



म॒ह॒ररररु गुरररीण डरँक

MAHARASHTRA GRAMIN BANK

शररसकीड डररलकीडी शरुडुडुड डरँक Scheduled Bank Owned by Government

**CREDIT DEPARTMENT**

**HEAD OFFICE:**

**Plot No.42, Growth Center, Waluj Mahanagar Project IV,  
Paithan Road, CIDCO, Chh.Sambhajinagar. 431010.**

**GOLD LOAN POLICY 2026-27**

**Version 2.0**

**98**

**Circulated vide: HO/ Credit / Cir No.16/2026-27 (98)**

**Dated: 01/04/2026**

**(For Internal Circulation Only)**

  
**S.R. Wankhade**  
**HOD, Credit Department.**

  
**C.A. Bhamare**  
**General Manager**

## POLICY 2026-27

Policy Name	GOLD LOAN POLICY 2026 –27
Drafted By (Department)	Credit Department
Date of Approval	20 <sup>th</sup> March, 2026
Documents Classification	Internal
Version No.	2.0
Applicability	Applicable From 01 <sup>st</sup> April 2026

### Version History

Version No.	Financial Year	Policy Name	Issued By
1.0	2025-26	GOLD LOAN POLICY 2025-2026	Credit Department

### Version Approval


Version No.	Date of issue	Changes/Comments	Approved By
1.0	07.05.2025	GOLD LOAN POLICY 2025-2026	Board
2.0	20.03.2026	As per Table of changes ( <b>Annexed</b> )	Board


### Regulatory Guidelines Referred

Sr. No.	Regulatory Guidelines / Directives (Please mention Reference number & Date of Issue)	Issued By
1	Reserve Bank of India (Regional Rural Banks – Credit Facilities) Directions 2025, Vide RBI/DOR/2025-26/253 DOR.CRE.REC.172/07-01-004/2025-26 November 28, 2025	RBI
2	Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 issued vide ref. no. RBI/2025-26/47 DOR.CRE.REC.26/21.01.023/2025-26 June 6, 2025	RBI

Compliance Vetting Date	05-03-2026	Legal Vetting Date	28-02-2026
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Table of changes: - Annexed

  
Prepared By  
Ravi Raman Verma  
Manager, Credit Dept.

  
Reviewed By  
S.R. Wankhade  
HOD, Credit Dept

Approved By Board  
(Board meeting dated 20.03.2026)

**TABLE OF CHANGES**

S.No.	Particulars	Existing Policy	Amended/New Policy
1.	Eligible Loan Limit	<p>Eligible Loan amount can be calculated by following</p> <p>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).</p> <p>Or</p> <p>2) 70.00 % of the market value of the net weight of the Gold ornaments as per empanelled valuer / appraiser.</p> <p>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.</p>	<p>Eligible Loan amount can be calculated by following</p> <p>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).</p> <p>Or</p> <p>2) 70.00 % of the market value of the net weight of the Gold ornaments as per empanelled valuer / appraiser for other loans</p> <p>65.00% of the market value of the net weight of the Gold ornaments as per empanelled valuer / appraiser for bullet gold loans.</p> <p>Eligible loan amount should be arrived at on the basis of 1 &amp; 2 whichever is less, subject to the maximum loan ceilings of <b>Rs. 20.00 lakh per individual borrower.</b></p>
2.	Valuation of Gold (Market Value)	<p>Valuation from two Gold Valuers/ Appraisers should be sought in respect of loan granted where any one or both of the condition satisfies:</p> <p>1. Gold to be valued is more than 200-gram weight or</p> <p>2. Loan amount is more than Rs 5.00 lakh.</p> <p>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.</p>	<p>Valuation from two Gold Valuers/ Appraisers should be sought in respect of loan granted where any one or both of the condition satisfies:</p> <p>1. Gold to be valued is more than 100-Gram Weight,</p> <p style="text-align: center;">OR</p> <p>2. Loan amount is more than Rs 10.00 Lakh.</p> <p><b>If the same borrower avails multiple loan up to the limit of Rs 20.00 lakh,</b> then two valuations should be taken when loan amounts exceeds Rs 10.00 lakh including earlier loan.</p>
3.	Quantum of Loan	<p>Applicable for all gold loan product in bank: -</p> <p>For Bullet Repayment Loans: -Minimum: Rs.5000/- Maximum: Up to Rs.200000/- per borrower</p> <p>For other:- Minimum: Rs.5000/- Maximum: Up to Rs.1000000/-</p>	<p>Applicable for gold loan product in bank: -</p> <p>I. For Retails / Non Agricultural Purpose with Bullet Repayment Loans: -</p> <p>a. Minimum: Rs. 20,000/-</p> <p>b. Maximum: Up to Rs.2,00,000/- per borrower</p> <p>Note: - The amount of gold loan sanctioned should not exceed Rs. 2.00 lakh under Bullet repayment loan at any point of time which may be granted against the pledge of gold jewellery and ornaments for non-agricultural end uses with maximum tenor of 12 months only.</p> <p>II. For Agricultural Purpose with Bullet Repayment Loans: -</p> <p>a. Minimum: Rs. 20,000/-</p> <p>b. Maximum: Up to Rs.5,00,000/- per borrower</p> <p>subject to income assessment for loan above</p>

			Rs.2,50,000/-  III.For Loans (TL/CC) other than bullet repay option loan: - a. Minimum: Rs. 20,000/- b. Maximum: Up to Rs.20,00,000/- subject to income assessment for loan above Rs.2,50,000/-  Note: - Gold Loan without income assessment per borrower per CIF shall not exceed Rs.2.50 Lakhs and in case of multiple gold loan or single TL-Bullet to single borrower without repayment capacity, total gold loan sanctioned amount should not exceed Rs.2.50 Lakhs. In excess of Rs.2.50 Lakhs income assessment need to be done for every loan.																								
4.	Name of Products	Type of Facility - MGB Gold Cash Credit 6150-6002 - CC-Gold Retail - Non Priority	Discontinuation of Cash Credit Facility under Retails segment. It is to ensure that no further retails lending permitted under cash credit product for personal consumption or non-income generating purposes. All existing CC limit accounts under retail segment will continue until maturity but no further renewal/rollover is permitted exceeding 24 months from original sanction date. In case, where borrower not repaid or closed the account and subsequently become overdue (SMA1), branch is required to send notice with acknowledgement due as per Annexure 8 of GOLD LOAN POLICY immediately, on account becoming SMA1/LTV breaches (requesting to clear overdue within 7 days of receipt of the notice).																								
5.	Product Sanctioned Limit	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Product Code</th> <th>Type</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>6350-8003</td> <td>Term Loan Bullet</td> <td>Upto Rs 2.00 lakh</td> </tr> <tr> <td>2</td> <td>6250-1911</td> <td>Term Loan Bullet</td> <td>Upto Rs 2.00 lakh</td> </tr> </tbody> </table>	Sr. No.	Product Code	Type	Description	1	6350-8003	Term Loan Bullet	Upto Rs 2.00 lakh	2	6250-1911	Term Loan Bullet	Upto Rs 2.00 lakh	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Product Code</th> <th>Type</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>6350-8003</td> <td>TL – Bullet - Agricultural Purpose Only</td> <td>Upto Rs.5.00 Lakhs</td> </tr> <tr> <td>2</td> <td>6250-1911</td> <td>TL – Bullet – Retail / Non Agricultural purpose</td> <td>Upto Rs.2.00 Lakhs</td> </tr> </tbody> </table> <p>In case of multiple bullets repayment loan or single TL-Bullet to single borrower without repayment capacity. In excess of Rs.2.50 Lakhs income assessment need to be done for every loan.</p>	Sr. No.	Product Code	Type	Description	1	6350-8003	TL – Bullet - Agricultural Purpose Only	Upto Rs.5.00 Lakhs	2	6250-1911	TL – Bullet – Retail / Non Agricultural purpose	Upto Rs.2.00 Lakhs
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6.	Restrictions and Ceilings	Not available	Bank shall not grant any advance or loan: (i) for purchase of gold in any form including primary gold, ornaments, jewellery, or coins, or																								

			<p>for purchase of financial assets backed by gold, e.g., units of Exchange-traded funds (ETFs) or units of Mutual Funds; and</p> <p>(ii) against primary gold or silver or financial assets backed by primary gold or silver.</p> <p>A bank shall not extend a loan where ownership of the collateral is doubtful. A suitable document or declaration shall be obtained from the borrower in all cases to the effect that the borrower is the rightful owner of the eligible collateral.</p> <p>Loans against gold ornaments shall be subject to the following:</p> <ol style="list-style-type: none"> <li>(1) the aggregate weight of ornaments pledged for all loans to a borrower shall not exceed 1 kilogram for gold ornaments.</li> <li>(2) Maximum gold ornaments value to be kept by borrower against loan with bank restricted to 200% of the Loan except in case of inseparable gold ornaments.</li> </ol>						
7.	Income Criteria		<p>No Income assessment is required for Loan upto Rs.2.50 Lakhs –</p> <ol style="list-style-type: none"> <li>a. Term Loan</li> <li>b. Bullet repayment</li> <li>c. Cash Credit</li> </ol> <p>Detailed Income assessment and repayment capacity is required for Loan above Rs.2.50 Lakhs for Salaried/Business OR Agriculture Purpose –</p> <ol style="list-style-type: none"> <li>a. Term Loan</li> <li>b. Cash Credit</li> <li>c. Bullet Repayment</li> </ol> <p><b>Documents required</b></p> <table border="1" data-bbox="927 1503 1503 1963"> <thead> <tr> <th data-bbox="927 1503 1125 1738"><b>Individuals being Self-employed/ Businessman / Professional (any one of below)</b></th> <th data-bbox="1125 1503 1300 1738"><b>Salaried Individuals (any one of below)</b></th> <th data-bbox="1300 1503 1503 1738"><b>Farmer / Agriculturist (any one of below)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="927 1738 1125 1963">Balance Sheet and Profit and Loss Account of latest year ended.</td> <td data-bbox="1125 1738 1300 1963">Latest three month Salary Slip</td> <td data-bbox="1300 1738 1503 1963">7/12 of self in name of borrower / co-borrower considered for loan application</td> </tr> </tbody> </table>	<b>Individuals being Self-employed/ Businessman / Professional (any one of below)</b>	<b>Salaried Individuals (any one of below)</b>	<b>Farmer / Agriculturist (any one of below)</b>	Balance Sheet and Profit and Loss Account of latest year ended.	Latest three month Salary Slip	7/12 of self in name of borrower / co-borrower considered for loan application
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9	Disbursement	<p><b>Term Loan-</b> The loan amount to be credited to the Savings account of the borrower.</p> <p><b>Cash Credit-</b> No need to transfer loan amount to SB account.</p>	<p>** Deduction is to be considered as per reported EMI from CIC Report, other tax, statutory obligation and other deduction declared by borrower not reported in credit report.</p> <p><b>Term Loan -</b> The loan amount to be credited to the Savings/Current account of the borrower with our bank. Branch to make full disbursement of sanctioned loan within a day after opening of loan account.</p> <p><b>Cash Credit-</b> No need to transfer loan amount to SB account. In case of cash credit facility, if bank issued Cheque book to borrower than suitable charges as per bank policy should be recovered.</p> <p>** Branch to ensure that CC limit should be utilised more than 60%. Failure to do so branch manager may re-call advance given to customer.</p> <p><b>Mode of disbursement / Service of Interest: -</b> In case of bank transfers, the branch to ensure that, (i) Loan disbursals are made to the borrower's account only and not to a third-party account; and (ii) Loan servicing, repayment, etc. is executed by the borrower directly in the lenders' bank account without any pass-through account or pool account of any third party. (iii) Multiple gold loan account under single CIF should be avoided.</p>							



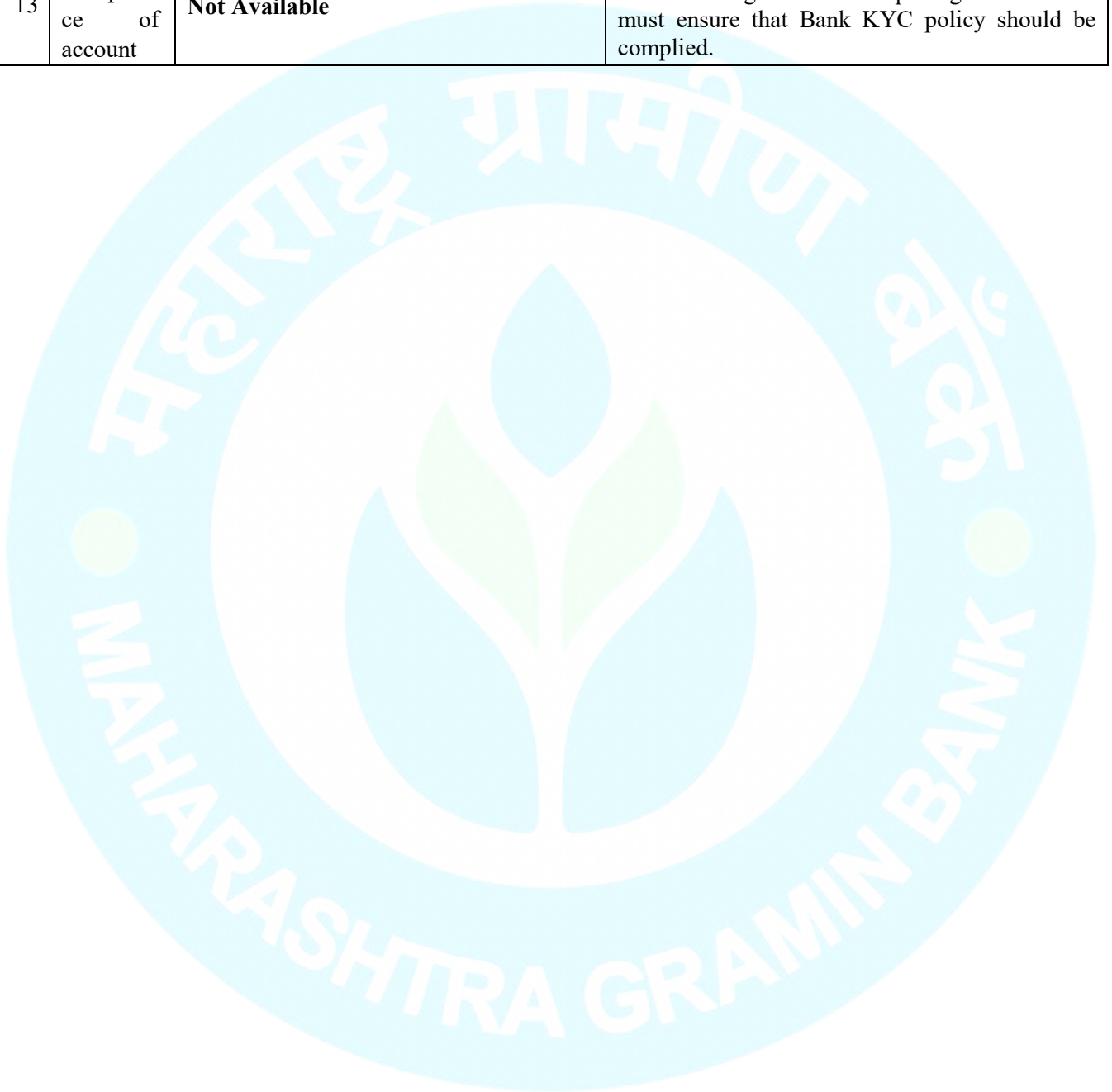
Product Type	MGB Bullet Gold Loan	MGB Term Gold Loan with EMI Repayment	MGB Gold Cash Credit
<b>Documentation Charges</b>	Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500
<b>Out of Pocket Expense (Packing Charges)</b>	Rs 100 + GST	Rs 100 + GST	Rs 100 + GST
<b>Processing / Insp. Charges</b>	NIL	NIL	NIL
<b>Custody Charges</b>	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).		
<b>Documenta tion Charges</b>	Cumulative Gold Loan Per CIF Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Cumulative Gold Loan Per CIF Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Cumulative Gold Loan Per CIF Upto Rs. 2.00 Lakh: NIL Above Rs. 2.00 Lakh : 0.20 % Min Rs.500
<b>Out of Pocket Expense (Packing Charges)</b>	Rs 100 + GST	Rs 100 + GST	Rs 100 + GST
<b>Processing / Insp. Charges</b>	Loan Amount	Amt.(Rs)	
	Up to Rs.2.00 Lakh	NIL	
	Above Rs. 2.00 Lakhs to Rs.10.00 Lakh	Rs 500/-	
	Above Rs.10.00 Lakhs to Rs. 20 Lakh	Rs.1000/-	
#Above charges are Excluding GST *No processing Fees to our Staff Members.			
<b>Custody Charges</b>	The jewels shall be got released (physically handed over) immediately on closure of jewel loan. If the jewels are not got released (physically handed over) even after closure or repayment of loan by more than 7 days, custodial charges should be levied during the period.  The custodial charges would be 0.50% of sanctioned loan amount + GST @ 18% subject to maximum of Rs.5000 + GST @ 18% and minimum		
(To be recovered manually)			

11	Unclaimed Gold	<b>Not Available</b>	<p>The pledged gold or silver collateral lying with a lender beyond two years from the date of full repayment or settlement of loan shall be treated as unclaimed. A lender shall periodically undertake special drives to ascertain the whereabouts of the borrower(s)/ legal heir(s) in respect of such unclaimed gold and silver collateral.</p> <p>A report on unclaimed gold and silver collateral shall be put up to the Customer Service Committee, as the case may be, at half-yearly intervals for a review.</p>						
12	Compensation to borrower for loss or damage of gold.	<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>Composition of Compensation for Gold Grid Committee</b></p> <table border="1" data-bbox="407 1545 898 1948"> <thead> <tr> <th data-bbox="407 1545 570 1612">Grid Name</th> <th data-bbox="570 1545 898 1612">Compensation for Gold Grid Committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="407 1612 570 1682">Convenor of Grid</td> <td data-bbox="570 1612 898 1682">Regional Office</td> </tr> <tr> <td data-bbox="407 1682 570 1948">Propose of Grid</td> <td data-bbox="570 1682 898 1948">Deciding compensation for gold lost, destroyed or otherwise made away with by fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery whether within</td> </tr> </tbody> </table>	Grid Name	Compensation for Gold Grid Committee	Convenor of Grid	Regional Office	Propose of Grid	Deciding compensation for gold lost, destroyed or otherwise made away with by fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery whether within	<ul style="list-style-type: none"> <li>➤ In case of any damage to the pledged eligible collateral by the lender during the tenor of loan, the cost of repair would be borne by the bank.</li> <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>➤ In case of loss of the pledged eligible collateral and/ or any loss emanating from deterioration or discrepancy in quantity or purity observed during internal audit or otherwise including at the time of return or auction of collateral, bank would suitably compensate the borrower(s)/ legal heir(s).</li> <li>➤ In case of delay in release of the pledged collateral after full repayment or settlement of loan by the borrower, where reasons for delay are attributable to the lender, the lender shall compensate the borrower(s)/ legal heir(s) at the rate of ₹5,000 for each day of delay beyond 7 days. If the delay is not attributable to the lender, it shall communicate reasons for such delay to the borrower(s)/ legal heir(s). Further, where the borrower(s)/ legal heir(s) has not approached the lender for release of pledged eligible collateral after full repayment or settlement of loan, the lender shall issue periodic reminders to borrower(s)/ legal heir(s) through letters, email or SMS if the email and mobile number are registered with the lender.</li> </ul>
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		<p>received the branch execute an agreement for discharge from obligations (Annexure 21) and get the receipt signed from the borrower/s (Annexure 22).</p> <ul style="list-style-type: none"> <li>➤ The compensation to be paid to the borrower only after the approval is received from the competent authority.</li> </ul> <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 fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery.</li> <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> </ul> <p>The process of insurance claim should be initiated as soon as the FIR is lodged.</p>	<p>acceptance</p>	<p>and send the same for approval of compensation to Regional Office and RO shall informed HO for formation of Grid to consider application further.</p> <ul style="list-style-type: none"> <li>➤ Grid Committee submit its decision to the Vigilance Dept.</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> <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 fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery.</li> <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</li> </ul>
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			<p>borrower will have no right to demand any further compensation from the insurance claim amount received by the bank, if any. The process of insurance claim should be initiated as soon as the FIR is lodged.</p>
13	KYC Compliance of account	<b>Not Available</b>	<p>Prior to opening of account of customer all branch manager or officer opening CIF/Account must ensure that Bank KYC policy should be complied.</p>



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## 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 disbursal 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 revised mainly with the purpose to make our Gold Loan Scheme competitive in the market & also in order to comply with the RBI Directions about Gold loans in case of Regional Rural Banks.

As per Reserve Bank of India (Regional Rural Banks – Credit Facilities) Directions 2025, Vide RBI/DOR/2025-26/253 DOR.CRE.REC.172/07-01-004/2025-26 November 28, 2025 and Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 issued vide ref. no. RBI/2025-26/47 DOR.CRE.REC.26/21.01.023/2025-26 June 6, 2025 (Updated as on September 29, 2025) Regional Rural Banks (RRBs) are now required to comply with this direction issued by RBI for gold loan and Master Direction and

## 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 by Bank's empanelled Valuer, is mandatory as per bank policy before disbursement. 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 three products with certain key parameter changes:

1. **MGB Bullet Repayment Product - Priority**
2. **MGB General Gold Loan with EMI Repayment - Priority**
3. **MGB Gold Cash Credit – Priority**
4. **MGB Bullet Repayment Product – Retail – Non -Priority**
5. **MGB General Gold Loan with EMI repayment – Retail – Non –Priority**
6. **MGB Gold Cash Credit – Retail – Non –Priority**

**\*\* Priority sector gold loan considered on the basis of submission of 7/12 or Udhyaam Aadhar and Mandatory Declaration by the borrower [as per Annex– 4 (b) Declaration by the Borrower Regarding End use of Funds]**

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 various needs like business funds requirement and personal purpose such marriage, higher education, medical emergencies, travel etc. for general public. Business requirement duly supported by MSME's unit having Udyam Aadhar registration only. Purpose of loan will have to be declared 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> <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).</b> <b>Or</b> <b>2) 70.00 % of the market value of the net weight of the Gold ornaments as per empanelled valuer / appraiser for other loans / 65.00% of the market value of the net weight of the Gold ornaments as per empanelled valuer / appraiser for bullet gold loans.</b> <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. 20.00 lakh per individual borrower.</b>		
4	<b>Types of Gold loan Facilities:</b>			
	<b>Name of Products</b>	<b>MGB Bullet Gold Loan</b>	<b>MGB Term Gold Loan with Repayment</b>	<b>MGB Gold Cash Credit</b>
4.1	<b>Type of Facility</b>	Term Loan	Term Loan	Cash Credit
4.2	<b>Quantum of Loan</b>	Applicable for gold loan product: - <b>I. For Retails / Non Agricultural Purpose with Bullet Repayment Loans: -</b> a. Minimum: Rs. 20,000/- b. Maximum: Up to Rs.2,00,000/- per borrower Note: - The amount of gold loan sanctioned should not exceed Rs. 2.00 lakh under Bullet repayment loan at any point of time which may be granted against the pledge of gold jewellery and ornaments for non-agricultural end uses with maximum tenor of 12 months only. <b>II. For Agricultural Purpose with Bullet Repayment Loans: -</b> a. Minimum: Rs. 20,000/- b. Maximum: Up to Rs.5,00,000/- per borrower subject to income assessment for loan above Rs.2,50,000/- <b>III. For Loans (TL/CC) other than bullet repay option loan: -</b> a. Minimum: Rs. 20,000/- b. Maximum: Up to Rs.20,00,000/- subject to income assessment for loan above Rs.2,50,000/- Note: - Gold Loan without income assessment per borrower per CIF shall not exceed Rs.2.50 Lakhs and in case of multiple gold loan or single TL-Bullet to single borrower without repayment capacity, total gold loan sanctioned amount should not exceed Rs.2.50 Lakhs. In excess of Rs.2.50 Lakhs income assessment need to be		

		<b>done for every loan.</b>		
4.3	<b>Loan Tenure</b>	Maximum: 12 months	Maximum: 36 months	Maximum: 12 months
4.4	<b>Repayment</b>	<ul style="list-style-type: none"> <li>The entire loan amount along with interest shall be repaid within 12 months from the date of sanction.</li> <li>Interest shall be compounded on monthly basis but will become due for payment along with principal only at maturity.</li> <li>The LTV of 75 % to be maintained during tenure of loan account.</li> <li>If the request for bullet repayment, it is to be supported by the 7/12 or MSME Udhyaam Reg. + Declaration extract of the applicant. (Annex-4b)</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 / Half Yearly / Yearly as per income source of borrower.</li> <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 or MSME Udhyaam Reg. extract of the applicant. (Annex-4b)</li> <li>The LTV of 75 % to be maintained during tenure of loan account.</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><u>Entire loan amount to be repaid once in a year.</u></li> <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 24 months.</li> <li>It is expected to close the account within 24 months.</li> <li>The LTV of 75 % to be maintained during tenure of loan account. If the request of repayment is other than EMI, it is to be supported by the 7/12 or MSME Udhyaam Reg. extract of the applicant. (Annex-4b)</li> </ul>
4.5	<b>Interest Rate</b>	<p><b><u>For Priority Gold Loan:</u></b> At present is <b>8.75% p.a.</b> on monthly compounding basis, subject to change from time to time. Additionally Overdue interest @ 2% p.a., from the date of overdue.</p> <p><b><u>For Non Priority:</u></b> At present is <b>9.00% p.a.</b> on monthly compounding basis, subject to change from time to time. Additionally, Overdue interest @ 2% p.a., from the date of overdue.</p>	<p><b><u>For Priority Gold Loan:</u></b> At present is <b>8.75% p.a.</b> on monthly compounding basis, subject to change from time to time. Additionally Overdue interest @ 2% p.a., from the date of overdue.</p> <p><b><u>For Non Priority:</u></b> At present is <b>9.00% p.a.</b> on monthly compounding basis, subject to change from time to time. Additionally, Overdue interest @ 2% p.a., from the date of overdue.</p>	<p><b><u>For Priority Gold Loan:</u></b> At present is <b>8.75% p.a.</b> on monthly compounding basis, subject to change from time to time. Additionally Overdue interest @ 2% p.a., from the date of overdue.</p> <p><b><u>For Non Priority:</u></b> At present is <b>9.00% p.a.</b> on monthly compounding basis, subject to change from time to time. Additionally, Overdue interest @ 2% p.a., from the date of overdue.</p>
4.6	<b>Security</b>	Pledge of gold Jewellery/Ornaments	Pledge of gold Jewellery/Ornaments	Pledge of gold Jewellery/Ornaments
4.7	<b>Documentation Charges</b>	<b>Cumulative Gold Loan Per CIF</b>  Upto Rs. 2.00 Lakh: NIL	<b>Cumulative Gold Loan Per CIF</b>  Upto Rs. 2.00 Lakh: NIL	<b>Cumulative Gold Loan Per CIF</b>  Upto Rs. 2.00 Lakh: NIL

		Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Above Rs. 2.00 Lakh : 0.20 % Min Rs.500	Above Rs. 2.00 Lakh : 0.20 % Min Rs.500
4.8	<b>Out of Pocket Expense(Packing Charges)</b>	Rs 100 + GST@18%		
4.9	<b>Processing / Insp. Charges</b>	Loan Amount		Amt.(Rs)
		Up to Rs.2.00 Lakh		NIL
		Above Rs. 2.00 Lakhs to Rs.10.00 Lakh		Rs 500/-
		Above Rs.10.00 Lakhs to Rs. 20 Lakh		Rs.1000/-
		#Above charges are Excluding GST @ 18% *No processing Fees to our Staff Members.		
4.10	<b>Custody Charges</b>	<p>The jewels shall be got released (physically handed over) immediately on closure of jewel loan. If the jewels are not got released (physically handed over) even after closure or repayment of loan by more than 7 days, custodial charges should be levied during the period.</p> <p>The custodial charges would be 0.50% of sanctioned loan amount + GST @ 18% subject to maximum of Rs.5000 + GST @ 18% and minimum Rs.100/- per day. (To be recovered manually)</p>		
4.11	<b>Product Code</b>	<p>a. <b>6350-8003 – Gold Loan upto Rs.5.00 Lakhs – Priority Sector</b></p> <p>b. <b>6250-1911 - TL-Gold Retail Bullet Repay – Non Priority upto Rs.2.00 Lakhs</b></p> <p>In case of multiple bullets repayment loan or single TL-Bullet to single borrower without repayment capacity. In excess of Rs.2.50 Lakhs income assessment need to be done for every loan.</p>	<p>a. <b>6350-8004 – Gold Loan - Priority</b></p> <p>b. <b>6250-1912 - TL-Gold Retail - Non Priority</b></p>	<p>a. <b>6150-6401 – CC-Gold – Priority</b></p> <p>b. <b>6150-6002 - CC-Gold Retail - Non Priority</b></p>
4.12	<b>For Gold Loan – Priority classification</b>	For Priority - Product Code – 6350-8003 – 7/12 or MSME Udhyam Registration + Declaration	For Priority -Product Code – 6350-8004– 7/12 or MSME Udhyam Mandatory + Declaration	For Priority -Product Code – 6150-6401 – 7/12 or MSME Udhyam Mandatory + Declaration
4.13	<b>Discontinued Product</b>	<p><b>Discontinuation of Cash Credit Facility under Retails segment.</b></p> <p>It is to ensure that no further retails lending permitted under cash credit product for personal consumption or non-income generating purposes.</p> <p>All existing CC limit accounts under retail segment will continue until maturity but no further renewal/rollover is permitted not exceeding 24 months from original sanction date.</p> <p>In case, where borrower not repaid or closed the account and subsequently become overdue (SMA1), branch is required to send notice with acknowledgement due as per Annexure 8 of Gold Loan Lending Guidelines immediately, on account becoming SMA1/LTV breaches (requesting to clear overdue within 7 days of receipt of the notice).</p>		

4.14	<p><b>Assessment of Income Criteria for gold Loan</b></p>	<p>No Income assessment is required for Loan upto Rs.2.50 Lakhs –</p> <ol style="list-style-type: none"> <li>Term Loan</li> <li>Bullet repayment</li> <li>Cash Credit</li> </ol> <p>Detailed Income assessment and repayment capacity is required for Loan above Rs.2.50 Lakhs for Salaried/Business OR Agriculture Purpose –</p> <ol style="list-style-type: none"> <li>Term Loan</li> <li>Cash Credit</li> <li>Bullet Repayment</li> </ol> <p><b>Documents required</b></p> <table border="1"> <thead> <tr> <th data-bbox="527 583 873 716"><b>Individuals being Self-employed/ Businessman / Professional (any one of below)</b></th> <th data-bbox="873 583 1182 716"><b>Salaried Individuals (any one of below)</b></th> <th data-bbox="1182 583 1528 716"><b>Farmer / Agriculturist (any one of below)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="527 716 873 848">Balance Sheet and Profit and Loss Account of latest year ended.</td> <td data-bbox="873 716 1182 848">Latest three month Salary Slip</td> <td data-bbox="1182 716 1528 848">7/12 of self in name of borrower / co-borrower considered for loan application</td> </tr> <tr> <td data-bbox="527 848 873 890">Bank Statements</td> <td data-bbox="873 848 1182 890">Bank Statements</td> <td data-bbox="1182 848 1528 890">Bank Statements</td> </tr> <tr> <td data-bbox="527 890 873 953">Income Certificate of Tehsildar</td> <td data-bbox="873 890 1182 953">Form 16 Part A and Part B</td> <td data-bbox="1182 890 1528 953">Income Certificate of Tehsildar</td> </tr> <tr> <td data-bbox="527 953 873 995">ITR of latest year</td> <td data-bbox="873 953 1182 995">ITR of latest year</td> <td data-bbox="1182 953 1528 995">ITR of latest year</td> </tr> <tr> <td data-bbox="527 995 873 1058">Udyam Adhaar / Shop License</td> <td data-bbox="873 995 1182 1058">-</td> <td data-bbox="1182 995 1528 1058">-</td> </tr> </tbody> </table> <p>Transaction Based income assessment or Bank Statement</p> <ol style="list-style-type: none"> <li>Branch to obtained bank statement of applicant for 12 months of current / saving account.</li> <li>Submission of total credit and debit entries, cash deposit, transfers.</li> </ol> <p>Computation of Income as per bank statement: -</p> <ol style="list-style-type: none"> <li>Submission of all Credits in preceding 12 months/ 4 for quarterly repayment / 1 for annually repayment or Sales of Last FY</li> <li>Compute average income (Total Credits ÷ No. of Month/Quarter/Annually)</li> <li>Where Balance Sheet and Profit and Loss Account available compute cash accrual and FOIR/Permissible Deduction</li> <li>Considered the above monthly/ quarterly/annually income as income of applicant.</li> </ol> <p><b>For assessment of CC Limit: -</b></p> <p><b>I. For Non Agricultural Purpose for MSME Unit only.</b></p> <ol style="list-style-type: none"> <li>Based on branch verified stock statement OR</li> <li>35% of reported turnover as on latest balance sheet date OR</li> <li>50% Total Credits in current or saving account of applicants in last financial year whichever is lower.</li> </ol> <p><b>II. For Agricultural Purposes</b></p> <ol style="list-style-type: none"> <li>Based on scale of finance of crop as applicable for crop.</li> <li>NABARD provided working capital for Animal/Cattel's</li> </ol>	<b>Individuals being Self-employed/ Businessman / Professional (any one of below)</b>	<b>Salaried Individuals (any one of below)</b>	<b>Farmer / Agriculturist (any one of below)</b>	Balance Sheet and Profit and Loss Account of latest year ended.	Latest three month Salary Slip	7/12 of self in name of borrower / co-borrower considered for loan application	Bank Statements	Bank Statements	Bank Statements	Income Certificate of Tehsildar	Form 16 Part A and Part B	Income Certificate of Tehsildar	ITR of latest year	ITR of latest year	ITR of latest year	Udyam Adhaar / Shop License	-	-
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Udyam Adhaar / Shop License	-	-																		

4.15	<b>Deduction Criteria / Permissible Deduction / FOIR</b>	<b>Based on monthly income of applicant</b>	<b>Deduction allowed</b>
		Income of borrower is upto or equal to Rs.50,000/- monthly or Rs.6,00,000/- annually.	80.00%
		Income of borrower is above to Rs.50,000/- monthly or Rs.6,00,000/- annually.	90.00%

**\*\* Deduction is to be considered as per reported EMI from CIC Report, other tax, statutory obligation and other deduction declared by borrower not reported in credit report.**

**Sanctioning Powers**

Sanctioning powers	HOD Credit -V	HOD Credit -IV	RM – V/IV/III	BM S- V	BM S-IV	BM S-III	BM S-II	BM S-I
(Amt in Lakh)	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00

**Product codes:**

Sr. No.	Product Code	Type	Description	Priority / Non Priority
1	6350-8003	Term Loan-Bullet	Upto Rs 5.00 lakh	Priority, subject to 7/12 / Udhyam Aadhar + Mandatory Declaration Annex- 4b
2	6350-8004	Term Loan	Up to Rs 20.00 lakh	
3	6150-6401	Cash Credit	Up to Rs 20.00 lakh	
4	6150-6002	Cash Credit	Up to Rs 20.00 lakh	Non Priority
5	6250-1911	Term Loan – Bullet	Upto Rs 2.00 lakh	Non Priority
6	6250-1912	Term Loan	Up to Rs 20.00 lakh	Non Priority

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

Sr. No.	Particulars	Guidelines
1	<b>Age</b>	<b>Minimum: 18 Yrs - Maximum: 70 Yrs</b>
2	<b>Advance Value of Gold</b>	<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.10400*/- per gram.</li> </ul> <p><b><u>Restriction and Ceiling for Gold Loans by bank:</u></b>                      Bank should not grant any advance or loan :-                      (i) for purchase of gold in any form including primary gold, ornaments, jewellery, or coins, or for purchase of financial assets backed by gold, e.g., units of Exchange-traded funds (ETFs) or units of Mutual Funds; and                      (ii) against primary gold or silver or financial assets backed by primary gold or silver.</p> <p>Provided that a Bank, may extend need-based working capital finance to borrowers who use gold or silver as a raw material or as an input in their manufacturing or industrial processing activity, where such gold or silver can also be accepted as security. As per bank applicable lending guidelines and parameters. However, a bank extending such finance shall ensure that borrowers do not acquire or hold gold for</p>

		<p>investment or speculative purposes.</p> <p>A bank shall not extend a loan where ownership of the collateral is doubtful. A suitable document or declaration shall be obtained from the borrower in all cases to the effect that the borrower is the rightful owner of the eligible collateral.</p> <p>Storage of Gold ornaments with bank shall be subject to the following:</p> <ol style="list-style-type: none"> <li>(1) the aggregate weight of ornaments pledged for all loans to a borrower shall not exceed 1 kilogram for gold ornaments or</li> <li>(2) Maximum gold ornaments value to be kept by borrower against loan with bank restricted to 200% of the Loan except in case of inseparable gold ornaments.</li> </ol>
3	<p><b>Valuation of Gold (Market Value)</b></p>	<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>• <b>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 = 95.45</math> Gms X 10400 rate/ 22 K Gold) should be taken for consideration of loan.</b></li> <li>• Copy of certificate of valuation should be given to the borrower.</li> <li>• <b>Valuation from two Gold Valuers/ Appraisers should be sought in respect of loan granted where any one or both of the condition satisfies:</b> <ol style="list-style-type: none"> <li>1. Gold to be valued is more than 100-gram weight or</li> <li>2. Loan amount is more than Rs 10.00 lakh.</li> </ol> </li> </ul> <p><b><u>If the same borrower avails multiple loan up to the limit of Rs 20.00 lakh, then two valuations should be taken when loan amounts exceeds Rs 10.00 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. <b>However, charges for second valuation will be borne by the bank.</b></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 –Gold Loan Scale of Finance) 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 margin, Branch should initiate the recovery procedure immediately.</li> <li>• Branch should ensure that LTV Ratio of <b>75%</b> is to be maintained throughout the tenure of the Loan (Total outstanding including Interest / Value of Gold)</li> </ul>

4	<b>Disbursement</b>	<p><b>Term Loan</b> - The loan amount to be credited to the Savings/Current account of the borrower with our bank. Branch to make full disbursement of sanctioned loan within a day after opening of loan account.</p> <p><b>Cash Credit</b>- No need to transfer loan amount to SB account. In case of cash credit facility, if bank issued Cheque book to borrower than suitable charges as per bank policy should be recovered.</p> <p><b>** Branch to ensure that CC limit should be utilised more than 60%. Failure to do so branch manager may re-call advance given to customer.</b></p> <p><b><u>Mode of disbursement / Service of Interest: -</u></b> In case of bank transfers, the branch to ensure that,</p> <ul style="list-style-type: none"> <li>(i) Loan disbursements are made to the borrower's account only and not to a third-party account; and</li> <li>(ii) Loan servicing, repayment, etc. is executed by the borrower directly in the lenders' bank account without any pass-through account or pool account of any third party.</li> </ul> <p><b>Multiple gold loan account under single CIF should be avoided.</b></p>
5	<b>Other Operation Guidelines</b>	<p>Gold ornaments / Jewellery shall be valued by Banks empanelled approved gold valuer / appraiser &amp; a certificate of valuation along with complete details of quality &amp; quantity of Gold ornaments / Jewellery shall be kept on record. In case of breach of minimum LTV norm of <b>75%</b> for gold loan accounts, at all time, due to upward movement of Rate of Interest and/or downward movement in price of gold.</p> <p>The branches need to take following steps:</p> <ol style="list-style-type: none"> <li>a. On the day when LTV is above <b>75%</b>, 1st Notice is to be sent.</li> <li>b. If the above position continues then 2nd Notice is to be sent after 15 days from 1<sup>st</sup>Notice.</li> <li>c. If still the above position continues then 3rd Notice is to be sent after 30 days from 1st Notice.</li> <li>d. 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>	<p>After assaying, the gold ornaments are to be put in a thick polythene packet and be sealed. The valuer certificate be prepared in triplet &amp; one copy be kept inside the jewel packet, another be attached with the documents &amp; 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 &amp; kept in the safe custody under dual control.</p> <p>It is desirable to obtain Photograph of the gold ornaments at the time of valuation &amp; copy of same may be kept on record. (It is optional)</p> <p><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></p>
7	<b>Additional safeguards</b>	<p>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:</p> <ol style="list-style-type: none"> <li>a) 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/c's and take steps to receive additional margin or</li> </ol>

		<p>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 such as reappraisal <b>in 30 days from the date of overdue and report the same any adverse remarks to Head Office – Inspection and Vigilance Dept.</b></p> <p>b) Charging rate of interest on the Irregular / unrecovered portion: If liability exceeds the appraised value of the gold, Additional 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.</p> <p>c) 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.</p> <p>d) 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 with to any outsiders. However, any such incidence of formation of syndicate is noticed to restrict the bid price, the bidding may be postponed.</p>
8	Appraiser / Valuer	<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> <p>a) 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.</p> <p>b) The identified Appraiser / Valuer should be able to read / write the local language.</p> <p>c) He should not be below the age of 25 years and above 70 years.</p> <p>d) He should be agreed / willing to examine the Jewellery within the Branch premises during business hours on all working days.</p> <p>e) The Appraiser / Valuer so selected with the approval of concerned Regional Office should execute an Agreement under sign of RM as per Annexure-14.</p> <p>f) 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.</p> <p>g) 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. RO shall mandatorily intimate to HO (Vigilance &amp; Inspection) with reason for termination &amp; also inform other branches for termination of valuer.</p> <p>h) 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.</p> <p>i) 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.</p> <p>j) If the same borrower avails multiple loans, then as far as possible the valuers</p>

		<p>should be changed subject to availability. Try to appoint more than one Valuer on panel.</p> <p>k) Regional Office shall ensure that every branch should have more than two gold valuers, to ensure the regular disbursement and appraisal/reappraisal of gold loan on timely basis.</p>									
9	Appraiser/ Valuer Charges	<p><b>To be borne by the borrower.</b> 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>400.00</td> </tr> <tr> <td>2</td> <td>Loans above Rs.2.00 Lakh</td> <td>200.00 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	400.00	2	Loans above Rs.2.00 Lakh	200.00 per Lakh
Sr. No.	Loan Limit	Charges									
1	Loans up to Rs.2.00 Lakh	400.00									
2	Loans above Rs.2.00 Lakh	200.00 per Lakh									
10	Reappraisal of Gold Jewels	<ul style="list-style-type: none"> <li>➤ Bank at any time instruct other branch officer / designated office to re-appraise / re-verify 5 % (Minimum 25 packets) or any number of packets of inspecting branch as per the surprise verification instruction issued by Head Office / Regional Office of gold loan accounts at specific branch without any exception.</li> <li>➤ Surprise reappraisal / re-verification instruction for gold ornament packets kept under safe custody should be carried out through a gold appraiser of another branch accompanying with bank official/officer on random basis, at least 5 % of total Gold loan accounts (Minimum 5 packets) on random basis at every Quarter or as per Head Office/Regional Office.</li> <li>➤ Regional Offices shall mandatorily perform reappraisal of all new gold account sanctioned during quarter before the end of 15th of next month and submit the compliance report to Head Credit Dept.</li> <li>➤ In case any gold loan account, pledge against fake gold such instance shall be mandatorily report to the Head Office – Inspection and Vigilance Dept. immediately without fail within two day of capture of instance.</li> <li>➤ The branches where there would be sizeable spurt in sanctioning of number of gold loans in a particular month Officer from nearby branch will visit the Branch or other officer from same branch who is not engaged in valuations, along with other gold appraiser / gold appraiser suggested by Regional office for re-verification of all gold loan account (He should be other than who has appraised first original valuation).</li> <li>➤ 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.</li> <li>➤ 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 &amp; 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: <ul style="list-style-type: none"> <li>a) Name of the Account.</li> <li>b) Date of re-appraisal.</li> <li>c) Description of jewels.</li> <li>d) Gross Weight.</li> <li>e) Net Weight.</li> <li>f) Value of jewel.</li> </ul> </li> <li>➤ 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</li> </ul>									

		<p>reappraisal may not be compulsory, however necessary intimation before the same should be given to the concerned borrower/s. Branch shall ensure that declaration from customer in Annexure -3a shall be kept on records.</p> <p><b>Re-Appraisal fee:</b></p> <table border="1" data-bbox="492 310 1510 520"> <thead> <tr> <th>Gold Packets</th> <th>Re-appraisal Fees (in Rs)</th> </tr> </thead> <tbody> <tr> <td>Up to 5</td> <td>500/-</td> </tr> <tr> <td>6 to 10</td> <td>1000/-</td> </tr> <tr> <td>11 to 15</td> <td>1500/-</td> </tr> <tr> <td>16 to 25</td> <td>2000/-</td> </tr> <tr> <td>26 to 50</td> <td>2500/-</td> </tr> </tbody> </table> <p><b>**For reappraisal above 50 packets maximum Rs.50.00 per packet reappraisal fees to be paid by concerned branch,</b></p> <ul style="list-style-type: none"> <li>➤ 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. <b>Reappraisal charges to gold valuers and other charges have to be debited to sundry charges &amp; Branches are allowed to make payment of charges subject to deduction of Tax at source as per Income Tax Act, 1961, and subject to submission of report to RO (Annexure-23).</b> Whenever, any discrepancy is detected during re-appraisal, it should be reported to the concerned Regional Office immediately &amp; suitable action as advised by them should be taken. There should be a proper control on movement of Jewellery.</li> </ul>	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/-
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/-													
11	<p><b>Detection of spurious / fake Jewellery</b></p>	<ul style="list-style-type: none"> <li>➤ At the time of re-appraisal or at any stage, if even single fake/spurious Jewellery is found, Branch should conduct 100% re-appraisal of gold loan in spite of the fact that said gold loan account reappraised earlier. Branch should intimate to RO &amp; RO shall intimate the same to HO Insp. &amp; Vigil. Dept within 2 days.</li> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ <u>The services of the jewel appraiser should be suspended, even if, a single gold loan is found to be backed by spurious Jewellery.</u> Branches should immediately take the matter with Regional Office for further guidance, besides informing name of Appraisers &amp; Borrowers to our Branches in the vicinity. Regional Office, in turn should report such case to <b>Head Office - Inspection Dept. &amp; Vigilance Dept. without fail with report of all gold loan reappraised of said branches. (Refer Report Format Annexure – 23) within 15 days.</b></li> <li>➤ 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 &amp; 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:             <ol style="list-style-type: none"> <li>a) Name of the Account</li> <li>b) Date of Reappraisal</li> <li>c) Description of jewels</li> </ol> </li> </ul>												

		<p>d) Gross Weight e) Net Weight f) Value of Jewel</p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ Branches should immediately take the matter with Regional Office for further guidance, besides informing name of Appraisers &amp; Borrowers to our Branches in the vicinity. Regional Office, in turn should report such case to Inspection Dept &amp; Vigilance Dept. of Head Office depending on the product immediately.</li> <li>➤ The reappraisal fees as stated in point no. 10, for loan accounts where spurious gold ornaments are reported should be recovered from the concerned Borrower &amp; for other accounts, where Gold ornaments are found genuine, the <b>re-appraisal fees have to be borne by the Bank. Reappraisal charges to gold valuers and other charges have to be debited to sundry charges &amp; Branches are allowed to make payment of charges, subject to submission of report to RO.</b></li> <li>➤ Action Points for Regional Office: <ol style="list-style-type: none"> <li>1. To undertake 100% reappraisal of Gold Loans on quarterly basis.</li> <li>2. Dispatched notice to borrower</li> <li>3. Report submission to HO – Insp. &amp; Vigil Dept. [Annex-23] within 15 days.</li> <li>4. Filing of legal complaint against the Borrower / Appraiser with Police Station.</li> <li>5. Informing the details to our Branches in the vicinity</li> <li>6. Recall / recovery of all dues of loan accounts where spurious Jewellery is detected.</li> <li>7. Recovery of rate of interest as applicable to clean loans (At present 12%) should be made applicable from the date of disbursement</li> </ol> </li> </ul>
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. Private treaty should be executed only after two unsuccessful auction attempts.</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</li> </ul>

		<p>Gold ornaments). (Annexure 10)</p> <ul style="list-style-type: none"> <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> <li>• <b>Auction process fixing minimum reserve price on day of gold auction. Reserve price for auction process for pledged gold must be at least 85% of the average closing price of 22 carat gold for the preceding 30 days.</b></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	<p><b>Procedure for Auctioning</b></p>	<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 Ornaments / Jewellery at the auction.</li> <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 (regard being had to the valuation of the jewelry) 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. In short the floor price should be equal either to the outstanding dues or market value of the gold, whichever is higher.</li> <li>• Minimum Reserve Price for auction of gold loan: - Auction process fixing minimum reserve price on day of gold auction. Reserve price for auction process for pledged gold must be at least 85% of the average closing price of 22 carat gold for the preceding 30 days.</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</li> </ul>

		<p>recovery of auctioned amount &amp; KYC / other documents of the bidder.</p> <ul style="list-style-type: none"> <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>➤ In case of any damage to the pledged eligible collateral by the lender during the tenor of loan, the cost of repair would be borne by the bank.</li> <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>➤ In case of loss of the pledged eligible collateral and/ or any loss emanating from deterioration or discrepancy in quantity or purity observed during internal audit or otherwise including at the time of return or auction of collateral, bank would suitably compensate the borrower(s)/ legal heir(s).</li> <li>➤ In case of delay in release of the pledged collateral after full repayment or settlement of loan by the borrower, where reasons for delay are attributable to the lender, the lender shall compensate the borrower(s)/ legal heir(s) at the rate of ₹5,000 for each day of delay beyond 7 days. If the delay is not attributable to the lender, it shall communicate reasons for such delay to the borrower(s)/ legal heir(s). Further, where the borrower(s)/ legal heir(s) has not approached the lender for release of pledged eligible collateral after full repayment or settlement of loan, the lender shall issue periodic reminders to borrower(s)/ legal heir(s) through letters, email or SMS if the email and mobile number are registered with the lender.</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>Composition of Compensation for Gold Grid Committee</b></p> <table border="1" data-bbox="492 1423 1507 1969"> <tr> <td>Grid Name</td> <td>Compensation for Gold Grid Committee</td> </tr> <tr> <td>Conveyor of Grid</td> <td>Regional Office</td> </tr> <tr> <td>Purpose of Grid</td> <td>Deciding compensation for gold 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.</td> </tr> <tr> <td>Member of Grid</td> <td>HOD (HO), Legal Dept. Officer/HOD (HO), Deputy RM of RO, Regional Manager &amp; Bank’s Panel Gold Valuer(if required)</td> </tr> <tr> <td>Formation Time</td> <td>Within 15 days of loss of gold reported to HO.</td> </tr> <tr> <td>Compensation determination for Loss of gold</td> <td> <p>3. Compensation to Borrower shall be Decided by the Grid as on the date of Negotiation or Agreement for discharge of obligation.</p> <p>4. In case any court, ombudsman or any regulatory authority has directed to pay any compensation then the value</p> </td> </tr> </table>	Grid Name	Compensation for Gold Grid Committee	Conveyor of Grid	Regional Office	Purpose of Grid	Deciding compensation for gold 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.	Member of Grid	HOD (HO), Legal Dept. Officer/HOD (HO), Deputy RM of RO, Regional Manager & Bank’s Panel Gold Valuer(if required)	Formation Time	Within 15 days of loss of gold reported to HO.	Compensation determination for Loss of gold	<p>3. Compensation to Borrower shall be Decided by the Grid as on the date of Negotiation or Agreement for discharge of obligation.</p> <p>4. In case any court, ombudsman or any regulatory authority has directed to pay any compensation then the value</p>
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			<p>compensation will be value as directed by the court, ombudsman or any regulatory authority.</p> <p>Customer application and acceptance</p> <ul style="list-style-type: none"> <li>➤ The branch to take the application from borrower (Annexure 20) and send the same for approval of compensation to Regional Office and RO shall informed HO for formation of Grid to consider application further.</li> <li>➤ Grid Committee submit its decision to the Vigilance Dept.</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> <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 fire, riot and strike, burglary or housebreaking, theft, robbery or hold-up, forgery.</li> <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>
15	Other operational guidelines	<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. 20.00 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, in case customer having multiple CIF only one shall continue.</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 <b>in the presence of borrower &amp; Branch Manager / Officer of the Bank except where annexure 3a kept on record.</b></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> <li>11. A separate ledger must be maintained for Gold Loans.</li> </ol>	

		<ol style="list-style-type: none"> <li>12. Jewellery packets movement / key movement or change registers to be maintained &amp; the same be treated at par with cash movement register.</li> <li>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.</li> <li>14. Branch / Region should obtain proper documentation &amp; ensure that the accounts are monitored closely.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>19. <b>Releasing of pledged jewels:</b> “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).</li> <li>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 &amp; <b>after submission of original receipt</b>. 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.</li> <li>21. <b>Disposal of undelivered jewels:</b> 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.</li> <li>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.</li> <li>23. The Regional authority should assess the requirement of the Branch for safe custody of gold Jewellery &amp; if required, additional safe/jewel safe should be provided to the Branch through GAD Dept HO. Banks extant guidelines related to</li> </ol>
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		<p>security &amp; safe custody be followed, without fail. In case where no separate 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>												
16	Generalized Precautions & Guidelines	<table border="1"> <thead> <tr> <th data-bbox="483 1289 1019 1325"><u>Observation</u></th> <th data-bbox="1019 1289 1518 1325"><u>Action to be taken</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="483 1325 1019 1444">1. LTV monitoring with instances of breach of regulatory LTV ceilings observed.</td> <td data-bbox="1019 1325 1518 1476">1. Monitoring of LTV vs. Outstanding Balance and Inform Intimate customer for regular repayment of interest payables</td> </tr> <tr> <td data-bbox="483 1444 1019 1629">2. End use of funds was usually not verified for non-agriculture loans. Lack of proof or proper documentation obtained and retained in respect of agriculture gold loans.</td> <td data-bbox="1019 1476 1518 1556">2. Refer annexure 4 (b) for declaration for end use of loan</td> </tr> <tr> <td data-bbox="483 1629 1019 1709">3. Failure of fresh appraisal for topup/renewal of gold loan account.</td> <td data-bbox="1019 1556 1518 1745">3. Every gold loan account shall mandatorily reappraisal or freshly appraisal at each renewal / topup or enhancement and excess interest to be paid by customer before renewal.</td> </tr> <tr> <td data-bbox="483 1709 1019 1860">4. Many loan accounts were closed within a short time from sanction, i.e. within a few days raising doubts over the economic rationale for such action.</td> <td data-bbox="1019 1745 1518 1860">4. Regular monitoring of gold loan will be taken care at branch and RO and CRMO at HO.</td> </tr> <tr> <td data-bbox="483 1860 1019 1936">5. Average realisation from auction of gold on default by the customer was</td> <td data-bbox="1019 1860 1518 1936">5. Gold Loan generally repaid by borrower on due dates, before</td> </tr> </tbody> </table>	<u>Observation</u>	<u>Action to be taken</u>	1. LTV monitoring with instances of breach of regulatory LTV ceilings observed.	1. Monitoring of LTV vs. Outstanding Balance and Inform Intimate customer for regular repayment of interest payables	2. End use of funds was usually not verified for non-agriculture loans. Lack of proof or proper documentation obtained and retained in respect of agriculture gold loans.	2. Refer annexure 4 (b) for declaration for end use of loan	3. Failure of fresh appraisal for topup/renewal of gold loan account.	3. Every gold loan account shall mandatorily reappraisal or freshly appraisal at each renewal / topup or enhancement and excess interest to be paid by customer before renewal.	4. Many loan accounts were closed within a short time from sanction, i.e. within a few days raising doubts over the economic rationale for such action.	4. Regular monitoring of gold loan will be taken care at branch and RO and CRMO at HO.	5. Average realisation from auction of gold on default by the customer was	5. Gold Loan generally repaid by borrower on due dates, before
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		<p>lower than the estimated value of gold considered at time of sanction of loan, reflecting among other things, gaps in valuation process</p> <ol style="list-style-type: none"> <li>6. Unusually high numbers of gold loans being granted to the same individual with the same PAN during a financial year.</li> <li>7. Practice of rolling over loans at the end of tenor, with only part payment.</li> <li>8. Renewing overdue loans/issuing a fresh loan without closure of earlier outstanding gold loan.</li> <li>9. Higher Number of gold loan numbers increase in the short span or tenure by branches.</li> <li>10. Increase in high value of gold loan at one or multiple branches without further monitoring by BO/RO/HO.</li> <li>11. Failure to conduct gold reappraisal exercise at periodic intervals at branches having high gold loan account, leads to non-adherence of gold loan policy of bank.</li> <li>12. Increase in specific branch gold loan non repayment or default scenarios by borrowers.</li> <li>13. In case of breach of minimum LTV norm of 75% for gold loan accounts regional offices shall closely monitor accounts before becoming NPA.</li> <li>14. Non appointment of multiple gold Valuers at branches.</li> <li>15. Concentration of gold valuation of few branches of region</li> <li>16. There is existence of single gold valuer branches.</li> </ol>	<p>proceeding for auctions.</p> <ol style="list-style-type: none"> <li>6. Our Bank having maximum loan limits of to per borrower of Rs.20.00 Lakhs.</li> <li>7. Reappraisal / Fresh appraisal is being considered at each renewal of gold loan account.</li> <li>8. Regular repayment instruction shall be intimated to the customer and develop habit for repayment of loan on monthly basis.</li> <li>9. Regional Office shall regular monitor branch disbursement reports and proactively initiate plan to safeguards bank lending interest.</li> <li>10. Regional Office shall regular monitor branch disbursement reports and proactively initiate plan to safeguards bank lending interest.</li> <li>11. RO shall perform mandatory reappraisal for all the outstanding new gold loan account not reappraised.</li> <li>12. Regional Office shall regular monitor branch NPA Movement or SMA Report and implement plan to safeguards bank's interest.</li> <li>13. Regional Office shall regular monitor branch NPA Movement or follow procedure as per Annex-18 to safeguards bank's interest.</li> <li>14. Regional Office shall ensure the multiple gold valuers appoint, to ensure gold loan portfolio growth &amp; health.</li> <li>15. RO shall monitor branch portfolio health and integrity of valuation to ensure gold portfolio genuiness.</li> <li>16. RO should appoint two or more valuers.</li> </ol>
17	<p><b>List of Un-Acceptable Items:</b></p>	<ul style="list-style-type: none"> <li>• Baju Bandh, Bangadi, Wax items, Bangle with plastic</li> <li>• Kundan Set, Rudraksha/Black Beads</li> <li>• Karimani mala- Only Locket can be acceptable</li> <li>• Items below 1 Gm</li> <li>• Watch Strap, Medallion, Gold Pot, Bowl, Spoon</li> <li>• Mukut, Crown, Idols, Gold Pictures Framed Pendent Or Ring</li> <li>• Hair Clip, Button, Thali, Elephant, Gold Safety Pin Etc</li> </ul>	

		<ul style="list-style-type: none"> <li>• Items unacceptable as per RBI – Bullion, gold biscuit, gold bar etc.</li> <li>• Any thin/delicate ornaments</li> <li>• Very thin plated gold item like paper with Goddess Ganesh/lakshmi photo on it.</li> <li>• Any other item whose purity cannot be ascertained</li> <li>• Ornaments of purity below 18 carats.</li> <li>• <b>Rose gold ornaments and jewellery</b></li> <li>• <b>Silver Ornaments and Silver Plated Ornaments / Coins, Silver Biscuit / Bullion or any sort of silver items</b></li> <li>• <b>Gold Coins irrespective of purity</b></li> </ul>
18	<b>Applicability of policy</b>	This policy shall be subject to review on annual basis or earlier as may require.
19	<b>KYC Compliance of account</b>	Prior to opening of account of customer all branch manager or officer opening CIF/Account must ensure that Bank KYC policy should be complied.

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

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**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).**

**Annexure-2**
**Format of Appraiser's Certificate**

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

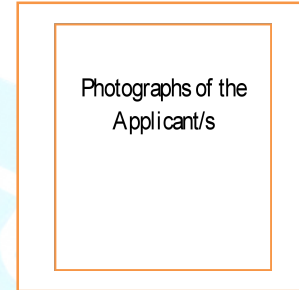
(Dual key holders- If only one officer is available the other /dual key holder official will sign)

Signature of Branch Manager / Official

**Annexure: 3-a**

**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)

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	Details of Borrower
Name of the Applicant	
Name of the father / husband	
Date of Birth	
Occupation	
Caste (SC/ST/OBC/General)	
Religion	
Address	
Aadhar 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)**

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

**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**

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**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. In case i/we fail to replenish the margin even after 3rd Notice the Branches may auction the gold ornaments as per extant instructions of auctioning of Gold Ornaments.
- 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) I/we agree and confirm that any letter or notice or communication whatsoever, sent by ordinary post addressed to the me/us at the address/es given by me/us to the Bank shall be sufficient notice to me/ us for all purposes. We further undertake that the change in my/our address shall be notified to the bank immediately. 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 increase 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. I/we hereby waive the notice regarding change of interest/ charging of overdue interest

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

Signature or Thumb Impression of Borrower.

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**Annexure:4-b**

**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 for gold loan.**

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 **Agri & Allied Activity / Business Activity / Personal  
Purpose** (Strike off which ever purpose if not applicable).

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:-----

**Annexure: 6-a**

**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      Gross Weight  
Ornaments

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

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 & 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

**Annexure: 6-b**

**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 along with interest @ \_\_\_\_\_ % P.A. 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,





**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..... availed 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

**Annexure: 10**

**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

**Annexure: 12**

**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/ Jewelers 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
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**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 anyone including other banks.
- i. If any wrong certification is detected, I / We hereby consent that the bank may take steps as deemed fit including taking action under the Civil as well as Criminal law.

*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 (to be executed stamp of Rs.500/-)**

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. Gold Valuer providing service to bank for appraisal of gold loan to bank be held accountable in any situation where wilful negligence / malpractice by them is found to be a causative factor for fraud.
9. 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.
10. 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.
11. 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.
12. The Jewel Appraiser hereby agrees that in the event of his absence from his place of business, he shall, with the prior approval of the Bank, authorize, any other equally competent person to appraise jewels as substitute to him for a temporary period. The Appraiser shall be responsible, in all respects, for work of appraisal done by his authorized person as if he himself has done the appraisal 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 to the person so authorised/ nominated.

13. This Agreement may be terminated by either party, by giving to the other a 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 unfit by the Bank on account of his/ authorized Agent's negligence or carelessness in the performance of his duties or on account of fraud committed 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. The question as 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.
14. 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.
15. 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. The responsibility of the appraiser to maintain confidentiality in respect of any information received or gathered by him during the subsistence of this agreement shall continue forever despite termination of the present agreement.
16. All disputes and differences of any kind whatsoever arising out of or in connection with this agreement shall be referred to the concerned Regional Manager of the Bank. The decision of the Regional 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./Smt.....

**Regional Manager**

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

<b>Photo Identity Proof</b> Any One from the following	<b>Residence Address Proof</b> 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
Aadhar 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. 20.00 lakh per individual borrower.
- Maximum 70%/65% 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.1,59,000/- per 10 grams.

The assessment is made as under: - (Illustrative Example)

		Rs.
A	Amount @ Rs. 9200/- per gram for 20 grams of the net weight of gold	1,84,000/-
B	Market rate @ Rs. 1,59,000/- per 10 grams for 20 grams the net weight of gold	3,18,000/-
C	70 % of market value of (B) ie; Market Value x 70.00%	2,22,600/-
D	Maximum Permissible Loan (Minimum of A/B/C)	1,84,000/-

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.
- Rose gold ornaments and jewellery
- Silver Ornaments and Silver Plated Ornaments / Coins, Silver Biscuit / Bullion or any sort of silver items
- Gold Coins irrespective of purity

<b>महाराष्ट्र ग्रामीण बँक</b> शासकीय मालकीची शेड्यूल्ड बँक		<b>MAHARASHTRA GRAMIN BANK</b> Scheduled Bank Owned by Government
Head Office: Plot NO.42, Gut No.33 (Part), Village Golwadi, Growth Centre in Waluj Mahanagar IV of CIDCO, Chh. Sambhajinagar, Maharashtra - 431 010		
(0240) 6650215 to 230	mgbho@mahagramin.co.in	www.mahagramin.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.
- You will maintain the prescribed LTV set from time to time. In case of breach of LTV, you will deposit the additional gold jewellery or deposit the amount in the loan account. In case you will fail to replenish the margin even after Notice by branch, we may auction the gold ornaments as per extant instructions of auctioning of Gold Ornaments.
- 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 interest @ 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 be regular, standard the overdue amount if any should have to be paid 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 and it shall be lawful for to disclose or furnish all or any such information and data relating to you as the Bank may deem appropriate and necessary to CIBIL and other agencies.
- You should agree and it shall be lawful for the bank that the gold Jewellery is subjected to reappraisal & reappraisal may be done at any time as per the requirement of the Bank & you will visit the Branch as and when called upon to so for the purpose of and at the time of reappraisal and also have consented for the reappraisal of gold loan as per bank policy.
- Bank shall receive part payment of the loan at anytime during the subsistence to the loan so however that the delivery of ornament(s) can be claimed/ 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.
- I also consent letter for reappraisal of gold loan.
- \_\_\_\_\_
- \_\_\_\_\_

**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) _____

**Annexure: 17**

Format for Reappraisal of Gold Packets I Gold Loan Accounts (**INDIVIDUAL ACCOUNT**)

**Format of Appraiser's Certificate**

Gold Loan A/C No:	Place:
CIF No:	Date:
Amount of Loan sanctioned:	Reference No:

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.

**Annexure: 18**
**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.

**Annexure: 19**

**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. I further confirm that the delivery of the ornaments pursuant to this letter shall constitute a valid discharge to the Bank, as against any future claim that may be made either by me or my successors or assigns etc, and also from Bank's responsibility to deliver the ornaments.

(Signature of Borrower)

Signature of Shri/Smt..... verified

(Signature of Borrower)

Annexure 20

**Application from Borrower for Compensation**

From

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Dear Sir / Madam,

**Re: Compensation for loss occurred in pledged gold ornaments with your bank**

This is in reference with the loss occurred in the pledged gold ornaments 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**  
**(To be executed on Rs.500/- Stamps)**

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 pledged gold ornaments loan account number .....  
Stands repaid
4. That the bank stands discharged from their obligation as custodian of the pledged gold ornaments returned to the borrower either as the pledged gold ornaments and compensation amount as agreed for pledged gold ornaments.
5. That in the eventuality of the bank having discharged its obligation by paying to the borrower the agreed amount of compensation in respect of the pledged gold ornaments and subsequently retrieves the gold ornaments, then and in such event the bank would be within lawful rights to retain the ownership of the gold ornaments and the borrower would have no claim in respect those retrieved gold ornaments

6. That either party shall have no contesting claim, right, interest of whatsoever nature in respect of any matter pertaining to the gold loan agreement and that no right accrues to anyone of them 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:

**Format for Reappraisal of Gold Packets Reporting – Consolidated || Gold Loan Accounts ||**

To  
 The Regional 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:

At whose request appraisal has been done .....  
 Letter Reference Number .....  
 Date of Reappraiser Letter .....  
 Branch Name & Branch Code .....  
 Outstanding Gold Loan (As on \_\_\_/\_\_\_/\_\_\_) No. of Account ..... Outstanding Amt.....  
 Instance of Gold Loan Found Fake No. of Account ..... Outstanding Amt.....  
 Date of Reappraisal Start Date ..... End Date.....  
 Charges to be paid for Gold Reappraisal .....

**Details of Jewel loan reappraised / found fake**

A/c No.	Borrower Name	Loan Amt.	O/s Amt.	Detail of jewels/ assessed / no. of Items	Gross Wgt.	Net Weight (Excl. stones attached to jewels)	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	Fake Gold	Remarks
												Yes	
												No	

\*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 & the gross weight of the article net weight of gold, carat, purity of fineness, rate per gram & 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 sanction (provide details of instance in above format clearly)

.....  
 Signature with Seal of Gold Appraiser / Valuer

.....  
 Signature of Borrower (If available)

.....  
 Name of Gold Valuer

.....  
 Name of Borrower(If available)

Reappraising Officer Sign :  
 Reappraising Officer Name :

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 –

1. The reappraisal fees & charges have to be borne by the concerned Branch subject to submission of report before payment..
2. In case any gold found fake –valuation report obtained at time of sanction of such account & customer KYC's, also attached with this annexure.

**REPORT ON ACTUAL OR SUSPECTED FRAUD IN GOLD LOAN**
**A- Fraud Report:**

SN.	Particulars	Particular
1	<b>Details of the Branch</b>	
	a) Name of the Branch	
	b) Branch type	
	c) Place	
	d) District	
	e) State	
2	<b>Fraud Committed by</b>	
	Staff	
	Customer	
	Outsiders	
	a) Name of the Perpetrator (suspected/actual) (in case of more than one perpetrator, details may be entered in Table –B)	
	b) Name of account of perpetrator	
	c) Name of activity of perpetrator	
	d) Details of activities of perpetrator	
	e) PAN of perpetrator	
	f) Name of principal party/account holder in whose account fraud has occurred.	
	g) Type of account where the fraud was perpetrated	
	h) Functional area in which fraud has occurred	
	i) Nature of fraud	
	j) Type of fraud	
	k) Whether the fraud has occurred in a borrowal account? if yes, please furnish details in the table- C.	
3	a) Total amount involved (Rs. in lakh)	
4	a) Date of occurrence	
	b) Date of detection	
	c) Reason for delay, if any, in detecting the fraud.	
	d) Date of reporting	
	e) Reason for delay, in reporting the fraud, if any.	
5	How fraud came to light? (Sequence of event how finally it came to light)	
	Brief History:	
	Modus Operandi: (precise and clear description)	
	Observations on the basis the account should declare as fraud:	
6	a) Whether the Controlling Office (Regional office could detect the fraud by a security of control returns submitted by the Branch)	
	b) Whether there is a need to improve the information system	
7	a) Whether internal inspection / audit (including Concurrent Audit was conducted at the branches during the period between the date of first occurrence of the fraud and its detection)	
	Internal inspection	
	Statutory Audit	
	Concurrent Audit	
	Others (Specify)	
	b) If yes, why the fraud could not have been detected during such Inspection/Audit?	
	c) What action has been taken for non-detection of the fraud during such inspection / audit?	
8	<b>Action taken / proposed to be taken</b>	

	<b>a) Complaint with Police/investigating agency.</b>	
	i) Whether any complaint has been lodged with police/investigative agency?	
	ii) If yes, name of the office / branch investigative agency	
	1) Date of complaint	
	2) Present position of the case	
	3) Date of completion of Police / investigative agency.	
	4) Date of submission of investigation report by police / investigative agency.	
	iii) If not reported to police / investigative agency reason there for.	
	<b>b) Recovery Suit with DRT / Court</b>	
	i) Date of filing	
	ii) Present position	
	<b>c) Insurance Claim</b>	
	i) Whether any claim has been lodged with an Insurance Company	
	ii) If not, reasons therefore	
	<b>d) Details of Staff side action</b>	
	i) Whether any internal investigation has been/ is proposed to be conducted?	
	ii) If yes, date of completion	
	e) Steps taken / proposed to be taken to avoid such incidents.	
9	<b>Total amount recovered (lakh)</b>	
	i) Amount recovered from party / parties concerned	
	ii) From insurance	
	iii) From other sources	
10	Extent of loss to the bank	
11	Suggestion for consideration	
12	KYC Compliance	
13	Role of Third Party Entity (TPE)	
14	Views of Regional Office : Recommendation of Regional Manager	
15	Action Needed:	
16	Systemic Lacuna	

**Table-B : Details of perpetrators if more than one**

Sr. No	Name of perpetrators (suspected/Actual)	Name of account of perpetrator	Name of activities of perpetrator	Details of activities of perpetrator	PAN of perpetrator

**Table-C: perpetrators account details.**

Sr. No	Name of perpetrators (Suspected/Actual)	Type of perpetrator	Perpetrator Address	Nature of account, account No.	Date of sanction	Sanc. Limit	Balance o/s	PAN of Perpetrator

**Enclosure:** Valuation report obtained at time of sanction of such account & customer KYC's, also attached with this annexure.

**(CONSENT LETTER FROM BORROWER FOR REAPPRAISAL OF GOLD LOAN)**

**संमती पत्र**

दिनांक : \_\_\_\_\_

प्रति,  
शाखा व्यवस्थापक,  
महाराष्ट्र ग्रामीण बँक,  
शाखा :

**विषय : तारण ठेवलेल्या सोन्याची फेर तपासणी / पुनर्मूल्यांकनसाठी संमती पत्र।**

मी आपल्या शाखेकडून सोने तारण कर्ज घेत आहे. सदर तारण ठेवलेल्या सोन्याची बँक ध्येय धोरणानुसार फेरतपासणी तसेच पुनर्मूल्यांकन करणे आवश्यक असते, याची मला शाखेकडून माहिती देण्यात आलेली आहे.

सदर फेरतपासणी बँकेने निर्देशित केलेल्या दिवशी किंवा तिमाहीत किंवा वेळोवेळी होत असलेल्या बँकेच्या तपासणी दरम्यान केली जाऊ शकते याची मला कल्पना आहे. सदरील फेर तपासणी प्रक्रिया शाखेतील अधिकारी, कर्मचारी,

यांच्या निगराणीखाली करण्यात येते याची देखील माहिती मला शाखेकडून देण्यात आलेली आहे. मला अवगत आहे कि, वेळोवेळी सोन्याची किंमत कमी झाल्यास नियमाप्रमाणे २५% किंवा बँकेच्या कर्जधोरणाप्रमाणे

दुरावा कमी झाल्यास मी स्वतः ती रक्कम कर्ज खात्यामध्ये जमा करेन. मी आपणास माझ्या उपस्थितीविना मी तारण ठेवलेल्या सोन्याची फेर तपासणी / पुनर्मूल्यांकनसाठी विनाशर्त संमतीपत्र देत आहे, तरी या बाबत माझी भविष्यात कोणतीही तक्रार असणार नाही।

आपला विश्वासू,

श्री/श्रीमती.

X

श्री/श्रीमती.

X

मोबाइल नं.-