Estd. 1915
Regd. No.: H.1422

Phone: 223530,223533,222615

The Krishna District Co-operative Central Bank Ltd.,

Dr. Y.S.R. Sahakara Bhavan, Jagannadhapuram,
(H.O)Machilipatnam : Krishna District (A.P)
e-mail id: ceo_krishna@apcob.org

Ref. No.: Bkg/Gold Loans/2026-27 Date: 28.01.2026.

CIRCULAR

Sub: RBI directions on Loans against pledge of Gold Ornaments - Fixation of Upper ceiling limit of Rs.34.00 lakhs per borrower under Bullet Repayment option - Reg.

Ref:
1. RBI Directions on Gold Loans 2025 vide DOR.CRE.REC.26 21.01.023/ 2025-26, dated 06.06.2025.
2. Bank ALM Committee Resolution dt.28.01.2026.

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As all are aware that the Reserve bank of India vide reference 1st cited had issued guidelines with respect to loans against Gold / Silver collateral, wherein the earlier circular instructions issued to the DCCBs on upper ceiling of Rs.2.00 lakh for Gold Loans under Bullet Repayment scheme was repealed.

Accordingly, taking the RBI guidelines into consideration, the following instructions are hereby issued for the gold loans under Bullet Repayment scheme.

1. **Enhancement of Bullet Repayment Option:**
   - The permissible limit under Bullet Repayment option stands enhanced from Rs.2.00 lakhs to Rs.34.00 lakhs.
   - The sum total of all gold loans under bullet repayment scheme shall not exceed Rs.34.00 lakh per borrower (CIF)
2. **Purpose of Loans:**
   - The Branch Manager / Officer must assess and record the borrower's income before sanction.
   - Which shall be supported by adequate documentary evidences.
   - No deviation from this directive shall be permitted.
   - Branches may sanction loans under Bullet Repayment strictly for Consumption Purposes only. "Consumption Loan" means any permissible loan that does not fit the definition of income generating loan.
   - The purpose of loan availed shall be explicitly mentioned on the loan application, duly after inquiring the same with the borrower.
3. **Strict Adherence:**
   - Branch Teams are strictly instructed to follow the above guidelines without deviation.
   - Under no circumstances, a term loan shall be sanctioned for income generating purposes.
   - Detailed credit assessment (Copy enclosed), including assessment of borrower's repayment capacity shall be undertaken in case the total loan amount against eligible collateral is above Rs.2.50 lakhs to a borrower.

All the branches are advised to make a note of the same and comply strictly without any deviations.

Chief Executive Officer

Encl: Credit Assessment proforma.

To
All the Branch Heads / Passing Officers
Copy to AGMs, DGMs & GMs.

Credit Assessment Proforma for Loans against Gold / Silver Collateral (Above Rs.2.50 lakh)

Section A - Loan Proposal Details

Proposed loan Amount (Rs.)	
Facility Type (Term Loan)	
Gross Weight (gms)	
Net Weight (after purity)	
Value as per approved rate (Rs.)	
Eligible Value (as per margin norms) (Rs.)	

Section B - Borrower Profile

Occupation / Source of Income	
Annual Income (Rs.)	
Household Monthly Expenditure (Rs.)	
Existing Liabilities (Rs.)	
Net Surplus Available for Repayment (Rs.)	

Section C - Repayment Capacity Assessment

Gross Income (Rs.)	
Household Expenses (Rs.)	
Existing EMIs / Liabilities (Rs.)	
Net Surplus Available (Rs.)	
Repayment Feasibility (Yes/No)	

Section D - Risk & Compliance Check

Any deviation from eligibility norms? (Yes/No)	
CIBIL/Credit Bureau Report checked? (Yes/No)	
Previous repayment track with the Bank (Satisfactory / Not Satisfactory)	
Adherence to RBI / Bank norms (Yes/No)	

Section E - Sanction Recommendation

Assessed Loan amount Eligible (Rs.)	
Recommended Sanction Amount (Rs.)	
Repayment Schedule (EMI / Bullet)	
Remarks / Justification	

Assessed by (Officer): ____________________
(Signature & Date)

Verified (Branch Manager): ____________________
(Signature & Date)