GEO VPL FINANCE LIMITED

Income Generating Gold Loan Policy

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1. REGULATORY FRAMEWORK

This Policy is framed in accordance with: RBI – NBFC Credit Facilities Directions, 2025. Any regulatory amendment shall automatically override this policy.

2. OBJECTIVE

To provide short-term working capital finance to Proprietorship/Business concerns against pledge of gold jewellery for income-generating purposes.

3. ELIGIBLE BORROWERS

- Proprietorship & Individuals having current account
- Valid Udyam Registration (MSME) (where applicable)
- Business vintage – Minimum 12 months
- PAN & Aadhaar of Proprietor
- GST registration (where applicable)
- Satisfactory repayment capacity
- End-use declaration confirming business purpose

4. NATURE OF FACILITY

- Type: Secured Loan against pledge of gold jewellery
- Purpose: Income generating / business use
- Security: Gold ornaments only (no bullion/bars)
- Ownership declaration mandatory

5. GOLD VALUATION NORMS

Gold accepted as collateral shall be valued based on the reference price corresponding to its actual purity (caratage). For this purpose, the lower of

a) the average closing price for gold of that specific purity over the preceding 30 days, or
b) the closing price for gold of that specific purity on the preceding day, as published either by the India Bullion and Jewellers Association Ltd. (IBJA) or by a commodity exchange regulated by the Securities and Exchange Board of India (SEBI) shall be used.

6. LOAN PARAMETERS

Maximum LTV at sanction	80%
Monitoring Trigger LTV	85%
Tenure	Up to 12 months
Repayment	Bullet principal at maturity
Interest	Payable monthly
Penal Charges	As per Fair Practices Code

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7. INTEREST SERVICING & MONITORING MECHANISM

- Interest shall be serviced monthly.
- Non-payment shall result in overdue classification.
- If interest remains unpaid continuously for 3 months (90 days):
    - Account shall be treated as overdue.
    - LTV shall be recalculated.
    - If LTV exceeds 85%, margin call shall be triggered.
- Borrower shall be issued:
    - Reminder Notice
    - Margin Call Notice (if LTV > 85%)
    - Recall Notice (if default continues)

8. NPA & TRIGGER PERIOD

1. Asset classification shall strictly follow RBI IRAC norms (90-day overdue rule).
2. Upon becoming NPA:
    - Interest income recognition shall cease (no accrual basis).
    - Provisioning shall be made as per RBI norms.
3. Auction shall not be automatic at 3 months. Auction shall be considered only if:
    - Account remains overdue after recall notice
    - Margin shortfall not rectified
    - Borrower fails to regularize within the trigger period
    - Board-approved auction process is followed

9. AUCTION PROCEDURE

Auction shall be conducted strictly as per separate Board-approved Auction Policy.

10. REVIEW

This policy shall be reviewed annually or earlier if required by regulatory changes.

For Geo VPL Finance Limited

Pradeesh Lawrence
Managing Director
DIN : 00152313

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