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

LOAN AND CREDIT POLICY (INCLUDING GOLD LOAN POLICY) – VERSION 2.0

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

LOAN AND CREDIT POLICY (INCLUDING GOLD LOAN POLICY)

(VERSION 2.0)

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1. PREAMBLE

This Loan and Credit Policy ("**Policy**") lays down the framework governing lending operations of Ichibaan Finance Private Limited ("Company"), a Non-Banking Financial Company – Base Layer (NBFC-BL), in compliance with applicable RBI Master Directions, KYC/AML norms, Income Recognition, Asset Classification and Provisioning (IRACP) guidelines, Fair Practices Code, and gold loan regulatory expectations.

The Policy ensures:

- Prudent Credit Risk Management
- Transparent and Fair Lending Practices
- Regulatory Compliance
- Protection of Borrower Interests
- System-driven Controls

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2. OBJECTIVES

The objectives of this Policy are:

- To establish a structured credit appraisal and approval framework
- To define underwriting standards
- To ensure compliance with RBI IRACP norms
- To regulate gold loan operations including LTV controls
- To minimize credit losses
- To promote ethical and responsible lending.

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3. SCOPE

This Policy applies to:

- Gold Loans (Primary Product)
- Secured Loans
- Any additional loan products approved by the Board

PART A – GENERAL CREDIT POLICY

4. GOVERNANCE STRUCTURE

4.1 Board of Directors

- Approves or reconfirm Loan & Credit Policy periodically
- Reviews portfolio performance
- Reviews Non-Preforming Asset (NPA) levels and provisioning
- Approves exposure limits

4.2 Credit Committee

- Approves loans beyond operational delegation
- Reviews stressed assets
- Monitors portfolio quality

4.3 Risk & Compliance

- Ensures adherence to RBI norms
- Monitors IRACP compliance
- Reviews concentration risk

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5. ELIGIBILITY CRITERIA

Borrowers must:

- be legally competent to contract
- complete KYC as per RBI Master Directions
- meet minimum age criteria (18–75 years, unless approved otherwise)
- demonstrate repayment capacity

Additional checks:

- Bureau verification (CIBIL/Equifax/Experian/CRIF)
- Politically Exposed Person (PEP) screening
- Sanctions list screening

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6. CREDIT APPRAISAL PROCESS

6.1 Appraisal Components

- Identity & KYC verification
- Income assessment (where applicable)
- Bureau score evaluation
- Existing liabilities review
- Repayment capacity analysis
- Security valuation (for secured loans)

6.2 System Controls

- Automated Days Past Due (DPD) tracking
- Bureau integration
- Credit scoring models
- Maker-checker approval system

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7. DELEGATION OF POWERS

Loan approval powers shall be documented separately in Delegation Matrix and include:

- Branch Level
- Board (for large exposures)

No self-sanctioning permitted.

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8. INTEREST RATE FRAMEWORK

Interest rates shall be determined based on:

- Cost of funds
- Operating expenses
- Credit risk premium
- Market conditions
- Tenor of loan
- Regulatory caps (if any)

Interest rate and processing charges shall be transparently disclosed in:

- Sanction letter
- Key Fact Statement (KFS)
- Loan Agreement
- Business Policy including Interest Rate Policy

Penal charges shall be reasonable and non-compounding in nature.

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9. DISBURSEMENT PROCESS

- Loan agreement execution

- KFS issuance prior to execution
- Security perfection (if secured)
- Maker-checker verification
- Direct disbursement to borrower bank account (no cash disbursement beyond regulatory threshold)

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

- Special Mention Account (SMA) tagging system-driven
- Non-Performing Assets (NPA) recognition at 90+ DPD
- Income reversal on NPA
- Provisioning as per RBI norms
- No ever-greening
- System-based classification only

Periodic Income Recognition, Asset Classification And Provisioning (IRACP) MIS to management & periodic review to Board of Directors.

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11. FAIR PRACTICES CODE

Company shall ensure:

- Transparent loan terms
- No coercive recovery
- Privacy protection
- Grievance redressal mechanism
- Proper communication before auction (in case of gold or other secured loans)

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PART B – GOLD LOAN POLICY

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12. NATURE OF PRODUCT

Gold loans are short-term secured loans granted against pledge of gold ornaments.

No loan shall be granted against:

- Gold bars (unless permitted by RBI within prescribed limit)
- Gold coins beyond RBI-permitted limits
- Primary gold
- Financial gold instruments

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13. GOLD ACCEPTANCE STANDARDS

- Only hallmarked or acceptable quality ornaments
- Purity verification using standardized testing methods
- Weight measurement via calibrated electronic scale
- Net weight after deducting stones / other material

Testing shall be done in borrower's presence.

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14. LTV (LOAN TO VALUE) NORMS

- Maximum LTV shall not exceed RBI prescribed limit (currently 75%, unless revised).
- Valuation shall be based on average closing price of gold of 22 carat for preceding 30 days as per approved source.

LTV shall be system-controlled.

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15. SAFE CUSTODY & SECURITY

- Gold stored in fireproof vaults
- Dual control access
- Insurance coverage against theft/fire
- Periodic reconciliation of pledged gold stock
- Surprise audits

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16. AUCTION POLICY

In case of default:

- Reminder notices issued
- Opportunity to regularize provided
- Transparent auction process
- Advance notice to borrower
- Surplus returned to borrower
- Adhere to Recovery, Collection & Auction Policy

Auction procedure shall be documented and auditable as per Recovery, Collection & Auction Policy.

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17. RESTRUCTURING & RENEWAL

Gold loans may be renewed subject to:

- Interest servicing
- Fresh LTV compliance
- Revaluation
- Approval as per delegation matrix

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18. RECOVERY MECHANISM

- Reminder calls
- SMS/email alerts
- Field visits (if required)
- No harassment or coercive methods
- Adhere to Recovery, Collection & Auction Policy

Recovery agents (if any) must follow RBI recovery guidelines.

PART C – RISK MANAGEMENT (for detailed please refer Board Approved Risk Management Policy)

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19. CREDIT RISK MANAGEMENT

- Portfolio diversification
- Concentration caps
- Geographic exposure limits
- Product-wise caps

20. OPERATIONAL RISK

- Maker-checker system
- CCTV monitoring
- Surprise audits
- Internal audit review

21. COMPLIANCE & REPORTING

- KYC/AML compliance

- STR reporting
- CKYC upload
- RBI returns filing

22. INTERNAL AUDIT & MONITORING (for detailed please refer Board Approved Internal Audit Policy)

Internal Auditor shall review:

- Gold verification process
- LTV compliance
- IRACP classification
- KYC adherence
- Vault reconciliation
- Auction process

Audit findings placed before Board of Directors.

23. RECORD RETENTION

All credit records shall be maintained securely as per statutory and regulatory requirements.

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24. POLICY REVIEW

This Policy shall be reviewed:

- Annually
- Upon RBI regulatory updates
- After inspection observations
- After major fraud event

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Board approval required for further amendments.

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25. EFFECTIVE DATE

This Loan and Credit Policy (Version 2.0) shall come into effect from the date of Board approval.

For Ichibaan Finance Private Limited

(CIN: U65900MH2010PTC209855)

Mr. Ashokkumar Kanhaiyalal Jain

Director

DIN: 03226248

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