

# RESERVE BANK OF INDIA

CENTRAL OFFICE

DEPARTMENT OF BANKING OPERATIONS & DEVELOPMENT

CENTRE -1, WORLD TRADE CENTRE,

CUFFE PARADE COLABA MUMBAI- 400 005

Ref. : DBOD No.....IBS .3161 /23.67.001.98-99

June 25, 1999

All the banks authorised to import

Gold / Silver / Platinum

Dear Sir,

## **Gold Loan against Bank Guarantee/Letter of Credit issued by other banks**

In terms of our [circular No.DBOD.IBS.1519/23.67.001/98-99 dated 31<sup>st</sup> December 1998](#), authorized banks have been permitted to grant Gold (metal) loan as per Export Import Policy 1997-2002 and the Hand Book of Procedures of the Exim Policy subject to certain conditions mentioned in the circular.

2. In this connection we advise that the authorised banks may extend gold (metal) loans also to the jewellery exporters who are the customers of other non-authorized banks by accepting the stand by letter of credit or bank guarantee issued by their bankers, subject to authorised banks' own norms for lending and the conditions stipulated in our above mentioned circular.

Yours faithfully,

(Devaki Muthukrishnan)

General Manager