



**Saraswat
Bank**

Saraswat Co-operative Bank Ltd.

(Scheduled Bank)

Methodology adopted by the Bank for determination of net weight of gold and price used to value the gold for determination of LTV ratio

- The amount of loan is decided on the basis of Gold purity i. e. on the basis of carat (24, 22, 18) and net weight.
- Loans will not be granted against the security of gold bars, biscuits and silver.
- 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, as the case may be, of that specific purity over the preceding 30 days, or (b) the closing price for gold, as the case may be, 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.
- If price information for the specific purity is not directly available, the Bank shall use the published price available for the nearest available purity and proportionately adjust the weight of the collateral based on its actual purity to arrive at valuation.
- For the purpose of valuation, only the intrinsic value of the gold contained in the eligible collateral shall be reckoned and no other cost elements, such as precious stones or gems, shall be added thereto.