

<b>Policy Title</b>	<b>Assessment of Household Income, Repayment Periodicity and Limit on Outflows of Repayment Policy</b>
<b>Version Number</b>	<b>3.0</b>
<b>Owner of the Policy</b>	<b>Compliance Department</b>
<b>New/Renewal</b>	<b>Renewed</b>
<b>Last date of Renewal</b>	<b>25<sup>th</sup> July 2024</b>
<b>Periodicity of Renewal</b>	<b>Annual/or earlier if required</b>
<b>Date of Approval/ Revision in the Board</b>	<b>29<sup>th</sup> August 2025</b>

**For Board of Directors  
Sarwadi Finance Pvt Ltd**



**Diksha Shah**  
**(Managing Director & CEO)**



**Registered Office:**

pg. 1

**Sarwadi Finance:** 31, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 info@sarwadi.in [www.sarwadi.in](http://www.sarwadi.in)

**Nipha Group:** 48, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 nipha@niphaIndia.com [www.niphaIndia.com](http://www.niphaIndia.com)

**SARWADI FINANCE PRIVATE LIMITED**

CIN: U67100WB2017PTC235052

## INTRODUCTION

**POLICY FOR ASSESSMENT OF HOUSEHOLD INCOME, REPAYMENT PERIODICITY AND LIMIT ON OUTFLOWS OF REPAYMENT** is in compliance with The Reserve Bank of India (RBI) had issued Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 dated 14<sup>th</sup> March, 2022 and by RBI Master Direction–Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 dated October 19, 2023 and also with Industry Code of Conduct developed by MFIN (Microfinance Institutions Network) and Sa-Dhan.

## DEFINITIONS

- **Company:** Refers to Sarwadi Finance Pvt Ltd (SFPL).
- **Customer:** Any individual who interacts with Sarwadi Finance Pvt Ltd (SFPL) in relation to the business and also includes Prospective Customer and previous Customers or clients.
- **Microfinance Loan:** A collateral-free loan provided to a low-income household, defined as a household with an annual income not exceeding ₹3,00,000. This includes all loans provided to a single borrower or a group of borrowers within the same household.
- **Household Income:** The total annual income of a household, including all sources such as salaried income, business profits, agricultural income, and any other regular earnings. This will be used to assess the household's eligibility and repayment capacity.
- **Household:** An individual family unit consisting of a husband, wife, and their adult unmarried children.

## ASSESSMENT OF HOUSEHOLD INCOME, REPAYMENT PERIODICITY AND LIMIT ON OUTFLOWS OF REPAYMENT

1. For undertaking the income assessment of a low-income household, information related to the following parameters may be collected by the company:

### A. PARAMETERS TO COLLECT HOUSEHOLD PROFILE

- a) Composition of the household
  - Number of earning members
  - Number of non-earning members.
- b) Type of accommodation (owned/ rented, etc)
- c) Availability of basic amenities (electricity, water, toilet, sewage, LPG connection, etc.)
- d) Availability of other assets (land, livestock, vehicle, furniture, Smartphone, electronic items, etc.)

**Registered Office:**

pg. 2

Sarwadi Finance: 31, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 info@sarwadi.in [www.sarwadi.in](http://www.sarwadi.in)

Nipha Group: 48, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 nipha@niphaIndia.com [www.niphaIndia.com](http://www.niphaIndia.com)

**SARWADI FINANCE PRIVATE LIMITED**

CIN: U67100WB2017PTC235052

## **B. PARAMETERS TO COLLECT HOUSEHOLD INCOME**

### **a) Primary source of income**

- Sector of work (Agriculture & allied activities, trading, manufacturing, services, etc.)
- Nature of work (Self-employed, salaried, or daily wagers regular or seasonal, etc.)
- Frequency of income (daily/ weekly/ monthly)
- Months/ days of employment over last one year
- Self-reported monthly income
- Average monthly income
- Annual Income

### **b) Other sources of income**

- Remittance
- Rent/ Lease
- Pension
- Government transfer
- Others (specify details)

c) The income assessment will be carried out for all earning members with respect to all sources (primary or secondary) of income. While assessing income, it may be ensured that there is no double counting of income such as counting of salary income of one migrant member also as remittance income for the household.

d) The income assessment for all members and sources may be carried out for over a period of minimum one year to ascertain the stability of the household income.

## **C. PARAMETERS TO COLLECT OF HOUSEHOLD EXPENDITURE**

- Regular monthly expenditure (food, utilities, transport, house/ shop rent, clothing, regular medical costs, school/ college fees, etc.)
- Irregular expenses over last one year (medical expenses, house renovation, purchase of household goods, functions, etc.)

2. Self-reported income at 1(B) above may be corroborated with the profile of household at 1(A) and household expenses at 1(C).

3. Further, household income will also be verified from other sources such as:

- Bank account statements
- Other members of the group
- Other references in the vicinity
- Any other source available.

**Registered Office:**

pg. 3

Sarwadi Finance: 31, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 info@sarwadi.in [www.sarwadi.in](http://www.sarwadi.in)

Nipha Group: 48, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 nipha@niphaIndia.com [www.niphaIndia.com](http://www.niphaIndia.com)

**SARWADI FINANCE PRIVATE LIMITED**

CIN: U67100WB2017PTC235052



SFPL shall submit information regarding household income to the Credit Information Companies (CICs). Any deviation from the household income reported by the borrower and household income assessed by the company shall be ascertained and verified by SFPL from the borrower/s before updating the household income with CICs.

## **REPAYMENT PERIODICITY**

SFPL shall give it's borrowers the liberty to choose the frequency for repayment of the loan based on their convenience- Monthly/Weekly/Bi-Weekly

## **LIMIT ON OUTFLOWS OF REPAYMENT**

SFPL shall assess the limit on the outflows of repayment of monthly loan obligations of a household as a percentage of the monthly household income. In doing the same, the following shall be maintained:

The outflow of repayment of monthly household loan obligations will be limited to 50% of the monthly household income of the borrower.

- The computation of loan repayment obligations shall take into account all outstanding loans (collateral-free microfinance loans as well as any other type of collateralized loans) of the household.
- The outflows capped at 50 per cent of the monthly household income, shall include repayments (including both principal as well as interest component) towards all existing loans (SFPL & Others) as well as the loan from SFPL which is under consideration.
- In case the outflow of repayment of monthly household loan obligation exceeds 50% of the monthly household income of the borrower, the existing loans shall be allowed to mature before a new loan can be given. A new loan shall only be provided to these households once the prescribed limit of 50 per cent is complied with.
- SFPL shall provide timely and accurate data to the CICs and use the data available with them to ensure compliance with the level of indebtedness.
- SFPL shall also ascertain the same from other sources such as declaration from the borrowers, their bank account statements and local enquiries.

**Note:** The assessment of household income as done by the field officers will be subject to annual audits and assessments both by the Auditors and senior officials of the Company.

**Registered Office:**

pg. 4

**Sarwadi Finance:** 31, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 info@sarwadi.in [www.sarwadi.in](http://www.sarwadi.in)

**Nipha Group:** 48, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 nipha@niphaindia.com [www.niphaindia.com](http://www.niphaindia.com)

**SARWADI FINANCE PRIVATE LIMITED**

CIN: U67100WB2017PTC235052

**Policy Review:**

The Management will annually review and assess the adequacy of the Policy in line with the RBI updates and recommend changes to the Company's Board. Any updates/ changes to the Policy will be approved by the Board and communicate to the relevant customer/ staff/ other stakeholders.



**Diksha Shah**  
(Managing Director & CEO)

**Date: 29.08.2025**

**Place: Kolkata**

**Registered Office:**

pg. 5

**Sarwadi Finance:** 31, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 info@sarwadi.in [www.sarwadi.in](http://www.sarwadi.in)

**Nipha Group:** 48, Ganga Jamuna, 28/1, Shakespeare Sarani, Kolkata 700 017 (033) 4021 4300 nipha@niphaindia.com [www.niphaindia.com](http://www.niphaindia.com)

**SARWADI FINANCE PRIVATE LIMITED**

CIN: U67100WB2017PTC235052