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

RECOVERY, COLLECTION & AUCTION POLICY – VERSION 2.0

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

RECOVERY, COLLECTION & AUCTION POLICY

(VERSION 2.0)

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1. PREAMBLE

This Recovery, Collection & Auction Policy ("Policy") is framed in accordance with:

- RBI Master Direction – NBFC (Base Layer)
- RBI Fair Practices Code
- RBI Income Recognition & Asset Classification & Provisioning (IRACP) Guidelines
- RBI Guidelines applicable to Gold Loan NBFCs
- Companies Act, 2013 (Internal Financial Controls)

This Policy governs the recovery framework for all loan products of the Company, with specific provisions for gold loan portfolio.

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2. OBJECTIVES

The objectives of this Policy are:

- To ensure timely and structured recovery of dues
- To protect borrower rights and dignity
- To prevent coercive practices
- To ensure system-driven NPA recognition
- To establish transparent gold auction procedures
- To comply with RBI regulatory norms

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PART A – RECOVERY & COLLECTION FRAMEWORK

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3. GUIDING PRINCIPLES

The Company shall ensure:

- Non-coercive recovery practices
- Transparency in penal charges (as per approved Policy)
- Respectful borrower engagement
- System-based Days Past Due (DPD) monitoring
- Proper documentation and audit trail

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4. RECOVERY STAGES

4.1 Pre-Overdue Stage (Preventive Monitoring)

- Automated SMS reminders before due date
- Tele-calling reminder 3–5 days prior to due date
- Email communication (where applicable)
- System alerts in LMS
- Physical Notice, if specifically asked or otherwise decided by the Management

Objective: Prevent slippages into overdue category.

4.2 Early Overdue Stage (1–30 DPD)

- Tele-calling within 48 hours of overdue
- Reminder SMS and written communication
- Follow-up as per defined TAT
- Branch-level monitoring
- Physical Notice

DPD tracking shall be fully system-driven.

4.3 Special Mention Account (SMA) Classification (System-Based)

- SMA-0, SMA-1, SMA-2 tagging based on DPD criteria
- Automated bucket classification
- Escalation to HO Collections upon SMA-2

No manual override permitted without proper authorization and audit trail.

4.4 Escalation Matrix

Stage	Responsibility
1–30 DPD	Branch Executive Officer
31–60 DPD	Branch Head
61–89 DPD	Regional/HO Collections Senior
90+ DPD	NPA & Recovery Office / Board of Directors

All escalations shall be documented in system logs.

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5. NPA RECOGNITION

- NPA classification triggered automatically upon crossing RBI-prescribed DPD threshold (currently 90 days).
- Income recognition ceases post NPA classification.
- Interest reversal done as per IRACP norms.
- Provisioning carried out as per RBI guidelines.

Periodic NPA MIS shall include:

- DPD buckets

- Gross NPA % / Net NPA %
- Provision Coverage Ratio
- Collection efficiency

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6. PENAL CHARGES & INTEREST

- Penal interest levied strictly as per Board-approved Interest Rate Policy.
- Penal charges shall not be capitalized.
- All penal charges disclosed in KFS and loan agreement.
- System-configured parameters only.

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7. RECOVERY PRACTICES – CODE OF CONDUCT

The Company shall ensure:

- No harassment or intimidation
- No calls before 8 AM or after 7 PM (unless agreed)
- No public humiliation
- No unauthorized field visits

If recovery agents are engaged:

- Proper authorization letters issued
- RBI recovery guidelines strictly followed
- Periodic review of agent conduct

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8. DOCUMENTATION & MIS

The following shall be maintained:

- Overdue MIS

- Call logs
- Visit reports
- Collection efficiency reports
- System audit trail
- Exception reports

All records retained as per statutory requirements.

PART B – GOLD LOAN AUCTION POLICY

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9. APPLICABILITY

Applicable to all gold loans where borrower fails to regularize dues despite repeated follow-ups.

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10. PRE-AUCTION PROCESS

10.1 Default Intimation

- Reminder notices issued prior to auction
- Registered communication / acknowledged mode
- Reasonable opportunity provided to borrower

10.2 Final Auction Notice

- Issued within regulatory timeline
- Clearly mentioning:
  - Outstanding dues
  - Auction date
  - Right to redeem before auction

- Proof of dispatch retained.

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11. VALUATION & RESERVE PRICE

Reserve price determination:

- Based on prevailing gold market rates
- Reference to average price (as per internal policy aligned to RBI norms)
- Net weight post standard deductions
- Internal margin safeguards

LTV compliance re-verified before auction.

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12. AUCTION CONDUCT

Auction shall be conducted:

- Through empanelled auctioneer OR
- Through supervised internal transparent process

Mandatory controls:

- Competitive bidding
- Minimum two bidders (where feasible)
- Bid sheets maintained
- Bidder KYC obtained
- CCTV recording of auction

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13. AUCTION DOCUMENTATION

The following records shall be maintained:

- Pre-auction notices
- Acknowledgement records

- Bid sheets
- Bidder KYC
- Auction minutes
- Approval note & CCTV footage
- Surplus/shortfall computation

All documents retained securely for minimum prescribed period and to be destroyed thereafter with the permission of the Board of Directors.

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14. SURPLUS / SHORTFALL TREATMENT

14.1 Surplus

- Surplus amount refunded to borrower
- Adjustment of principal, interest, penal charges first
- Refund processed within defined TAT
- Proper accounting entries passed

14.2 Shortfall

- Shortfall recovery pursued as per Recovery Policy
- Legal action initiated where necessary

PART C – INTERNAL CONTROLS FOR GOLD SECURITY

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15. GOLD CUSTODY CONTROLS

- Dual control vault access
- Maker-checker authorization
- CCTV surveillance

- Insurance coverage for pledged stock
- Restricted access controls

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16. GOLD STOCK RECONCILIATION

- Periodic branch reconciliation
- Periodic HO verification
- Surprise inspections
- Variance reporting mechanism

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17. INTERNAL AUDIT REVIEW (for detailed please refer Board Approved Internal Audit Policy)

Internal Auditor shall review:

- Auction compliance
- LTV adherence
- DPD & IRACP tagging
- Gold stock reconciliation
- Vault security
- CCTV data retention

Audit Reports and Action Taken Reports (ATR) shall be placed before Audit Committee/Board.

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PART D – RISK MANAGEMENT & GOVERNANCE

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18. RISK MITIGATION (for detailed please refer Board Approved Risk Management Policy)

- Concentration monitoring
- Geographic exposure review
- Portfolio aging analysis
- Stress testing (where applicable)

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19. GRIEVANCE REDRESSAL (for detailed please refer Board Approved Customer Grievance Redressal Policy)

Borrowers may escalate complaints to:

- Branch
- Nodal Officer
- RBI Ombudsman (as per RBI framework)

Grievances related to recovery or auction shall be investigated and resolved within defined timelines.

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20. REGULATORY REPORTING

- Gross NPA & Net NPA reporting
- Gold loan exposure reporting
- Provisioning disclosures
- Regulatory returns to RBI

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21. RECORD RETENTION

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

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22. POLICY REVIEW

This Policy shall be reviewed:

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

Board approval required for further amendments.

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23. EFFECTIVE DATE

This Recovery, Collection & Auction 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 ----------