



महाराष्ट्र ग्रामीण बँक

MAHARASHTRA GRAMIN BANK

## MAHARASHTRA GRAMIN BANK

(A Scheduled Bank Established by Government of India)

(CREDIT DEPARTMENT)

HEAD OFFICE:

Plot No 42, Growth Centre, Waluj Mahanagar Project 4,  
Paithan Road. CIDCO Aurangabad

### GOLD LOAN POLICY 2024

Circulated vide: HO/ CREDIT /Cir.No.25/2024 (91)

DATED 30/04/2024,

**(For Internal Circulation only)**



Assistant General Manager, Credit





General Manager

## INDEX

### GOLD LOAN POLICY OF THE BANK

Sr. No.	Subject	Page No.
1	GOLD LOAN POLICY	3
	1.1 Preamble	3
	1.2 Objectives of the Gold loan Lending Policy	3
2	CREDIT PROCESS	4
	2.1 BORROWER IDENTIFICATION	4
	2.1.1 Photograph and Aadhar card as proof of identification and address:	4
	2.2 DESIGN OF SPECIALIZED PRODUCTS	4
	2.3 INTENSIVE AND FOCUSED CREDIT MARKETING and CONTROL	4
	2.4 Due diligence	4
3	New MGB Loan Products	5
	-Purpose, Eligibility, Eligible loan amount,	5
	-Types of Gold loan Facilities	5-6
	Type of Facility ,Product Code, Quantum of Loan ,Loan Tenure Repayment Interest, Rate Security ,Processing Charges Documentation Charges ,Inspection Charges	5-6
	- Sanctioning Powers , Product Codes	6
4	Common Guidelines for Gold Loan Scheme	7
	-Age,Advance value of Gold, valuation of Gold	7
	-Disb,Other operational Guidelines ,Safe keeping of Security, Additional Safeguards	8
	-Appraiser /Valuer, Charges, Reappraisal of gold jewels	9-10
	-Detection of spurious/fake Jewellery	10-11
	-Recovery	11-12
	-Procedure for Auctioning	12-13
	-Compensation Policy Guidelines	13-14
	-Other operational guidelines	14-16
5	<b>Annexure -1 to 22</b>	17-53
	<b>Annexure -1</b> Check list for Documents to be executed/ obtained for term loan under MGB Gold Loan Scheme	17
	<b>Annexure 2-</b> Format for Appraiser Certificate signed by valuer, borrower and Bank Official (Pink colour copy of Appraiser certificate from Booklet provided by HO, to be part of loan document)	18
	<b>Annexure -3</b>	19-21
	a) Common Application for MGB Gold Loan scheme cum Appraiser certificate cum appraisal note.	
	b) Witness letter in case of illiterate borrowers.	
	<b>Annexure -4</b>	22-24
	a. Undertaking to be obtained from the borrower.	
	b. Declaration by the borrower regarding End use of funds.	
	<b>Annexure 5 -</b> Nomination Form	25
	<b>Annexure 6 –</b>	26-28
	a) Gold Ornaments Take delivery letter	
	b) DP note & DP Note Delivery Letter	
	c) Memorandum in respect of Gold ornaments deposited as security	
	<b>Annexure 7 -</b> Format for Gold Loan Pledge & Redemption Register	29
	<b>Annexure 8 -</b> First reminder notices to be issued in case of default in the account	30
	<b>Annexure 9 -</b> Auction Cum Final Reminder for all Gold Loans	31
	<b>Annexure 10 -</b> Auction Sale Notice for publication in the Newspaper(if	32



Sr. No.	Subject	Page No.
	acknowledgement is not available)	
	<b>Annexure 11</b> - Notice of Auction Sale to be displayed on the Branch Notice Board	33
	<b>Annexure 12</b> - Auction Sale Notice	34
	<b>Annexure 13</b> - Notice to the Borrower about sale proceeds of Gold Jewellery auctioned.	35
	<b>Annexure 14</b> - A. Application for empanelment of Gold Appraisers / Valuers with Bank. B. Agreement between the Jewel Appraiser & the Bank.	36-41
	<b>Annexure 15</b> - Standard Operating Procedure (SOPs)	42-43
	<b>Annexure 16</b> - Certificate by Zone	44-45
	<b>Annexure 17</b> - Format for Reappraisal of Gold Packets / Gold Loan Accounts	46
	<b>Annexure 18</b> - Step wise recovery process in Gold Loan	47-48
	<b>Annexure 19</b> - Letter of authority	49
	<b>Annexure 20</b> - Application from Borrower for Compensation	50
	<b>Annexure 21</b> - DISCHARGE FROM OBLIGATION	51-52
	<b>Annexure 22</b> - Receipt	53



## 1.1 PREAMBLE:

India is one of the largest consumers of gold in the world. The precious metal i.e. Gold, other than being used for industrial, commercial and investment purposes, can also be used to get a loan at the time of a financial emergency. In fact, the gold loan is one of the easiest and fastest ways to access funds when it matters the most.

For borrowers, gold loans have emerged as one of the best means of raising quick, short-term capital. For us, gold loans are more advantageous compared with other loans because of the shorter tenures, lower processing time and cost, and greater returns. These factors, along with mostly appreciation in value of gold, have led to an explosion in the gold loan market. With everyone wanting a piece of this action, we should explore the Gold Loan market by having simpler approval and disbursement processes, flexible products and better accessibility.

Therefore, in order to make our Gold Loan Scheme more competitive & customer friendly, Bank has revised the scheme with certain key parameter changes. **These revised guidelines will supersede all existing guidelines pertaining to Gold Loan Schemes.**

This Gold Loan Policy is framed/ Revised mainly with the purpose to make our Gold Loan Scheme competitive in the market & also in order to comply with the RBI guidelines about Gold loans in case of Regional Rural Banks.

As per RBI Guidelines vide Cir No.RBI/2016-17/229 DBR.RRB.BC.No.53/31.01.001/2016-17 , Dated 16 Feb 2017 , Regional Rural Banks (RRBs) are permitted to grant loans up to Rs.2.00 lakh with bullet repayment option. These guidelines are applicable / related to bullet repayment option.

## 1.2 OBJECTIVES OF THE GOLD LOAN LENDING POLICY

The main objectives of the GOLD LOAN Lending Policy would be:

- Due compliance of all regulatory requirements, such as exposure norms, sectoral limits, prudential norms, asset-liability management guidelines, regulatory and other statutory restrictions, other related directives / instructions issued by the Government of India, the Reserve Bank of India, the Bank's Board of Directors and the top management.
- To ensure planned lending and healthy growth of loan portfolio and achieve lending targets as per the Corporate Plan, an optimal CD ratio after meeting the statutory pre-emptions and preventing asset-liability mismatches while keeping the NPA level to the minimum and improving the yield on advances, which is the main driver of profit.
- To induce improvement of systems and procedures and decentralize decision-making ensuring expeditious decision-making and have in built flexibility in operations.
- To have a well-balanced and diversified loan portfolio vis-à-vis market forces and competition.
- To enlarge client base through aggressive credit marketing and meet the diverse needs of customers through product mix, development and innovation.



## **2. CREDIT PROCESS**

### **2.1 BORROWER IDENTIFICATION**

Following the concept of KYC (Know Your Customer) in letter and spirit, KYC shall not be restricted only to the documents produced by the applicants. KYC shall cover actually all applicants and also guarantors. The data required for updation in records of Credit Information Companies shall be mandatorily obtained in respect of the borrowers, partners / directors and guarantors before the credit facilities are sanctioned.

#### **2.1.1 Photograph and Aadhar card as proof of identification and address:**

Copies of Aadhar cards of the applicant borrowers and guarantors shall be kept with the Branch after due verification of photographs and the impressions of the fingers. The Aadhar card is compulsory in case of all lending and non lending facilities and it is to be linked to CIF. The photographs of the borrowers and the guarantors shall be obtained along with other KYC documents.

### **2.2 DESIGN OF SPECIALIZED PRODUCTS:**

The Bank shall endeavor to develop Gold loan credit schemes for large and important segments/ group of borrowers so as to offer an array of credit products targeting emerging and existing market segments and new class of customers. Three different products are proposed.

### **2.3 INTENSIVE AND FOCUSED CREDIT MARKETING and CONTROL:**

1. Aggressive credit marketing through specialized branches for securing new business connections /relations and high quality loan assets.
2. The branches are empowered to sanction all credit proposals involving exposures upto their delegated powers.
3. Tapping the potential in Rural and Semi Urban areas for growth of credit.
4. Marketing shall focus at increasing the clientele including young generation customers.

### **2.4 Due diligence**

Due diligence includes all pre-sanction exercises viz., Gold market information, examination of ornaments, real owner of ornaments, KYC etc.

Verification of gold ornaments from empanelled valuer. The integrity of the Gold valuer to be confirmed.



### 3. New MGB Loan Products

Looking at various attractive products offered by different banks under the Gold loan scheme, It is the need of hour to revise our gold loan scheme.

Therefore, in order to make our Gold Loan Schemes more competitive & customer friendly, Bank has revised the scheme & reintroduced following two products with certain key parameter changes:

1. **MGB Bullet Repayment Product**
2. **MGB General Gold Loan with EMI Repayment**
3. **MGB Gold Cash Credit**

Bank has revised the guidelines with certain key parameter changes. **These simplified revised guidelines will supersede all existing guidelines pertaining to the MGB Gold Loan Schemes.** We are confident that with the help of our competitive product of Gold Loan, branches will rise to the occasion and increase the lending under the Gold Loan portfolio.

1	<b>Purpose</b>	To cater the credit needs for agriculture and allied activities or to cater the requirements of meeting personal expenditure of varied needs like marriage, higher education, medical emergencies, business, travel etc. Purpose of loan will have to be specified along with an undertaking that loan will not be used for any speculative purposes.		
2	<b>Eligibility</b>	All individuals including Bank Staff desirous of availing Gold Loan against Gold Jewellery / ornaments. The applicant should satisfy the KYC guidelines		
3	<b>Eligible Loan Limit</b>	<b>Eligible Loan amount can be calculated by following</b>  1) Bank's prescribed per gram rate of 22 carat Gold Ornament/Jewellery (*Subject to periodic review by HO based on the market price of gold). Or 2) 70 % of the market value of the net weight of the Gold ornaments as per empanelled valuer / appraiser. <b>Eligible loan amount should be arrived at on the basis of 1 &amp; 2 whichever is less, subject to the maximum loan ceilings of Rs. 10.00 lakh per individual borrower.</b>		
4	<b>Types of Gold loan Facilities:</b>			
		<b>a) MGB Bullet Gold Loan</b>	<b>b) MGB Term Gold Loan with EMI Repayment</b>	<b>c) MGB Gold Cash Credit</b>
4.1	<b>Type of Facility</b>	Term Loan	Term Loan	Cash Credit
4.2	<b>Product Code</b>	6350-8003	6350-8004	6130-5701
4.3	<b>Quantum of Loan</b>	Minimum: Rs.5000/- Maximum: Up to Rs.200000/- per borrower	Minimum: Rs.5000/- Maximum: Up to Rs.1000000/-	Minimum: Rs.5000/- Maximum: Up to Rs.1000000/-
4.4	<b>Loan Tenure</b>	Maximum: 12 months	Maximum: 36 months	Maximum: 12 months
4.5	<b>Repayment</b>	<ul style="list-style-type: none"> <li>• The entire loan amount along with interest shall be repaid <b>within 12 months</b> from the date of sanction.</li> <li>• Interest shall be compounded on monthly basis but will become due for</li> </ul>	<ul style="list-style-type: none"> <li>• The principal along with interest shall be repayable in maximum 36 equated monthly installments (EMI) from the date of arranging the loan.</li> <li>• Repayment can be fixed as Monthly / Quarterly /</li> </ul>	<ul style="list-style-type: none"> <li>• MGB Gold Cash Credit is valid for 12 months from the date of arranging the facility.</li> <li>• Interest shall be compounded on monthly basis.</li> <li>• Entire loan amount to</li> </ul>



		<p>payment along with principal only at maturity.</p> <ul style="list-style-type: none"> <li>The LTV of 75 % to be maintained during tenure of loan account.</li> </ul>	<p>half yearly /Yearly as per income source of borrower.</p> <ul style="list-style-type: none"> <li>Interest shall be charged to the account on monthly basis &amp; collected along with installment.</li> <li>If the request of repayment is other than EMI, it is to be supported by the 7/12 extract of the applicant.</li> <li>The LTV of 75 % to be maintained during tenure of loan account.</li> </ul>	<p>be repaid once in a year.</p> <ul style="list-style-type: none"> <li>Interest Repayment frequency shall be monthly &amp; entire loan to be renewed after 12 months if customer desires to continue the same maximum up to 36 months.</li> <li>It is expected to close the account within 36 months.</li> <li>The LTV of 75 % to be maintained during tenure of loan account.</li> </ul>
4.6	<b>Interest Rate</b>	At present is <u>8.25% p.a.</u> on monthly compounding basis, subject to change from time to time. Overdue interest @ 2% p.a., from the date of overdue.	At present is <u>8.25% p.a.</u> on monthly compounding basis, subject to change from time to time. Overdue interest @ 2% p.a., from the date of overdue.	At present is <u>8.25% p.a.</u> on monthly compounding basis, subject to change from time to time. Overdue interest @ 2% p.a., from the date of overdue.
4.7	<b>Security</b>	Pledge of gold Jewellery/Ornaments	Pledge of gold Jewellery/Ornaments	Pledge of gold Jewellery/Ornaments
4.8	<b>Processing Charges</b>	NIL	NIL	NIL
4.9	<b>Documentation Charges</b>	NIL	Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500
4.10	<b>Inspection Charges</b>	NIL	NIL	NIL
4.11	<b>Out of Pocket Expense (Packing Charges)</b>	Rs 100 + GST	Rs 100 + GST	Rs 100 + GST

#### Sanctioning Powers

Sanctioning powers (Amt in Lakh)	HOD Credit - V	HOD Credit - IV	RM -V	RM -IV	BM scale V	BM scale IV	BM scale III	BM scale II	BM scale I
	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

#### Product codes:

Sr. No.	Product Code	Type	Description
1	6350-8003	Term loan	Rs 2.00 lakh
3	6350-8004	Term loan	Up to Rs 10.00 lakh
5	6130-5701	Cash Credit	Up to Rs 10.00 lakh



#### 4. Common Guidelines for Gold Loan Schemes

Sr. No.	Particulars	Guidelines
1	Age	<p><b>Minimum: 18</b>  <b>Maximum: 70</b></p>
2	Advance Value of Gold	<ul style="list-style-type: none"> <li>The Advance value shall be circulated to all the branches by Head office periodically.</li> <li>The price will be reckoned by Head Office on the basis of simple average of 30 days as applicable to 22-carat gold issued by India Bullion and Jewelers Association Ltd (Website: ibja.co) or the prevailing rate of Gold per gram published by India Bullion and Jewelers Association Ltd whichever is less.</li> <li>The advance value will be revised by the Head Office &amp; shall be conveyed to the region offices / Branches from time to time. As of now, till further instruction, the advance value has been fixed at Rs.4525*/- per gram.</li> </ul>
3	Valuation of Gold (Market Value)	<ul style="list-style-type: none"> <li>Weighing &amp; valuation of gold ornaments is to be done by banks empanelled appraiser / valuer at the Branch premises in the presence of Branch Manager/ Officer &amp; the Borrower concerned.</li> <li>When appraising the Gold Jewellery, the stones &amp; wax contained in the Jewellery should not be taken into the account.</li> <li>The valuation of Gold Ornaments / Jewellery has to be recorded in the appraisal memo which contains description of ornaments pledged, gross weight, net weight, carat, valuation rate, advance value etc. The gold appraisal memo has to be signed by bank's empanelled Appraiser / Valuer, Borrower &amp; Branch Officials. A copy of the appraisal memo should be given to the borrower, which has to be produced at the time of redemption of gold ornaments / Jewellery.</li> <li>If the gold is of purity less than 22 carats, the same should be translated to 22 carat and valuation of the exact grams should be taken. In other words, Jewellery of lower purity of gold shall be valued proportionately.</li> <li>For example, the purity of gold is 21 carat and net weight of the gold is 100 grams, then value of 95.45 grams (<math>21 \times 100 / 22</math>) should be taken for consideration of loan.</li> <li>Copy of certificate of valuation should be given to the borrower.</li> <li>Valuation from two Gold Valuers/ Appraisers should be sought in respect of loan granted where any one or both of the condition satisfies:               <ol style="list-style-type: none"> <li>Gold to be valued is more than 200-gram weight or</li> <li>Loan amount is more than Rs 5.00 lakh.</li> </ol> </li> </ul> <p><b><u>If the same borrower avails multiple loan up to the limit of Rs 10.00 lakh, then two valuations should be taken when loan amounts exceeds Rs 5.00 lakh including earlier loan.</u></b></p> <ul style="list-style-type: none"> <li>Charges of Appraiser / Valuer to be recovered from the borrower, without fail. Charges are mentioned under Point No-09. However, charges for second valuation will be borne by the bank.</li> <li>If two gold valuers are not available on the same day, then loan to be sanctioned</li> <li>Once gold Jewellery is appraised, the same should not be parted with, till closure of the account.</li> <li>As there are fluctuations in gold prices, Branches are required to keep track on gold process and update the valuation of securities as per quality &amp; net weight of ornaments and prevailing market prices (As per periodic review based on the market price of gold by Head Office) and report the compliance to Regional Office.</li> <li>If there is adverse movement in minimum stipulated margin of gold prices, the borrowers will be required to deposit the margin gap to maintain stipulated margin for gold Jewellery / ornaments. If borrower is not maintaining stipulated</li> </ul>





		margin, Branch should initiate the recovery procedure immediately. <ul style="list-style-type: none"> <li>Branch should ensure that LTV Ratio of 75% is to be maintained throughout the tenure of the Loan (Total outstanding including Interest / Value of Gold)</li> </ul>
4	<b>Disbursement</b>	<b>Term Loan-</b> The loan amount to be credited to the Savings account of the borrower. <b>Cash Credit-</b> No need to transfer loan amount to SB account.
5	<b>Other Operation Guidelines</b>	➤ Gold ornaments / Jewellery shall be valued by Banks empanelled approved gold valuer / appraiser & a certificate of valuation along with complete details of quality & quantity of Gold ornaments / Jewellery shall be kept on record.  In case of breach of minimum LTV norm of 75% for gold loan accounts, at all time, due to upward movement of Rate of Interest and/or downward movement in price of gold, The branches need to take following steps: <ol style="list-style-type: none"> <li>On the day when LTV is above 75%, 1st Notice is to be sent.</li> <li>If the above position continues then 2nd Notice is to be sent after 15 days from 1<sup>st</sup> Notice.</li> <li>If still the above position continues then 3rd Notice is to be sent after 30 days from 1st Notice.</li> <li>In case the borrower fails to replenish the margin even after 3rd Notice the Branches will be required to auction the gold ornaments as per extant instructions of auctioning of Gold Ornaments. This is mandatory irrespective of the IRAC status of the account.</li> </ol>
6	<b>Safe keeping of security</b>	After assaying, the gold ornaments are to be put in a thick polythene packet and be sealed. The valuer certificate be prepared in triplet & one copy be kept inside the jewel packet, another be attached with the documents & one copy to be handed over to customer for reproducing the same at the time of redeeming the Jewellery. The securities have to be arranged serially & kept in the safe custody under dual control.  It is desirable to obtain Photograph of the gold ornaments at the time of valuation & copy of same may be kept on record. (It is optional) <b>Possession of Gold ornaments / Jewellery should not be given to the borrower unless &amp; until the account is fully recovered &amp; closed in CBS.</b>
7	<b>Additional safeguards</b>	In case of instances of shortfalls in security value due to fluctuating gold price, delayed auction of gold, delayed action by Branches in closure of the loan account etc. the Branches are advised to follow the procedure outlined below: <ol style="list-style-type: none"> <li>When the gold prices suddenly crash below the benchmark level or the possibility of outstanding/ liability exceeding the value of gold arises, Branches should immediately review the A/cs and take steps to receive additional margin or recover the shortfall. If proper response is not forthcoming, immediate steps have to be taken for auction of gold Jewellery to recover our advance. Branches/ Regional Offices to closely monitor the overdue accounts and take appropriate measures in a time bound plan.</li> <li>Charging rate of interest on the Irregular / unrecovered portion: If liability exceeds the appraised value of the gold, 2% + GST as Penal charges is to be charged manually on the irregular / uncovered portion of the loan from the date of irregularity till the regularization of the account and the same should be communicated to the borrower.</li> <li>In cases where there is shortfall of proceeds to cover the liability even after auction, the branches should refer the matter to Regional Offices for initiating legal or other recovery measures. If the legal recourse is initiated, cost of such exercise need to be recovered from the borrower.</li> <li>The Branches should note that while publishing for auction in press or notice board, <b>the loan liability should not be published to prevent the formation of syndicate by bidders.</b> It should be ensured that such information is not parted</li> </ol>



		with to any outsiders. However, any such incidence of formation of syndicate is noticed to restrict the bid price, the bidding may be postponed.									
8	<b>Appraiser / Valuer</b>	<p>Wherever, the appraiser / valuers registered with Income Tax Dept for wealth tax purpose are available, their services should be utilized for assaying the gold ornaments. In the areas/centers where Appraiser / Valuers registered with income tax department are not available, the practice of availing the services of Appraiser / Valuers of traditional goldsmith artisans who have sufficient experience having good reputation &amp; standing and agreeable to our Banks terms and conditions be followed by the Branches.</p> <p>For ready reference, we furnish hereunder the procedure for availing the services of the Appraiser / Valuers:</p> <ol style="list-style-type: none"> <li>Branch to identify and maintain a list of Appraiser / Valuers drawn from the traditional goldsmith artisans of proven integrity &amp; recommend the same to the concerned Regional Office for approval of the same. The Regional Office will empanel the Appraiser / Valuer.</li> <li>The identified Appraiser / Valuer should be able to read / write the local language.</li> <li>He should not be below the age of 25 years and above 70 years.</li> <li>He should be agreed / willing to examine the Jewellery within the Branch premises during business hours on all working days.</li> <li>The Appraiser / Valuer so selected with the approval of concerned Regional Office should execute an Agreement as per Annexure-14.</li> <li>Branch should not grant / sanction Gold loans to Jewel Appraiser / his family members or close relatives. However, other loans and advances to the Jewel Appraisers/their relatives may be permitted by the sanctioning authorities under their normal powers.</li> <li>Matters relating to termination of Jewel Appraiser and engaging a new Jewel Appraiser in his place may be taken up in consultation with the concerned Regional Office.</li> <li>Branches should have minimum two Appraiser / Valuers &amp; the work of appraisal be given to Appraiser / Valuer as per the prudent judgment of the Branch Manager and Appraiser / Valuers have to be changed on rotational basis.</li> <li>New jewel appraisers be empanelled for an initial period of 3 years (Three years) on contract basis &amp; the contract can be renewed / continued, provided performance of jewel appraiser is satisfactory on yearly review by ROs.</li> <li>If the same borrower avails multiple loans then as far as possible the valuers should be changed subject to availability. Try to appoint more than one valuer on panel.</li> </ol>									
9	<b>Appraiser / Valuer Charges</b>	<p>To be borne by the borrower. The appraisal charges should be informed while taking the appraiser on panel, subject to revision by the Bank from time to time</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Loan Limit</th> <th>Charges</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Loans up to Rs.2.00 Lakh</td> <td>300.00</td> </tr> <tr> <td>2</td> <td>Loans above Rs. 2.00 Lakh</td> <td>150.00 per Lakh</td> </tr> </tbody> </table> <p>This amount has to be recovered from the borrower by debiting of his deposit account with the Branch for making direct payment to the Appraiser / Valuer on their behalf. Consent to that effect has to be obtained from the Borrower.</p>	Sr. No.	Loan Limit	Charges	1	Loans up to Rs.2.00 Lakh	300.00	2	Loans above Rs. 2.00 Lakh	150.00 per Lakh
Sr. No.	Loan Limit	Charges									
1	Loans up to Rs.2.00 Lakh	300.00									
2	Loans above Rs. 2.00 Lakh	150.00 per Lakh									
10	<b>Reappraisal of Gold Jewels</b>	<ul style="list-style-type: none"> <li>➤ Bank inspector at the time of regular inspection of the Branch shall re-appraise / re-verify 5 % (Minimum 5) of gold Jewellery kept under safe custody without any exception.</li> <li>➤ Surprise reappraisal / re-verification of gold ornament packets kept under safe custody should be carried out through a gold appraiser of another branch with</li> </ul>									



official on random basis, at least 5 % of total Gold loan accounts on random basis at every Quarter. (Regional office will issue the necessary instructions to the branches for reappraisal / re-verification exercise).

- The branches where there would be sizeable spurt in sanctioning of Number of gold loans in a particular month (more than 25 accounts), Officer from nearby / designated branch will visit the Branch, along with his gold appraiser / gold appraiser suggested by Regional office for re-verification of all such cases (he should be other than who has appraised for the first time).
- Number of physical jewel packets has to be tallied with Jewel loan control register and loan balance book on monthly basis and a certificate to this effect has to be submitted to the respective Regional Office.
- Regional Offices should arrange for re-appraisal / re-verification of all overdue gold loan accounts on quarterly basis.
- Re-appraisal / re-verification of jewels should be done under the supervision of both the key holders of the Branch. The identified packets of jewels are to be taken out just before re-appraisal and returned to dual custody, immediately after it is over with a fresh seal & signature. The particulars of re-appraised gold loan accounts should be noted in a separate register with the following rulings and signature of the person who has re-appraised the jewels should be obtained against each entry mentioning following points:
  - a) Name of the Account.
  - b) Date of re-appraisal.
  - c) Description of jewels.
  - d) Gross Weight.
  - e) Net Weight.
  - f) Value of jewel.
- Re-appraisal/Re-verification of Gold packets kept in safe custody shall be carried out by the branch as per laid down procedure. Presence of borrowers at the time of reappraisal may not be compulsory, however necessary intimation before the same should be given to the concerned borrower/s.

**Re-Appraisal fee:**

Gold Packets	Re-appraisal Fees (in Rs)
Up to 5	500/-
6 to 10	1000/-
11 to 15	1500/-
16 to 25	2000/-
26 to 50	2500/-
Above 50	3000/-

- The re-appraisal fees have to be borne by the Bank. If the Appraiser / Valuer engaged for re-appraisal is from outstation, the actual bus fare or second class train fare can be paid. These charges have to be debited to sundry charges. The fact of re-appraisal shall be confirmed to respective Regional Office. Whenever, any discrepancy is detected during re-appraisal, it should be reported to the concerned Regional Office immediately & suitable action as advised by them should be taken. There should be a proper control on movement of Jewellery

11 **Detection of spurious / fake Jewellery**

- At the time of re-appraisal or at any stage, if even single spurious Jewellery is found, the Branch should conduct 100% re-appraisal, in coordination with Regional Office.
- Where gold loans are found to be backed by spurious Jewellery, the Rate of Interest as applicable to clean loans (At present 12%) should be made applicable from the date of disbursement. The advance is to be recalled, immediately on detection of spurious security and other actions from the fraud / Vigilance angle as per the guidelines have to be initiated.



- The services of the jewel appraiser should be suspended, even if, a single gold loan is found to be backed by spurious Jewellery. Branches should immediately take the matter with Regional Office for further guidance, besides informing name of Appraisers & Borrowers to our Branches in the vicinity. Regional Office, in turn should report such case to Head Office immediately.
- Re-appraisal / re-verification should be done by a panel appraiser other than the jewel appraiser of the Branch, who has appraised the Jewellery earlier. If there is only one appraiser in a particular Branch, re-appraisal of gold jewels should be got done by the jewel appraiser of nearby Branches. For this purpose, Branches should consult their Regional Office and arrange to get gold jewels re-appraised, as instructed by them.
- Re-appraisal / re-verification of jewels should be done under the supervision of both the key holders of the Branch. The identified packets of jewels are to be taken out just before re-appraisal and returned to dual custody, immediately after it is over with a fresh seal & signature. Particulars of re-appraised gold loan accounts should be noted in a separate register with the following rulings and signature of the person who has reappraised the jewels should be obtained against each entry mentioning following points:
  - a) Name of the Account
  - b) Date of Reappraisal
  - c) Description of jewels
  - d) Gross Weight
  - e) Net Weight
  - f) Value of Jewel
- Re-appraisal / Re-verification of Gold packets kept in safe custody shall be carried out by the Branch as per laid down procedure. Presence of borrowers at the time of reappraisal may not compulsory, however necessary intimation before the same should be given to the concerned borrower/s.

**Re-Appraisal fee:**

Gold Packets	Re-appraisal Fees (in Rs)
Up to 5	500/-
6 to 10	1000/-
11 to 15	1500/-
16 to 25	2000/-
26 to 50	2500/-
Above 50	3000/-

- The reappraisal fees for loan accounts where spurious gold ornaments are reported should be recovered from the concerned Borrower & for other accounts, where Gold ornaments are found genuine, the **re-appraisal fees have to be borne by the Bank.**
- Branches should immediately take the matter with Regional Office for further guidance, besides informing name of Appraisers & Borrowers to our Branches in the vicinity. Regional Office, in turn should report such case to Credit Monitoring Department / Recovery Dept, Head Office depending on the product immediately.
- Action Points for Regional Office:
  1. To undertake 100% reappraisal of Gold Loans
  2. Filing of legal complaint against the Borrower / Appraiser
  3. Informing the details to our Branches in the vicinity
  4. Recall / recovery of all dues of loan accounts where spurious Jewellery is detected.
  5. Communicating such incidences immediately to Credit Monitoring



		Department / Recovery Dept., Head Office
12	<b>Recovery</b>	<p>Branches should not show any complacency / satisfaction in following the usual discipline and safeguards relating to advances, even though Gold ornaments/ Jewellery are taken as security. Ideally, no gold loan should remain overdue in the books of any Branch, so that it should not turn to NPA category.</p> <ul style="list-style-type: none"> <li>• Reminder notices are to be sent to the borrowers for all accounts (including EMI) well in advance of the due dates.</li> <li>• If even after recall notice, if the borrowers is / are not paying EMI &amp; the account is appearing under SMA 0,1 or 2, the ornaments pledged with the bank should be auctioned immediately after lapse of recall notice period either publicly or by private treaty and the proceeds be adjusted towards the balance outstanding plus interest in Gold loan account and the bank will proceed further legally for recovery of balance, if any in the account.</li> <li>• In case the account is not closed on due date, within a fortnight, a notice recalling the advance (Annexure 8) should be sent to the party. It has to be indicated in the notice that if the advance is not settled within three weeks, the ornaments pledged with the bank will be auctioned either publicly or by private treaty and the proceeds will be adjusted towards the balance outstanding plus interest in Gold loan account and the bank will proceed further legally for recovery of balance, if any in the account.</li> <li>• If the account is not settled within the stipulated time, another registered notice is to be sent to all parties concerned notifying that the Bank is auctioning the Jewellery (indicate date of auction if possible) and the cost of auction and the charges will have to be borne by the borrower. (Annexure 9)</li> <li>• The auction notice has to be published in local newspaper having wide coverage in that area. (Branches should obtain authority form Regional Office for Auction of Gold ornaments). (Annexure 10)</li> <li>• After about 2 weeks thereafter the Jewellery may be auctioned in public or by a private treaty if there are no bidders at the public auction. In that case we should try to realize the value almost equivalent to market value of the gold.</li> </ul> <p>Auction process to be started immediately after the due date &amp; in any case loan should not remain outstanding after 3 months of default to avoid the account being classified as NPA</p>
13	<b>Procedure for Auctioning</b>	<ul style="list-style-type: none"> <li>• It is preferable to arrange for auction of Jewellery whenever accounts become overdue / NPA.</li> <li>• Public notice for auction must be given by way of Print Media i.e. newspaper &amp; same should be displayed at prominent place at Branch &amp; concerned Village / Town.</li> <li>• Copy of the auction notice should be sent to the borrower along with registered notice.</li> <li>• Copy of the hand bills / appraisal memo must be displayed at the venue of the auction.</li> <li>• Presence of local Village / Town Panchayat president and / or village Karman and / or Munsiff / Town / Village / City Officer or some respectable person of the village / Town / City at the time of auctioning is necessary. In absence of any of the above, a reputed person in the Village / Town / City may be present for auctioning.</li> <li>• A record of auction proceedings signed by all persons present at the time of auction shall be maintained by the Branch and a copy shall be forwarded to the Regional Office immediately after the auction.</li> <li>• The items proposed to be auctioned must be examined by reputed goldsmith or Banks Appraiser / Valuer again and the market value shall be ascertained.</li> <li>• Banks staff members should not participate in the auction of Jewellery.</li> <li>• Every effort shall be made to realize the full market value of the items of gold</li> </ul>



		<p>Ornaments / Jewellery at the auction.</p> <ul style="list-style-type: none"> <li>• Floor price for every bidding must be announced in the auction and auction is to be commenced at the floor price. Floor price may be either equal or more than the outstanding in the respective loan amount i.e. principal plus interest plus other expenses including cost of auctioning etc. Further, while fixing the floor rate, the current market rate of the Jewellery be also be kept in mind.</li> <li>• If offers at best up to the minimum / floor rate are not forthcoming, the item/s should be withdrawn from the auction.</li> <li>• Each item shall be auctioned separately and when the total amount realized is sufficient to adjust the total dues in the particular account, further auctioning of items held for that account shall be stopped.</li> <li>• Auction proceeds should be collected on the spot at the close of auction of each item and should be credited to the loan account either on the same day or by next working day of the auction.</li> <li>• The Branch Manager / Officer present at the auction shall handover the auctioned Gold ornaments / Jewellery to the successful bidder only after verification of recovery of auctioned amount &amp; KYC / other documents of the bidder.</li> <li>• Surplus amount after the liquidation of loan account, if any, to be claimed by the borrower or his legal representatives in the usual manner. If there is a Saving Bank Account of the borrower, the amount may be credited to the account under information to borrower.</li> <li>• Deficit amount if any after the liquidation of loan account, should be recovered immediately.</li> <li>• A brief summary of the auction, name of the accepted bidder and amount realized be entered in the relative ledger folio/Register.</li> </ul>
14	<p><b>Compensation Policy Guidelines</b></p>	<ul style="list-style-type: none"> <li>➢ There may be cases where the bank and/or borrower suffer losses on pledged security due to lost, destroyed or otherwise made away with by fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery whether within or without and whether by the borrower or employees of the bank or any other person/s or due to pledge of spurious ornaments by borrower.</li> <li>➢ To compensate against the loss caused to the bank and/or borrower, the bank has in place "Banker's Indemnity Insurance Policy".</li> <li>➢ On the same line the benefit of this insurance policy needs to be given to the borrower as well in case of his loss.</li> <li>➢ In all such cases it is the responsibility of the branch to file an FIR and to comply with all the requirements for early settlement of the insurance claim.</li> </ul> <p><b>Compensation to Borrower:</b> In cases of loss to the borrower due to lost, destroyed or otherwise made away with by fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery whether within or without and whether by the employees of the bank or any other person/s, the borrower needs to be compensated as below:</p> <ol style="list-style-type: none"> <li>1. Value of compensation shall be:       <ol style="list-style-type: none"> <li>a) Market value of the jewels/ornaments on the date of loss, or</li> <li>b) Market value of pledged jewels on the date of closing of the loan account by the customer or by the bank</li> </ol> <p>Whichever is lower of the above.</p> </li> <li>2. In case any court, ombudsman or any regulatory authority has directed to pay any compensation then the value compensation will be value as directed by the court, ombudsman or any regulatory authority.</li> </ol> <p><b>Procedure to be followed for compensation:</b></p> <ul style="list-style-type: none"> <li>➢ First of all the branch should lodge an FIR with nearest police station in case of</li> </ul>



		<p>fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery.</p> <ul style="list-style-type: none"> <li>➤ After that, the valuation of the jewel/ornaments should be derived as on the date of fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery (valuation should be derived on the basis of net weight as per the sanction letter and the average of last 30 days rate of gold as per ibbj)</li> <li>➤ The loan account should be closed on the basis of value arrived and the remaining amount over &amp; above the closure balance of loan account to be remitted to the borrower. An undertaking to be taken from the borrower stating that the bank is discharged from all liabilities after payment compensation to the borrower and the borrower will have no right to demand any further compensation from the insurance claim amount received by the bank, if any.</li> <li>➤ The process of insurance claim should be initiated as soon as the FIR is lodged.</li> </ul> <p><b>Authority for Approving the Compensation to Borrower:</b></p> <ul style="list-style-type: none"> <li>➤ In all cases other than fraud by the employee of the bank, the approving authority will be the Regional Manager. Whereas, in case of fraud by an employee of the bank, the approving authority will be General Manager at HO.</li> <li>➤ The branch to take the application from borrower (Annexure 20) and send the same for approval of compensation to be paid on the basis of above guidelines to its respective regional office along with its recommendation.</li> <li>➤ Regional office to check the documents &amp; compensation amount and approve the same if it is within his/her authority. If it is in authority of General Manager then he/she is required to send the said application along with the recommendation to the Vigilance department at Head Office</li> <li>➤ Vigilance department to prepare a note for General Manager Committee for getting the said compensation approved.</li> <li>➤ One the approval is received the branch execute an agreement for discharge from obligations (Annexure 21) and get the receipt signed from the borrower/s (Annexure 22).</li> <li>➤ The compensation to be paid to the borrower only after the approval is received from the competent authority.</li> </ul>
15	<b>Other operational guidelines</b>	<ol style="list-style-type: none"> <li>1. Simple application form with provision for declaration of the applicant on the purpose of the loan (Annexure-3 a).</li> <li>2. Gold Loans shall be granted only after getting jewels duly appraised by the Jewel Appraiser appointed by the Bank.</li> <li>3. There is no restriction on number of gold loans per borrower. However, per borrower ceiling is of Rs. 10.00 Lakh for the gold loan has to be adhered to.</li> <li>4. The bullet repayment option is available for loan up to Rs 2.00 lakh per borrower. If customer demands another gold loan after availing Rs 2.00 lakh, that should invariably be covered under our other scheme. When customer approaches for amount above Rs 2.00 lakh, the amount cannot be split in to bullet and other on the same day.</li> <li>5. Gold Loans should not be granted under multiple IDs/CIFs of the same customer / borrower.</li> <li>6. Name of Nominee should be obtained invariably at the time of sanction of Gold loan. (Annexure 5)</li> <li>7. Gold jewels accepted as security for Gold Loan to be handed over to the appraiser by the borrower for weighment, appraisal &amp; certification in the presence of Branch Manager / Officers of the Bank only.</li> <li>8. In no case the Gold Jewels should be taken to Appraisers residence / business place. Appraiser has to come to the Branch &amp; Appraisal of Gold Ornaments / Jewellery should be done in the presence of borrower &amp; Branch Manager / Officer of the Bank.</li> <li>9. End use of the loan should be ensured (Annexure 4 b)</li> <li>10. Pledge of Jewellery from pawn brokers is prohibited.</li> </ol>



11. A separate ledger must be maintained for Gold Loans.
12. Jewellery packets movement / key movement or change registers to be maintained & the same be treated at par with cash movement register.
13. The account for which the Jewellery are delivered back, a separate note book/register be maintained. The loan papers in closed account to be preserved properly.
14. Branch / Region should obtain proper documentation & ensure that the accounts are monitored closely.
15. On accepting gold ornaments to be pledged, declaration should be obtained from the applicant/s that the Jewellery / ornaments proposed to be pledged for obtaining loan is his/ her/ their property and no other person has any claim against these and they have fullest right to pledge them to the bank.
16. The officials/persons signing the box/pack while sealing the same will be responsible for the correctness of contents in the box/ pack at the time of delivery of the gold ornaments after closure of loan account.
17. In case of reassessment of value of gold ornaments, the concerned officials (Branch Head / Officer) who has signed the box / pack, shall be fully responsible for correctness of contents in the box/ pack.
18. An irrevocable authority from the borrower be obtained stating that if the loan/interest is not repaid as stipulated, then bank has full powers to sell the pledged gold through auction or through authorized Gold Smith at prevailing market rate and recover the bank dues. Any excess amount will be refunded to the borrower. Any shortfall will have to be recovered from the borrower/s.
19. **Releasing of pledged jewels:** "The jewels shall be got released (physically handed over) immediately on adjustment of jewel loan. If the jewels are not got released (physically handed over) even after adjustment of the loan, custodial charges should be levied during the period. Suitable undertaking to be obtained from the borrower/s to pay the applicable custodial charges due to non-releasing of jewels even after closure of loan account. Under no circumstance, the articles to be delivered to any other person / close relative of the borrower/s. In case of joint loan accounts, all joint holders should be present at Branch for taking delivery of gold ornaments. The custodial charges for the same is Rs.500/- per annum (exclusive of GST). The same can be charged for the period of safe custody subject to minimum of Rs. 100/- (exclusive of GST).
20. Any release of the jewel should be done after due verification of the genuineness of the claim by procuring appropriate proof and after recovery of applicable custodial charges, if any. At the time of delivery of such undelivered gold ornaments packets, the same shall be delivered only to the borrower/s who have signed the document & **after submission of original receipt**. Under no circumstance, the articles to be delivered to any other person / close relative of the borrower/s. In case of joint loan accounts, all joint holders should be present at Branch for taking delivery of gold ornaments.
21. **Disposal of undelivered jewels:** In respect of existing undelivered jewels packets, which are free from all encumbrances, branches have to maintain proper record of all such packets and should enter the details such as full address of the loanee as per the ledger, details of jewels/ ornaments pledged, description, gross weight, net weight, details of notices issued etc., in a separate register and the register should be duly signed by two officers authenticating the details furnished.
22. In cases where there is a sudden spurt in gold loans as compared to past trends Regional Office after a review, may stipulate reappraisal of a higher number of gold loans.
23. The Regional authority should assess the requirement of the Branch for safe custody of gold Jewellery & if required, additional safe/jewel safe should be provided to the Branch through GAD Dept HO. Banks extant guidelines related to security & safe custody be followed, without fail. In case where no separate





		<p>safe / security measures are available to any Branch, Regional Office shall link such Branch to nearby Branch where all facilities are available to consider the gold loan.</p> <p>24. While returning gold ornaments, the original receipt / Gold Appraisal Memo be obtained from the borrower. The gold ornaments should be delivered in front of two officials of the Branch &amp; Borrower. The signature of borrower should be obtained in delivery register. Under no circumstance, the articles to be delivered to any other person / close relative of the borrower/s. In case of joint loan accounts, all joint holders should be present at Branch for taking delivery of gold ornaments. <b>(Annexure 6).</b></p> <p>25. <b>Death Claim-</b> In case of death of borrower, the jewels to be handed over after closure of loan account to the nominee , if it is duly nominated by the borrower while availing loan. In case nomination is not made, standard procedure for Decease Claim deposit settlement shall be followed by the Branches. Branches should invariably insist on obtaining Nomination. <b>(Annexure 5).</b></p> <p>26. <b>Gold Loans should be balanced by the Branches quarterly on last Friday of June, September, December &amp; March. In the month of March, Gold Loans should be balanced as on the last working day of the quarter also, for Balance Sheet purpose.</b></p> <p>27. The weighing balance / machine must be certified by Dept. of weights and measures once in a year. <b>Only, the electronic weighing machine should be used for weighing the Jewellery.</b></p> <p><b>Further, Branches should ensure:</b></p> <p>28. Separate Safe / Strong room for keeping of pledged gold under dual control of any two officials including Branch Manager. In case of one of the officer is on leave, charge should be handed over to another officer &amp; noted in key movement register. <b>If there is no second officer in the Branch other than Branch Manager, Regional Office should designate the Cashier / Clerk for maintaining dual custody.</b> Under any circumstance, the gold ornaments should not be under single custody.</p> <p>29. Panic alarm/ Burglary alarm to be fitted at Branch.</p> <p>30. Pledged gold ornaments/Jewellery to be kept in safe/strong room under dual control .</p>
--	--	--

**Branch should ensure that all applicable Annexure, as mentioned above should be obtained & held on record during the currency of Banks Loan.**



## Documentation:

## Check list for Documents to be executed/ obtained for term loan under MGB Gold Loan Scheme

Sr. No.	Particulars	Loan Document
1	Loan request form	AX - 4
2	Receipt	AX - 8
3	Take Delivery Letter	AX - 5
4	Demand Promissory Note	DO-1
5	Loan Application form	As per Annexure 3 a
6	Appraiser's certificate	As per Annexure 2. (Pink colour copy of Appraiser certificate to be part of loan document) White colour copy, Keep this inside the jewel Bag. Yellow colour copy to customer
7	Undertaking to be obtained from the borrower/s	As per Annexure 4 a
8	Declaration by the borrowers regarding End use of funds	As per Annexure 4 b
9	Nomination Form	As per Annexure 5

Loan papers should be arranged serially in files and should be placed preferably either in the Strong Room or in Fire Resistant Record Cabinet (which basically has dual locking arrangement).



**Format of Appraiser's Certificate**

Name of Borrower: CIF No: Loan Amount:	Place: Date
--	----------------

From  
M/S\_\_\_Jewellers,  
To  
The Branch Manager  
Maharashtra Gramin Bank  
.....Branch

Sir/ Madam

I have appraised the following Ornaments / jewels, the details of which are given below:

1. Name and address of the party to whom the jewel/ornaments belong and.....

At whose request appraisal has been done .....

2. Details of Jewel loan

Description of jewels/ornament assessed	Gross Weight	Net Weight(excluding stones attached to jewels/ornaments)	Whether Hall Mark Jewellery (Yes / No)	Purity (Carat )	Market Rate per Gram	Market @Rs....per gram of	Total Market value of net weight of

I hereby certify that the value of above jewels is not less than the value mentioned above. I further certify that the fitness/purity weights and valuation rates given above are correct.

Further I declare that the applicant/s is/are not my relative/associate etc. and also do not have any interest whatsoever in the gold ornaments/Jewellery that have been assessed/appraised by me.

Charges for appraisal: Rs. \_\_\_\_\_

Yours faithfully

Signature of Gold Appraiser / Valuer with name

Signature of Borrower (wherever available)

(Dual key holders- If only one officer is available the other /dual key holder official will sign)

Signature of Branch Manager / Official



**Common Application cum Appraisal Note for Loan on the security of Gold ornaments / Jewellery**  
(To be signed by applicant on each page of the application form)

Photographs of  
the Applicant/s

To  
The Branch Manager  
Maharashtra Gramin Bank  
Branch -

Dear Sir/Ma'am,

I/ We request you to grant me/us a Term Loan/Cash Credit of Rs. \_\_\_\_\_/- for the following purposes against the gold ornaments pledged by me. The term loan / CC applied is for meeting cost of agricultural operations/Personal needs\* (delete whichever is not applicable).

I/ we are providing below my/our personal information,

Type of Loan : Term Loan

Name of the Applicants-

Particulars	First Borrower	Second Borrower	Third Borrower
Name of the Applicant			
Name of the father / husband			
Date of Birth			
Occupation			
Caste (SC/ST/OBC/General)			
Religion			
Address			
Aadhaar No, (mandatory)			
Voter ID / Ration card No, if available			
PAN No, if available			
Telephone No / Mobile No			
Details of Saving / Loan accounts, if any held by the applicant			

**Details of ornaments offered as security:**

I/We hereby declare that the said Gold Ornaments / Jewellery are my/our own absolute property and no other person/s has any claim against it/them and I/We have the right to pledge the same to the bank.

I/we further understand and agree that the gold jewellery offered by me is/are subject to the reappraisal as per Bank's policy. I/We hereby expressly and unconditionally authorize the Bank to carry out the reappraisal as per it's discretion without my/our physical presence or notice for the same.

Description	Gross weight	Net Weight (excluding stones attached to jewels/ornaments)




Other Liabilities, if any, with any other bank/Lender (If existing, give particulars)

Other Liabilities, if any with the bank (If existing, give particulars) Loan sanction date	Loan amount	Type of Loan	Loan account number	Loan outstanding as on date

I/We also hereby agree to abide the guidelines of the scheme.

I / we certify that all the particulars given above are true & enclose herewith the valuation report given by the appraiser certifying purity, weight, market value of the gold.

Date:

Place:

Applicant/s Signature

---



**WITNESS LETTER IN CASE OF ILLITERATE BORROWERS**

To  
Branch Manager  
Maharashtra Gramin Bank  
Branch -

Dear Sir/Ma'am,

Loan against security of gold ornaments for Rs..... to Shri/Smt.

This is to confirm that I was present when Shri/Smt.\* \_\_\_\_\_ put his/her thumb impression to all Gold loan documents. The contents of the document were explained in Marathi / Hindi/ English known to said Shri/Smt.\* \_\_\_\_\_ in my presence.

Yours faithfully,

(Signature of the witness)

Name -

Address -

Ac No -

(Name & Address of witness to be given with A/c No., if any)

\* Here state the name of illiterate person



### Undertaking to be obtained from Borrower

- 1) I/We agree to pay interest at the rate of ..... % p.a. at present with monthly/half yearly/ yearly rest. I/We further agree that the above rate of interest may be changed/ revised by the Bank without any information/notice to me/us. Penal charges will be charged on overdue amount.
- 2) Failure on my/our part to repay the loan with interest within the stipulated time/as demanded by the Bank, will entitle the Bank to sell the whole or part of the Jewellery pledged in order to realize its dues even without intimation/notice to me/us, through auction / private treaty. I/We understand that price of jewel sold through auction will be fair price and undertake not to dispute the same before any court/forum. After appropriating sale/auction proceeds of jewel if any dues of the bank are left unpaid, I/We would pay such dues to the Bank and failing which Bank shall be at liberty to initiate legal or any other action as it deemed fit for recovery of remaining dues.
- 3) In case of part payment of jewel loan, delivery of ornaments can be obtained only upon repayment of full loan amount along with interest and other charges.
- 4) I/We shall be personally liable for repayment of any expenses/losses incurred by the Bank in connection with the loan and the Jewellery pledged herein shall be the security for the same.
- 5) I/We will inform the Bank of any change in my/our address.
- 6) I/We accept that the ornaments & Jewellery pledged with the Bank shall be kept at my/our risk in Banks safe & the Bank is not liable for any damage to articles by reason of accident due to unforeseen circumstances beyond the control of Bank, in spite of necessary precautions for safe custody.
- 7) I/We will abide by the rules & norms of Bank/Government when the limit is sanctioned for crop loan by the Bank.
- 8) I/We will maintain the prescribed LTV set from time to time. In case of breach of LTV, I/We will deposit the additional gold jewellery or deposit the amount in the loan account.
- 9) I/We know that the rules of the Bank relating to the pledge of jewels shall be binding on me/us. I hereby agree and consent to the bank for the disclosure of all or any such information and data relating to me/us as the Bank may deem appropriate and necessary to disclose or furnish to CIBIL and other agencies.
- 10) I/We authorize the Bank to charge and debit my saving account with Rs...../- as assaying charge to be paid to Appraiser / Valuer for assaying the gold ornament.
- 11) I/We understand & agree that the gold Jewellery is subject to reappraisal & reappraisal may be done at any time as per the requirement of the Bank & I/We will come to the Branch at the time of reappraisal, whenever called upon for the same.
- 12) Bank shall receive part payment of the loan but the delivery of ornament(s) can be obtained only on repayment in full of principal, interest and costs.
- 13) Substitution of jewels and revised limit will be allowed/ fixed at the time of renewal of the facility only. Redemption of jewels will be permitted only on full payment.
- 14) The borrower(s) shall arrange to repay loan in full with interest at the office of the Bank on the due date and agree to repay the interest as and when charged (half-yearly/ annually for Agricultural purpose and quarterly/ monthly for non-agricultural purpose)
- 15) In default of such payment the Bank will be entitled to sell the ornament(s) at the risk of the borrower(s) either by public auction or by private contract after giving due notice of the sale to the borrower. In case of deficit the Bank shall have the right to recover the same from the borrower/s personally.
- 16) The Bank shall have a lien on the ornament(s) pledged in respect of any other sum or sums of money which the borrowers may be liable to pay to the Bank either solely or jointly with other person or persons at any office of the Bank.



17) A letter sent by ordinary post addressed to the borrower/s to the address/es given by him/them to the Bank shall be sufficient notice to him/them for all purposes. The change in address shall be notified to the bank then and there. Notice sent by post or courier to the last known address shall be sufficient notice even if the notice is returned undelivered on account of change of address or any other reason.

18) The rules of the Bank for the time being and those that may be made from time to time relating to the pledge of ornament/s shall be binding on the borrower/s.

I/ We hereby agree to pay interest at the rate of ..... % p.a with monthly rests or such rates or rests as may be prescribed by the Bank from time to time. I/ We further agree that the Bank has the right to enhance the rate of interest over and above the rate as aforesaid and/ or charge overdue interest in case of default in repayment of dues as per the directive of Reserve Bank of India/ Bank rules. Notice regarding change of interest/ charging of overdue interest is waived by me/ us.

Dated: ----/----/20--

Signature or Thumb Impression of Borrower.





**Declaration by the Borrower Regarding End use of Funds**

Date: -----

**The Branch Manager,  
Maharashtra Gramin Bank,  
Branch -**

Sir/Ma'am,

**Subject:- End use of Funds.**

I/We, Shri/Smt/Kum/-----  
Son/Daughter/Wife of Shri -----aged about -----years residing at  
-----hereby declare that I have used the amount which is  
sanctioned to me against pledge of Gold for ----- (for  
which it is sanctioned).

Dated: ---/---/20---

Signature or Thumb Impression of Borrower.

**For Branch Use --**

On the basis of declarations / undertaking given by applicant/s as given above, we have verified the end use of the funds.

Date :

**Branch Manager**



## NOMINATION FORM

I/We

Name(s)	Address

Nominate the following person whom, in the event of my/our death the Gold ornaments (which are pledged with Bank) particulars whereof are given below, may be returned by Maharashtra Gramin Bank \_\_\_\_\_ Branch.

No. of Pieces	Description of Gold ornaments to be pledged					
	Description	Gross Weight	Net Weight	Rate in Rs. Per gm	Present Market Value in Rs	Loan Amount Received Rs

## NOMINEE DETAILS

Name and Address:-----

Relationship with Borrower (if Any) --

Age: -----

If Nominee is a Minor, His/Her date of Birth : -----

\*As the nominee is a minor on this date, I/We appoint

Name :-----

Address: -----

to receive the Gold pledged with the bank in the account on behalf of the nominee in the event of my/our/minor's death during the minority of the nominee.

\*\* Signature (s) /Thumb impression (s) of the Borrower(s)

1. -----

2. -----

3. -----

\*\*\*Personal Details and Signature of the Witness

Name :-----

Name:-----



**Gold Ornaments Take Delivery Letter**

The Branch Manager

Maharashtra Gramin Bank

Date: \_\_\_\_\_

Dear Sir/Ma'am,

Loan against Security of Gold ornaments

Please take delivery of the following gold ornaments and grant me/us loan of Rs-----  
Against security thereof.

Descriptions of Ornaments	Gross Weight
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

I/we certify that all the above gold ornaments are my/our bonafide property and no other person has any claim against them.

Yours Faithfully

Signature of the borrowers

(Name &amp; address of the borrowers)

**For Office Use Only**

Net Wt. (in Gms)	Valuation Rate (Per Gms)	Advance Value (Rs.)
.....	.....	.....
.....	.....	.....
.....	.....	.....

Total:

Certified that the gross and net weight of gold ornaments, their valuation rate and advance value as given above have been verified by me and are correct.

Officer



DP NOTE

Rs.....

Place.....

Date.....

On demand Shri/Smt..... promise to  
 pay the Maharashtra Gramin Bank..... or order the sum of Rupees  
 ..... for value received with interest  
 together with charges, expenses etc. from this day  
 at.....

STAMP

N.B.: Stamps should be cancelled by the maker writing his/her name or initials across them together with the true date of his so writing. viz. the date on this note, in addition to his signature on the note.

**MAHARASHTRA GRAMIN BANK**  
**D.P. NOTE DELIVERY LETTER**

Place.....

The Branch Manager

Maharashtra Gramin Bank, Branch:

Date.....

Dear Sir/Ma'am,

Please take delivery of the accompanying Demand Promissory Note dated \_\_\_\_\_ For Rs. \_\_\_\_\_  
 Made by \_\_\_\_\_ in favour of Maharashtra Gramin Bank.

We further request you to note that we dispense with a notice of dishonour in terms of Section 98(a) of the Negotiable Instrument Act, 1881 and that in the event of payment not being made on demand the Bank is at liberty to give time for payment to either of us without discharging the either of us from liability.

Yours faithfully,



## MAHARASHTRA GRAMIN BANK

### Memorandum in respect of Gold Ornament(s) deposited as security

Gold Loan No. \_\_\_\_\_

Date: \_\_\_\_\_

Ledger Folio No. \_\_\_\_\_

The undernoted gold ornaments(s) have been deposited with us as security against the loan of Rs. .... (Rupees.....) together with interest costs, charges, expenses, etc. advanced on ..... to Shri/ Smt.....

Particulars

S.No.	Description	Gross weight	Initials
		in gms.	
Total			

Branch Manager



## Format of Gold Loan pledge &amp; redemption register

(for recording pledge &amp; release of Gold ornaments)

Loan A/c No. & Date	Name & Address of the Borrower	Particulars of jewels pledges			Date of Loan closure	Acknowledgement of redemption from the Borrower	Signature of the Officer / Branch Manager
		Description of Jewel	Gross weight (Grams)	Net weight (Grams)			



**FIRST REMINDER FOR AGRI / NON- AGRICULTURAL GOLD LOAN ACCOUNTS**

Branch: \_\_\_\_\_

Date: \_\_\_\_\_

Sri/Smt  
.....

Dear Sir/Madam,

Sub: GL No \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_

This has reference to subject Gold Loan account with our Bank for an amount of Rs. .... available by you.

\*It is observed that the outstanding in your account as on .....(date) is Rs. .... which translates into the lower than the agreed margin of .....% or higher LTV of .....% due to change in the Rate of Interest, non-servicing of interest / installment and / or fall in the price of gold pledged against this loan.

\*It is observed that you are not adhering to the repayment schedule as agreed and hence arrears have fallen in the account. The details are as under:

Principal*	
Interest Due*	
EMI*	
Other charges	
Total amount due	

We shall be thankful if you kindly arrange to deposit /pay a sum of Rs. \_\_\_\_\_ into your above mentioned gold loan account OR arrange to pledge the additional gold ornaments in consultation with the Branch, in order to regularize your account within 7 days from the date of receipt of this letter.

Further please be informed that any delay in payments of dues/installments on your part, shall be reported to Credit Information Companies, as the same is mandatory. Any adverse remarks/non-payment of above said amount could adversely impact your credit rating, which will affect your ability to raise loans on beneficial terms in future.

Yours faithfully

Branch Manager

\*Strike off whichever is not applicable



**AUCTION CUM FINAL REMINDER FOR GOLD LOAN ACCOUNTS**

\_\_\_\_\_ Branch

Date:

Sri/Smt.....

Dear Sir/Madam,

Ref: Sub: GL No \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_

Please refer to our letter No..... Dated ..... advising you to maintain adequate margin/regularize your captioned loan account.

In consideration / securing the subject credit facility you have executed the following documents:

1

2

3.

Now there is due and payable by you to the bank under the credit / loan facility a sum of Rs. \_\_\_\_\_ inclusive of interest up to \_\_\_\_\_. Despite repeated requests you have failed and neglected to pay the said outstanding dues and interest thereof.

We hereby finally call upon you to pay to the bank the said sum of Rs. \_\_\_\_\_ with interest at \_\_\_\_% compounded quarterly/half yearly/monthly/from \_\_\_\_\_ till payment OR arrange to pledge the extra gold ornament(s) in consultation with the Branch within 7 days from the date of receipt hereof, failing which the Bank will be constrained to sell the gold ornaments pledged by you with the Bank by following due procedure and appropriate sale proceeds to your loan account by conducting auction/inviting tender/quotations/private treaty on the dated and place as mentioned hereunder.

Date of Auction:

Place of Auction:

Kindly call on the undersigned for further information, if any required.

Yours faithfully,

BRANCH MANAGER





**DRAFT****Sale Notice: Auction Sale Notice for publication in the Newspaper****MAHARASHTRA GRAMIN BANK**\_\_\_\_\_  
(Branch)**NOTICE**

The under mentioned persons are hereby informed that they have failed to pay off the liability in the loan accounts. Notices sent to them by Registered Post have been returned undelivered to the Bank. They are therefore requested to pay off the liability and other charges and redeem the pledged securities on or before ..... (date) failing which the said securities will be sold by the Bank in public auction at the cost of the borrower at the Banks premises at.....A.M/ P.M. on .....or on any other convenient date thereafter without further notice at the absolute discretion of the Bank. Parties interested in purchase of the Gold Ornaments may participate in the auction.

<b>Sr. No.</b>	<b>Date of Loan</b>	<b>Loan Ac Number</b>	<b>Name &amp; Address of the Borrower</b>	<b>Reserve Price for Auction</b>

Date:

Branch Manager



**Sale Notice: Auction Sale to be displayed on the Branch Notice Board.**

**MAHARASHTRA GRAMIN BANK**

\_\_\_\_\_ (Branch)

NOTICE

The sale by public auction of ornaments pledged with the Bank in the following gold loan accounts, details of which are given under will be held at the branch premises on.....  
At..... A.M./P.M. The Reserve Price fixed by the Bank for sale of Gold Ornaments / Jewellery is Rs. \_\_\_\_\_/-. **The interested party/s for purchase of Gold ornaments may contact the Branch Manager for ascertaining the details of Gold ornaments put to sale & for terms & conditions of sale or the details of the ornaments.** Parties interested in purchase of the Gold Ornaments may participate in the auction.

Particulars of the gold loan accounts

Sl. No.	Gold Loan No.
---------	---------------

The said auction is on the following conditions:

1. It is "as is where is" condition.
2. The successful bidder shall pay the entire bid amount by the next working day after the auction date and take delivery of the ornaments at his/her absolute risk and responsibility and the said bidder shall not have any recourse to our Bank for any reason whatsoever.
3. The Bank reserves its right to put to auction all or any of the ornaments pledged in the account as considered necessary or stop auction at any time without any prior notice and at its absolute discretion.
4. The Bank has absolute discretion to either reject or accept any bid without assigning any reasons whatsoever.
5. The Bank has right to adjourn/postpone the auction sale at any stage to any future date at the convenience of the Bank and no person shall be entitled to claim any prior notice or right therefore.
6. If the successful bidder does not clear the bid amount and/or does anything which may give rise to a necessity of adjourning/postponing/holding fresh auction sale, he/she shall be liable to indemnify the Bank to the extent of loss, if any, caused on account of his/her lapses which may come in the way of completing the auction.

DATE:

Branch Manager



## AUCTION SALE NOTICE

Loan No. \_\_\_\_\_

Detailed description of proceeds of public auction sale held at \_\_\_\_\_ a.m. /p.m. on \_\_\_\_\_ the day of \_\_\_\_\_ 20\_ at the -----Branch of the Maharashtra Gramin Bank, as the amount due from \_\_\_\_\_ in respect of the loan obtained from the said ----- Branch on pledge of the articles detailed below, remains unpaid on the due date in spite of registered notice of sale sent to him on \_\_\_\_\_.

Sr. No.	Description of Goods	Estimated weight (in Grams)	Estimated Value (In Rs)	Reserve Price for Auction	Name of the Successful Bidder	Details of auction bids	Signature of Bidders	Amount of Bid* (in Rs)

\* This being the highest bid, the article has been knocked down to the bidder after calling thrice.

Signature of Appraiser / Valuer \_\_\_\_\_

Signature of independent witness \_\_\_\_\_

Signature of Joint Custodian \_\_\_\_\_

Signature of Branch Manager \_\_\_\_\_

Copy to Regional Office \_\_\_\_\_



Notice to Borrower/s about the sale proceeds of Gold Jewellery auctioned

**Maharashtra Gramin Bank**

Branch - \_\_\_\_\_

Date \_\_\_\_\_

To  
Sri/Smt. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Sir / Madam,

Sub: Gold Loan No. \_\_\_\_\_ Dated \_\_\_\_\_ for Rs. \_\_\_\_\_

As per our registered notice dated \_\_\_\_\_ the security pledged were auctioned on \_\_\_\_\_ . The sale proceeds of Rs. \_\_\_\_\_ were appropriated towards the amount due from you including charges, interest under the above loan account. The remaining balance of Rs. \_\_\_\_\_ after adjustment has been kept in sundry account/your Saving Bank account no. \_\_\_\_\_with us.

You are requested to receive the said sum less charges of this notice after giving a receipt. Please note that the above sum will not carry any interest.

Yours faithfully,

Branch Manager  
Maharashtra Gramin Bank  
Branch - \_\_\_\_\_



## A. Application for empanelment of Gold Jewellery appraisers / valuers with Bank

To

.....  
 .....  
 .....

Date: .....

Affix Photograph  
 of  
 Individual/  
 Proprietors/  
 Partners/  
 Directors

Dear Madam/Sir,

I/ We am a valuer /appraiser of Gold Ornaments having experience in this field of \_\_\_ years as Goldsmith/ Jewellers and desire to apply to your organization for empanelment. My /our particulars are given below:

1	Name of Appraiser / Partnership Firm / Companies (in Block Letter)	
2	Date of Birth/ Date of Incorporation (DD/MM/YYYY) (In case of Individual) Sex: Father's Name:	
3	Address for Communication:	Tel. No Mobile: Fax: Email:
4	Registered Address/ Business Address:	Tel. No Mobile: Fax: Email:
5	PAN/TAN No.:	
6	GST No. (if available)	
7	Educational Qualification:	
8	Certification/ Accreditation	
9	No. of Years of Experience in the field of jewellery Business / valuation (Attach Proof)	
10	Details of empanelment with any other Banks/ Financial Institutions/ Income Tax authorities / Govt. Agencies, if any, with dates / duration: (Enclose Copy of proof)	
11	Membership of Bullion/ Jewellers Association, if available (name and membership number): (Enclose	
12	Registration with CBDT/CCIT under Wealth Tax Act, if available (Regn. No. and date):	



13	Fees/ Valuation Charges (Acceptable as per Bank's Guideline)	Yes / No
14	Any other Information	

**Other Information: (enclosed in a separate sheet)**

- If the firm is partnership/ companies concern – Name of the Partners/ Directors and a Brief profile with their Qualification & experience
- Registration number as allotted by professional bodies
- GST Registration Number, if available
- Details of major assignment handled so far (Furnish Nature of Assignment, Nature of Assets, & Amount)
- Whether any allied firms / partners are already empanelled for any other type of appraisers/valuation for the Bank / FI. If so, furnish details
- Whether Applicant was delisted from any Bank's Panel on any earlier occasion. If so furnish details.

The above information about me/firm/companies is true to the best of my knowledge and if found incorrect, I will be fully responsible for the consequences.

I/We shall submit the reports as per standard formats prescribed by the bank with correct and full information and without negligence.

If my /our application for empanelment in your bank is considered favorably, I/ We shall abide by all the terms & conditions stated here below as well as other terms & conditions prescribed by the bank from time to time:

- a. Empanelment as such does not guarantee award of valuation assignments by the bank.
- b. Entrustment of valuation/appraisal assignment is subject to periodical review by the bank.
- c. The bank reserves the right to delete /cancel the empanelment/stop awarding future assignments without prior notice or assigning any reasons whatsoever.
- d. The valuation/ appraisal shall be conducted on the basis of accepted principles as also the criteria specified by the bank from time to time.
- e. Valuation/ Appraisal report shall reveal true & fair assessment keeping in view the market conditions and the report shall be submitted in the bank's approved format.
- f. I/ We shall maintain secrecy of the business allotted by the bank.
- g. I/ We shall not enter into any financial transaction with the bank's borrowers to the detriment of bank's interest.
- h. Under no circumstances, I/ We shall use the name or logo of the bank in our correspondence with other banks.
- i. If any wrong certification is detected, I / We hereby consent that the bank may take steps as deemed fit.

*Enclosed:* Attested photocopies of all certificates/documents of proof

Signature: .....

Name of the Applicant/ Authorized Person: .....



**Format of undertaking to be submitted by the Appraisers/ Valuers for empanelment (in case of individual)**

**UNDERTAKING**

I, ..... son / daughter of .....  
do hereby solemnly affirm and state that,

- I am a citizen of India
- I have not been removed/dismissed from service/employment earlier
- I have not been convicted of any offence and sentenced to a term of imprisonment
- I have not been found guilty of misconduct in professional capacity
- I am not an undischarged insolvent
- I have not been convicted of an offence connected with any proceeding under the Income Tax Act 1961, Wealth Tax Act 1957 or Gift Tax Act 1958 and
- My/Our PAN Card number/GST number as applicable is .....
- I undertake to keep you informed of any events or happenings which would make me ineligible for empanelment as an appraiser/valuer
- I have not concealed or suppressed any material information, facts and records and I have made a complete and full disclosure

Dated: .....

Signature.....

Name.....

Address.....



## B. Agreement between the Jewel Appraiser and the Bank

This Agreement made on \_\_\_\_\_ at \_\_\_\_\_ by and between **Maharashtra Gramin Bank** a body corporate, Constituted by and under the Regional Rural Bank Act 1976 and having its head office at Aurangabad and a Branch At \_\_\_\_\_ (hereinafter referred to "the Bank" which expression shall unless it be repugnant to the subject, meaning or context thereof, be deemed to mean and include its successors and assigns)

AND

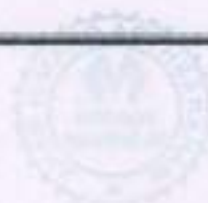
**Shri** . . . . . **S/o** . . . . .  
aged about . . . . . years and residing at . C/o **Jewellers** \_\_\_\_\_ hereinafter referred to as the "Jewel Appraiser" which term wherever the context so requires or admits shall also include his heirs, executors, agents, administrators and assigns).

WHEREAS the Bank has agreed to engage the services of the Jewel Appraiser for the purposes hereinafter appearing and upon the terms and conditions hereinafter set forth.

NOW THEREFORE, it is agreed by and between the Bank and the Jewel Appraiser as follows:

This contract will commence and come into force on and from \_\_\_\_\_ and will continue in force until it is determined in the manner hereinafter provided.

1. This Agreement is on a Principal to Principal basis and does not create any employer - employee relationship. Nothing contained in this Agreement or otherwise shall be deemed to create any partnership, joint venture, employment or relationship of principal and agent, or master and servant between the parties hereto or any of their respective employees, affiliates, subsidiaries, related business entities, agents, contractors or subcontractors or to provide either party with any right, power or authority, whether express or implied, to create any duty or obligation on behalf of the other party. The Jewel Appraiser is not an employee of the Bank but is executing this agreement as a Special Contract and neither the provisions of the Maharashtra Gramin Bank Staff Rules/Officers' Service Rules will apply to him nor any other rules/regulations governing the employees of the Bank from time to time and he is in no way required to subject himself to the general discipline of the Bank as is applicable to an employee of the Bank. He will be governed solely by the terms and conditions of this agreement and of such other contracts or agreements as may be executed between him and the Bank.
2. The Jewel Appraiser is engaged for doing the work which is ordinarily or customarily done by jewel appraisers upon the understanding that he is or may be engaged in his own business or trade, provided that he shall be bound to attend to the work relating to the appraising of jewels produced to the Bank for loans/ advances at or during such time or hours as may from time to time be fixed or determined by the Bank and notified to him orally or in writing and during such times or hours he shall devote all his attention for the said purpose.
3. The Jewel Appraiser shall faithfully and diligently do or perform the work or duties assigned to him from time to time at the \_\_\_\_\_ Branch of the Bank and/or at such other Branch or Office of the Bank as may be required by the Bank.





4. In relation to his work as Appraiser / Valuer, the Jewel Appraiser may be required and shall be bound to follow such procedure and to complete or fill such forms or declarations as may be prescribed by the Bank from time to time.
5. The Jewel Appraiser shall be remunerated for his work by way of commission only as determined by the Bank from time to time in its absolute discretion and he shall not be entitled to any other remuneration, reimbursements and other charges whatsoever. The Jewel Appraiser shall make his own arrangement for visiting the Branch for the work of appraisal, whenever required.
6. The Jewel Appraiser shall be bound to observe strict secrecy with regard to all affairs of the Bank, all dealings and transactions of the Bank with other banks or with the customers or others, the state of accounts of the Bank with its customers or others and in all matters pertaining thereto. The Jewel Appraiser shall not during the period of contract or after its termination of this contract divulge or disclose any secret or confidential information entrusted to him or arising or coming to his knowledge in the course of his work or duties under this contract or otherwise in or relating to the business of the Bank or of the customers or others having business or dealings with the Bank.
7. The Jewel Appraiser shall be responsible for the due safety of and be held accountable for and shall on demand forthwith deliver or make satisfaction to the Bank of all specie, ornaments, documents, letters, files, stationery and any things and articles of any description whatever received by him (or by any person or persons with his consent expressed or implied or at his connivance) from the Bank or on behalf of the Bank from any customer or other persons having business or dealings with the Bank.
8. The Jewel Appraiser shall be responsible for the genuineness of all jewellery, whether of gold or silver or other metal and of precious stones, etc., which are proposed to be accepted by the Bank for pledge on his appraisal or on the appraisal of any person authorized by him for the purpose, and shall be liable to make good on demand any loss which the Bank may sustain in consequence of the erroneous or defective appraisal of the pledged articles.
9. The Jewel Appraiser shall be liable to make good to the Bank any loss or damage which shall or may be caused to it in consequence of any mistake, default, omission, negligence or misconduct made or committed by him in the performance of his duties as Jewel Appraiser.
10. Notwithstanding anything contained in the agreement, the Jewel appraiser shall indemnify and undertake to keep the Bank fully saved and indemnified against any loss, action or claim arising out of or in respect to error, misconduct, fraud, negligence, default on the part of Jewel Appraiser and/ or any of its employees etc. Indemnity would cover damages, loss or liabilities suffered by the Bank arising out of claims made by its customers and/or regulatory authorities.
11. The Jewel Appraiser hereby agrees that in the event of his absence from his place of business, he authorizes with the prior approval of the Bank, any other competent person to appraise jewels in his place for a temporary period he shall be responsible in all respects for work of appraisal done by his authorized person and the Jewel Appraiser shall be responsible to meet all expenses, charges, etc., of the authorized person so engaged by him and further that the Jewel Appraiser shall be liable to reappraise soon after his return to his place of



business on prior appointment with the Bank all jewels appraised by such authorized person. The Jewel Appraiser shall give the letter of authority.

12. This Agreement may be terminated by either party, by giving to the other one month's notice in writing of his or its intention to do so. The Agreement shall stand determined at the expiration of one month from the date of receipt of notice by the other party receiving it. Provided always that if the Jewel Appraiser or his authorized person is considered by the Bank on account of his/ authorized Agent's negligence or carelessness in the performance of his duties or has committed fraud or practiced dishonesty or has committed gross misconduct or if there shall be a breach by the Jewel Appraiser/ authorized Agent of any of the stipulations and conditions hereinbefore contained it shall be lawful for the Bank to put an end to this Agreement forthwith by giving the Jewel Appraiser written notice of its intention to determine it forthwith and whether or not the circumstances in any particular case justify the Bank in summarily putting an end to this agreement shall be decided solely by the Bank whose decision shall be final and binding on the Jewel Appraiser.
13. In the event of the Jewel Appraiser ceasing to be the Bank's jewel appraiser by termination of this agreement or otherwise, the Bank shall be entitled to get the jewels earlier appraised by the Jewel Appraiser, reappraised by any other Jewel Appraiser and the Jewel Appraiser shall pay to the Bank, the entire cost of such reappraisal.
14. NOTWITHSTANDING the termination of this Agreement, the liability of the Jewel Appraiser in respect of Jewel Appraiser's own negligence or his authorized Agent's negligence, frauds, acts or other irregularities committed during the period of agreement, but not detected at the time of the termination, shall not cease and the Jewel Appraiser shall be liable to the Bank for all losses, expenses and charges payable in respect thereof including Court costs, etc., if any.
15. All disputes and differences of any kind whatsoever arising out of or in connection with this agreement shall be referred to the concerned Zonal Manager of the Bank. The decision of the Zonal Manager shall be final and binding.

IN WITNESS THEREOF THE Jewel Appraiser and the Bank acting through its authorized officer has hereunto set their respective hand on the date, month and year above mentioned.

Signed and delivered by the within named

Shri,  
Signed and delivered by

Mr.  
On behalf of Maharashtra Gramin Bank



## Standard Operating Procedure (SOP)

## 1. Login stage-

Branch to obtain duly filled in application form and shall comply with KYC guidelines of RBI. The Credit officer / Branch Manager shall conduct proper due diligence of the client before extending any loan.

## KYC

- Application form duly complete and signed
- Two passport size photographs

Photo Identity Proof	Residence Address Proof
Any One from the following	Any One from the following
Passport	Passport
Pan Card	Ration Card
Voters ID Card	Utility Bill: Electricity Bill/ Land Line Bill
Driving License	Aadhar Card
Aadhaar Card (Mandatory)	Voters ID card
	Driving License

## 2. The Credit officer / Branch Manager to ensure –

- ✓ Borrower to be individual
- ✓ Proper due diligence of the customer.
- ✓ Establishing that the proposed borrower is the real owner of the gold/ornaments.
- ✓ Gold/ornament to be 22 Carat or above. In case of below 22 carats, the proportionate value has to be taken for valuation
- ✓ The appraisers on the panel are to be utilized only for the limited purpose of appraising the jewels.

## 3. Calculation of eligibility-

- Max. Rs. 10.00 lakh per individual borrower.
- Maximum 70% of Market value of the gold/ornament or as per the scale of finance decided and issued by Head office from time to time, whichever is less.

Once the net weight, purity and prevailing market rate of gold of the ornament/jewellery is known, the quantum of loan can be decided.

Suppose the net weight of gold content is 20 grams, purity 22 carat and market rate @ Rs.50000/- per 10 grams.

The assessment is made as under: -

		Rs
A	Amount @ Rs. 3300/- per gram for 20 grams of <u>the net weight of gold</u>	67,000/-
B	Market rate @ Rs. 50,000/- per 10 grams for 20 grams <u>the net weight of gold</u>	100,000/-
C	70 % of market value of (B)	70000/-
	Maximum Permissible Loan (Minimum of A/B/C)	67,000/-



Please note that LTV of 75 % is to be maintained throughout the tenure of the Loan (Total outstanding including interest / Value of Gold).

#### Important Prescription

1. Declaration stating Jewellery/ Ornaments being pledged is his / her own property and no other person has any claim against them & he has full right to pledge them to bank.
2. Testing and certification to be done by appraiser empanelled by Bank. Charges will be borne by the borrower
3. Certificate having details as Description of Ornaments, their fitness/ purity (22 Or 24 Carats), Gross Weight of ornaments, Net weight of the Gold exclusive of stones, lac, alloy, string fastenings and Value of Gold at prevailing market Price.
4. Pledge Gold with list of articles having description, weight, and purity certificate in a box/ pack duly sealed with signature of authorized bank officials. Prepare the certificate in Triplicate and keep the White one inside the sealed box / pack and give the Yellow one copy to customer and the remaining Pink one with the loan document.
5. Bank has full authority to recover dues in case of non-repayment of Interest Or loan amount by sell of Pledged Gold and Irrevocable Authority be obtained from borrower before sanction.
6. At the time of closure of loan account and releasing the pledged gold, seal of the box/pack shall be opened before borrower only.
7. Jewels Or Ornaments should be released immediately on adjustment of loan amount, If not released, even after adjustment of the loan, custodial charges should be levied.
8. Borrower should be conveyed with the Rate of interest, Tenure etc. and the same should be agreed upon by the borrower.
9. While Sanctioning the loan, an irrevocable authority from the borrower be obtained stating that the borrower/s is/are the owner of the gold pledged with the Bank and if the loan/interest is not repaid as stipulated, then the bank has full powers to sell the pledged gold through public auction only and recover the bank dues.
10. Each Gold Loan Branch should have proper storage system for storing the Jewellery in safe custody. The branches are also installed with adequate security measures to have a continuous monitoring of the storage and removal of the gold in the storage. Each concerned branch staff shall be trained on the Gold Loan Policy and the Internal Auditors shall conduct the quarterly audit of the branches to ensure that the policy and procedures are strictly adhered to.
11. Once the proposal is approved by the delegated authority, borrower to execute the required documents and complete the formalities and then only loan amount shall be disbursed to the borrower.
12. We have a Board approved policy with regard to auction of Jewellery in case of non-repayment.
13. The auction process shall be completely transparent and adequate prior notice to the borrower should be given before the auction date.

#### Un-acceptable Items :

- Baju Bandh , Bangadi , Wax items, Bangle with plastic
- Kundan Set, Rudraksha/black beads
- Karimani mala- Only Locket can be acceptable
- Items below 1 gm
- Watch strap, Medallion, gold pot, bowl, spoon
- Mukut, crown, idols, gold pictures framed pendent or ring
- Hair clip, button, thali, elephant, gold safety pin etc
- Items unacceptable as per RBI – Bullion, gold biscuit, gold bar etc.
- Any thin/delicate ornaments
- Very thin plated gold item like paper with Goddess Ganesh/lakshmi photo on it.
- Any other item whose purity cannot be ascertained
- Ornaments of purity below 18 carats.

\*\*\*



महाराष्ट्र ग्रामीण बँक  
 (Maharashtra Gramin Bank established by Government of India)  
 पुरवठ्या बँक बँक ऑफ महाराष्ट्र



MAHARASHTRA GRAMIN BANK  
 (A Scheduled Bank established by Government of India)  
 Sponsor Bank: Bank of Maharashtra

Head Office, Plot No 42, Growth Centre, Waluj Mahanagar Project 4,  
 Paithan Road, CIDCO Aurangabad

Visit: [www.mahagramin.in](http://www.mahagramin.in), [cmcredit@mahagramin.co.in](mailto:cmcredit@mahagramin.co.in)

Branch :-

Date :-

Ref. No.:- Your Application Dated:

Sanction No.:-

To,

Address: \_\_\_\_\_

Dear Sir/Madam,

**Sanction of Gold Loan.**

Please refer to your application for granting a Gold loan of Rs. \_\_\_\_\_ Lakh. (In words Rs. \_\_\_\_\_) against Gold ornament. The details of the term loan facility are as under:

We are pleased to grant you the following Gold Loan sanction. We request you to please convey your acceptance to this sanction offer, so as to proceed ahead in the matter.

Name of Applicant	Mr./Mrs. Mob No.
Address :	
Occupation:	
Nature of facility:	Gold Loan
Amount of Loan	Rs.
Margin	% in Bank's favour
Rate of interest-	% p.a. with monthly rest. 2 % penal interest in case of default. The rate of interest is subject to change from time to time.
Security	Pledge of Gold ornaments
REPAYMENT:	Monthly EMI : Rs. Or At maturity as on _____ with principle + interest + charges

**Other Terms and Conditions:**

- If there is adverse movement in minimum stipulated margin of gold prices, the borrowers will be required to deposit the margin gap to maintain stipulated margin for gold Jewellery / ornaments. If borrower is not maintaining stipulated margin, Branch will initiate the recovery procedure immediately.
- The gold ornaments shall be pledged for the proposed advance & duly discharged in bank's favour.
- Appraiser / Valuer Charges to be borne by the borrower.



- Gold Loan will be granted only after getting jewels duly appraised by the Jewel Appraiser appointed by the Bank.
- Processing fees, document charges and inspection charges will be as per bank guidelines and to be paid by the borrower, if applicable.
- In case at the time of periodic review of the account, if any overdue, in interest / principal is observed the same shall be payable by you along with interest immediately over & above the regular repayment installment.
- The delay in payment of installment shall render you liable to pay additional @ 2 % p.a. (with monthly rests or at such higher rate as per the rules of bank and RBI in that behalf as in force from time to time) in such event; you shall also liable to pay incidental charges and costs to bank.
- All existing accounts of applicant & his family members should regular, standard the overdue amount if any should have to be recovered before disbursement.
- The rules of the Bank relating to the pledge of jewels shall be binding on you. You have to agree and consent to the bank for the disclosure of all or any such information and data relating to you as the Bank may deem appropriate and necessary to disclose or furnish to CIBIL and other agencies.
- You should agree that the gold Jewellery is subject to reappraisal & reappraisal may be done at any time as per the requirement of the Bank & He/She will come to the Branch at the time of reappraisal, whenever called upon for the same.
- Bank shall receive part payment of the loan but the delivery of ornament(s) can be obtained only on repayment in full of principal, interest and costs.
- The rules of the Bank for the time being and those that may be made from time to time relating to the pledge of ornament/s shall be binding on you.
- All other terms and conditions not mentioned above but applicable for Gold Loan will be applicable.
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Branch Manager**

**Branch:**

**I/We hereby declare that the said Gold Ornaments / Jewellery are my/our property and no other person has any claim against it/them.**

**I am submitting undertaking that the terms and conditions of Gold Loan scheme are acceptable to me/ us**

Name	Signature
(1) _____	(1) _____
(2) _____	(2) _____
(3) _____	(3) _____



## Format for Reappraisal of Gold Packets I Gold Loan Accounts

## Format of Appraiser's Certificate

Gold Loan A/C No: CIF No: Amount of Loan sanctioned A raiser reference no:	Place: Date
--	----------------

From

M/S \_\_\_ Jewellers,

To

The Branch Manager

Maharashtra Gramin Bank

.....Branch

Sir/ Madam

I have re-appraised I re-verified the following Ornaments / jewels, the details of which are given below:

3. Name and address of the party to whom the jewel/ornaments belong and.....

At whose request appraisal has been done .....  
re-verified :

## 4. Details of Jewel loan

Description of Jewels/ornament assessed	Gross Weight	Net Weight(excluding stones attached to Jewels/ornaments)	Whether Hall Mark Jewel leery (Yes / No)	Purity (Carat)	Market Rate per Gram	Market @Rs....per gram of	Total Market value of net weight of

\*Market Value of Gold Ornaments is carried out on the basis of Net Weight.

I hereby certify that I have re-tested/re-appraised the above &amp; the gross weight of the article net weight of gold, carat, purity of fineness, rate per gram &amp; market value shown against the ornaments mentioned above.

(Tick whichever applicable)

- 1) The Gold Ornaments are found correct & are in order as per original appraisal / sanction.
- 2) The Gold Ornaments are not in order as per original appraisal I sanction.

Signature of Gold Appraiser / Valuer

Signature of Borrower (wherever available)

Signature of Branch Manager / Official

(Dual key holders- If only one officer is available the other /dual key holder official will sign)

Charges for re-appraisal: Rs .....

Note - The reappraisal fees have to be borne by the concerned Branch



## MAHARASHTRA GRAMIN BANK, HO

**Flow chart of recovery process in Gold loan:**

On the day stipulated LTV norms breaches, may be due to Non-payment of EMI/Interest/ fall in price of Gold/ Change in rate of interest **OR** A/c is SMA-2/ NPA category.



1st overdue notice with acknowledgement due as per Annexure 8 of Gold Loan Policy has to be sent immediately on account becoming SMA2/LTV breaches (requesting to clear overdue within 7 days of receipt of the notice.



Permission for auction has to be obtained from RO if the liability is not regularized even after 7 days of receipt of 1<sup>st</sup> overdue notice. Revaluation of the gold ornaments to be obtained from panel appraiser.



Final notice cum auction letter with Acknowledgment due as per **Annexure 9** of Gold Loan Policy (in English and Vernacular) has to be issued after 15 days from the date of the first notice requesting to clear overdue within 7 days of the receipt of this notice.



Wherever notices have been returned undelivered, or where the borrowers are reported to be deceased, and legal heirs have not turned up for repayment, auction notice is to be advertised as per **Annexure 10** of gold loan policy in a newspaper preferably in the regional language. It may be ensured to maintain a minimum gap of 7 days between dates of auction and newspaper publication



Prior to the date of auction, notice shall be issued to local gold merchants, Shroff, etc., to be present and bid at the auction. Their signatures are to be obtained on the office copy of notice.



Notice of auction sale as per **Annexure 11** of Gold Loan Policy is to be displayed on the Office Notice board.



Auction Sale Yadast (record) is to be prepared as per **Annexure 12** of Gold Loan Policy. Names of bidders and bid amount should be noted in the auction sale Yadast and their signatures should be taken for the bids made



After final bid is made and accepted, the amount should be obtained from the purchaser in cash or demand draft / remittances as applicable







Send registered notice to the borrower about sale proceeds of the gold auctioned in **Annexure 13** format



Branches to send fresh notice to the borrower by Regd. AD if the auction is postponed



The borrower has the right to pay the dues of the Bank and redeem the jewels at any time before the jewels are auctioned.

\*\*\*\*\*



**Letter of Authority**  
(Not to be stamped)

The Branch Manager,  
Maharashtra Gramin Bank

Dear Sir/Ma'am,

I request you kindly to deliver to my representative Shri/Smt.....at my risk and responsibility, the ornaments pledged by me with your Branch at..... under Gold Loan Account No..... Dated..... For Rs..... the dues relating to which account have already been paid.

In consideration of your delivering the ornaments to my representative mentioned above, I hereby undertake to absolve you from all liabilities in the event of any dispute arising out of such delivery to my representative and also undertake to indemnify you from and against any or all claims, which may arise by reason of such delivery.

(Signature of Borrower)

Signature of Shri/Smt..... verified

(Signature of Borrower)



## Application from Borrower for Compensation

From

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

To

The Branch Manager,  
 \_\_\_\_\_ Branch  
 Maharashtra Gramin Bank

Dear Sir / Madam,

**Re: Compensation for loss occurred in Gold pledge with your bank**

This is in reference with the loss occurred in the pledged gold with your branch. I/we request you to kindly grant the compensation against the loan account number .....

The details of the gold ornaments pledged are given below:

Description	Gross weight	Net Weight (excluding stones attached to jewels/ornaments)

I / we certify that all the particulars given above are true & enclose herewith the copy of gold valuer's certificate.

Date:

Place:

Applicant/s Signature



## DISCHARGE FROM OBLIGATION

This agreement is signed on ..... Day of ..... 20.... Between ..... (herein after called as the Borrower/s) and Maharashtra Gramin Bank (herein after called as the Bank).

1. The borrower had availed a gold loan facility having loan account number ..... against the pledge of gold of ..... grams (net weight) with a total value of Rs. .... (value as on the date of loan sanction)
2. Now signatories wish to enter into a discharge agreement from (i) any and all obligations to observe the terms and conditions of the loan facility which accrue after such date and (ii) any and all demands, rights, claims, remedies, actions, cause of actions or liabilities that the bank and the borrower may have against the other or against any of their representatives, heirs, predecessors, successors, assigns, officers, directors, partners, agents, managing agents, legal representatives or employees of the others
3. That the borrower stands discharged from their obligations for payment of loan amount and loan amount for the gold account number ..... Stands repaid
4. That the bank stands discharged from their obligation as custodian of the pledge gold and the ..... grams of gold of ..... karat purity stands returned to the borrower either as the pledged gold ornaments or as per the market value of the gold
5. That where the bank has discharged their obligation by paying the borrower the market value of the gold and then retrieve the gold ornaments, the bank would retain the ownership of the gold ornaments and the borrower would have no claim on those ornaments
6. That either parties have no contesting right in any matter pertaining to the gold loan agreement and that no right accrues to approach any court/arbitration either now or in future against each other or any of their representatives, heirs, predecessors, successors, assigns,



officers, directors, partners, agents, managing agents, legal representatives or employees of the others to initiate any claim for damages or recovery for any loss or damage

7. Notwithstanding the foregoing, this mutual release shall apply only to gold loan agreement bearing gold loan account number ..... and not to any other agreement that the parties might have entered into between themselves.

In WITNESS WHEREOF The Borrower and The Bank have hereunto subscribed their hand at ..... (place) on this agreement on ..... day of ..... 20.... above mentioned in presence of the following witnesses

Witness:

1.

2. S

.....  
(The Borrower)

.....  
Branch Manager  
(For Maharashtra Gramin Bank)



**Receipt**

Received with thanks from Maharashtra Gramin Bank, ..... Branch, a sum of Rs ..... (Rupees ..... Only) by

- i) Banker's cheque number ..... Dated ..... OR
- ii) By Transfer to SB/CA number .....

In favor of ..... in full and final settlement of gold that was pledged to the bank by the recipient ..... I declare that I do not have any claim from the bank henceforth.

Signature:

Place:

Date:

