



भारतीय रिज़र्व बैंक  
Reserve Bank of India  
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DBOD.No.IBD.BC. 663 /23.67.001/2005-06

November 2, 2005

The Chairmen and CEOs of all Scheduled Commercial Banks  
(Excluding RRBs)

Dear Sir

**Advances against Gold Ornaments and Jewellery**

Please refer to our circular DBOD. No. BP.BC. 138/21.01.023/94 dated November 22, 1994 on the captioned subject as also earlier circulars enclosed for ready reference.

2. As you are aware, hallmarking of gold jewellery ensures the quality of gold used in the jewellery as to caratage, fineness and purity. Therefore, banks would find granting of advances against the security of such hallmarked jewellery safer and easier. Preferential treatment of hallmarked jewellery is likely to encourage practice of hallmarking which will be in the long-term interest of consumer, lenders and the industry.

3. Therefore, banks while considering granting advances against jewellery may keep in view the advantages of hallmarked jewellery and decide on the margin and rates of interest thereon.

4. Other conditions in respect of grant of advances against gold ornaments and jewellery remain unchanged.

Yours faithfully

( P. Saran )

Chief General Manager

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