



NALIN[®] LEASE FINANCE LIMITED

CIN : L65910GJ1990PLC014516

Gold Loan Policy

Gold loans / Loans against pledge of gold jewellery / ornaments as collateral security and given as a demand loan.

Tenure of the loan: All gold loans are sanctioned for a maximum tenor of 6 months only (maximum up to 12 months) unless otherwise specified under a particular scheme.

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.

Purposes: 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 personal needs including medical expenses etc. Loans shall not be used for any speculative or illegal or unlawful purposes violating the laws of the Country.

Quantum of finance: Quantum of finance will be decided on the basis of net weight of gold of 22 carat ornaments tendered as security, its purity and subject to RBI guidelines issued from time to time regarding loan to value.

Minimum loan amount per pledge: Minimum amount of loan per pledge would be Rs.2000/- subject to the conditions that, a) minimum weight of gold offered for pledge should be 1 gram (net weight) and b) minimum 25% of the eligible loan amount should be availed. Quantum and purity of gold that can be pledged and deductions to be considered. The weight of Stone, cotton, pearl, diamond, coral or any other stone or material other than gold part of the ornament irrespective of its value shall be deducted from the gross weight of the ornaments to arrive at the net weight for calculating the eligible loan amount.

Interest and charges: Interest charging at 12% to 26% and other charges at actual or will charges at mentioned in schedule in given Loan token card / Key Facts Statements to customer. The Board, or a committee empowered by the Board shall review the interest rates and other charges periodically. Any revision in interest shall only be with prospective effect.

Interest and other charges to be levied on the loan shall be as per the schemes formulated and revised from time to time. The interest rates shall be decided based on the cost of funds, insurance cost (currently bared by company), and also gradation of risk, the underlying principle being higher the risk higher the interest, within the ceiling rate decided by the Company.

The basic simple interest shall be calculated for the actual number of days remains outstanding from the date of loan disbursement to the date of closure.

Currently company charging interest only for the days amount utilized and not for any minimum days. A rebate in interest rate may be provided for encouraging timely repayment of interest or closure of the loan on or before the specified tenor and for the rate of above 15% only.

For the purpose of calculation of interest, a year will be calculated as 365 days. Interest will be calculated on monthly compounding basis.

Penal charges: In the event of failure on the part of the borrower to repay the loan along with interest and other charges on the due date or within the grace period permitted, penal charges as decided by



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the Company and as mentioned in given loan token card / Key Facts Statements without capitalization / without compounding interest.

Other charges: In addition to interest the Company may levy other charges as below. The rate at which such charges are to be levied shall be decided by the Board or a Committee empowered by the Board for fixing interest rates and other charges. Processing charges, Notice Charges, Charges for lost tokens, Auction expenses/ Closure charges.

Documentation: (Loan card / Token Card / Key Facts Statements) Demand Promissory Note and take delivery letter, Terms and Conditions Letter on back side, includes declarations and undertakings by the borrower and acknowledged by him/her and any other documents that may be specified by the Company, KYC details.

Identity Proof/ Address proof: Passport/PAN/Driving License/Voter ID /Ration Card/ Aadhar Card or any other identity card issued by a government authority, Bank Passbook of the customer. If any of the documents taken as identity proof also contains the address of the borrower, no separate address proof will be insisted upon.

Gold Jewellery Handling: Gross weight of the jewellery to be taken and appraised for assessing the purity. Purity Check shall be conducted as per the various methods prescribed by the Company to make sure that the jewellery offered for pledge is of an acceptable level of purity. Net weight of the jewellery to be arrived at after deducting the weight of stones & others embedded in the ornament completely disregarding the value of such stones & others. Jewellery to be packed securely in presence of customer with strong bag with seal and with transparent box contained Loan number tag and kept in the strong room/safe and Separate packets to be prepared for each loan.

Ownership of gold: Before disbursement of the loan, branch executives should enquire with the customers about the ownership of the jewellery being pledged for loan and the loan should be granted only after they are convinced about the genuineness of the ownership of the gold ornaments by the borrower and his capacity to own that much quantity of gold. Related authenticated information regarding ownership of gold jewellery offered as security for the loan are collected from the customers. Declaration should also contain an explanation specifically as to how the ownership was vested with the customer (For eg. Inherited, received as gift, purchased etc). Only gold jewellery of 22 carats will be accepted as security for the loan. However, in case the purity of the jewellery is found to be less than 22 carats, an option can be exercised by the Company, at its discretion, to translate the weight of the gold by converting it into proportionate weight of 22 carat gold and state the exact grams of the gold available as security accordingly.

Loan to Value: The ceiling rate for granting the loan conforming to the guidelines issued by RBI from time to time. Current LTV is 75%.

Renewal of Loans: Renewal of gold loans will be permitted ensuring sufficient cash flow from the borrower and subject to the following conditions:

1. The existing loan should be closed by repaying the entire principal and interest up-to-date the eligible loan amount for the new loan will be calculated as per the LTV prevailing on the day.





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2. Total interest + charges (if applied) of the existing loan and Shortfall in the principal amount if any, will have to be remitted by the borrower then company will renewed loan account by changing in account number and generate the new token card / loan card / Key Facts Statements.

Digital Transactions: In order to guard against attempts of perpetration of frauds, the difference amount will be credited only to the customer's registered bank account. Company insist customer to pay loan payment from digital / bank method. Maximum loan disbursement limit is Rs. 20000 (Twenty thousand) in cash.

Safety Measures: Utmost care is to be taken to ensure the safety of the ornaments pledged by the customer in Strong rooms / safes With Burglar alarms, Closed Circuit Cameras and such other devices as deemed necessary shall be installed in Storage premises. Insurance cover against burglary/fire/natural calamities or such other risks the Company may decide to insure against.

The adequacy of the safety measures put in place as also the insurance cover shall be reviewed on an ongoing basis.

Items not to be considered for accepting as security for the loan:

1. Melted bar /Primary Gold (Not more than 50 Gram)
2. Jewellery of a temple/church or any religious institutions.
3. Item specified by the Company in the negative list updated from time to time.
4. Items where the borrower is unable to give a proof or declaration of ownership.
5. Items which are not permitted to be taken as security by RBI

Release of Jewellery: Jewellery shall be released to the same customer on receipt of full dues including the principal, interest, penal interest/ other charges, if any. Release, in full can be done only after received back original Loan card / Token card / customer copy. If token is lost indemnity in stamp paper of required value to be obtained before release of jewellery or giving disclosure to company for lost card by paying charges. In case the customer is deceased, the ornament will be delivered to the legal heirs/ nominee as per given details as per the procedure stipulated by the Company for settlement of Deceased Loan account.

Fraud Prevention: All kinds of fraudulent activities or attempt to defraud, whether it is by the employees or outsiders, must be brought to the knowledge of the Management as soon as it is detected for proper action as per company guidelines.

Spurious Gold/Stolen gold: On finding Spurious or stolen gold pledge attempt, following steps shall be taken by the company Attempt by any suspicious customer trying to pledge stolen /spurious jewellery should immediately be reported to the Chief Vigilance Officer at Head office and the Vigilance Officer at the Regional Office and to the local police.

Auction: If the loan account is not closed or renewed on completion of tenure and even after sending reminders through SMS, WhatsApp, notices/Registered notices, calls at frequencies stipulated by the Company, the ornaments will be auctioned after giving a minimum of 14 day's prior notice by way of an auction notice sent. The auction will be announced to the public through advertisements published in at least 2 daily newspapers. Staff / Group Companies and its other related entities will not be allowed to take part as a bidder in auction to ensure that there is an arm's length relationship in all transactions during an auction process.





SUBJECT TO HIMATNAGAR JURISDICTION ONLY

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The proceeds of auction, net of auction related expenses and incidental charges shall be appropriated towards the loan outstanding. The Company may decide to recover the shortfall, if any, after such appropriation by resorting to various steps including legal action. Excess, if any, shall be refunded to the customer after giving satisfactory consent to company only. GST as applicable will be recovered before giving auction amount credit to loan account.

Auction Procedure: Procedure as per the auction policy approved by the Board.

Staff Training: All the employees, as soon as they are inducted into the Company shall be trained on methods of assessing the purity of the ornaments.

(Reviewed on 08/11/2024)