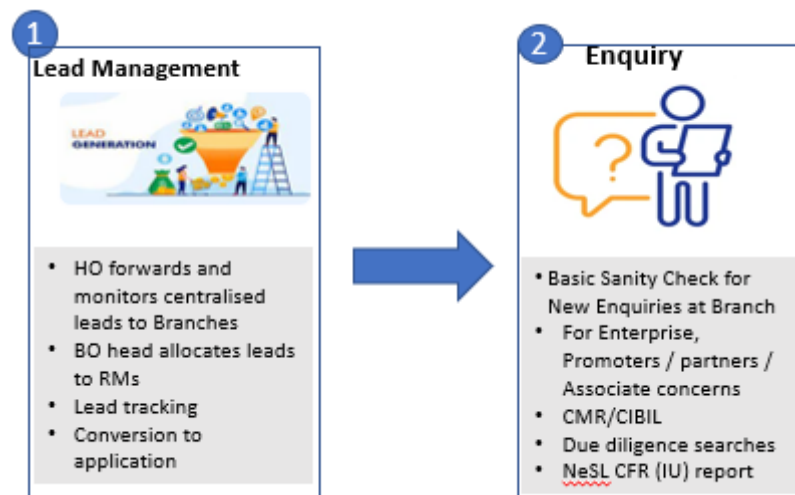


# DIGITAL LENDING JOURNEY OF SIDBI

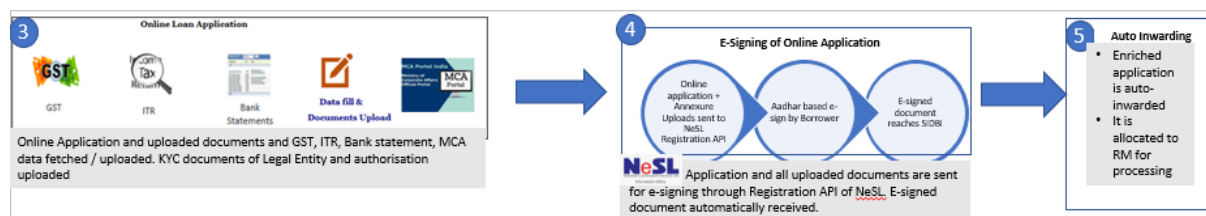
The digital transformation process of the lending journey from obtaining leads to digital document generation and execution, disbursement and loan management, is automated using a plethora of in-house developed web-based solutions, mobile Apps, external data analysis services, APIs, e-sign and DDE solutions of NeSL all integrated together like pieces of a jigsaw puzzle into a platform. The DDE solution has brought in a paradigm shift in how documents are being executed from the convenience of home / office of the customer.

## PRE-ORIGINATION:



1. The journey begins with leads obtained by branch or centrally at HO and allocated to branches through a Lead Management Software.
2. A sanity check of leads – CIBIL checks, CMR, due diligence searches, NeSL CFR is done for Enterprise, partners/directors, and Associate Concerns.

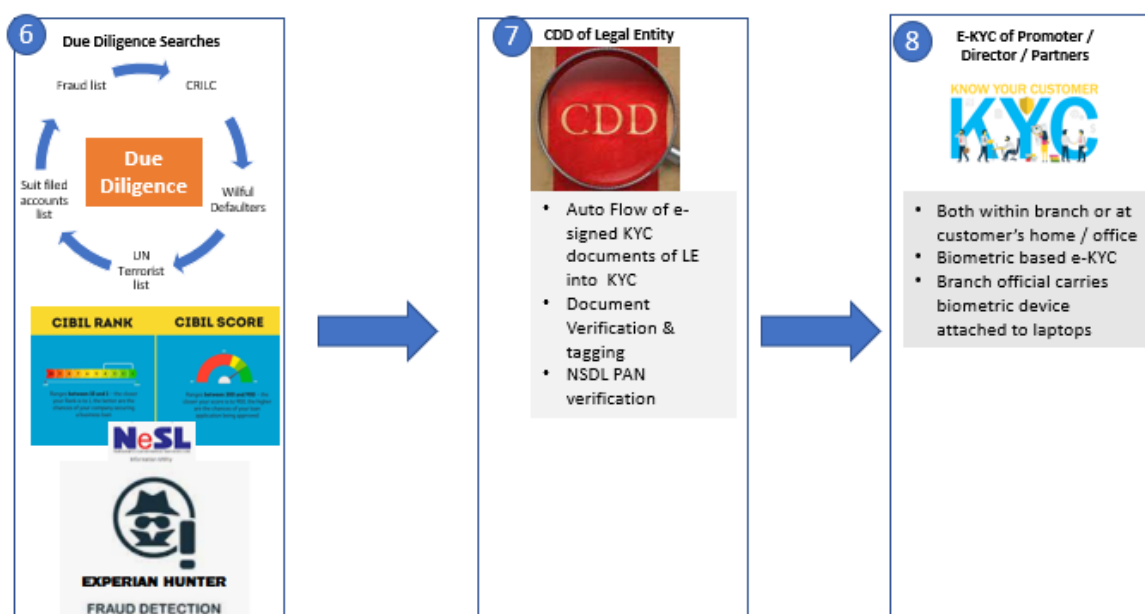
## APPLICATION



3. An online loan application along with upload of annexure documents upload and fetching of GST, ITR, Bank Statements, MCA data etc. is submitted.

4. The online application is e-signed by the chief promoter / authorised signatory of the applicant (authorization document is also obtained). The Registration API of NeSL is used for obtaining the e-sign of the application.
5. This application enriched with analysed data from GST, Income Tax returns, bank statements, MCA, CIBIL CMR and consumer scores and reports, due diligence searches wilful defaulter, caution advice, CRILC, suit filed accounts, UN terrorist list, fraud check, defaulter lists, NeSL IU Credit Facility Report etc., flows to nearest or selected branch. This enriched application is auto-inwarded for branch in-charge to allocate it to officials for carrying out the underwriting process.

## DUE DILIGENCE



6. Further due diligence checks through Hunter API etc. is also done and further due diligence can be done wherever needed.
7. A central KYC software automatically picks up e-signed documents and details of the enterprise and its owners. CDD of the Legal Entity (LE) is done by verification of e-signed KYC documents, PAN checks, UN Terrorist searches.
8. Biometric based e-KYC can be done for these beneficial owners through the system both at the branch or by SIDBI official visiting the customer.

## APPRAISAL



9. The bank uses an in-house solution SMART, as the appraisal, project assessment module and rating tool, from inward till sanctioning process, with customised workflows for committee meetings and approvals. The appraisal processes are designed based on loan size and complexity and is integrated with online application, visit App, existing case information from Direct Finance System (DFS), an in-house loan management product, collateral security repository etc.

10. Enhanced assessment tools:

- Using the enriched analysed information from the application i.e., analysis of GST, ITR, Bank Statement, MCA data, CMR score, CIBIL scores and reports combined to compare information, project appraisal is carried out. Threshold values, ranges and variation amongst comparable data points etc. are defined based on which official would decide and comment.
- The solution can assess various projected scenarios of business and financial performance. It uses analysed ITR information moulded into balance sheet and P&L statements to calculate various actual and projected ratios and financial analysis.
- Jocata SWARA GST DNA and Business Intelligence Reports (BIR) help in quicker sanction and better risk assessment and pricing. It gives ratings against various parameters of GST performance.

11. Along the way, site visit is carried out and recorded through a Visit App which is enabled with Geo-location and tagging of photographs.

12. Valuation and Title Investigation is carried out through empanelled agencies, with the process from assignment to obtaining reports,

invoice generation and payment and final recovery from the borrower digitised through integrated solutions and web-portals.

## SANCTIONING PROCESS

### Auto CIF & Loan Account




- Minutes finalisation
- Verifying KYC completion
- Auto creation of CIF and loan account
- Automatic data flow to DFS and Loan Documentation module

13. After appraisal is completed, the convenor schedules a meeting with multiple such proposals to concerned credit committees through SMART. The minutes are recorded and approved by the members through a workflow in SMART. Any changes / addition of terms and conditions are also recorded. The sanctioning process verifies completion of KYC and on sanction CIF is automatically created in Flexcube software acting as the unique customer identity for use across all applications. Loan account is auto generated and the information flows to Direct Finance Software and the documentation module.

## DOCUMENTATION

**14 Legal Document Generation**



LoI

Loan Agreement

Hypothecation

Mortgage documents

Declarations

Undertakings

Affidavits

Letter of deposit



**15 Digital Document Execution (DDE) (e-signing and e-stamping)**



NeSL  
National E-Governance Services Ltd.

SKIL

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CDAC

AADHAAR

14. Loan documents like LOI, Loan agreement, Hypothecation, Deed of Guarantee, security and mortgage documents, declarations and undertakings, affidavits etc. are auto generated through a Loan Documentation Software (LDS) module in SMART. The data is picked up from SMART, KYC
15. **Digital Document Execution (DDE):** In order to provide contactless and expeditious service to MSMEs, the Loan Documentation software is integrated with core services provided by National E-Governance Services Limited (NeSL) for digital execution of legal documents (single window concept from execution of a document, stamping, signing and automated transfer of the executed document).
16. NeSL in turn uses services of SHCIL for r-stamping and C-DAC as the authorised e-sign service provider. The solution has provided much needed flexibility, speed, and convenience to both customers and branch officials.
17. We are witnessing not just acceptance, but insistence and demand from customers to execute documents through this mode.
18. A customised dashboard has been built using multiple APIs to facilitate branch officials to track where a document is pending, re-trigger the mail/SMS, obtain the link and re-fetch the completely signed document.

## DISBURSEMENT

19. The information from SMART flows on real-time basis to the DFS system for
  - disbursement note preparation
  - crediting of the loan to the designated account
  - management of loan accounts
  - calculation of dues
  - accounting
  - generation and sending of demand advice,
  - payment alerts, several alerts like stock statement due, BSS, AoDS etc.
  - auto-flow of receipts through virtual accounts and auto-appropriation of dues etc.
  - real time APIs with Working capital partner banks help automating the management of working capital accounts.