

Moneywise Financial Services Private Limited

GOLD LOAN- PRODUCT POLICY

Version No	Version Date
Version 1	20-12-2021

1. Overview:

- a. Loan against gold ornaments provided for personal & business use to various segments of customers including rural, salaried, self-employed professionals and self-employed non-professional
- b. Loans only to individual retail customers against their owned ornaments
- c. Sourcing through sales executives, DSA channels, Fintech partners, etc.
- d. Portfolio sourcing through business correspondence arrangements (BC) and Co-lending arrangements with banks / NBFC / other financial institutions (if any)
- e. Hassle free loans with quick approvals & disbursements
- f. Loan eligibility based on independent collateral valuation by certified branch valuers
- g. Part repayments and prepayments allowed as per scheme specification
- h. Adequate security controls with round-the-clock surveillance
- i. Comprehensive operational risk and branch audit framework

2. Target Customer segments:

Gold loan is to be given to any individual applicant who is lawful owner of Gold Loan Jewellery offered as security as per the declaration of ownership submitted by him and fulfilling the KYC norms as per RBI guidelines. The applicants can be salaried; self-employed professionals and self-employed non-professionals. The applicants should not be in the list of restricted profiles.

Following is the list of restricted borrower profiles:

- Minor
- Students
- Jewelers including jewellery manufacturers and gold smiths
- Pawn brokers and re-pledgers
- People with criminal records or notorious background
- External valuers empaneled with Moneywise Financial Services Limited or any of their family members/ references / employees.

3. Product parameters and Underwriting Norms:

S. No.	Parameters	Details
1	Minimum Loan Amount	Rs.10,000
2	Maximum Loan Amount	Rs. 5 lakh (Single loan). However Cumulative exposure to single customer should not be more than 10 lakh including proposed sanction amount. Loan amount higher than above limit can be considered on exceptional basis by the Credit Risk Head based on individual merits of the case and net weight of gold pledged as a security.
3	Primary Security for the loan	Pledge of Gold Jewelry and ornaments.
4	Tenure of Loan	1 month-24 month
5	Interest Rate	12-26% p.a. <ol style="list-style-type: none"> 1. Monthly interest repaid: 18% 2. Bi-monthly interest repaid: 19% 3. Quarterly interest repaid: 20% 4. Half Yearly interest repaid: 22% <p>However, rebate in interest will depend upon frequency of repayment of Interest repayment. No rebate in interest rate if paid after 6 months.</p>
6	Eligible Customer	Any individual who is the lawful owner of the Gold Jewellery offered as security as per the declaration of ownership submitted by him and fulfilling the KYC norms as per RBI guidelines.
7	Age criteria	Minimum-21 & Maximum-75 years
8	Purpose	The loan can be extended to anyone who is having short term fund requirements like working capital for establishment/ expansion of business activity or meeting personal liquidity requirements or domestic needs including medical expenses etc. Loans shall not be used for any speculative or illegal or unlawful purposes violating the laws of the Country.
9	LTV (Loan to Value) LTV = Loan Eligible ÷ Market Value of Gold Ornaments	Maximum LTV ratio not exceeding 75% or as such stipulated by RBI from time to time. 75% of price of 22 carat gold declared by IBJA (India Bullion Jewelers association ltd.) * Net weight Gold ornaments purity in carat to be taken in consideration in arriving at the value of the ornament and due carat adjustment / netting to be done to arrive the value of the ornament. Note: Price shall be considered by taking preceding 30 days

S. No.	Parameters	Details
		average of the closing price of 22 carat gold as per the rate quoted by BBA (Bombay bullion association).
10	Ownership Proof	<p>As per RBI Circular No. DNBS.CC.PD.No. 365/03.10.01/2013-14</p> <p>NBFCs were required to keep a record of verification of ownership of the jewellery where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams. In view of the fact that it may not be possible for borrowers to produce receipts establishing ownership, especially when the jewellery has been inherited, it is clarified that the ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document may be prepared to explain how the ownership was determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams.</p> <p>Where Invoice to purchase are available: take Invoices as ownership proof, Otherwise Gold Ownership Declaration - Duly signed self-declaration cum undertaking to be collected from the customer in the presence of branch employee and attached to the application form set.</p>
11	Insurance	Optional
12	Purity of Gold	Should be between 18-24carat. Any Jewellery or ornaments below 18 carat is not acceptable.
13	Nominee	Nominee can be wife, son, daughter or father/mother. Nominee should be from blood relation. In case of death of borrower Nominee can repay the loan amount and release the gold pledge with Moneywise.
14	Mode of disbursement	<p>For loan amount less than 2 lakh disbursement either to bank accounts by IMPS/RTGS/NEFT or cash depends upon the requirements of the Borrower.</p> <p>For loan amount of Rs. 2 lakh or more it is mandatory to disburse the amount to bank accounts.</p>
15	Declaration on Letter Head	A certificate to the borrower on letterhead of Company, of having assayed the gold and state the purity (in carats) and the weight of the gold pledged.
16	Credit Checks	<p><u>Credit Checks:</u></p> <ul style="list-style-type: none"> • KYC Check, Dedupe, Tele-Verification and Personal

S. No.	Parameters	Details
		<p>Discussion.</p> <ul style="list-style-type: none"> • Dual Valuation is done for each loan processed at the branch by two independent in-house valuers. (BCV & BM). Lower of the 2 valuations is considered for lending purpose • Carat based lending is done and acceptable carat is 18 carat and above • Purchase Invoice copy or Gold Ownership Declaration - Duly signed self-declaration cum undertaking to be collected from the customer in the presence of branch employee and attached to the application form set. • Physical verification within 7 days of disbursement for loan exposure above 3 lacs. • Bureau check for loan exposure above 5 lacs • Income Docs / Banking for loan exposure above 5 lacs • Approval Matrix: Loans are approved and disbursed based on pre-defined Credit Authority Matrix
17	Gold Valuation Process	<ul style="list-style-type: none"> • In all cases, valuation report will be required from both internal appraiser and external valuation agency. The valuation report will cover the ornaments type, purity, gross weight, stone deductions, net weight and special remarks on condition of ornament. • Sense the odour / smell of the Jewellery: Firmly press and rub the jewellery against your palms. Gold doesn't have any odour. In case you detect any smell / odour, it indicates presence of copper content in the jewellery. • Various tests conducted for Valuation of Gold Jewelry are like Rubbing on soft stone, Acid test, Sound Test, Finishing test, Weight test etc • If required, Scratching and Destructive test are conducted basis borrower consent • Loans against Gold Bullion, Coins, Biscuits, Bars etc. is not allowed. These cannot be accepted even at the time of re-pledge of the same. • Funding is restricted on a Pre-defined list of unacceptable ornaments, The following ornaments are generally unacceptable unless approved as exceptions: <ul style="list-style-type: none"> • Manglya Thali (Mangal Sutra) • Watch Strap • Ornaments with stones, having > 40% of gross

S. No.	Parameters	Details
		<p>weight</p> <ul style="list-style-type: none"> • Black balls Gold Chain • Broken items like chains, bracelets etc. To be entertained only if customer is very well known to the company and has signed the undertaking below. • Temple / pooja / religious items like Mukut, Statues, etc. <ul style="list-style-type: none"> • Appropriate deductions must be done for stone weight, welding and wastage or wax in case of hollow ornaments. • <u>Calculating the Gross weight and Net weight of Gold:</u> <ol style="list-style-type: none"> 1. Calculating the Gross weight of the ornaments. Gross weight is Actual weight- stone weight. 2. Calculating the Net weight- Net weight is calculated by considering the purity and after deducting the stone weight, standard deduction etc. <p>Net weight is calculated by using the formula:</p> $\text{Net weight} = \frac{\text{Purity of gold} \times \text{Gross weight}}{\text{Standard Purity}}$ <p>Where Gross Weight= Actual Weight-Stone weight</p> <p>Purity of Gold is measured in carat. 24ct is pure gold i.e. 100% Pure</p> <p>Ct=100/24=4.16 1ct=4.16 purity</p> <p>Standard Purity of Gold is 91.6%</p> <p>For example: when a customer brings 10gm gold chain of 18ct purity</p> $\text{Net weight} = \frac{(18 \times 4.166) \times 10}{91.6\%} = 8.186 \text{ gm}$ <p>Note: while 22ct gold (916 purity) is widely available in the market</p>

S. No.	Parameters	Details
		<ul style="list-style-type: none"> Maximum Loan Amount:75% of price of 22 carat gold declared by IBJA (India Bullion Jewelers association ltd.) * Net weight
18	Approval matrix	<ul style="list-style-type: none"> Exposure Upto 2 lakh: BM Exposure >2 lakh but upto 3 lakh: BCV recommends the Case to the BM for approval. Approval is taken either on mail or in the system Exposure>3 lakh : BM recommends the case to the Central credit team and take approval on mail or in the system. <p>Note: Exposure is to be check at CUID (Customer Unique Identification).</p>
19	Repayment Frequency	Monthly, Quarterly, Six Monthly, Yearly interest service or such schemes as maybe approved by the Moneywise from time to time. Principal is payable at the time of loan maturity.
20	Repayment Mode	Cash & Bank instruments
21	Negative Areas	Customer should not be residing/ working in an area listed as “Negative” by Collections team. A list of such “negative areas” will be circulated by Collections from time to time
22	Geo-limits	Customer MUST be residing or working within the same city/town limits where the branch is located.

In case of **broken ornaments**, branches must examine the reason and should entertain the pledge only when the customer is very well known to the branch. The ornament can be accepted for pledge post seeking appropriate approval from Risk or Policy Head and obtaining an **undertaking from customer** as follows:

“I Mr. _____ have requested Moneywise Financial Services Limited. (the Company) to forward a loan to me against a _____ (*ornament description*) with gross weight _____, net weight _____ and purity _____. I hereby confirm that I am the lawful owner of the ornament and am authorized to raise a loan against the same. I am aware that the ornament is broken at my end through regular wear and tear and shall under no circumstances hold Moneywise Financial Services Limited. liable for any damages. I further undertake to indemnify the company against all claims which may arise against it with regards to the said ornament.

4. Norms for Balance Transfer (BT) of Gold Loans from other financiers:

- 1) BT allowed only from approved financiers as approved by Moneywise from time to time. The approved financiers are:
 - Mannapuram
 - Muthoot Finance
 - Muthoot Fincorp
 - All nationalized Banks
 - Private banks namely HDFC, ICICI, AXIS, ING VYASA and KOTAK Bank
 - Other Selected private NBFC: Chola Mandalam

Note: BT from Pawn brokers and Cooperative banks not allowed

- 2) Additional Documents to be collected – Pawn ticket of earlier financier
- 3) Cash to be released only to the lender towards loan closure and not to customer
- 4) Cash to be released only when difference amount is paid upfront by the customer
- 5) Top up to be released only when gold is properly valued and accepted by the branch
- 6) Gold Pledge document to be released only when gold is properly valued and accepted by the branch
- 7) Gold in transit insurance and cash in transit insurance should be confirmed from HO before going to financier office with cash for closing the loan there.

Steps for BT Process

1. Customer informs the branch one day in advance for the BT transaction.
2. Branch ensures that the insurance for gold in transit and cash in transit is taken before executing such transaction
3. Customer comes to the branch with his relevant pledge documents.
4. Branch takes a declaration from customer for the valuation of gold ornaments.
5. Branch will process for sanction approval of the case in the system basis the LTV arrived at after taking the valuation as per the declaration of customer.
6. BM will take out the cash equal to BT loan amount and go to the financier branch along with the customer for his/her loan closure.
7. BM will confirm the outstanding amount at the time of loan closure and if there is any difference in the outstanding and the BT loan amount, customer to pay the difference upfront before BM releases the cash.
8. BM collects the ornaments from financier branch and returns to branch along with customer
9. Ornaments are appraised at branch by internal and external appraiser before the case is formally disbursed in system for generation of Pledge Document.
10. A copy of Pledge Document is acknowledged by customer as per standard process.
11. Top Up amount, if any, is released only after the above process of ornaments valuation and BT loan punching in system is over.

5. Branch Structure and Responsibilities:

S. No.	Designation	Responsibilities
1.	Customer Service Manager	Handling inquiries from customers regarding loans against gold
		Explaining terms and conditions of the product to the customer
		Assisting the customer in filling up the application form
		Checking the completed application form, including verifying compliance with the Know Your Customer (KYC) documents and branch checklist
		Entering details of application form into the gold loan system
		Following-up for outstanding receivables from assigned customer
		Sourcing Tele-calling on the numbers
		Calls to the customers basis the leads received in CRM module
		Performing other duties as advised by Branch Manager
2.	Valuer and Cashier	Checking, verifying, and appraising the jewellery, calculating its value and the loan amount.
		The Valuer shall ensure that the gold against which loan is provided to customer should be ranging from 18 to 22 carats
		Ensuring that tamper proof packets which contain the jewellery are sealed
		Custody of jewellery and deposit of the same into the vault
		Handling gold packet movement from in and out of Vault
		Timely updating of registers like key movement register, gold movement register, etc.
		Accurate / correct cash payment / receipt from the customer; (Cashier is personally responsible for shortages)
		Entering all receipts and payments in the branch cash register
		Matching the physical cash balance at the branch with net balance arrived in the vault cash register daily
		Maintaining book and cash vault registers daily
		Performing other duties as advised by Branch Manager
3.	Branch Manager	Cross check of valuation done by BCV and do his own valuation.
		Verification of jewellery and related application documents, including KYC
		Safe custody of vault keys, jewellery, and cash
		Release of jewellery in case of repayment of loan or during audit
		Maintenance of vault cash registers and cash denomination registers
		Performing surprise cash verification
		Rendering quality service to the customers
		Timely resolution of customer complaints
		Maintenance of database of potential customers, regular updation and follow-up with potential customers
		Reminding the customer about interest payments three days prior to the due date
Disbursement of loan amount post approval		

S. No.	Designation	Responsibilities
		Supervising gold packet movement from in and out of Vault
		Spreading awareness about the Company's policy and procedures, and conduct on-field training for branch employees
		Inculcating the habit of door-to-door marketing among branch employees
		Boosting the morale of branch employees for better productivity
		Maintenance of proper records and registers as per the Company policy
		Recovery of interest, penal interest, loan, processing fees, other charges, etc. from customers
		Reporting any irregularity of serious nature to the Regional and Zonal Head

6. Branch Security & Process performed at day end of each branch

- Branches are equipped with 24*7 CCTV camera monitoring and Burglary alarms.
- Branches store the gold in tamper proof gold packets
- Gold packets are kept in Dual key operated vault installed inside the Vault room.
- All the transactions are processed in maker checker mechanism
- All Branches have Collapsible Grill gate and Iron rolling shutter at the main entrance.
- All the Branch opening keys, vault / cash drawer keys are allocated basis an approved designation memo and ensuring that no single person can process any transaction related to opening / closing of the branch, disbursal, cash, gold checking, gold packing, etc.
- All branches are adequately covered with Insurance for Fire, Theft, Natural Calamity, Cash and Gold at Vault and In-transit, Fidelity Guarantee
- **Cash Reconciliation:**
 - i. On daily basis, BM cross tallies the physical cash balance at the Branch as per cash register. Cross Verifies the Denominations as per CVR & then Signed copy of CVR to be retained in the branch file on daily basis. In case of any discrepancy immediate inform to the RM and Central operation team immediately.
- **Inventory Reconciliation:**
 - i. BM cross verifies the number of packets in the system & that as per the register daily.
 - ii. On Weekly basis, BM cross tallies the number of gold packets as per the system, register & the physical packets in the vault.
 - iii. Reconciliation details to be stored in the Branch File.

7. Internal Audit Process:

- Frequency of Internal Audit on weekly basis.
- **Process Performed by the Auditor:**
 - i. Cash verification: Auditor conducts physical verification of cash, enters the denomination in the system and checks the same with cash book
 - ii. Packet Verification: Auditor takes physical count of the packets kept in the Safety Vault & cross verifies it with active packet status report generated from the system. Also ensures that there is no tampering of any gold packet.
 - iii. Branch Security System Audit: Auditor checks whether the alarm, CCTV, fire extinguisher are in place and in working condition. Checks DVR whether all camera recording is proper.
 - iv. Register & Compliance Audit: Auditor checks whether all the registers maintained at the branch are appropriately updated and signs the Registers. Auditor checks whether the documents/ notices/ licenses/ working hours/holidays etc; are correctly displayed on the bulletin board as per the statutory requirement
 - v. Document Audit: KYC and loan documents are verified basis the audit criteria
 - vi. **Gold verification:**
 1. System gives details of loans to be audited i.e., pending for audit since last audit, random loans from previously audited loans and loans where gold is partially released.
 2. Auditor selects the GL in the List and requests the BM to remove gold from the vault. Auditor cross-checks the gold image captured in the system & the physical gold and performs physical unit count of the jewellery and cross tallies it with count in the system
 3. Auditor re-appraises the Jewellery i.e., performs the acid test, salt test, sound test, flexibility test and weight test and enters the valuation details, tare weight in the report
 4. Post purity verification Auditor and Joint custodians will sign on gold pouch and serial number of gold pouch will be recorded in system.
 - vii. Auditor saves the report for each area audited and audit report is prepared In case of any discrepancy noted, acknowledgment of the BM is also taken in email form. Auditor tracks for closure of all the audit issues identified.
 - viii. Auditor should inform BM where auditor finds purity of Loan is less than 18k and difference in valuation as per BCM/BM and auditor is more than 10% to take immediate action on the cases and recover the excess amount within 15 days of inform by auditor.

8. External Audit process:

- Frequency of external Audit- Monthly
- It can be performed by the Central Head office team or Third Party
- **Process Performed by Auditor:**
 - i. Cash verification: Auditor conducts physical verification of cash, enters the denomination in the system and checks the same with cash book
 - ii. Packet Verification: Auditor takes physical count of the packets kept in the Safety Vault & cross verifies it with active packet status report generated from the system. Also ensures that there is no tampering of any gold packet.
 - iii. Branch Security System Audit: Auditor checks whether the alarm, CCTV, fire extinguisher are in place and in working condition. Checks DVR whether all camera recording is proper.
 - iv. Register & Compliance Audit: Auditor checks whether all the registers maintained at the branch are appropriately updated and signs the Registers. Auditor checks whether the documents/ notices/ licenses/ working hours/holidays etc; are correctly displayed on the bulletin board as per the statutory requirement
 - v. Document Audit: KYC and loan documents are verified basis the audit criteria
 - vi. Gold verification:
 1. Auditor selects the GL in the List and requests the BM to remove gold from the vault. Auditor cross-checks the gold image captured in the system & the physical gold and performs physical unit count of the jewellery and cross tallies it with count in the system on sample basis.
 2. Auditor re-appraises the Jewellery i.e., performs the acid test, salt test, sound test, flexibility test and weight test and enters the valuation details, tare weight in the report on sample basis.
 3. Post purity verification Auditor and Joint custodians will sign on gold pouch and serial number of gold pouch will be recorded in system.
 - vii. Auditor should inform BM where auditor finds purity of Loan is less than 18k and difference in valuation as per BCM/BM and auditor is more than 10% to take immediate action on the cases and recover the excess amount within 15 days of inform by auditor.

9. Process Description: From Customer acquisition to disbursement:

S. No	Process Activity	Responsibility
	Customer visits the Branch for Gold Loan. Customer visit details will be recorded in the system/Register along with photo and contact number. CSM inquires and understands his loan requirement.	CSM/ BCV
	Basis the customer's loan requirement, CSM explains the scheme to the customer giving details of the ROI offered, per gram rate and tenure of the loan. Note: - Schemes are approved by the Central team & updated in the system by the Risk/Product Team	CSM/ BCV
	The customer agrees to the scheme being offered. CSM collects self-attested KYC documents from the customer as per the checklist.	CSM/ BCV
	CSM/ BCV verify self-attested copies of the KYC documents with the Originals and marks OSV in system during on-boarding process.	CSM/ BCV
	CSM/ BCV logs –in in the system through his ID, enters the Branch name	CSM/ BCV
	1. Selects 'Existing Customer' & enters the CUID (Customer unique Identification) in case of existing customers. Note – Basic Customer details previously saved gets auto fetched in the system. OR 2. Selects New Customer & enters the details of the customer basis the KYC documents. Enters the basic customer details like name, father's name, DOB, age, gender details. In the "Address Detail" tab, CSM/ BCV enters residential & office address and contact details. If the current address & that as per the KYC vary, current address is taken as address for communication. CSM/BCV Captures Live Photo of the customer on system.	CSM/ BCV
	CSM/BCV to Update Nominee Details & Reference Details. System will create CUID for Nominee & Reference.	CSM/ BCV
	CSM/ BCV performs De-dupe to check for existing/ fraudulent customer in the system. De-dupe check is done by the system based on the parameters set.	CSM/ BCV
	CSM/ BCV Updates Tele verification Status, (Wherever Applicable) & Bureau Score Details (Wherever Applicable) on system etc..	CSM/ BCV
	BCV initiates Valuation on system by updating Ornament Details like Ornament Name, Quantity, Gross Weight, Stone Weight, Carat & selects Purity grid as per Carat which is predefined on the system then system will	BCV

S. No	Process Activity	Responsibility
	populate eligible Loan amount. Ornament photo to be uploaded at this stage on the system else system will not allow to save the details. (Valuation 1)	
	BM initiates second Valuation and system auto populates Ornament details updated by BCV like Ornament Name, Quantity, Gross Weight, Stone Weight, Carat & Purity grid, ornament photo, etc. BM May Modify Carat/Purity Grid/Stone Deduction as per own Judgement & then system will Populate Eligible amount as per second valuation. (Valuation 2)	BM
	System Will Consider Lower of the two valuations Updated by BCV & BM	System
	Valuer/s enters the name of the jewellery pledged and units of the same.	BCV
	Valuers performs nitric acid test, rock salt test, sound test, flexibility test and weight test to understand the purity and genuineness of the gold offered by the Customer. If any ornament, requires destructive test like prick/ filler test prior consent will be taken from customer	BCV
	Note: -	
	1. If any gold is found to be spurious* on performing the above tests, loan is rejected in the system.	
	2. Ornaments made of brass or other base metal with a coating of gold are not accepted.	
	*Spurious gold – gold of lower/ not acceptable quality/ purity lesser than 18 carat	
	Enters the total weight of the jewellery in the system arrived at from the weight test and also enters the stone/ bead weight.	BCV/BM
	Net weight is auto calculated by the system by subtracting the Stone/ Bead weight from Total weight	BCV/BM
	Selects the carat from the drop-down menu in the system	BCV/BM
	Funding % is auto fetched in the system basis the carat/scheme selected	BCV/BM
	Per Gram rate is auto fetched in the system. Gold valuation is auto calculated by the system by multiplying per gram rate and the Net weight after purity conversion	BCV/BM
	Per Gram Rate is arrived at after considering the LTV factor for the scheme	BCV/BM
	BCV/CSM updates loan details stage by selecting loan tenure repayment frequency from drop down box. BCV/CSM to fill sanctioned amount. Sanction amount should be less than or equal to the eligibility amount shown by the system as per the lower valuation fetched by system from asset details tab.	BCV/CSM
	After finalization of sanctioned amount & Scheme BCV/CSM Moves to next stage i.e., Credit Decision stage on the system	BVC/CSM
	If Loan Amount/ Loan exposure at CUID Level is less than 2 Lakhs then	BCV

S. No	Process Activity	Responsibility
	BCV can approve the loan at credit decision stage.	
	<p>If Loan Amount/ Loan exposure at CUID Level is greater than 2 Lakhs then BCV can recommend to BM or Higher authority. The credit authority matrix is predefined on system as per credit policy.</p> <p>Note:</p> <ol style="list-style-type: none"> 1. Cases where Single Loan value is more than 5 lakhs external Valuation to be taken from a Jeweller & Valuation report from external Valuer to be stored along with the Loan Docket. Loan Approval to be taken Via Email as per Credit Policy. 2. In case where External Valuation cannot be performed before disbursement, approval of the Business Head is to be taken via mail prior to disbursement of loan as per deviation matrix. 3. If the loan amount/ Cumulative exposure at CUID level exceeds Rs 3 lakhs, Branch Manager/BSM/Regional Head/Zonal Head must conduct Physical verification at customer residence/ office/ shop to enquire about the credit worthiness and source of income of the customer. Report is prepared & is uploaded in the system. 4. If the loan amount/ Cumulative exposure at CUID level exceeds Rs 5 lakhs, Bureau check to be done to check the Score and repayment history and upload the same in the system 5. If the loan amount/ Cumulative exposure at CUID level exceed Rs 3 lakhs, Approval to be raised via Email to the concerned authority as per Credit Authority matrix defined in the Credit Policy. Loan to be approved by the concerned authority on the system or to be approved by the Central team on the system as per email approval from concerned authority. 	BCV/BM/CSM
	BM refers the loan for approval as per Credit Matrix	BM
	Post approval at credit decision stage by the concerned authority, BCV/CSM selects mode of payment in the “Disbursal Maker” Tab as Cash or Multimode or RTGS/ NEFT/ or IMPS as per the customer’s requirement.	BCV/CSM
	BCV/CSM enters the total loan amount. Note: - System shall block if the loan amount is more than the eligible loan amount.	BCV/CSM
	Processing fees, stamp duty, etc is auto calculated by the system basis the scheme on entering the loan amount. Total disbursal amount to customer is [Loan amount-(PF+ taxes and Insurance)] Note: Insurance is an optional component	BCV/CSM
	BM will Verify the Disbursement details updated by the Maker & Approves the Disbursement by checking approve Box & hit save Button	BM
	BCV/CSM Click on the Loan Docket Tab to generate Loan Docket from the	BCV/CSM

S. No	Process Activity	Responsibility
	system & prints. The system generated Loan Docket.	
	Loan Docket consists of Application form, DPN, Certificate of BM on customer due diligence, Pledge document etc is printed with Customer & Gold ornament photo and all other loan details. BCV/CSM to fill the mandatory fields which are not printed in the form. BM/ authorized personnel & the customer signs loans documents.	BCV/CSM
	Cashier Verifies the amount & gives Cash to customer. (In Case of Cash disbursement)	Cashier
	Branch Manager/ BCV selects mode of payment as RTGS/NEFT/IMPS in the system & enters the bank details based on the cancelled cheque/ bank statement Note – On saving the details in the system, a request is sent to the bank for transferring of funds to beneficiary account	BM/BCV
	Central Ops. Team initiates the payment & share Transfer details with Respective Branch team.	Central Ops. Team
	CSM/BCV gives duly signed Pledge Document & DPN copy to the customer.	BCV/CSM
	BCV/BM keeps Gold in a tamper proof packet and seals it. Details of the gold, Loan number & customer name etc are written on the pouch.	BCV/BM
	BCV/BM enters the details of the gold loan accounts in the Gold register and signs on it.	BCV/BM
	Vault Custodian stores the Gold in the specifically identified area in the vault for the partner bank. Dual keys are required to open the safety vault. Keys are in the custody of the key custodians (BM/BCV/Cashier).	BCV/Cashier/BM

10. Collection Process:

- Calling/SMS to Customers starts from 26th day to 30th day (before the due date).
- If on the 30th day collection is due, then on the 35th day, again calling is done for collection remainder.
- Personal Visit the customer if the account DPD>30 days
- 1st due notice by ordinary post on 60th days after due date
- 2nd due notice by Regd. Post on 90th days after due date
- Final due notice along with auction details sent to customers on 100th days after due date

11. Auction Process and Guidelines:

S. No.	Auction Process and Guidelines	Remarks
1	Overdue Accounts beyond 100+ DPD shall be put for auction provided sufficient Notices, Personal visits, Phone calls and SMS.	
2	While auctioning the gold – We need to declared a reserve price for the pledged ornaments. The reserve price for the pledged ornaments shall not be less than 85 per cent of the previous 30 day average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Commission and value of the jewellery of lower purity in terms of carats proportionately reduced.	
3	Intimation to overdue customers for auction	
4	Decide the date of auction and pass the Board Resolution	
5	Appointment of RBI Approved Auctioneer	
6	Final Letter will be served to each auction able customers and required to acknowledge the same	
7	Necessary Notification/publicity should be publishes in newspaper atleast 5 to 10 days prior to auction day	
8	Auction day: bidders registration are required , bids happens, Successful bidders are chosen & realization of the bid amount	
9	Auction able sale proceeds are apportioned to each customer’s account on the basis of rate auction sale realized per gram	
10	Excess amount are refunded to customers while proceeding are taken to recover deficiency	

12. Checklist:

CHECKLIST from Login to disbursal			
Customer's Name			
Channel Name			
Document Type		Mention Document collected	Remarks
KYC* of Borrower	ID & Address proof of applicant	ID : PAN Card/Aadhar Card/ Voter ID/ Driving license Address Proof: Aadhar card/Voter ID /Driving license/Electricity Bill/Telephone bill not older than 2 months/ bank Pass book.	Self-attested KYC and OSV by CSM/BCV
KYC* of Nominee if applicable	ID & Address proof of Nominee.	ID : PAN Card/Aadhar Card/ Voter ID/ Driving license Address Proof: Aadhar card/Voter ID /Driving license/Electricity Bill/Telephone bill not older than 2 months/ bank Pass book.	
Mobile Verification	Mobile of applicant and Co-applicant	Should be verified by sending the OTP.	
Photograph of Borrower	Photograph of borrower either from Webcam or Photo taken from customer.		
Ownership Proof	Purchase Invoice copy or declaration from customer is required		Fix- declaration form and part of disbursement documents
CIBIL check	If exposure is more than 5 lakh for check the overdue	Pull CRIF/Equifax to check the overdue and performance of existing Loan and upload the same in the system	
Income docs	If exposure is more than 5 lakh then take any of the income proof	Bank statement/ ITR	
Bank Statement/Cancelled Check			In case disbursement is directly transfer to Bank account of borrower.
Application form	Filled in the System and take print and sign by borrower and BM		

DPN	Affix stamp duty and duly signed by the borrower.	
Valuation Report and calculation details	Valuation report of both BCV and BM along with calculation details and certified by BCV/BM.	
Certificate of BM on Customer due diligence	Will fix the format	
Pledge Document	Will fix the format.	
Declaration on Letter Head	A certificate to the borrower on letterhead of company, of having assayed the gold and state the purity (in t carats) and the weight of the gold pledged.	
External Valuation Report	Cases where Single Loan value is more than 5 lakhs external Valuation to be taken from a Jeweller & Valuation report from external Valuer to be stored along with the Loan Docket. Loan Approval to be taken Via Email as per Credit Policy	
Approval	Approval Mail as per credit Policy	
(Signature)	(Signature)	
Sourcing RM Name:	CPA / Credit Manager Name:	
RM Empl. No.:	CPA / Credit Manager Empl. No.:	
Date:	Date:	