



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2014-15/605

DNBR.CC.PD.No.036/03.10.01/2014-15

May 21, 2015

To

All NBFCs (excluding PDs)

Dear Sirs,

Lending against security of single product - Gold Jewellery

Please refer to the [circulars DNBS.CC.PD.No.356/03.10.01/2013-14 dated September 16, 2013](#) and [DNBS.CC.PD.No.365/03.10.01/2013-14 dated January 08, 2014](#) on the captioned subject.

2. The Bank has prescribed that the valuation of gold jewellery for arriving at the Loan-To-Value (LTV) shall be done at the average of the closing price of 22 carat gold for the preceding 30 days as quoted by the Bombay Bullion Association Ltd. (BBA).

3. On a review, it has been decided that NBFCs may also use the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.

4. Notifications of date amending the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 are enclosed.

Yours faithfully,

(C. D. Srinivasan)
Chief General Manager

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हिंदी आसान है, इसका प्रयोग बढ़ाईये

**RESERVE BANK OF INDIA
DEPARTMENT OF NON-BANKING REGULATION
CENTRAL OFFICE, CENTRE I, WORLD TRADE CENTRE
CUFFE PARADE, COLABA, MUMBAI 400 005**

Notification No. DNBR. 024/CGM (CDS) - 2015 dated May 21, 2015

The Reserve Bank of India (the Bank), having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (Notification No.DNBS.192/DG(VL)-2007 dated February 22, 2007) (hereinafter referred to as 'the Directions'), in exercise of the powers conferred by section 45JA of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the Directions shall be amended with immediate effect as follows –

1. The following words may be added at the end of the paragraph 17C (1) (i) of the Directions:

“or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.”

2. The paragraph 17C (2) (b) of the Directions be replaced as follows:

(b) While auctioning the gold, the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85 per cent of the previous 30 day average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

(C.D. Srinivasan)
Chief General Manager

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DEPARTMENT OF NON-BANKING REGULATION
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CUFFE PARADE, COLABA, MUMBAI 400 005**

Notification No.DNBR.025/ CGM (CDS) -2015 dated May 21, 2015

The Reserve Bank of India (the Bank), having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (Notification No.DNBR.009/CGM(CDS)- 2015 dated March 27, 2015) (hereinafter referred to as 'the Directions'), in exercise of the powers conferred by section 45JA of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the Directions shall be amended with immediate effect as follows-

1. The following words may be added at the end of the paragraph 20(1) (i) of the Directions:

"or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission."

2. The paragraph 20(2) (b) of the Directions be replaced as follows:

(b) While auctioning the gold the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85 per cent of the previous 30 day average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

(C.D. Srinivasan)
Chief General Manager

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Notification No.DNBR.026/CGM (CDS) -2015 dated May 21, 2015

The Reserve Bank of India (the Bank), having considered it necessary in public interest and being satisfied that, for the purpose of enabling the Bank to regulate the credit system to the advantage of the country, it is necessary to amend the Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (Notification No.DNBR.008/ CGM(CDS) - 2015 dated March 27, 2015) (hereinafter referred to as 'the Directions'), in exercise of the powers conferred by section 45JA of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby directs that the Directions shall be amended with immediate effect as follows-

1. The following words may be added at the end of the paragraph 21(1) (i) of the Directions:

"or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission."

2. The paragraph 21(2) (b) of the Directions be replaced as follows:

(b) While auctioning the gold, the NBFC should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85 per cent of the previous 30 day average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission and value of the jewellery of lower purity in terms of carats should be proportionately reduced.

**(C.D. Srinivasan)
Chief General Manager**