

**Unimoni Financial Services Limited**  
**Product & Credit Policy**  
**Loan against Gold Jewellery**

**Prepared by**

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## 1. Product Features

Gold loans are provided to any Resident Indian who meets the KYC guidelines under the General Category against Gold ornaments pledged as collateral.

1	Loan Type	Term Loan
2	Schemes	As circulated from time to time, duly assessing market conditions, and based on the approved scheme document.
3	Tenor	3 months to 36 months as per scheme
4	Loan Amount	Rs.5,000/- to Rs.25,00,000/-
5	Loan to value (LTV)	Up to 75% of Jewellery Collateral.
6	Rate Per Gram	Based on scheme document
7	Interest rate / Penal interest rate	Based on scheme document
8	Processing fees	Min Rs.100/- and Max Rs.1,000/-
9	Loan Documents	Application cum Pledge Agreement
10	Borrower's Age limit	Minimum 21 years – Maximum 70 years
11	Prerequisites	PAN is mandatory for all loans. KYC Compliances - Any of the valid identity proof, and an address proof required (Refer Officially Valid Documents list) Credit score checking is mandatory for loan amount Rs.2, 00,000/- and above. Authorised CRM – The CRM should be updated with valid information and documents, and authorised by AO CRM Div. Loan can be processed only for customers with an "Authorised CRM"
12	Charges	Foreclosure Charges: Min Rs.100/- maximum 5% of the loan amount (depending schemes conditions) Auction Handling Charges - Rs.590/- Auction admin charges: Up to Rs.5000/- Letter charges : Rs.50 per notice
13	Disbursement	Cash disbursement Up to Rs.20000/- for a customer in a day. Disbursement above Rs.20000/- online transfer /cheque payment/ prepaid card payment can be done on customer request. If customer insist for cash payment due to emergency purpose, then branch must obtain declaration from the customer and upload the same in Gold Loan Module. It will be Verified by Gold Loan department and approved by Audit Department and can disburse loan in cash upto INR 1 lakhs.
14	Quality Assessment / Gold Valuation	Quality of the Jewellery /Ornaments are assessed by in-house Valuer as per guidelines (Refer the Gold purity checking guidelines.)
15	End use	The purpose of the loans will be for consumption, business or as specified end use by the borrower, and not for any illegal or illegitimate purpose.
16	Partial Liquidation	Partial liquidation of loan can be done as per customer request. Fresh appraisal of Gold to meet LTV should be based on Karat -wise calculation for remaining ornaments. Ornaments with purity deviation or weight difference as per audit reports, should be liquidated first before releasing any other ornaments. Processing fee, interest, and charges will be applicable as per scheme. Original loan receipt (customer copy) must be obtained for partial liquidation. No partial release allowed in the case of receipt missing cases.
17	Overdraft / Top up	Overdraft and Top up of the exiting loans can be allowed as per the customer request. Fresh appraisal of Gold, and all credit check to be completed, as applicable to the regular loan process. No overdraft or Top up, if any purity deviation or weight difference reported in parent loan. Processing fee, interest, and charges will be applicable as per scheme Original loan receipt (customer copy) must be obtained for Overdraft or Top up. No Overdraft or Top up allowed in the case of receipt missing cases.

18	Loan Closing	The original loan receipt to be collected from customer for loan closing and release of ornaments.
19	Cash receipt limit	The cash receipt limit for a customer in all his active loans together will be Rs.2,00,000/- only.
20	OTP Validation for disbursement	Loan disbursement need to be validated with an OTP send to the registered mobile number of the customer.
21	OTP validation for closing of accounts and ornaments release	Release of ornaments also need to be validated with and OTP

**1.1. Standard Deduction to ornament weight applicable.**

Karat	Min(Impurity deduction)	Max.(Impurity deduction)	Min (Impurity deduction in %)	Max. (Impurity deduction in %)
22 HM	0	0	98%	100%
22	2	7	95%	98%
21	5	10	88%	94%
20	5	15	81%	87%
18	10	20	75%	80%

**1.2. Officially Valid Documents for Identity and address proof.**

Standard Acceptable ID Proofs	Standard Address Proofs
Aadhaar	Aadhaar
Voter ID Card	Voter ID Card
Passport	Passport
Driving License	Driving License
Photo ration card	Utilities Bill (Electricity/water/Telephone/Gas Bill)
PAN Card	Copy of registered Sale Deed/Lease Deed
	Bank statement last three months with reflecting customer name and address
	Municipal tax receipt

**1.3. Credit Matrix Approval (Customer ID level)**

Credit Limit	Approval Authority
Up to 2 lakh	Branch Head
2 to 5 lakh	Regional Head
5 to 10 lakh	Zonal Head
Above 10 lakh	Product Head & Audit Head

**1.4. Loan Authorisation Limit (Transaction Value)**

Loan Amount	Authorisation by
Up to 2 lakh	Branch Head
Above 2 lakh	AO Loan Operations

### 1.5. Negative List of ornaments (Ornaments not be accepted as collateral)

- Any non – Wearable and unusual type of gold ornaments.
- Gold coins, gold biscuits, gold bars etc
- Eye Glass and Spectacles in Gold
- Gold Wrist Watch
- Gold Bag Chains
- Gold Chappals
- Flowers and animals made in Gold
- Single waist belt above 100gm, Single broad bangle above 48gm, Single bangle above 32gm.
- Mangalsutra
- Stoned ornaments, if the stone weight is more than 50% of the gross weight.
- Gold ornaments below 18 carat purity

### 1.6. Exceptions to norms on ornaments in negative list.

Branch Head can recommend for exception approval for some of the items, if the purity is fine as per the guidelines. Exception approval should be obtained from ZH over mail.

ZH has the discretion to allow exception on negative list as below;

- Mangalsutra is accepted only if Borrower is a female. For male borrowers the same needs to be confirmed over tele-verification from family members or if Mangalsutra is one of the collateral.
- Waist belt greater than 100 grams is acceptable with external valuation in addition of BCV and Regional RCV. Valuation to be done at computerised centres.
- Single Ornaments above the approved weight (Waist belt, Broad bangle, Bangle etc): Dual valuation along with third party valuation required (Computer test in metro location and local valuation in non-metro location) along with nearest Branch Head / LAG Staff confirmation.

## 2. Credit Check

### 2.1 Customer Grading

- System will capture the profile, income, income source details, gold ownership source, end use of the funds and repayment track of the existing loans to grade the customer. Based on the arrived grade, system will differentiate the LTV for customer as below;

Sl. No	Score	Grade	LTV margin
1	Above 90	A	NIL
2	75 - 90	B	3%
3	50 – 75	C	5%
4	Below 50	D	10%

### 2.2 Ownership of Gold: The ownership of the Gold jewellery will be established by:

- Self-declaration cum undertaking for ownership for Gold given by borrower in the application form.
- Tele-verification with blood relatives confirming ownership, for transactions above 2 lakh.

### 2.3 Credit check for loans above Rs.2,00,000/- up to 10,00,000(Customer ID Level)

- Credit score checking. (Crif High mark)
- CAM (Credit Assessment Memo) and TVR (Tele Verification Report)

### 2.4 Credit Check for loans above Rs.10,00,000/- (Customer ID Level)

- Credit score checking. (Crif High mark)
- CAM (Credit Assessment Memo) and TVR (Tele Verification Report)
- CPV Residents (Contact Point Verification)
- Second checking of ornaments purity to be done by BH / BCV of the nearest branch, or auditor.
- Income Proof (Latest ITR, Salary slip)
- Bank Statement (latest 6 months)

## 3. Deviation Metrix

Deviation	ZH / ZAH	PRODUCT HEAD / AUDIT HEAD	DIRECTOR / CHAIRMAN
Contact Point Verification	Y	Y	Y
Rate Per Gram	N	N	Y

Processing Fee	N	Y	Y
ROI Deviation	N	N	Y
Any Product Deviation	N	N	Y
Income Documents	Y	Y	Y
Bank statement & Credit score	Y	Y	Y

## 4. Gold Loan Disbursement / Closure Process

### 4.1 KYC Verification

- Collect original OVD (Officially valid Documents) for Identity and Address proof from customers
- Take the copy and stamp the OSV (Original seen and verified) seal, with BCV's signature.
- An OSV stamped KYC copy is valid for 6 months only. Fresh OSV process to be done after the period, if customer want to avail new loan.

### 4.2 Gold Valuation

- Follow the guidelines for gold valuation, and confirm the purity of ornaments.
- Avoid ornaments of negative list, and provide sufficient margin for stones and other non-gold items attached with the ornaments.

### 4.3 Customer profiling & CRM Creation, and Data updating to system.

- After KYC verification, necessary details of the customer is collected by BCV including capturing of live photo of the customer.
- Complete the credit check process as per guidelines.
- Create / Update the CRM with the latest details of the customer. Get the CRM authorised by AO CRM Div.
- Call/Update the CRM data to Gold Loan Module.
- Update the loan request, collateral details etc in the Loan process screen and upload the ornaments photo.
- System will generate an OTP to Customer's registered mobile number, which is to be updated in the screen.
- System will generate the DPN & Pledge documents for customer signature.
- A Re.1/- revenue stamp to be affixed on the DPN, and get customer signature crossing the revenue stamp.

### 4.4 Sanction & Disbursal

- Get the deviations approvals, if any, from the concerned authorities
- Get the loan approval from the concerned authority as per the credit metrix approval
- Based on the documents and approvals obtained, either BH or AO Loan Operations will authorise the loan for payment.
- Provide the gold loan receipt to the customer (Customer Copy) for his records, which need to be surrendered at the time of loan closing.

### 4.5 Gold release /fore closure –Process

- Gold release should be done in the presence of customer only, do not release the gold without customer unless its Nominee release or third party release.
- While releasing the gold, customer pledge copy should be taken along with customer signature and signature should be matched with branch copy and also cross check with customer photo.
- Initiate the loan closing entry in system, and an OTP will be send to customer's registered mobile number. Validate the closing request by the OTP. BH / Loan Staff can authorise the closing request in system.
- After authorisation from BH/Staff, release request can be accepted by staff and release the gold to customer.
- Gold Loan Receipt (Customer Copy) should be kept in the release file along with cash receipt

## 5. Gold Loan Rollover / Renewal Process

- Renewed Gold Loans will be flagged in the system and branches should not renew the gold loan more than two tenure in addition to the initial tenure.
- Customer should request for renewal in writing, and to be approved by BH, Loan Dept and audit Dept.
- Renewal can be done only in the presence of the customer. A nominee or an authorised representative cannot renew a loan on behalf of a customer.
- Ornaments to be re-appraised to confirm the purity, weight and deductions, and to be packed in a new tamper proof cover.
- Renewal can be done only for the original loan amount or the newly arrived eligible amount as per the day's LTV whichever is lesser.

- A loan can be renewed only with the live schemes available on the day. Rates and charges will be applicable as per the scheme.
- Credit check to be done as a normal loan, and fresh set of documents to be filed in the records.

## 6. Gold Valuation Process

The ornaments/Jewellery shall be weighed by approved valuers, in electronic weighing machine. For the purpose of lending, only karat wise calculation will be considered i.e. exclusion of weight of stones / beads.

Rubbing stone and Acid test to be the core verification tool for purity check. Additional tests recommended in policy guidelines can be done by branch as additional checks for risk mitigation.

Stipulated guidelines on valuation process:

A. *Rubbing on soft stone*: Appraiser takes up the gold ornament and rubs it on the soft stone. According to the variation in colour of the gold, Valuer decides whether it is gold or not and the fineness of the gold in terms of 22k, 21k etc.

B. *Sound Test*: In this method solid ornaments is put on a glass table and according to sound it produces, the quality of the gold can be judged.

C. *Finishing Test*: The ornaments made out of gold will have perfect finishing rather than ornaments made out of other metals by which the appraiser can come to a proper conclusion.

D. *Weight Test*: Gold is most dense metal heavier compared to any other metal.

Based on judgment of Valuer can decide whether particular ornament is gold or not.

E. *Scratching*: Scratching on a specific point to know the purity inside

F. *Acid Test*: Gold ornaments would be rubbed on the Soft Stone and acid would be applied on it. Fake gold will produce white fumes from the rubbed part.

G. *Destructive Test*: The gold ornaments has to be cut into two pieces through which the appraiser can find out if there is copper or any other metals present in the inner portion of the ornament.

In case Valuer is not comfortable with test conducted from A to D as mentioned above, he would further conduct test from E to G based on Borrower's consent and the requirement of the case. However for sanction of any loan, Valuer compulsorily conducts tests A to D and tests E to G above are optional and need based.

For high value loans above 5 Lacs (individual or cumulative), dual check will be done by nearby BH or Regional Audit Head.

## 7. Documents, Files & Registers

### 7.1 Gold Valuation Slip

- GL valuation slip is generated along with DPN and pledge copy. After gold valuation BCV has to sign in GL slip two copies, one should attach with DPN, another one kept in GL Packet.

### 7.2 Gold movement register

- Gold should be immediately transferred to Vault room once the packing has done, GL valuation slip should be kept along with Gold in the gold packing cover with dual signature BCV/BH/CASHIER. During renewal old GL valuation slip should be kept along with new GL valuation slip and tare weight should be mentioned on the gold packing cover
- Gold packets details should be updated in the Gold Movement Register with proper In & Out time as well as purpose of the same and it should be signed by both the custodians ( If gold taken out for renewal/release/auction transfer –purpose) actual time of in & out should be updated on the Gold movement register
- When we are keeping the new packets in the vault room – then purpose will gold deposit with real time should be updated on the register.
- Note: Gold movement register should be kept in Vault room only

Format for gold movement below your reference

## Gold Movement Register

Branch : \_\_\_\_\_

Sr. No.	Date	LAN	Customer Name	Time In	Time Out	Purpose	Signature	
							BM	ABM

### 7.3 Vault Key register

- The primary vault key holders are BCV & CASHIER, when the these custodian on leave proper key hand over process should be followed and it should updated in the Key movement register with dual signature, before taking over the vault key, physical gold packets & currency should be verify any difference should be highlighted immediately to concerned person else the person who taking the key will be responsible for any gold or cash shortage
- Vault key Register always kept in the Vault room only

## Key Movement Register

Branch : \_\_\_\_\_

Sr. No.	Date	Nature of Key	Key No.	Name of Holder	Sign.	Time	Name of the person taking over	Sign.	Time

### 8.4 Maintenances of Gold Loan Files

- Application form should be kept in the separate file, along with CAM & CPV report, GL valuation slip, approval copy, deviation approval copy, purity checking computerised copy etc. All the documents should be physically stored and provided for verification by Auditors or Regulatory authorities.
- KYC should be maintain in a separate file.
- Pledge documents / DPN - Branch copy should be kept in separate file , only one signature should be taken from the customer – for receipt of loan amount
- Release /Foreclosure file: both customer copy and branch copy of pledge documents should kept in the release file only along with closure receipt and also interest payment or part payment receipt.
- Branch Head & BCV will be the responsible contact point for retrieving loan related documents and communications for future references / verifications.

### 8. Loan closing through nominee or authorised representative

- Borrower can authorise his nominee or a third party to close the loan and collect ornaments from us through an authorisation letter (refer the letter format)
- The nominee or the representative can submit the authorisation letter, a valid KYC document and the original loan receipt to branch for loan closing
- The nominee or the representative also to execute an indemnity on a Rs.100/- non judicial stamp paper.
- BH can verify the documents and obtain approval from Regional Head / Regional Audit Head for closing the loan.
- Loan closing will be authorised by AO – Loan Operations Dept

### 9. Loan closing for deceased borrower

- The nominee can request for loan closing in writing (refer the Declaration format), and submit the death certificate, original loan receipt, and a valid KYC for verification.
- The nominee also to execute an indemnity on a Rs.100/- non judicial stamp paper.
- BH can verify the documents and obtain approval from Regional Head / Regional Audit Head for closing the loan.
- Loan closing will be authorised by AO – Loan Operations Dept

### 10. Loan closing without collecting original loan receipt

- Borrower can submit written request for loan closing without original loan receipts, along with his valid KYC documents



- He/She has to execute an indemnity on a Rs.100/- non judicial stamp paper
- BH can verify the documents and obtain approval from Regional Head / Regional Audit Head for closing the loan.
- Loan closing will be authorised by AO – Loan Operations Dept

## **11. General Guidelines**

- All securities will be released on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other due of the borrower. In the event of such right to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims.
- The Company shall not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of sanction of the loan

\*\*\*END of Document\*\*\*