

Gold Valuation and Pricing

Gold testing must be conducted by an authorized valuer approved by the bank or employee of the bank, following standard protocols:

1. Various Testing options/protocol:

a) Visual Inspection:

- Check hallmark, colour, shine, and uniformity.
- Identify any non-gold portions (stones, lac, wax, copper, silver).

b) Rubbing on Touchstone:

- Rub a small portion of the ornament on a black stone to obtain a streak.

c) Acid & Salt Water Test:

- Apply nitric acid & Salt Water on the streak.
- Observe the reaction — fading indicates lower purity; no change means higher purity.

d) Niddle File Test:

- Scratch test on hidden portions to confirm genuineness of metal.

e) Magnet Test:

- Ensure no magnetic metal is mixed with gold.

f) Sound/Flexibility Test (optional):

Check typical gold sound and flexibility in case of doubt.

These tests are to be applied as per the ornaments and jewellery type.

4. Valuation

- Use bank's approved gold rate provided by the bank Staff after checking the same in CBS.

(Central Gold Loan Credit team to check the gold prices on daily basis from IBJA (Indian Bullion Jewelry Association) portal www.ibja.co 22 karat gold rates to be taken for everyday as evening (PM) rates.

Lower of : 30 days average closing price of 22 Karat gold OR last day closing price of 22 Karat gold as published by- Indian Bullion and Jewellers Association Ltd OR SEBI or Commodity & Exchange Board of India.)

- Calculate the gold security value as per the purity and gold rate provided by the Bank.
- Deduct the weight of stones, threads, or other non-gold parts.
- Determine net weight of gold and purity in karats (22K, 20K, 18K, etc.).
- Record all details in Valuation Sheet
- Gold purity less than 18 Karat not acceptable

6. Documentation and Appraiser Sign-off

- Branch should check that valuer/appraiser whom they have called are empaneled and duly authorized to carry the valuation.
- Appraiser signs should be there in valuation sheet and should be tallied with the authorized letter/agreement
- Branch officer verifies entries and confirms the valuation.
- acknowledgement of valuation is to be signed by customer

7. Safe Custody

- Ornaments to be packed in presence of the customer in tamper-proof pouch with tag and seal.
- Package labelled with loan account number, customer name, and signature.
- Stored in strong room under dual control (joint custody).