

Income recognition policy for short term gold loans

A Gold Loan

Scheme	Income recognition
<p><u>12 months schemes</u> During the contract tenor and after expiry of the contract i.e more than 12 months but up to 15 months from the date of disbursement</p> <p>-----</p> <p>3 months after expiry of contract (NPA)</p>	<p>Income recognition is limited to the extent of net realizable value of the underlying security.</p> <p>-----</p> <p>Income recognition and asset provisioning is made as per the relevant directions issued by the Reserve Bank of India or amended by ECL policy of the Company approved by Board of Directors.</p>
<p><u>3 months & 6 months schemes</u> During contract tenure (i.e. upto 3 months and 6 months from the date of disbursement) and after expiry of contract (upto 3 months from the date of expiry of contract)</p> <p>-----</p> <p>3 months after expiry of contract (NPA)</p>	<p>Income recognition is limited to the extent of net realizable value of the underlying security.</p> <p>-----</p> <p>Income recognition and asset provisioning is made as per the relevant directions issued by the Reserve Bank of India or amended by ECL policy of the Company approved by Board of Directors.</p>
<p><u>9 months Schemes</u> During the contract tenor (i.e, up to 9 month from the date of disbursement) and after expiry of the contract and more than 9 months and up to 12 Months from the date of disbursement.</p> <p>-----</p> <p>3 months after expiry of contract (NPA)</p>	<p>Income recognition is limited to the extent of net realizable value of the underlying security.</p> <p>-----</p> <p>Income recognition and asset provisioning is made as per the relevant directions issued by the Reserve Bank of India or amended by ECL policy of the Company approved by Board of Directors.</p>

The net realizable value is estimated at 90% of the Kerala market gold rate calculated based on the moving average of the immediately **preceding month**. **For loans in which interest serviced above 10%, interest is not recognized for the expected auctionable portfolio based on the prior quarters auction trend.**

In case of Rolled over/LTV Leveraged loans income recognition is limited up to the contract period if there is NIL payment.

B Other Loans

Interest Income on other loans given is recognized on a time proportion basis on taking into account the amount outstanding and the rate applicable. Such Interests, where instalments are overdue in respect of non-performing assets are recognized on realizable basis.