ICHIBAAN FINANCE PRIVATE LIMITED
Website: https://ichibaanfinance.com/

BUSINESS POLICY INCLUDING INTEREST RATE POLICY – VERSION 2.0

Approved by Board of Directors on 2nd February 2026
Effective from 2nd February 2026

BUSINESS POLICY INCLUDING INTEREST RATE POLICY

(VERSION 2.0)

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1. PREAMBLE

Ichibaan Finance Private Limited ("Company") is a Non-Banking Financial Company (NBFC–Base Layer) registered with the Reserve Bank of India and primarily engaged in secured lending against pledge of gold / silver / diamond ornaments.

This Business Policy sets out:

- Lending philosophy
- Product framework
- Credit parameters
- Interest Rate determination mechanism
- Charges structure
- Risk management safeguards
- Transparency and disclosure standards

The Policy is framed in accordance with RBI Master Directions applicable to NBFCs and Board-approved governance principles.

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2. OBJECTIVES

This Policy aims to:

- Establish a structured and transparent lending framework.
- Ensure fair, non-discriminatory pricing.
- Maintain regulatory compliance.
- Protect pledged assets.
- Align lending with risk appetite.
- Ensure sustainability and profitability.

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3. BUSINESS MODEL

The Company primarily provides:

- Gold/Silver/Diamond backed secured loans
- Short-term retail loans
- Scheme-based structured lending

Security: Pledge of Gold/Silver/Diamond ornaments only.

No unsecured lending unless separately approved by Board of Directors on case to case basis.

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4. PRODUCT ARCHITECTURE

4.1 Scheme-Based Lending Structure

Loans are offered under predefined schemes (e.g., Scheme J, N, O, P, Q, R, S, T, etc.) with:

- Defined minimum & maximum loan amounts
- Slab-based interest rates
- System-configured parameters
- Defined enhancement logic (migration between schemes)

All schemes are system-mapped in LMS and subject to internal audit validation.

4.2 Loan Tenure

- Standard tenure: One Year or as may be amended by the Board of Directors
- Renewal permitted subject to payment of accrued interest and renewal charges.

4.3 Repayment Structures

Depending on scheme:

- Monthly interest servicing + principal at maturity

- Bullet repayment
- EMI-based repayment (where applicable)

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5. CREDIT PARAMETERS

5.1 Loan-to-Value (LTV)

- LTV shall not exceed RBI-prescribed caps for gold loans.
- LTV monitored dynamically against market gold price.

5.2 Gold Appraisal

- Purity testing through approved methods
- Standard deduction norms
- Net weight recorded
- Dual control mechanism

5.3 Risk Assessment

- KYC-based risk profiling
- Bureau checks (CIBIL/other)
- Internal risk scoring
- Past repayment behaviour (if repeat borrower)

Gold purchase invoice may be verified wherever available.

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6. INTEREST RATE POLICY

6.1 Guiding Principles

Interest rates shall be:

- Risk-based
- Transparent

- Non-discriminatory
- Board-approved
- System-configured

The Company shall not charge any amount beyond what is disclosed in the Key Fact Statement (KFS).

6.2 Determinants of Interest Rate

Interest rate shall be determined based on:

1. Cost of funds
2. Operating expenses
3. Risk premium
4. Market competition
5. Portfolio quality
6. Capital adequacy considerations
7. Regulatory environment

6.3 Interest Structure

- Interest rates are slab-based and scheme-linked.
- Rates vary depending on loan size and scheme selected.
- All rates are annualized and disclosed in KFS.

System validation ensures:

- Correct slab mapping
- Correct scheme migration upon enhancement
- No manual override without approval

6.4 Penal Charges

- Penal interest: 1% per month on overdue amount (as per approved structure).
- Applied only post grace period (3 days).

- Clearly disclosed in KFS.
- Not capitalized.

Penal charges are intended as deterrence and not revenue enhancement.

6.5 Processing Charges

- Currently, no Processing Charges are being levied.
- The Company may introduce Processing Charges in future, subject to Management/Board approval.
- The rate/structure (percentage or fixed) shall be determined by Management / Board from time to time.
- Applicable charges, if introduced, shall be disclosed upfront in the KFS and loan documents as per regulatory requirements.
- Such charges shall be collected at disbursement or as approved and disclosed.
- This is an enabling provision and shall apply only upon formal approval by Management / Board and implementation.

6.6 Renewal Charges

- If Loan Amount is upto ₹1,00,000 – ₹590 (inclusive of GST)
- If Loan Amount is above ₹1,00,000– ₹1180 (inclusive of GST)

Renewal charges are system-configured and disclosed in KFS.

6.7 Minimum Interest Clause

- Minimum interest of one month applicable as per scheme terms.

6.8 Pre-Closure & Part Release

- No pre-closure charges.
- Part release shall be allowed one time only.

6.9 Disclosure & Transparency

The Company shall:

- Provide Key Fact Statement before loan execution
- Disclose Annual Percentage Rate (APR)
- Provide amortization schedule (if applicable)
- Display interest rates on website/branch notice board

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7. RECOVERY & COLLECTION FRAMEWORK

Aligned with RBI Fair Practices Code and Board Approved Recovery, Collection & Auction Policy (please refer Board approved Recovery, Collection & Auction Policy).

7.1 Pre-Overdue

- Automated reminders (SMS/call)

7.2 Post-Overdue

- Structured follow-up
- Defined TAT
- Escalation matrix (Branch → HO)

No coercive practices permitted.

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8. AUCTION POLICY FRAMEWORK

If borrower fails to repay:

- Pre-auction notice issued within regulatory timeline as per Recovery, Collection & Auction Policy
- Reserve price based on market gold rate
- Auction conducted through empanelled process

- Bid sheets maintained
- CCTV recording preserved
- Surplus refunded to borrower
- Shortfall recovery as per recovery policy

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9. NON-PERFORMING ASSETS (NPA) & INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING (IRACP) COMPLIANCE

- Special Mention Account (SMA) tagging system-driven
- NPA classification > 90 DPD
- Income reversal upon NPA
- Provisioning as per RBI norms
- Monthly MIS to management
- Periodic Board reporting

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10. RISK MANAGEMENT CONTROLS

- Branch risk grading (High / Medium / Low)
- Surprise audits
- Gold stock reconciliation
- Insurance coverage
- CCTV retention
- Dual custody vault system
- Compliance with Risk Management Policy

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11. CUSTOMER PROTECTION

The Company shall:

- Adhere to Fair Practices Code
- Avoid coercive recovery
- Maintain grievance redressal mechanism
- Ensure confidentiality of borrower data
- Adhere to Customer Grievance Redressal Policy

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12. GOVERNANCE & REVIEW

- Interest Rate revisions require Board approval
- Policy reviewed annually or as may be required by Board of Directors
- Updated upon RBI circulars
- Internal Audit to verify compliance

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13. EFFECTIVE DATE

This Business Policy (including Interest Rate Policy) shall be effective from the date of approval by the Board of Directors.

For Ichibaan Finance Private Limited

(CIN: U65900MH2010PTC209855)

Mr. Ashokkumar Kanhaiyalal Jain

Director

DIN: 03226248

---------- End of Policy ----------