GAINS by
SAFEGOLD

Key Risk Factors associated with Gold Leasing

- **Unregulated Product**: Gold Metal Leasing is not a regulated product and you do not have any regulatory recourse in the event you suffer any losses.
- **Risk of Loss of Capital**: A jeweller who leases your gold will generally provide a bank guarantee or similar collateral equivalent to at least 105% of the INR value of your gold. Additional collateral has to be posted in the event of rising gold prices. However, if the gold prices rise suddenly it is possible that a lessee defaults on repayments and your recovery is limited to the amount covered by the guarantee/ collateral. Further, enforcing a bank guarantee can take time and recovery may not be within the contracted time frame.
- **No Guarantee**: Digital Gold India Private Limited (the "Company") operates a platform which connects Lessors and Lessees of gold metal. While the Company will endeavour to protect your metal by enforcing collateral in an event of default by the lessee, the Company does not guarantee your capital or any returns and there is no recourse available on the Company to you.
- **Price Risk**: In a gold metal lease, you remain the owner of gold and repayment is made in grams of gold. If the price of gold falls, the INR value of your gold will fall and if the price of gold increases, the INR value of your gold will increase. A gold metal lease does not assure you of any returns in INR terms, only a yield in grams of gold.
- **Tax Consequences**: The Company does not make any deductions or filings on your behalf for tax deduction at source and tax collected at source. Please consult your tax advisors to determine if you have any tax liability on the income earned from leasing out your gold.