financial Performance
- Government Support
- Spending Trends
- Sector Analysis
- Bank Obligations
- Geographical Expansion

Click **Evaluate** button, questions related to the evaluation appears:

Figure 3-10 Geographical Expansion



5. Select the answer for the displayed question. Score is displayed for the evaluation based on the selected answer.
6. Click right arrow to view the next question.

7. Answer all the questions and click **Submit**. Overall score is displayed for the evaluated element as shown below:

Figure 3-11 Sector Evaluation

**Sector Evaluation**

Geographical Expansion 4	Financial Performance Evaluate	Sector Analysis Evaluate	Spending Trends Evaluate
	Government Support Evaluate	Bank Obligations Evaluate	

Close

8. Click **Submit**. **Sector Evaluation** page is updated with the evaluation scores as shown below:

Figure 3-12 Sector Evaluation

**Sector Evaluation**

Category	Finance Performance	Government Support	Geographical Expansion	Bank Obligations	Spending Trends	Sector Analysis
<b>Materials</b> (SECTOR)	0	0	4	0	0	0
<b>Materials</b> (INDUSTRY GROUP)	0	0	4	0	0	0
<b>Metals</b> (INDUSTRY)	0	0	4	0	0	0
<b>Gold</b> (SUBINDUSTRY)	0	0	4	0	0	0

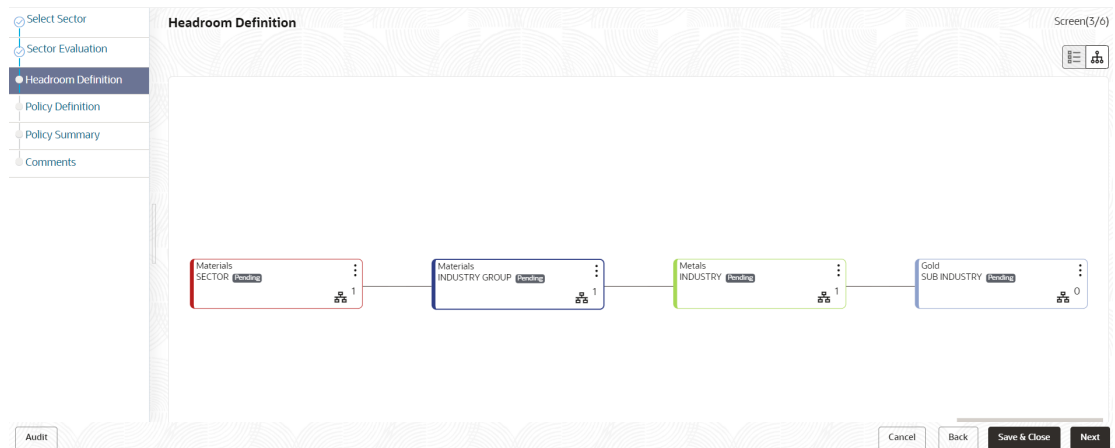
Audit Cancel Back Save & Close Next

9. Evaluate **Industry Group**, **Industry** and all the **Sub - Industry**.
10. Click **Next**.

## 3.3 Headroom Definition

In this data segment, the Policy Analysts can define headroom for the selected sector, industry group, industry and sub -industry based on the capital available in the Bank.



**Figure 3-13 Headroom Definition**

Refer **Sector Evaluation** section for information on changing the layout of the tree view.

1. To change the tree view to list view, click the list icon at the top left corner. **Headroom Definition** page view is changed as shown below:

**Figure 3-14 Headroom Definition**

Materials	Materials	Metals	Gold
<b>Materials</b> <span>SECTOR</span> Total Available Capital: ₹0.00 Non-Fund Based Limit: ₹0.00	Maximum Capital Allocation: ₹0.00	Fund Based Limit: ₹0.00	⋮
<b>Materials</b> <span>INDUSTRY GROUP</span> Total Available Capital: ₹0.00 Non-Fund Based Limit: ₹0.00	Maximum Capital Allocation: ₹0.00	Fund Based Limit: ₹0.00	⋮
<b>Metals</b> <span>INDUSTRY</span> Total Available Capital: ₹0.00 Non-Fund Based Limit: ₹0.00	Maximum Capital Allocation: ₹0.00	Fund Based Limit: ₹0.00	⋮
<b>Gold</b> <span>SUBINDUSTRY</span> Total Available Capital: ₹0.00 Non-Fund Based Limit: ₹0.00	Maximum Capital Allocation: ₹0.00	Fund Based Limit: ₹0.00	⋮

2. To define appetite for the sector, click **Define Appetite** button in list view or right click the sector icon in tree view.

**Figure 3-15 Define Appetite**

The screenshot shows the 'Headroom Definition' window. On the left is a navigation pane with 'Headroom Definition' selected. The main area displays a tree view of the hierarchy: Materials (checked), Metals (checked), and Gold (checked). To the right is a table with the following data:

Category	Total Available Capital	Non-Fund Based Limit	Maximum Capital Allocation	Fund Based Limit
Materials (SECTOR)	¥0.00	¥0.00	¥0.00	¥0.00
Metals (INDUSTRY GROUP)	¥0.00	¥0.00	¥0.00	¥0.00
Metals (INDUSTRY)	¥0.00	¥0.00	¥0.00	¥0.00
Gold (SUBINDUSTRY)	¥0.00	¥0.00	¥0.00	¥0.00

Buttons at the bottom include 'Audit', 'Cancel', 'Back', 'Save & Close', and 'Next'. A 'Define Appetite' button is visible in the top right corner of the table area.

The **Appetite Setting** window appears:

**Figure 3-16 Appetite Setting**

The screenshot shows the 'Appetite Setting' window for the 'Telecommunication Services' sector. The 'Evaluation Score' is 9. The 'Total Available Capital' section includes:

- Currency: USD
- Bank Total Available Capital: \$1,000,000.00
- Suggested Capital Allocation: 100%

The 'Capital Allocation' section shows:

- Effective Capital Available For Allocation: \$1,000,000.00

The 'Fund Based Allocation' section shows:

- Effective Appetite: \$500,000.00

The 'Non Fund Based Allocation' section shows:

- Effective Appetite: \$500,000.00

Buttons at the bottom include 'Cancel' and 'Submit'.

**Figure 3-17 Appetite Setting**

**Appetite Setting**

**Capital Allocation**  
Effective Capital Available For Allocation  
\$1,000,000.00

**Fund Based Allocation**  
Effective Appetite  
\$500,000.00

**Non Fund Based Allocation**  
Effective Appetite  
\$500,000.00

**Additional Details**  
Remarks

Cancel Submit

**Note:**

In **Appetite Setting** page, all the amount specified will be considered in Currency selected in the **Policy Initiation** page.

For information on fields in the Appetite Setting screen, refer the below table.

**Table 3-2 Appetite Setting**

Fields/Icons	Description
<b>Total Available Capital</b>	Enter fields given in <b>Total Available Capital</b> . The <b>Currency</b> is displayed by default.
<b>Bank Total Available Capital</b>	Specify <b>Bank Total Available Capital</b> .
<b>Suggested Capital Allocation</b>	Specify percentage to be allocated for the selected sector in <b>Suggested Capital Allocation</b> field. <b>Note:</b> Suggested Capital Allocation can be specified either by directly entering the percentage or selecting the increment/decrement option on the right. Decrement option will be enabled, if the value entered in Suggested Capital Allocation field is greater than zero. Use Decrement option to reduce the percentage.
<b>Capital Allocation</b>	Enter <b>Effective Capital Available For Allocation</b> field for <b>Capital Allocation</b> .
<b>Fund Based Allocation</b>	Enter <b>Effective Appetite</b> field for <b>Fund Based Allocation</b> .

Table 3-2 (Cont.) Appetite Setting

Fields/Icons	Description
<b>Non Fund Based Allocation</b>	Enter <b>Effective Appetite</b> field for <b>Non Fund Based Allocation</b>
<b>Additional Details</b>	Enter <b>Remarks</b> fields for <b>Additional Details</b> .

- Click **Submit**. Allocated amount is displayed in **Appetite Setting** page as shown below:

Figure 3-18 Appetite Setting

**Headroom Definition** Screen(3/6)

Category	Total Available Capital	Non-Fund Based Limit	Maximum Capital Allocation	Fund Based Limit
<b>Materials</b> (SECTOR)	₹50,000,000.00	₹0.00	₹0.00	₹0.00
<b>Materials</b> (INDUSTRY GROUP)	₹0.00	₹0.00	₹0.00	₹0.00
<b>Metals</b> (INDUSTRY)	₹0.00	₹0.00	₹0.00	₹0.00
<b>Gold</b> (SUBINDUSTRY)	₹0.00	₹0.00	₹0.00	₹0.00

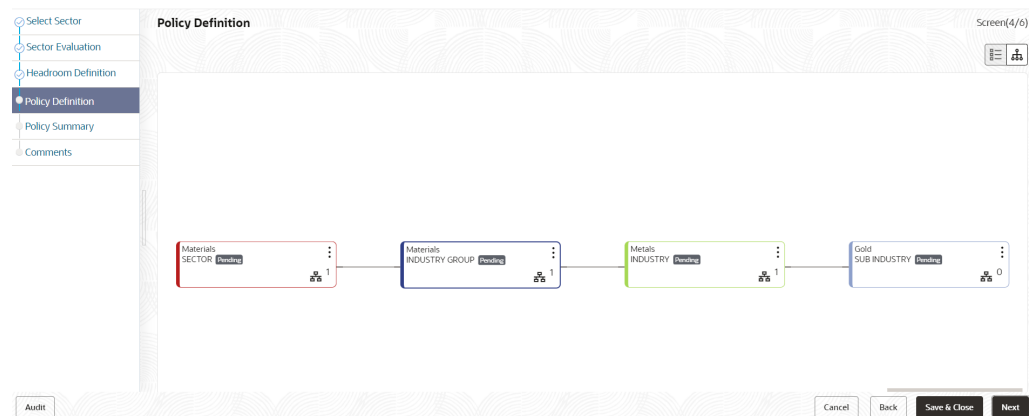
Buttons: Audit, Cancel, Back, Save & Close, Next

- Define **Appetite** for the Industry Group, Industry and all the Sub - Industry.
- Click **Next**.

## 3.4 Policy Definition

In **Policy Definition** data segment, you will set the rules and regulations of lending.

Figure 3-19 Policy Definition



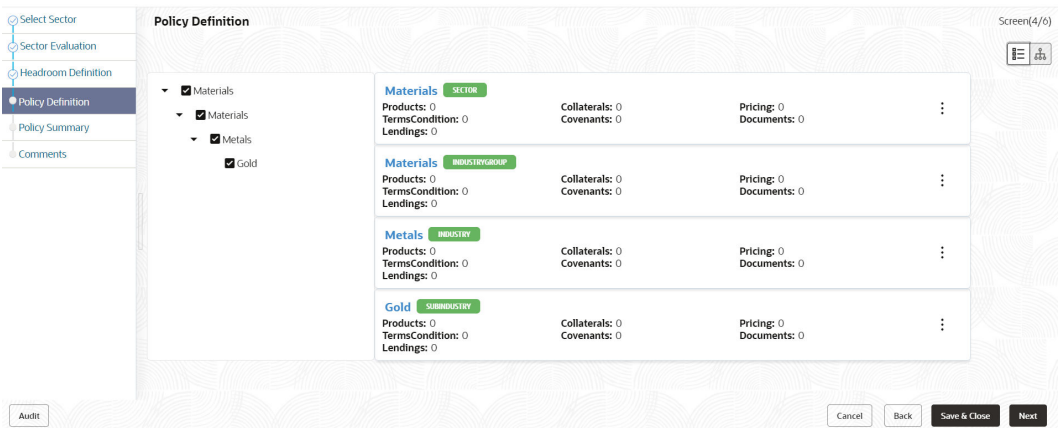


**Note:**

Refer **Sector Evaluation** section for information on changing the layout of the tree view.

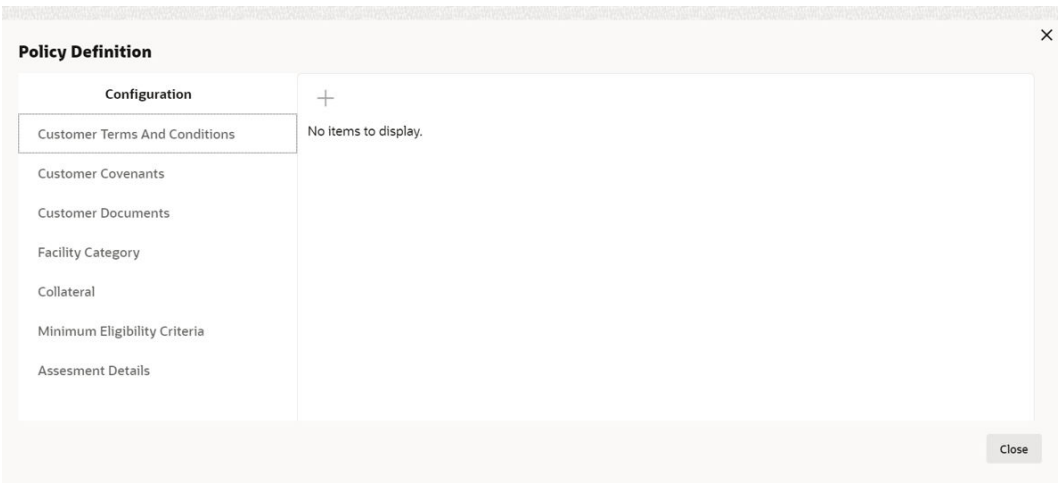
1. To change the tree view to list view, click the list icon at the top left corner. **Policy Definition** page view is changed as shown below:

**Figure 3-20 Policy Definition**



2. To define policy for the sector, click the **Define Policy** button in list view or right click the sector icon in tree view. **Configuration window** is displayed.

**Figure 3-21 Configuration window**



**Configuring window**

3. In **Configuration** window, policy can be defined for the following dimensions:
  - Customer Terms And Conditions
  - Customer Covenants

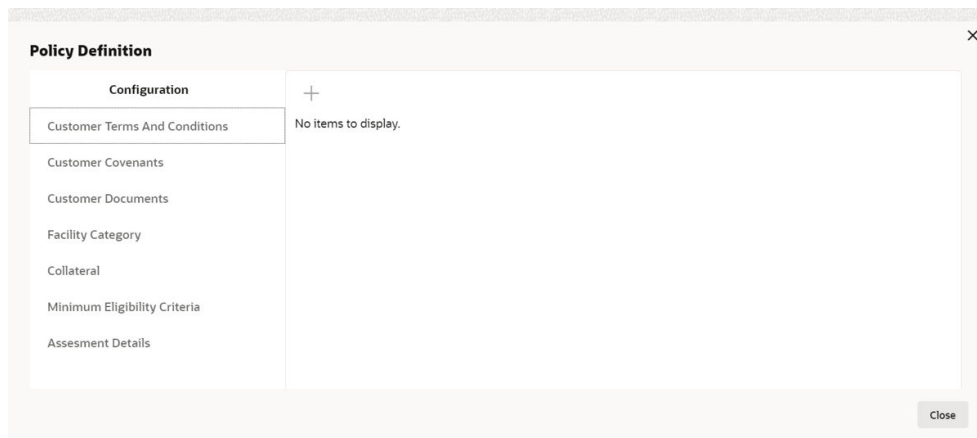
- Customer Documents
- Facility Category
- Collateral
- Minimum Eligibility Criteria
- Assessment Details

## 3.4.1 Configuring Customer Terms and Conditions

### **Configuring Customer Terms and Conditions**

1. To add terms and conditions, click **Customer Terms And Conditions** from the menu and click + icon. **Terms And Conditions** window is displayed:

**Figure 3-22 Terms And Conditions**



**Figure 3-23 Terms And Conditions**

The screenshot shows a form titled "Terms And Conditions" with a close button (X) in the top right corner. The form contains the following fields: "Condition Code" (a dropdown menu with "Annual Fees Charges" selected), "Terms And Conditions Type" (a dropdown menu with "Post-Disbursement" selected), and "Is Waivable?" (a toggle switch that is currently turned off). Below these fields is a "Condition Description" text area containing the text "Charges worth of \$39000 has to be paid". At the bottom of the form is a "Comments" text area. In the bottom right corner, there are three buttons: "Clear", "Cancel", and "Add".

For information on fields in the **Terms and Conditions** screen, refer the below table.

Table 3-3 Terms and Conditions

Fields/Icons	Description
<b>Condition Code</b>	Select <b>Condition Code</b> from the drop-down list.
<b>Customer Terms And Conditions Type</b>	Select <b>Customer Terms And Conditions Type</b> from the drop-down list. The options available are: <ul style="list-style-type: none"><li>• Pre-Disbursement</li><li>• Post-Disbursement</li></ul>
<b>Is Waivable?</b>	Enable <b>Is Waivable?</b> check box, if waive off option is allowed for the terms and conditions.
<b>Condition Description and Comments</b>	Enter <b>Condition Description</b> and <b>Comments</b> to help Approvers in making quick decision.
<b>Add</b>	Click <b>Add</b> . Terms and conditions are added and displayed in the Terms And Conditions window.
<b>Edit</b>	To modify the added terms and conditions, click <b>Edit</b> icon.
<b>Delete</b>	To delete the terms and conditions, click <b>Delete</b> icon.
<b>View</b>	To view the added terms and condition, click <b>View</b> icon.

## 2. **Default and Validation**

The following fields will get defaulted from **Policy Definition** to the **OBCFPM** processes which are linked to policy definition and policy validation.

- Code
- Type
- Is Waivable?

The following fields will get validated against policy definition and the compliance will be reported in **Policy Exception**

- Code
- Type
- Is Waivable?

## 3.4.2 Configuring Customer Covenants

### **Configuring Customer Covenants**

1. To add a customer covenants, click **Customer Covenants** from the left menu and then click + icon. **Covenant Details** window is displayed:

Figure 3-24 Customer Covenants

**Policy Definition**

**Configuration**

- Customer Terms And Conditions
- Customer Covenants**
- Customer Documents
- Facility Category
- Collateral
- Minimum Eligibility Criteria
- Assessment Details

No items to display.

Close

Figure 3-25 Covenant Details

**Covenant Details**

Covenant ID: TestCovenant

Covenant Name: TestCovenant

Classification Type: Internal

Covenant Type: Financial

Frequency: Yearly

Notice Days: 2

Covenant Description: TestCovenant

**Target condition**

Is Waivable? ☐

Target condition: Greater than

Target Value: 10000.00

Comments:

Cancel Clear Add

Figure 3-26 Covenant Details

**Covenant Details**

Covenant ID: CV5000021

Covenant Name: Audited Quartely Fin Statement

Classification Type: External

Covenant Type: Non Financial

Frequency: Monthly

Notice Days: 1

Covenant Description: Audited Quartely Fin Statement

**Target condition**

Is Waivable? ☐

Comments:

Cancel Clear Add



For information on fields in the **Covenant Details** screen, refer the below table.

**Table 3-4 Covenant Details**

Fields/Icons	Description
<b>Covenant ID</b>	Search and select <b>Covenant ID</b> from the list of already created and maintained customer covenants. Details associated with the customer covenants are automatically fetched and displayed in the Covenant Details window.
<b>Is Waivable?</b>	Enable <b>Is Waivable?</b> check box, if waive off option is allowed for the customer covenant.
<b>Target Condition</b>	Select <b>Target Condition</b> from drop-down list. The following options are available: <ul style="list-style-type: none"> <li>Between</li> <li>Equal to</li> <li>Greater than</li> <li>Greater than or equal to</li> <li>Less than</li> <li>Less than or equal to</li> </ul> <b>Note:</b> If you have selected <b>Covenant Type</b> as <b>Financial</b> , then this field is displayed. For <b>Covenant Type</b> selected as <b>Non-financial</b> this field is not available.
<b>Target Value</b>	Enter <b>Target Value</b> . <b>Note:</b> If you have selected <b>Covenant Type</b> as <b>Financial</b> , then this field is displayed. For <b>Covenant Type</b> selected as <b>Non-financial</b> this field is not available.
<b>Comments</b>	Enter <b>Comments</b> to help Approvers in making quick decision.
<b>Add</b>	Click <b>Add</b> . <b>Covenant Details</b> are added and displayed in <b>Customer Covenants</b> window.
<b>Edit</b>	To modify the added customer covenant, click <b>Edit</b> icon.
<b>Delete</b>	To delete the added customer covenant, click <b>Delete</b> icon.
<b>View</b>	To view the added customer covenant, click <b>View</b> icon.

## 2. **Default and Validation**

The following fields will get defaulted from **Policy Definition** to the **OBCFPM** processes which are linked to policy definition and policy validation.

- Code
- Is Waivable?
- Target Condition
- Target Value

The following fields will get validated against policy definition and the compliance will be reported in **Policy Exception**.

- Code
- Is Waivable?
- Target Condition
- Target Value

### 3.4.3 Configuring Customer Documents

#### Configuring Customer Documents

1. To add the document related policy, click **Customer Documents** from the left menu and then click **+** icon. **Document Details** window is displayed:

Figure 3-27 Customer Documents

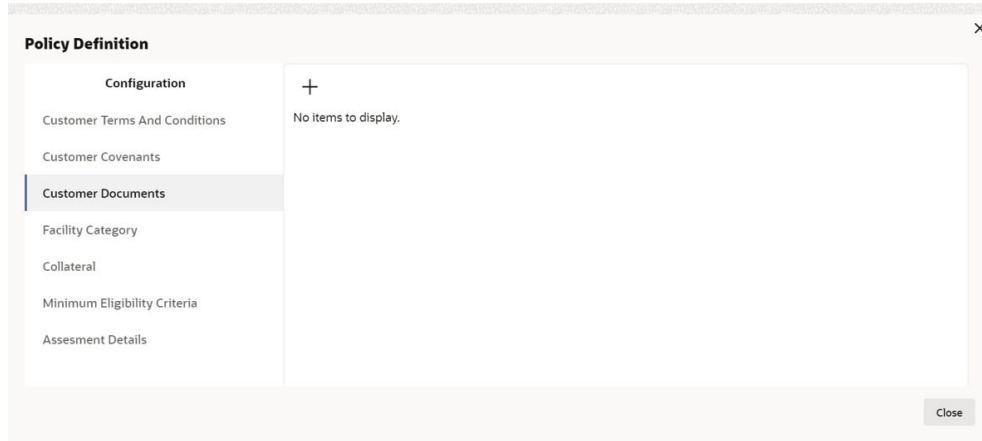
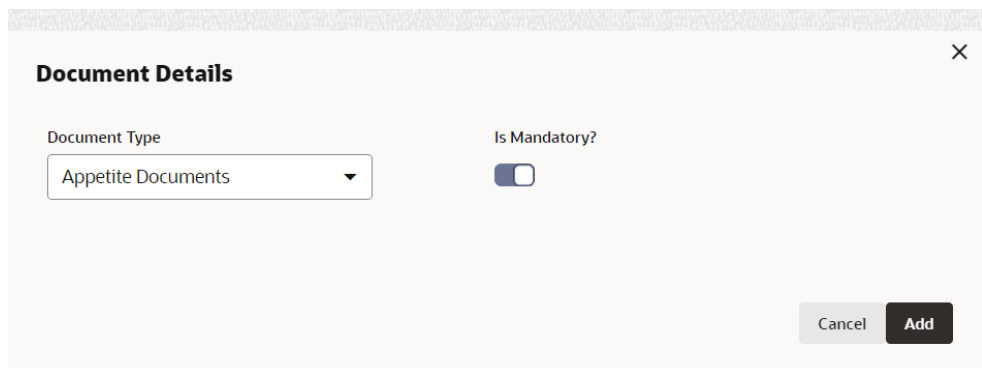


Figure 3-28 Documents Details



For information on fields in the **Document Details** screen, refer the below table.

Table 3-5 Document Details

Fields/Icons	Description
<b>Document Details</b>	Select <b>Document Details</b> from the drop-down list.
<b>Is Mandatory?</b>	Enable <b>Is Mandatory?</b> check box.
<b>Add</b>	Click <b>Add</b> . <b>Document Details</b> are added and displayed in <b>Customer Documents</b> window.
<b>Edit</b>	To modify the document details, click <b>Edit</b> icon.

Table 3-5 (Cont.) Document Details

Fields/Icons	Description
<b>Delete</b>	To delete the document details, click <b>Delete</b> icon.
<b>View</b>	To view the added document details, click <b>View</b> icon.

**2. Default and Validation**

The following fields will get defaulted from **Policy Definition** to the **OBCFPM** processes which are linked to policy definition and policy validation.

- Document Type

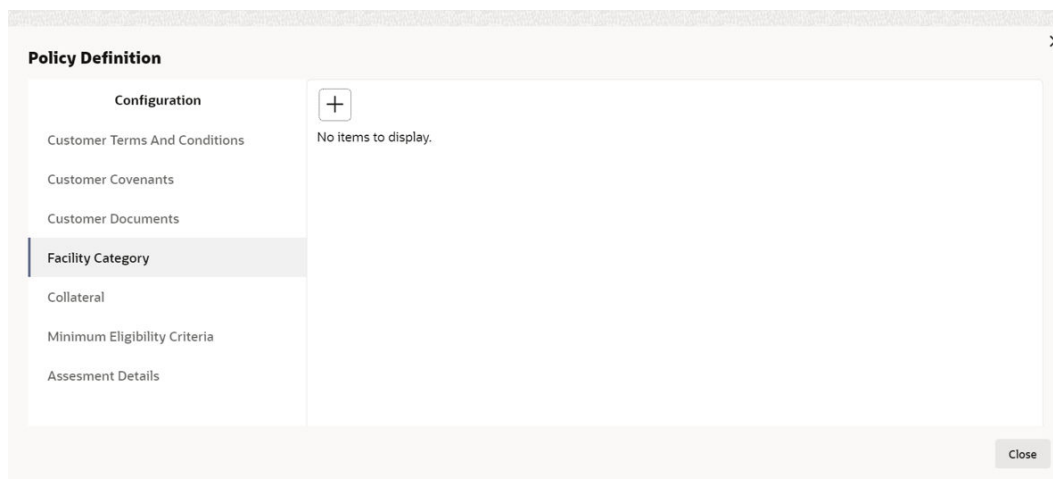
The following fields will get validated against policy definition and the compliance will be reported in **Policy Exception**.

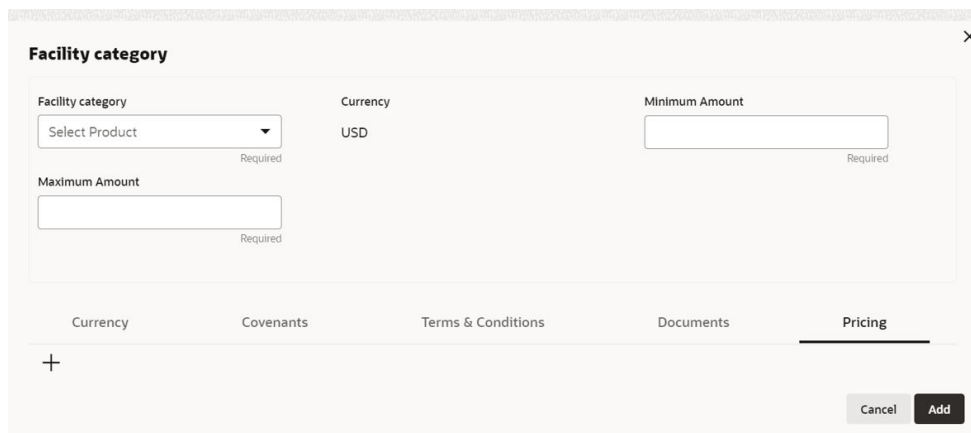
- Document Type

## 3.4.4 Configuring Facility Category

**Configuring Facility Category:**

1. To add Facility Category related policy, click **Facility Category** from the left menu and then click + icon. **Facility Category** window is displayed:

**Figure 3-29 Facility Category**

**Figure 3-30 Facility Category**The image shows a web form titled "Facility category" with a close button (X) in the top right corner. The form contains three main input fields: "Facility category" with a dropdown menu showing "Select Product" and a "Required" label; "Currency" with a text input showing "USD" and a "Required" label; and "Minimum Amount" with a text input and a "Required" label. Below these is a "Maximum Amount" text input with a "Required" label. At the bottom, there are five tabs: "Currency", "Covenants", "Terms & Conditions", "Documents", and "Pricing", with "Pricing" being the active tab. A "+" icon is located below the tabs. At the bottom right, there are "Cancel" and "Add" buttons.

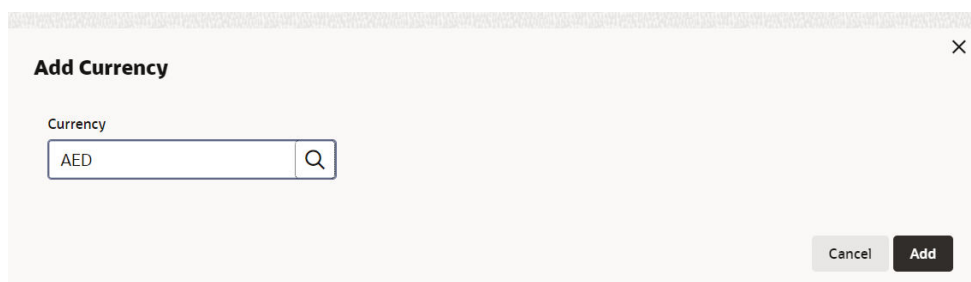
For information on fields in the **Facility Category** screen, refer the below table.

**Table 3-6 Facility Category**

Fields/ Icons	Description
<b>Facility Category</b>	Select <b>Facility Category</b> from the drop-down list.
<b>Currency</b>	Search and select <b>Currency</b> in which the facility can be utilized.
<b>Minimum Amount and Maximum Amount</b>	Specify <b>Minimum Amount</b> and <b>Maximum Amount</b> for the selected Facility Category.

In the **Facility Category** window, the following dimensions can be defined for a Facility Category:

- Currency
  - Covenants
  - Terms & Conditions
  - Documents
  - Pricing
2. To add **Currency** in which the Facility Category can be offered, click + icon. **Add Currency** window is displayed.

**Figure 3-31 Add Currency**The image shows a web form titled "Add Currency" with a close button (X) in the top right corner. The form contains a "Currency" text input field with "AED" entered and a search icon (Q) to its right. At the bottom right, there are "Cancel" and "Add" buttons.

For information on fields in the **Add Currency** screen, refer the below table.

**Table 3-7 Add Currency**

Fields/ Icons	Description
<b>Currency</b>	Search and select <b>Currency</b> .
<b>Save</b>	Click <b>Save</b> . Currency is added and listed in <b>Facility Category</b> window.

- To capture covenant details for the Facility Category, click the Covenants tab in **Facility Category** window and then click + icon. **Covenant Details** window is displayed to add covenant.

**Figure 3-32 Covenant Details**

**Covenant Details**

Covenant ID: TestCovenant

Covenant Name: TestCovenant

Classification Type: Internal

Covenant Type: Financial

Frequency: Yearly

Notice Days: 2

Covenant Description: TestCovenant

**Target condition**

Is Waivable? ☐

Target condition: Greater than

Target Value: 10000.00

Comments

Cancel Clear Add

For information on fields in the **Add Covenant** screen, refer the below table.

**Table 3-8 Add Covenant**

Fields/ Icons	Description
<b>Covenant Details</b>	Search and Select <b>Covenant Details</b> from the list of already created and maintained covenants. The following details associated with the covenants are automatically fetched and displayed in the Covenant Details window. <ul style="list-style-type: none"> <li>Covenant Name</li> <li>Classification Type</li> <li>Covenant Type</li> <li>Frequency</li> <li>Notice Days</li> <li>Covenant Description</li> </ul>
<b>Is Waivable?</b>	Enable <b>Is Waivable?</b> check box, if waive off option is allowed for the covenant.

Table 3-8 (Cont.) Add Covenant

Fields/ Icons	Description
<b>Target Condition</b>	Select <b>Target Condition</b> from drop-down list. The following options are available: <ul style="list-style-type: none"> <li>• Between</li> <li>• Equal to</li> <li>• Greater than</li> <li>• Greater than or equal to</li> <li>• Less than</li> <li>• Less than or equal to</li> </ul> <b>Note:</b> This field is available only for <b>Covenant Type</b> selected as <b>Financial</b> . For <b>Covenant Type</b> , selected as <b>Non-Financial</b> it is not available. For more information refer <b>Configuring Customer Covenants</b> Section.
<b>Target Value</b>	Enter <b>Target Value</b> . <b>Note:</b> This field is available only for <b>Covenant Type</b> selected as <b>Financial</b> . For <b>Covenant Type</b> , selected as <b>Non-Financial</b> it is not available. For more information refer <b>Configuring Customer Covenants</b> Section.
<b>Comments</b>	Enter <b>Comments</b> to help Approvers in making quick decision.
<b>Add</b>	Click <b>Add</b> . <b>Covenant Details</b> are added and displayed in <b>Facility Category</b> window.

- To add the terms and conditions for Facility Category, click **Terms & Conditions** tab in **Facility Category** window and then click + icon. **Terms & Conditions** window is displayed.

Figure 3-33 Terms and Conditions

**Terms And Conditions** [X]

Condition Code: Interest Repayment

Terms And Conditions Type: Pre-Disbursement

Is Waivable? ☐

Condition Description: Repayment of Interest

Comments:

Clear Cancel Add

For information on fields in the **Add Terms & Conditions** screen, refer the below table.

Table 3-9 Add Terms &amp; Conditions

Fields/ Icons	Description
<b>Condition Code</b>	Select <b>Condition Code</b> from the drop-down list. <b>Condition Description</b> is displayed based on the selected condition code. The options available in <b>Condition Code</b> are: <ul style="list-style-type: none"><li>• Interest Repayment</li><li>• Annual Fees Charges</li><li>• Others</li></ul>
<b>Terms And Conditions Type</b>	Select <b>Terms And Conditions Type</b> from the drop-down list. The options available are: <ul style="list-style-type: none"><li>• Pre-Disbursement</li><li>• Post-Disbursement.</li></ul>
<b>Is Waivable?</b>	Enable <b>Is Waivable?</b> check box, if waive off option is allowed for the terms and conditions.
<b>Comments</b>	Enter <b>Comments</b> to help Approvers in making quick decision.
<b>Save</b>	Click <b>Save</b> . <b>Terms and conditions</b> are added and displayed in the <b>Facility Category</b> window.

5. To add document details, click the **Documents** tab in the **Facility Category** window and then click + icon. **Document Details** screen is displayed.

Figure 3-34 Document Details



**Document Details** X

Document Type

Appetite Documents ▼

Is Mandatory? ☐

Cancel Add

For information on fields in the **Document Details** screen, refer the below table.

Table 3-10 Documents

Fields/ Icons	Description
<b>Document Details</b>	<p>Select <b>Document Details</b> from the drop-down list. The options available are:</p> <ul style="list-style-type: none"> <li>• Appetite Documents</li> <li>• Application Form</li> <li>• Legal Agreement Document</li> <li>• Collateral De-Registration Acknowledgment</li> <li>• Collateral De-Registration Form</li> <li>• Collateral Particulars</li> <li>• Collateral Documents</li> <li>• Collateral Release Document</li> <li>• Collateral External Check Documents</li> <li>• Collateral Evaluation Documents</li> <li>• External Legal Opinion Document</li> <li>• Collateral Field Investigation Documents</li> <li>• Collateral Hypothecation Documents</li> <li>• Collateral Invoice Documents</li> </ul>
<b>Is Mandatory?</b>	Enable <b>Is Mandatory?</b> check box, if required.
<b>Add</b>	Click <b>Add</b> . <b>Document Details</b> are added and displayed in <b>Facility Category</b> window.

- To add pricing details for the Facility Category, click **Pricing** tab in **Facility Category** window and then click + icon. **Pricing Details** is displayed.

Figure 3-35 Pricing Details

The screenshot shows the 'Pricing Details' window with a close button (X) in the top right corner. The window has three tabs: 'Charge', 'Interest', and 'Commission'. The 'Charge' tab is selected and highlighted with a purple underline. Below the tabs, there is a list of charges. A '+' icon is visible on the left. The first charge listed is 'Documentation Charge' with a calculator icon. Below this charge, the following details are shown: 'Minimum Spread (%): 2', 'Maximum Spread (%): 3', and 'Is Charge Waivable:'. A vertical ellipsis (three dots) is on the right side of the charge row. At the bottom right of the window, there are 'Cancel' and 'Add' buttons.

In **Pricing Details** window, policy related to Charge, Interest, and Commission can be defined for any **Currency**, **Charge Code** and **Charge Type**.

- To add **Charge** related policy, click **Add** icon. **Charge Details** window is displayed.



**Figure 3-36 Charge Details**

**Charge Details** X

Currency: INR

Minimum Spread (%): 2

Maximum Spread (%): 3

Charge Code: Documentation Charge

Minimum Charge Amount: ₹1,000.00

Maximum Charge Amount: ₹10,000.00

Is Charge Waivable: ☐

Charge Type: Non-Utilization

Cancel Add

For information on fields in the **Charge Details** screen, refer the below table.

**Table 3-11 Charge Details**

Fields/Icons	Description
<b>Currency</b>	Search and fetch <b>Currency</b> for associating the Charge Details.
<b>Minimum Spread (%) and Maximum Spread (%)</b>	Specify <b>Minimum Spread (%)</b> and <b>Maximum Spread (%)</b> . The spread mentioned while adding charge in any credit process will be validated with respect to this Minimum Spread and Maximum Spread.
<b>Charge Code</b>	Select <b>Charge Code</b> from the drop-down list. The following charge code are available: <ul style="list-style-type: none"><li>• Documentation Charge</li><li>• Legal Charge</li><li>• Non-Utilization Charge</li><li>• Risk Charge</li></ul>
<b>Minimum Charge Amount and Maximum Charge Amount</b>	Specify <b>Minimum Charge Amount</b> and <b>Maximum Charge Amount</b> .
<b>Is Charge Waivable</b>	Enable <b>Is Charge Waivable</b> check box, if waver can be availed according to this policy.
<b>Charge Type</b>	Enter <b>Charge Type</b> .

- Click **Add**. Charge is added and listed as shown below:

**Figure 3-37 Pricing Details**

9. To add **Interest** related policy, click **Interest** tab and then click **Add** icon. **Interest Details** window is displayed.

**Figure 3-38 Interest Details**

For field level information Interest Details screen, refer the below table.

**Table 3-12 Interest Details**

Fields/Icons	Description
<b>Component Type</b>	Select <b>Component Type</b> and <b>Rate Type</b> from the drop- down list. The following component type are available: <ul style="list-style-type: none"> <li>• Main Interest</li> <li>• Penalty Interest</li> <li>• Prepayment</li> </ul> The following rate type are available: <ul style="list-style-type: none"> <li>• Fixed</li> <li>• Floating</li> <li>• Special Amount</li> </ul>
<b>Rate Type</b>	If <b>Rate Type</b> is selected as Fixed, then <b>Fixed Interest Rate Details</b> must be added.

10. Click **Add** icon. **Fixed Interest Rate Details** window is displayed.

Figure 3-39 Fixed Interest Rate Details

Fixed Interest Rate Details

Currency

INR

Fixed Interest Rate

10

Enter a number greater than or equal to 0.

Cancel

Add

For field level information Fixed Interest Rate Details screen, refer the below table.

Table 3-13 Fixed Interest Rate Details

Fields/Icons	Description
Currency	Search and fetch <b>Currency</b> for the interest.
Fixed Interest Rate	Specify <b>Fixed Interest Rate</b> .

11. Click **Add**. Fixed Interest Rate Details are added and displayed as shown below:

Figure 3-40 Interest Details

Interest Details

Component Type

Prepayment

Rate Type

Fixed

+

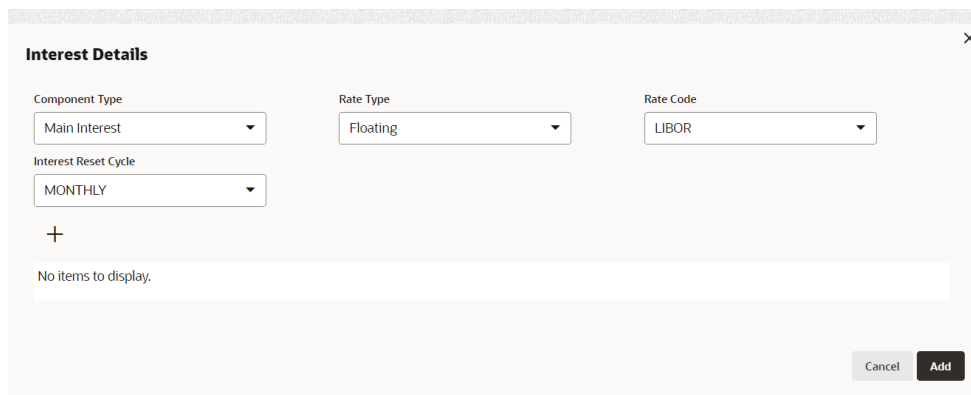
Currency: INR

Fixed Interest Rate: 10

Cancel

Add

If **Rate Type** is selected as **Floating**, then **Interest Details** window is displayed as shown below:

**Figure 3-41 Interest Details**

The Interest Details window contains the following fields:

- Component Type:** Main Interest
- Rate Type:** Floating
- Rate Code:** LIBOR
- Interest Reset Cycle:** MONTHLY

Below the fields is a plus icon (+) and a message: "No items to display."

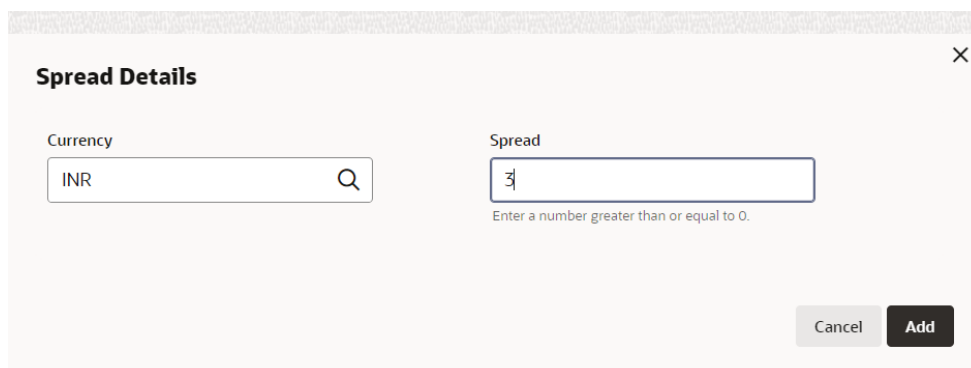
At the bottom right are "Cancel" and "Add" buttons.

For field level information Interest Details screen, refer the below table.

**Table 3-14 Interest Details**

Fields/Icons	Description
Rate Code	Select <b>Rate Code</b> . The options available are: <ul style="list-style-type: none"><li>LIBOR</li><li>SIBOR</li></ul>
Interest Rest Cycle	Select <b>Interest Rest Cycle</b> . The options available are: <ul style="list-style-type: none"><li>Auto</li><li>Half-Yearly</li><li>Monthly</li><li>Quarterly</li></ul>

12. Click + icon. **Spread Details** window displayed.

**Figure 3-42 Spread Details**

The Spread Details window contains the following fields:

- Currency:** INR
- Spread:** 3

Below the Spread field is a hint: "Enter a number greater than or equal to 0."

At the bottom right are "Cancel" and "Add" buttons.

For field level information Spread Details screen, refer the below table.

Table 3-15 Spread Details


Fields/Icons	Description
<b>Currency</b>	Search and fetch <b>Currency</b> for the <b>Spread</b> .
<b>Spread</b>	Specify <b>Spread</b> .

13. Click **Add**. Spread details are added and displayed as shown below:

Figure 3-43 Interest Details

**Interest Details** [X]

Component Type: Main Interest (dropdown)  
Rate Type: Floating (dropdown)  
Rate Code: LIBOR (dropdown)  
Interest Reset Cycle: MONTHLY (dropdown)  
+ (button)

 Currency: INR      Spread: 3      ⋮

Cancel Add

If **Rate Type** is selected as **Special Amount**, then **Interest Details** window displayed as shown below:

Figure 3-44 Interest Details

**Interest Details** [X]

Component Type: Main Interest (dropdown)  
Rate Type: Special Amount (dropdown)  
Currency: [Search icon] Required  
Special Interest Amount: \$1,000.00

Cancel Add

For field level information Interest Details screen, refer the below table.

**Table 3-16 Interest Details**

Fields/Icons	Description
<b>Currency</b>	Search and fetch <b>Currency</b> for the <b>Special Interest Amount</b> .
<b>Special Interest Amount</b>	Specify <b>Special Interest Amount</b> .

Click **Add**. Interest Details are added and displayed in **Pricing Details** window as shown below:

**Figure 3-45 Pricing Details**

The screenshot shows the 'Pricing Details' window with a close button (X) in the top right corner. Below the title bar, there are three tabs: 'Charge', 'Interest' (which is selected and underlined), and 'Commission'. A plus sign (+) is located below the tabs. The main area displays a card for 'Main Interest' with a percentage icon and a list icon. The card shows 'Rate Type: Special Amount' and 'Special Interest Amount: ₹1,000.00'. At the bottom right of the window are 'Cancel' and 'Add' buttons.

14. To add commission related policy, click **Commission** tab. **Commission Details** window is displayed.

**Figure 3-46 Commission Details**

The screenshot shows the 'Commission Details' window with a close button (X) in the top right corner. The window contains several input fields: 'Rate Type' (dropdown menu with 'FIXED RATE' selected), 'Rate Basis' (dropdown menu with 'MONTHLY' selected), 'Commission Type' (dropdown menu with 'USANCE' selected), 'Commission Period' (dropdown menu with 'ADVANCE' selected), and 'Minimum Commission Amount' (text input field with '₹1,500.00'). There is a plus sign (+) button below these fields. At the bottom, there is a card showing 'Currency: INR' and 'Commission Rate: 10' with a list icon. At the bottom right of the window are 'Cancel' and 'Add' buttons.

For field level information Commission Details screen, refer the below table.

Table 3-17 Commission Details

Fields/Icons	Description
<b>Commission Details</b>	Select details for the following fields from the drop-down list: <ul style="list-style-type: none"><li>• Rate Type</li><li>• Rate Basis</li><li>• Commission Type</li><li>• Commission Period</li></ul>
<b>Rate Type</b>	If <b>Rate Type</b> is selected as <b>FIXED RATE</b> , specify <b>Minimum Commission Amount</b> and then click <b>Add</b> icon to capture <b>Commission Rate</b> .

15. If **Rate Type** is selected as **FLAT AMOUNT**, **Commission Details** window displayed as shown below:

Figure 3-47 Commission Details

**Commission Details** X

Rate Type: FLAT AMOUNT

Rate Basis: MONTHLY

Commission Type: USANCE

Commission Period: ADVANCE

Currency: USD

Commission Amount: \$1,400.00

Cancel Add

For information on fields in the **Commission Details** screen, refer the below table.

Table 3-18 Commission Details

Fields/ Icons	Description
<b>Currency</b>	Search and select <b>Currency</b> for the <b>Commission Amount</b> .
<b>Commission Amount</b>	Specify <b>Commission Amount</b> .
<b>Delete</b>	To delete the pricing detail, select the pricing and click <b>Delete</b> icon.

16. Click **Add**. Commission Details are added and displayed in **Pricing Details** window as shown below:

**Figure 3-48 Pricing Details**

17. Click **Add**. Pricing Details are added and displayed in **Facility Category** window as shown below:

**Figure 3-49 Facility Category**
**18. Default and Validation**

The following fields will get defaulted from **Policy Definition** to the **OBCFPM** processes which are linked to policy definition and policy validation.

- Facility Category (under Facility Category - Covenants will get defaulted)
- Covenants (under Covenants - Code, Target Condition, and Target Value will get defaulted)
- T & C (under T & C - Code, Type, and Is Waivable? (Y/N) will get defaulted)
- Document will get defaulted
- Pricing (under Pricing - Interest, Charges, and Commission will get defaulted)

The following fields will get validated against policy definition and the compliance will be reported in **Policy Exception**.

- Facility Category (under Facility Category - Type, Currency, Minimum Amount, and Maximum Amount will get validated)
- Currency will get validated
- Covenants (under Covenants- Is Waivable?, Code, Target Condition, and Target Value will get validated)



- T & C (under T & C - Code, Type, and Is Waivable (Y/N) will get defaulted)
- Document will get validated
- Pricing (under Pricing - Interest, Charges, and Commission will get validated)

## 3.4.5 Configuring Collateral

### **Configuring Collateral**

1. To add collateral related policy, click **Collateral** from the left menu and then click **+** icon. **Collateral Details** window is displayed.

**Figure 3-50 Collateral Details**

The screenshot shows a window titled "Policy Definition" with a close button (X) in the top right corner. On the left is a vertical menu with the following items: Configuration, Customer Terms And Conditions, Customer Covenants, Customer Documents, Facility Category, **Collateral** (highlighted with a blue bar), Minimum Eligibility Criteria, and Assessment Details. The main area on the right contains a large plus sign (+) and the text "No items to display." At the bottom right of the window is a "Close" button.

**Figure 3-51 Collateral Details**

The screenshot shows a window titled "Collateral Details" with a close button (X) in the top right corner. The main area contains two input fields: "Collateral Type" with a dropdown menu showing "Agreements Undertaking", and "Minimum frequency for valuation (yrs)" with a text input field and a "Required" label below it. Below these fields are three tabs: "Covenants", "Terms & Conditions", and "Documents". Under the "Terms & Conditions" tab, there is a plus sign (+) and the text "No items to display." At the bottom right are three buttons: "Clear", "Cancel", and "Add".

For information on fields in the **Collateral Details** screen, refer the below table.

Table 3-19 Collateral Details

Fields/ Icons	Description
<b>Collateral Type</b>	<p>Select <b>Collateral Type</b> from the drop-down list. The options available are:</p> <ul style="list-style-type: none"> <li>• Machine</li> <li>• Deposits</li> <li>• Bond</li> <li>• Stock</li> <li>• Fund</li> <li>• Vehicle</li> <li>• Guarantee</li> <li>• Property</li> <li>• Aircraft</li> <li>• Insurance</li> <li>• Precious Metals</li> <li>• Ship</li> <li>• Account Receivables</li> <li>• Cash Collaterals</li> <li>• Inventory</li> <li>• Accounts Contracts</li> <li>• Crop</li> <li>• Commercial Paper</li> <li>• Perishable</li> <li>• Commodity</li> <li>• PDC</li> <li>• Bill Of Exchange</li> <li>• Promissory Note</li> <li>• Miscellaneous</li> <li>• Corporate Deposits</li> <li>• Livestock</li> <li>• Intangible Assets</li> <li>• Agreements Undertaking</li> </ul>
<b>Minimum frequency for valuation (yrs)</b>	Specify the frequency for evaluating the collateral in <b>Minimum frequency for valuation (yrs)</b> field.

2. Add **Covenant, Terms & Conditions**, and **Documents** details for the collateral. Refer **Configuring Covenants, Configuring Terms & Conditions**, and **Configuring Documents**, for information on adding Covenants, Terms & Conditions, and Documents.
3. Click **Add** in Collateral Details window.  
The added details are displayed in the **Policy Definition** window:

**Figure 3-52 Collateral Details**

**Collateral Details** [X]

Collateral Type: Machine  
Minimum frequency for valuation (yrs): 7

**Covenants** | Terms & Conditions | Documents

+ [BV] Is Waivable?: No Target condition: Between 1 and 2

Clear Cancel Add

**Default and Validation**

The following fields will get defaulted from **Policy Definition** to the **OBCFPM** processes which are linked to policy definition and policy validation.

- Minimum frequency of validation will get defaulted
- Covenants (under Covenants - is Waviable?, Target Condition, and Target Value will get defaulted)
- T & C will get defaulted
- Document will get defaulted

The following fields will get validated against policy definition and the compliance will be reported in **Policy Exception**.

- Type will get validated
- Minimum frequency of validation will get validated
- Covenants (under Covenants - is Waviable?, Target Condition, and Target Value will get validated)
- T & C will get validated
- Document will get validated

## 3.4.6 Configuring Minimum Eligibility Criteria

**Configuring Minimum Eligibility Criteria:**

1. Click **Minimum Eligibility Criteria** from the left menu. **Vintage** window is displayed.

Figure 3-53 Policy Definition - Vintage

The screenshot shows the 'Policy Definition' window with the 'Vintage' tab selected. The left sidebar lists configuration options: Customer Terms And Conditions, Customer Covenants, Customer Documents, Facility Category, Collateral, Minimum Eligibility Criteria (highlighted), and Assessment Details. The main content area is titled 'Secured Lending' and contains two input fields: 'Minimum years of operations' and 'Minimum years of financial documents available'. A 'Close' button is located at the bottom right.

2. Specify **Minimum years of operations** and **Minimum years of financial documents available** requirement for the following elements:
  - Secured Lending
3. To capture **Ratings & Grading** requirement, click **Ratings & Grading** next to **Vintage**. **Ratings & Grading** window is displayed.

Figure 3-54 Ratings and Grading

The screenshot shows the 'Policy Definition' window with the 'Ratings & Grading' tab selected. The left sidebar is the same as in Figure 3-53. The main content area contains input fields for 'Moody's', 'Fitch', 'S&P', 'CRISIL', and 'Default grading'. A 'Close' button is located at the bottom right.

4. Capture **Ratings & Gradings** requirement from the following agencies:
  - Moodys
  - Fitch
  - S&P
  - CRISIL
  - Default Grading
5. Specify **Default Grading** requirement and click **Legal Status** next to **Rating & Grading**. **Legal Status** window is displayed.

**Figure 3-55 Legal Status**

For information on adding Legal Status fields screen, refer the below table.

**Table 3-20 Legal Status**

Fields/Icons	Description
<b>Legal Status</b>	Capture <b>Legal Status</b> requirement by selecting <b>Allowed</b> or <b>Not Allowed</b> for the following fields: <ul style="list-style-type: none"> <li>Pvt Ltd</li> <li>Proprietorship</li> <li>Partnership</li> <li>Public Ltd</li> <li>Government Owned</li> <li>Society</li> <li>Trust</li> <li>HUF</li> </ul>
<b>Save</b>	Click <b>Save</b> .

#### 6. Validation

The following fields will get validated against policy definition and the compliance will be reported in **Policy Exception**

- Vintage (under Vintage- Minimum years of operation will get validated)
- Ratings & Grading will get validated
- Legal Status will get validated

## 3.4.7 Configuring Assessment Details

### Configuring Assessment Details:

1. Click **Assessment Details** from the left menu. **Assessment** window is displayed.

**Figure 3-56 Assessment Details**

2. Click **Quantitative Assessment** tab.

**Figure 3-57 Quantitative Assessment**

For information on adding Quantitative Assessment fields screen, refer the below table

**Table 3-21 Quantitative Assessment**

Fields/Icons	Description
<b>Balance sheet Size - From</b> and <b>Balance sheet Size - To</b>	Specify the balance sheet size requirement in <b>Balance sheet Size - From</b> and <b>Balance sheet Size - To</b> fields, respectively.

3. To capture **Benchmark Details**, click + icon. **Benchmark Details** window is displayed.

Figure 3-58 Benchmark Details

**Benchmark Details** ✕

Financial Code:

Financial Description: Cash Generated from Operations

Industry Benchmark Value:

Absolute Range Minimum:  Absolute Range Maximum:

**Target Condition**

Benchmark Target Condition: Between

From Benchmark Value:  To Benchmark Value:

For information on fields in the **Benchmark Details** screen, refer the below table.

Table 3-22 Benchmark Details

Fields/ Icons	Description
<b>Financial Code</b>	Search and select <b>Financial Code</b> . <b>Financial Description</b> details is displayed based on the selected financial code. The list of financial codes will be displayed on basis of financial code maintenance done in <b>OBCFPM</b> .
<b>Industry Benchmark Value</b>	Specify <b>Industry Benchmark Value</b> .
<b>Absolute Range Minimum and Absolute Range Maximum</b>	Specify the allowed Benchmark range in <b>Absolute Range Minimum</b> and <b>Absolute Range Maximum</b> fields.
<b>Target Condition</b>	<p>Specify <b>Benchmark Target Condition</b> by selecting options available in <b>Target Condition</b>. The available options are:</p> <ul style="list-style-type: none"><li>• &lt;</li><li>• &gt;</li><li>• =</li><li>• Between</li></ul> <p><b>Note:</b> If <b>Between</b> is selected as <b>Target Condition</b>, <b>From Benchmark Value</b> and <b>To Benchmark Value</b> will be displayed instead of <b>Bank Benchmark Value</b>. Enter the details.</p>

Click **Add**. **Quantitative Assessment** details are displayed as shown below:

**Figure 3-59 Quantitative Assessment**

For information on adding Questionnaire Linkage Details fields screen, refer the below table.

**Table 3-23 Quantitative Assessment Details**

Fields/Icons	Description
<b>Benchmark Details</b>	To add another <b>Benchmark Details</b> , click + icon again and perform the necessary steps.
<b>Edit</b>	Click <b>Edit</b> , to modify the entered details.
<b>Delete</b>	Click <b>Delete</b> , to delete the entered details.
<b>View</b>	Click <b>View</b> , to delete the entered details.

**Note:**

In Quantitative Analysis of CP applications the ratio will be populated for only those Financial codes which meet the below three requirements:

- Financial code Maintained as part of Financial Code Maintenance.
- Financial Code added as part of table *CFPM\_TM\_FINANCIAL\_RATIO* with formula defined. Factory shipped 14 financial codes are included in this table. Any new financial code which needs to be considered for scoring should be added into this table.
- Financial code added as part of Policy definition quantitative assessment details.

- Click **Qualitative Assessment** tab. **Questionnaire Linkage Details** window is displayed.



Figure 3-60 Questionnaire Linkage Details

Questionnaire Linkage Details

Category Code

Legal Evaluation

From Balance Sheet Size

₹55,550,000.00

To Balance Sheet Size

₹100,000,000.00

Question Linkage

Sub Categories

Operational Legal

Financial Legal

Question Code	Question Description	Factor	Actions
QUECD354	Is the entity legally valid	5	<div><div></div><div>Remove</div><div></div><div>View</div></div>

Cancel

Add

For information on adding **Questionnaire Linkage Details** fields screen, refer the below table.

Table 3-24 Questionnaire Linkage Details

Fields/Icons	Description
<b>Category Code</b>	<p>Select the <b>Category Code</b> from the drop-down list. The available options are:</p> <ul style="list-style-type: none"> <li>• Other Analysis</li> <li>• Shareholder Analysis</li> <li>• Guarantor Analysis</li> <li>• Banker Analysis</li> <li>• Currency Analysis</li> <li>• Country Analysis</li> <li>• Advisors Analysis</li> <li>• Insurance Analysis</li> <li>• Management Team Analysis</li> <li>• Directors Analysis</li> <li>• Supplier Analysis</li> <li>• Legal Evaluation</li> <li>• Risk Evaluation</li> <li>• Economic Conduct</li> <li>• Economic domestic Conduct</li> <li>• Geographic Expansion</li> <li>• Financial Performance</li> <li>• Speeding Trends</li> <li>• Government Support</li> <li>• Bank Obligations</li> <li>• Industrial Performance</li> <li>• Qualitative Analysis</li> <li>• Sector Analysis</li> <li>• Creditor Analysis</li> <li>• Qualitative Analysis</li> <li>• Debtor Analysis</li> <li>• Customer Analysis</li> <li>• Contractor Analysis</li> <li>• KYC</li> <li>• Loan Account Analysis</li> <li>• Trading Operations Analysis</li> <li>• Rating Analysis</li> <li>• Market Share Analysis</li> <li>• External Credit Scoring Analysis</li> <li>• Peer Analysis</li> </ul> <p>This list will be populated based on the Questionnaire maintained as part of <b>OBCFPM</b>.</p>
<b>From Balance Sheet Size and To Balance Sheet Size</b>	Specify the balance sheet size requirement in <b>From Balance Sheet Size</b> and <b>To Balance Sheet Size</b> fields.

In **Question Linkage** sections, already maintained question details are listed.

Figure 3-61 Questionnaire Linkage Details

Questionnaire Linkage Details

Category Code

Legal Evaluation

From Balance Sheet Size

₹55,550,000.00

To Balance Sheet Size

₹100,000,000.00

Question Linkage

Sub Categories

Operational Legal

Financial Legal

Question Code	Question Description	Factor	Actions
QUECD354	Is the entity legally valid	5	<div><div></div><div>Remove</div><div></div><div>View</div></div>

Cancel

Add

5. Click **View** icon in **Actions** column. **Question Details** window is displayed.

Figure 3-62 Question Details

Question Details

Question Code

QUECD354

Question Description

Is the entity legally valid

Factor

5

Answer Description	Score
No	1
Yes	5

Done

For information on adding Question Details fields screen, refer the below table.

Table 3-25 Question Details

Fields/Icons	Description
Done	View the details and click <b>Done</b> .
Remove	To remove the question, click <b>Remove</b> icon in the <b>Action</b> column.

6. Click **Add**. Assessment details are added as shown below:

**Figure 3-63 Assessment Details**

The screenshot shows a 'Policy Definition' window. On the left is a sidebar with 'Configuration' and 'Assessment Details' sections. The 'Assessment Details' section is selected. The main area has two tabs: 'Quantitative Assessment' and 'Qualitative Assessment'. Under 'Quantitative Assessment', there is a 'Peer Analysis' card showing 'Number Of Questions: 1' and 'From Balance Sheet Size: ₹1,000.00 To Balance Sheet Size: ₹100,000.00'. A 'Close' button is at the bottom right.

For information on adding Assessment details screen, refer the below table.

**Table 3-26 Assessment details**

Fields/Icons	Description
<b>Save</b>	To save the overall configuration details, click <b>Save</b> . <b>Policy Definition</b> page is displayed.
<b>Next</b>	Define policy for the sub sector and all the sub industries, and then click <b>Next</b> . <b>Policy Summary</b> page is displayed.

#### Default Fields

The Questionnaire set as part of **Qualitative Assessment** section will get defaulted in the CP processes and the Financial codes defined for **Quantitative Assessment** will get defaulted in the CP transactions.

- under Assessment Details under Qualitative Assessment **Questionnaire** will get defaulted in **Credit** application
- under Assessment Details under Quantitative Assessment **Financial Codes** will get defaulted in **Credit** application

## 3.5 Policy Summary

The summary page provides a holistic view of all the dimensions configured in this policy definition initiation stage.

Select **Sector**, **Industry Group**, **Industry**, and **Sub-Industry** in **Policy Summary** window and Click **Go**.

Figure 3-64 Policy Summary

**Policy Definition - Initiation** Screen(5/6)

- Select Sector
- Sector Evaluation
- Headroom Definition
- Policy Definition
- Policy Summary**
- Comments

**Policy Summary**

Sector:  Industry Group:  Industry:  Sub-Industry:

Policy Summary window is displayed with all details.

Figure 3-65 Policy Summary

**Policy Summary** Screen(5/6)

- Select Sector
- Sector Evaluation
- Headroom Definition
- Policy Definition
- Policy Summary**
- Comments

**Displaying Results for - Sector Health Care**

Appetite Summary

Currency	0
Allocated Capital	0
Allocated for Fund Based Facilities	0
Allocated for Non Fund Based Facilities	0

Policy Evaluation Summary

Geographic Expansion	0
Financial Performance	0
Spending Trends	0
Government Support	0
Bank Obligations	0

Minimum Eligibility Criteria

Vintage	0
Financial Ratios	0
Ratings	0
Legal Status	0

Covenants

Financial Covenants	0
Max Elapsed Covenants	0

Figure 3-66 Policy Summary

- Sector Evaluation
- Headroom Definition
- Policy Definition
- Policy Summary**
- Comments

**Facility Category**

No data to display

**Collateral Max LTV**

No data to display

**Terms and Conditions**

No items to display.

1. To modify the necessary details, click **Back** button.
2. To cancel the policy definition process, click **Cancel** button.
3. To save the entered details and close the process, click **Save & Close**.
4. View the **Policy Summary** and click **Next** after verifying all the details.

## 3.6 Comments

In this page, the overall comments for the policy definition initiation stage are captured. The comments captured in this page are used by the Approvers to make quick decisions.

Click **Next** in **Policy Summary** page, **Comments** page is displayed.

**Figure 3-67 Comments**

**Figure 3-68 Checklist**

The screenshot shows a web interface titled "Checklist" with a close button (X) in the top right corner. Below the title is a text box containing "No items to display." Below this is a pagination bar showing "Page 1 (0 of 0 items)" and navigation icons. At the bottom, there is an "Outcome" label, a dropdown menu with "Proceed" selected, and a "Submit" button.

3. Select the **Outcome** as **Proceed** and then click **Submit**. The policy is moved to **Business Recommendation** stage.

# 4

## Business Recommendation

In this stage, Business Head in the bank verifies the policy details defined by the Policy Analysts and recommends the necessary changes.



### Note:

In this Chapter, only the actions that must be performed by the Business Head are explained. Refer **Initiating Policy Definition** chapter for field level explanations.

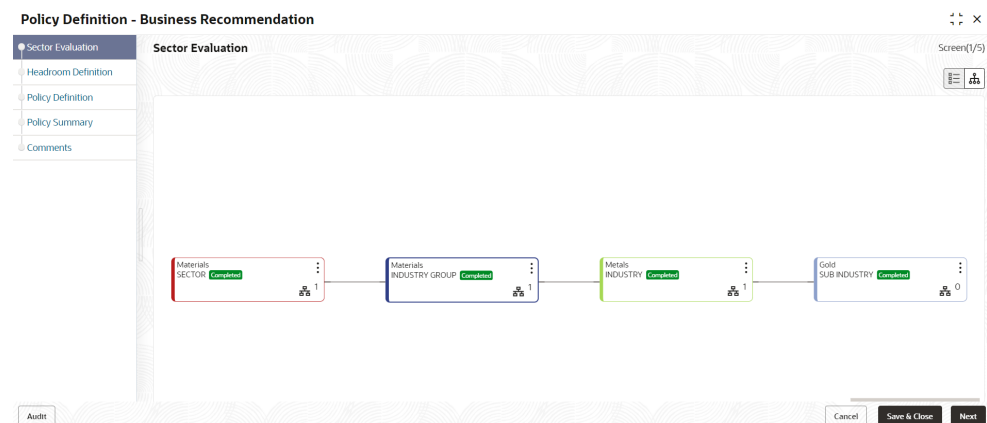
1. To acquire the Business Recommendation task, navigate to **Tasks > Free Tasks** from the **Navigation Menu**.

Figure 4-1 Free Tasks

Priority	Process Name	Process Reference Number	Application Number	Stage	Application Date	Branch
Low	Policy Definition	PL23159143	PL23159143	Business Recommendation	23-05-19	000
Low	Collateral Perfection	APP231467666	APP231467666	Risk Evaluation	19-09-20	000
Low	Collateral Perfection	APP231467666	APP231467666	Legal Opinion	19-09-20	000
Low	Collateral Perfection	APP231467666	APP231467666	External Valuation	19-09-20	000
Low	Collateral Perfection	APP231457649	APP231457649	Risk Evaluation	19-09-20	000
Low	Collateral Perfection	APP231457649	APP231457649	External Valuation	19-09-20	000
Low	Collateral Perfection	APP231457649	APP231457649	Field Investigation	19-09-20	000
Low	Collateral Perfection	APP231457649	APP231457649	Legal Opinion	19-09-20	000
Low	Collateral Perfection	APP231457648	APP231457648	Legal Opinion	19-09-20	000

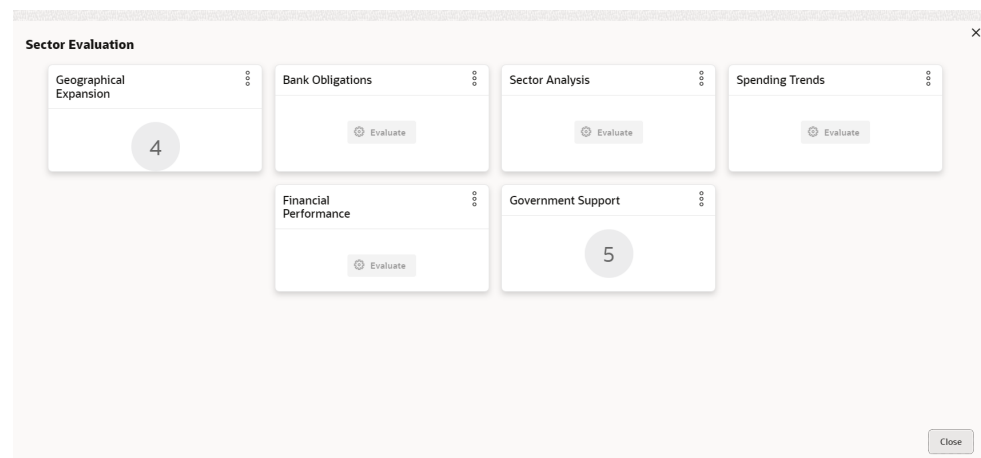
2. Click **Acquire and Edit** and acquire the required task. **Sector Evaluation** page is displayed.



**Figure 4-2 Sector Evaluation**

In **Sector Evaluation** page, business head can perform re-evaluation and capture comments for the evaluation.

3. Right click the sector, industry group, industry and sub - industry and then click **Evaluate Now**. **Sector Evaluation** window is displayed.

**Figure 4-3 Sector Evaluation**

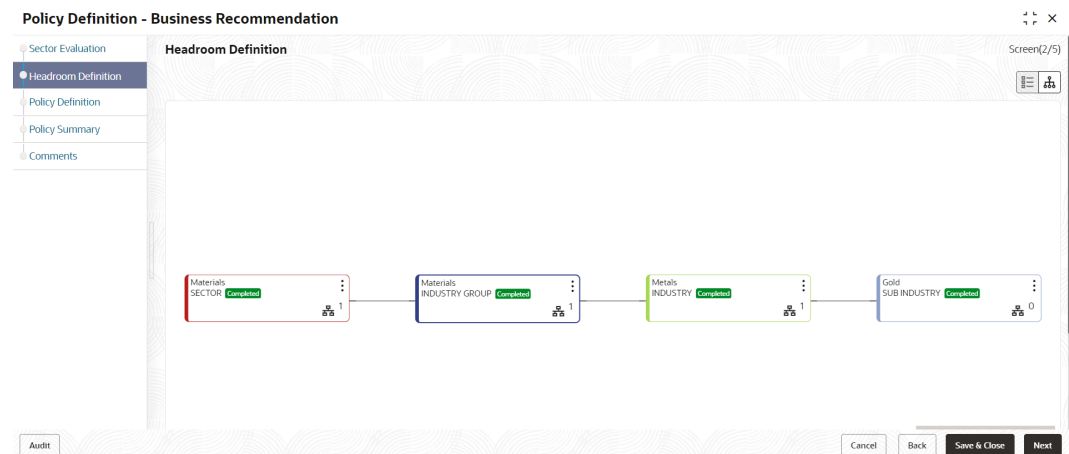
For information on fields in the Sector Evaluation screen, refer the below table.

**Table 4-1 Sector Evaluation**

Fields/Icons	Description
<b>Edit</b>	To perform re-evaluation, click <b>Edit</b> .
<b>Comments</b>	To capture comments for the evaluation, click <b>Comments</b> .
<b>Close</b>	Click <b>Close</b> to close the window.

4. In **Section Evaluation** page, click **Next**. **Headroom Definition** page is displayed.

Figure 4-4 Headroom Definition



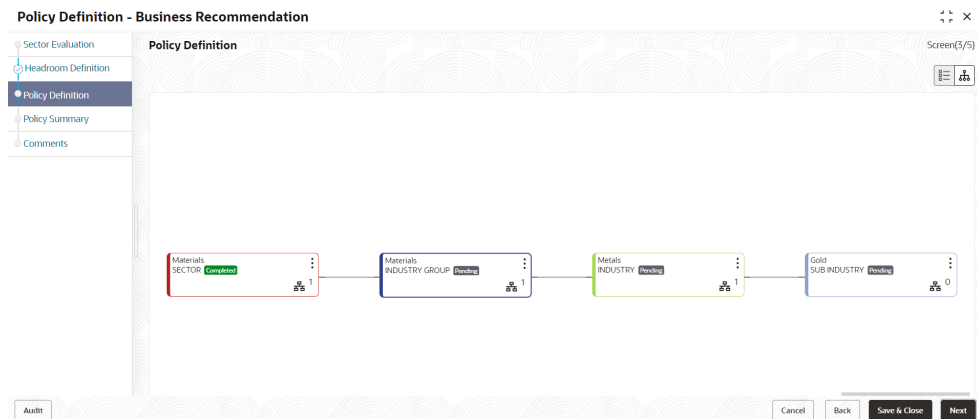
5. Right click the sector, industry group, industry and sub - industry and then click **Define Appetite**. **Appetite Setting** window is displayed.

Figure 4-5 Appetite Setting

In **Appetite Setting** window, the values cannot be modified.

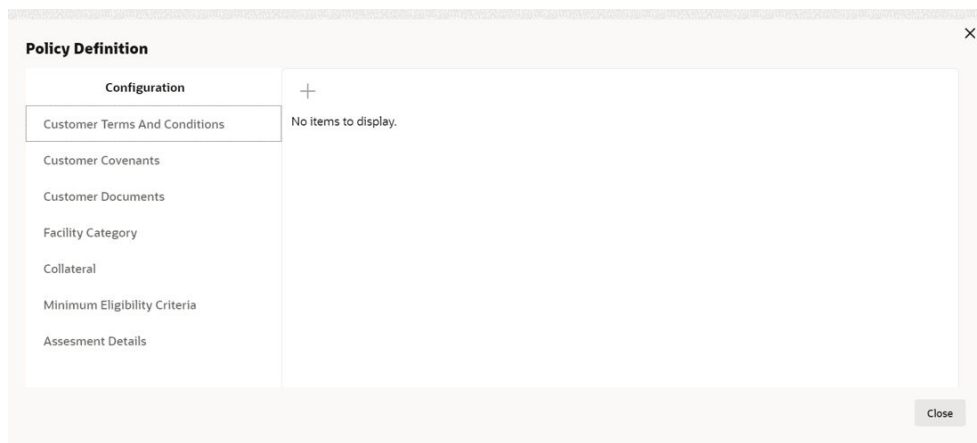
6. View the necessary details and click **Submit**.
7. In the **Headroom Definition** page, click **Next**. **Policy Definition** page is displayed.

**Figure 4-6 Policy Definition**



8. Right click the sector, industry group, industry and sub - industry and then click **Configure**. **Policy Definition Configuration** window is displayed.

**Figure 4-7 Policy Definition Configuration**



## 4.1 Policy Definition Configuration

1. **Terms And Conditions**
2. To capture business recommendations for the terms and conditions, click **Terms And Conditions** from the left menu.

Figure 4-8 Terms And Conditions

Policy Definition

Configuration

Customer Terms And Conditions

Customer Covenants

Customer Documents

Facility Category

Collateral

Minimum Eligibility Criteria

Assessment Details

+

No items to display.

Close

3. Select the required terms and conditions and then click **Edit** icon. **Terms And Conditions** window is displayed.

Figure 4-9 Terms And Conditions

Terms And Conditions

Condition Code

Interest Repayment

Condition Description

Repayment of Interest

Comments

Pre-disbursement condition for Energy Sector

Business Recommendations

Terms And Conditions Type

Pre-Disbursement

Is Waivable?

☐

Cancel Save

Figure 4-10 Terms And Conditions

Terms And Conditions

Condition Description

Repayment of Interest

Comments

Pre-disbursement condition for Energy Sector

Business Recommendations

Cancel Save

For information on fields in the Terms And Conditions screen, refer the below table.

Table 4-2 Terms And Conditions

Fields/Icons	Description
<b>Business Recommendations</b>	View the details and enter <b>Business Recommendations</b> .
<b>Save</b>	Click <b>Save</b> , to save the details.
<b>Customer Covenants</b>	To capture business recommendations for <b>Customer Covenants</b> , click <b>Customer Covenants</b> from the left menu.

4. Select the required customer covenant and then click **Edit** icon. **Covenant Details** window is displayed.

Figure 4-11 Covenant Details

The screenshot shows a 'Covenant Details' window with the following fields and values:

Covenant Details			
Covenant ID	Covenant Name	Classification Type	Covenant Type
CV500004L	DSCR by EBITDA	Internal	Financial
	Notice Days	Covenant Description	
	1	DSCR by EBITDA	
Target condition			
Is Viewable?	Covenant Target Condition	Target Value	
<input type="checkbox"/>	GT	12500000.00	
Comments			
Business Recommendations			
<input type="text"/>			

At the bottom right, there are 'Cancel' and 'Save' buttons.

For information on fields in the Covenant Details screen, refer the below table.

Table 4-3 Covenant Details

Fields/Icons	Description
<b>Business Recommendations</b>	View the details and enter <b>Business Recommendations</b> .
<b>Save</b>	Click <b>Save</b> , to save the details.

5. Click **Customer Documents** from the left menu.

**Figure 4-12 Customer Documents**

The screenshot shows the 'Policy Definition' window with the 'Customer Documents' tab selected. On the left, a sidebar lists configuration options: Configuration, Customer Terms And Conditions, Customer Covenants, Customer Documents (highlighted), Facility Category, Collateral, Minimum Eligibility Criteria, and Assessment Details. The main area displays a document titled 'Collateral Invoice Documents' with the status 'Is Mandatory?: No'. A 'View' icon is visible next to the document. A '+ ' icon is at the top left of the main area, and a 'Close' button is at the bottom right.

In **Customer Documents** window, either new customer document details can be added or the already added customer document details can be viewed. For information on fields in the Customer Documents screen, refer the below table.

**Table 4-4 Customer Documents**

Fields/Icons	Description
<b>Add</b>	To add new document details, click <b>+</b> icon.
<b>View</b>	To View the document details, select the detail and then click <b>View</b> icon.
<b>Facility Category</b>	To capture business recommendation for the <b>Facility Category</b> , click <b>Facility Category</b> from the left menu.

6. Select the **Facility Category** and then click **Edit** icon. **Facility Category** window is displayed.

**Figure 4-13 Facility Category**

The screenshot shows the 'Facility category' window. It contains four input fields: 'Facility category' (a dropdown menu with 'Select Product' and a 'Required' label), 'Currency' (a text field with 'USD' and a 'Required' label), 'Minimum Amount' (a text field with a 'Required' label), and 'Maximum Amount' (a text field with a 'Required' label). Below these fields is a horizontal tab bar with five tabs: 'Currency' (selected), 'Covenants', 'Terms & Conditions', 'Documents', and 'Pricing'. A '+' icon is located below the 'Currency' tab. At the bottom right, there are 'Cancel' and 'Add' buttons.

For information on fields in the Facility Category screen, refer the below table.

**Table 4-5 Facility Category**

Fields/Icons	Description
<b>Business Recommendations</b>	View the details and enter <b>Business Recommendations</b> .
<b>Save</b>	Click <b>Save</b> , to save the details.
<b>Collateral</b>	To capture business recommendations for the collateral, click <b>Collateral</b> from the left menu.

7. Select the required collateral details and then click the **Edit** icon. **Collateral Details** window is displayed.

**Figure 4-14 Collateral Details**

**Collateral Details** X

Collateral Type: Agreements Undertaking

Minimum frequency for valuation (yrs):  Required

Covenants Terms & Conditions Documents

+  
No items to display.

Clear Cancel Add

For information on fields in the Collateral Details screen, refer the below table.

**Table 4-6 Collateral Details**

Fields/Icons	Description
<b>Business Recommendations</b>	View the details and enter <b>Business Recommendations</b> .
<b>Save</b>	Click <b>Save</b> .

8. To capture business recommendations for the minimum eligibility criteria, click **Minimum Eligibility Criteria** from the left menu. **Vintage** window is displayed.

**Figure 4-15 Vintage**

**Policy Definition**

**Configuration**

- Customer Terms And Conditions
- Customer Covenants
- Customer Documents
- Facility Category
- Collateral
- Minimum Eligibility Criteria**
- Assessment Details

**Vintage**      Ratings & Grading      Legal Status

Business Recommendations

Pvt Ltd.      Proprietorship      Partnership      Public Ltd

Allowed Not Allowed      Allowed Not Allowed      Allowed Not Allowed      Allowed Not Allowed

Government owned      Society      Trust      HUF

Allowed Not Allowed      Allowed Not Allowed      Allowed Not Allowed      Allowed Not Allowed

**Save**

**Close**

For information on fields in the Minimum Eligibility Criteria screen, refer the below table.

**Table 4-7 Minimum Eligibility Criteria**

Fields/Icons	Description
<b>Business Recommendations</b>	View the details and enter <b>Business Recommendations</b> .
<b>Save</b>	Click <b>Save</b> and then click <b>Submit</b> .
<b>Ratings &amp; Gradings</b>	To capture business recommendations for <b>Ratings &amp; Gradings</b> , click right arrow at the top right corner. <b>Ratings &amp; Grading</b> window is displayed.

**Figure 4-16 Ratings and Grading**

**Policy Definition**

**Configuration**

- Customer Terms And Conditions
- Customer Covenants
- Customer Documents
- Facility Category
- Collateral
- Minimum Eligibility Criteria**
- Assessment Details

**Vintage**      **Ratings & Grading**      Legal Status

Moody's	Fitch	S&P
AA+	AAA	AA
CRISIL	Default grading	
BB	BB+	

**Close**

- View the details in **Ratings & Grading**.
- To view **Legal Status**, click right arrow at the top right corner. **Legal Status** window is displayed.



Figure 4-17 Legal Status

**Note:** **Business Recommendation** remark is captured only in **Legal Status** screen and in Vintage and Rating & Grading screens remarks cannot be captured you can only view the screens.

11. To view **Policy Summary**, click **Next** in **Policy Definition** page.

Figure 4-18 Policy Summary

Figure 4-19 Policy Summary

**Figure 4-20 Policy Summary**

The screenshot shows the 'Policy Summary' screen with a left-hand navigation menu containing 'Sector Evaluation', 'Headroom Definition', 'Policy Definition', 'Policy Summary' (selected), and 'Comments'. The main content area has a light gray background with a circular pattern. It contains three panels, each with a title and a 'No data to display' message:

- Facility Category**: No data to display
- Collateral Max LTV**: No data to display
- Terms and Conditions**: No items to display.

**Figure 4-21 Policy Summary**

The screenshot shows the 'Policy Summary' screen with the same navigation menu. The main content area displays three panels:

- Minimum Documents Required For**: No items to display.
- Quantitative Assessment**:
 

Benchmark Value From	0
Benchmark Value To	0
Number Of Financial Codes	0
- Qualitative Assessment**:
 

Balance Sheet Size From	1000
Balance Sheet Size To	100000
Number Of Questions	1

For information on fields in the Policy Definition screen, refer the below table.

**Table 4-8 Policy Definition**

Fields/Icons	Description
<b>Go</b>	Select the sector, industry group, industry and sub - industry and then click <b>Go</b> . <b>Policy Summary</b> is displayed.
<b>Policy Summary</b>	View the <b>Policy Summary</b> and click <b>Next</b> after verifying all the details.
<b>Back</b>	To modify the necessary details, click <b>Back</b> .
<b>Cancel</b>	To cancel the policy definition process, click <b>Cancel</b> .
<b>Save &amp; Close</b>	To save the entered details and close the process, click <b>Save &amp; Close</b> .

Click **Next** button in **Policy Summary** page, **Comments** page is displayed.

**Figure 4-22 Comments**

For information on fields in the Comments screen, refer the below table.

**Table 4-9 Comments**

Fields/Icons	Description
<b>Post</b>	<b>Post</b> the <b>Comments</b> for this stage. Posted comments appear at the bottom of the <b>Comments</b> box.
<b>Submit</b>	Click <b>Submit</b> . <b>Checklist</b> related to the policy definition process is displayed.

**Figure 4-23 Checklist**

For information on fields in the Checklist screen, refer the below table.

Table 4-10 Checklist

Fields/Icons	Description
<b>Outcome</b>	<p>Select the <b>Outcome</b>. The options available are:</p> <ul style="list-style-type: none"><li>• Proceed</li><li>• Additional Info</li></ul> <p>If <b>Proceed</b> is selected as <b>Outcome</b>, the policy is moved to the <b>Credit Approval</b> stage.</p> <p>If <b>Additional Info</b> is selected as <b>Outcome</b>, the policy is moved back to the <b>Policy Initiation</b> stage. The Policy Manager has to modify the policy details and submit it again for <b>Business Recommendation</b> stage.</p>

# 5

## Approval from Legal Head

In this stage, the Legal Head in the legal team can capture their comments after viewing the policy details. If the information provided in the **Policy Initiation** Stage is insufficient, then the additional information can be requested.



### Note:

**Legal Head Approval** stage is similar to the **Business Recommendation** stage. Refer **Business Recommendation** chapter for information on capturing **Legal Comments**.

# 6

## Approval from Policy Team

In **Policy Approval** stage, the policy team in the bank can capture their comments after viewing the policy details. If the information provided in the **Policy Initiation** Stage is insufficient, then the additional information can be requested.



### Note:

**Policy Approval** stage is similar to the **Business Recommendation** stage. Refer **Business Recommendation** chapter for information on capturing **Policy Approver Comments**.

# 7

## Approval from Credit Team

The policy submitted in the **Business Recommendation** stage is moved to multiple parallel stages for approval. In **Credit Approval** stage, the Credit Approver in the bank can capture their comments after viewing the policy details. If the information provided in the **Policy Initiation** Stage is insufficient, then the additional information can be requested.



### Note:

**Credit Approval** stage is similar to the **Business Recommendation** stage. Refer **Business Recommendation** chapter for information on capturing Credit Approver Comments.

# 8

## Risk Recommendations

Recommendations from the risk team is necessary for the final policy approver in taking better decision. In this stage, the risk team in the bank can capture their comments after viewing the policy details. If the information provided in the **Policy Initiation** Stage is insufficient, then the additional information can be requested.



### Note:

**Risk Recommendations** stage is similar to the **Business Recommendation** stage. Refer **Business Recommendation** chapter for information on capturing **Risk Approver Comments**.



# 9

## Compliance Recommendations

Compliance recommendations from the compliance team plays a vital role in eliminating non-compliance related penalties. In this stage, the compliance team in the bank can capture their comments after viewing the policy details. If the information provided in the **Policy Initiation** Stage is insufficient, then the additional information can be requested.



### Note:

**Compliance Recommendations** stage is similar to the **Business Recommendation** stage. Refer **Business Recommendation** chapter for information on capturing **Compliance Head Comments**.

# 10

## Policy Approval

After the multiple stages of approval and recommendation, the policy head finalizes the policy in this stage.

**Figure 10-1 Covenant Details**

**Covenant Details** X

**Covenant Details**

Covenant ID	Covenant Name	Classification Type	Covenant Type
TestCovenant	TestCovenant	Internal	Financial
Frequency	Notice Days	Covenant Description	
Yearly			

**Target condition**

Is Waivable?	Covenant Target Condition	Target Value
<input type="checkbox"/>	GT	10000.00

Comments

Policy Approver Comments

Policy Approved

Cancel

For all the dimensions in **Policy Definition** data segment, view the policy details and the previous comments and then capture **Approver Comments**.

If the Outcome is selected as **Approve** in this stage, the policy is approved.

If the Outcome is selected as **Reject** the policy definition process is terminated.

## Reference and Feedback

### **References**

For more information on any related features, you can refer to the following documents:

- Oracle Banking Procedure User Guide
- Oracle Banking SMS User Guide
- Oracle Banking Common Core
- Oracle Banking Credit Facilities Process Management Installation Guides

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