

# A Comprehensive Guide to Understanding Gold Loan Gram Rate Calculation

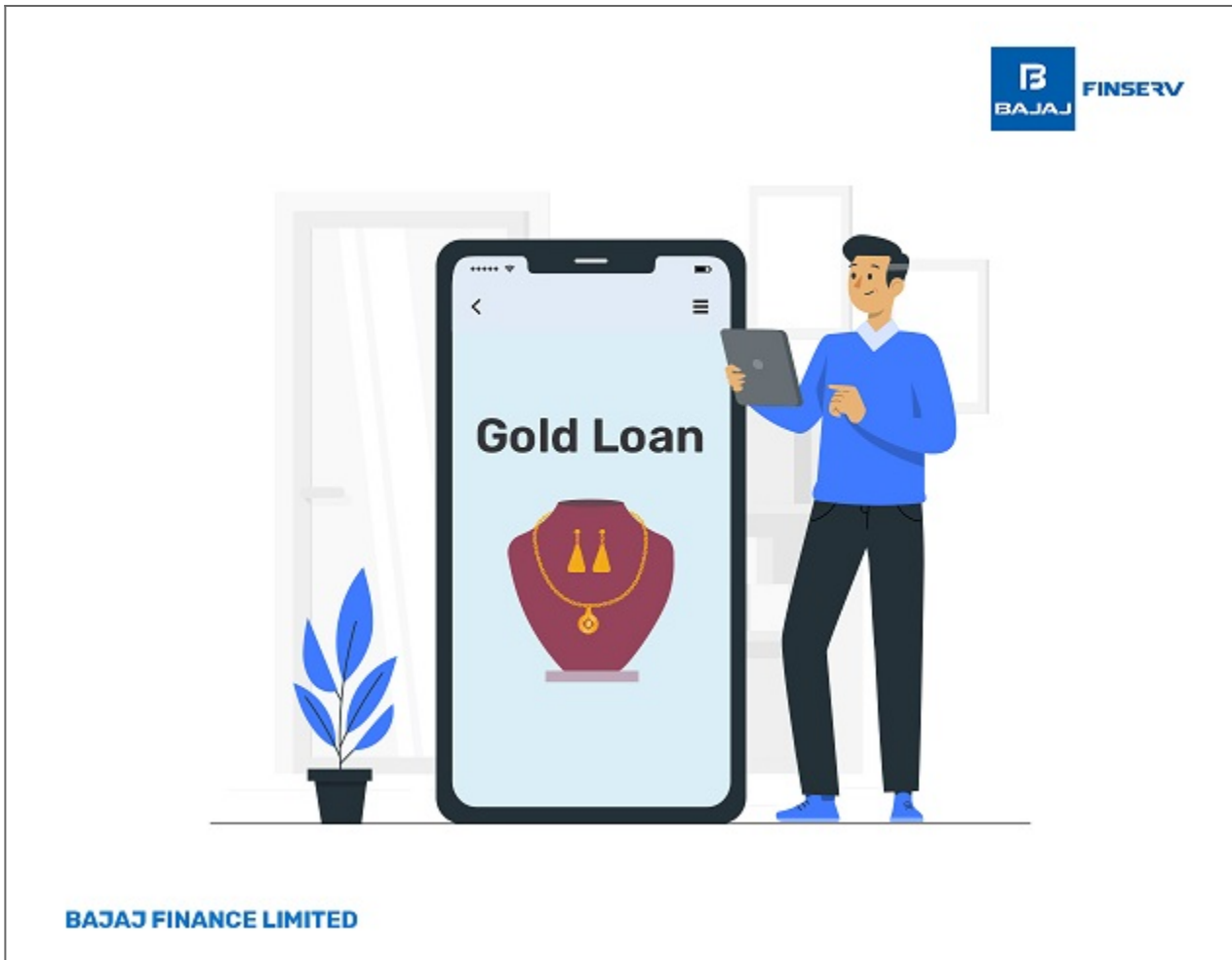
Category: Business

written by | December 11, 2024



**BAJAJ FINANCE LIMITED**

When it comes to securing a gold loan, understanding how the gold loan per gram rate is determined is essential for borrowers. The gold loan gram rate plays a crucial role in determining the amount of money a borrower can access by pledging their gold as collateral. This rate depends on several factors, including the purity of the gold, the prevailing market rate, and the lenders policies. Keep reading to understand how these elements come together to influence the rate.



## Bajaj Finserv Gold Loan

When it comes to securing a gold loan, understanding how the [gold loan per gram](#) rate is determined is essential for borrowers. The gold loan gram rate plays a crucial role in determining the amount of money a borrower can access by pledging their gold as collateral. This rate depends on several factors, including the purity of the gold, the prevailing market rate, and the lenders policies. With Bajaj Finserv Gold Loan, you can access competitive interest rates, high per gram value, and flexible repayment options, ensuring a seamless borrowing experience. Keep reading to understand how these elements come together to influence the rate.

### Factors affecting the gold loan gram rate in India

#### Gold purity

The purity of the gold being pledged significantly affects the gold loan gram rate. Lenders typically accept gold jewellery

with a purity of 18 to 24 karats. The higher the purity, the higher the rate at which the gold is valued. For example, 24-karat gold, being of the highest purity, will fetch a higher loan value compared to 18-karat gold. Institutional lenders like Bajaj Finance use the most accurate and advanced karat meters to evaluate the purity of the gold, ensuring that borrowers receive the most value for their gold.

### **Gold's market rate**

The market price of gold is another critical factor in determining the gold loan gram rate. This rate fluctuates daily based on global and local market conditions. The prevailing market rate of gold in a specific location, such as Kolkata, will directly impact the loan value. For instance, if [today's gold rate in Kolkata](#) is Rs. 7,000 per gram, the amount a borrower can access depends on the percentage of the gold's value that the lender is willing to offer, typically up to 75%. A higher market price means a higher loan amount that can be availed.

### **Loan-to-value (LTV) ratio and lender's policies**

The loan-to-value (LTV) ratio is the percentage of the gold's market value that a lender is willing to lend. Typically, lenders offer up to 75% of the gold's current market value as a loan. This ratio, along with the lender's internal policies, determines the loan amount.

Understanding the factors that impact the gold loan gram rate, such as gold purity, market rates, and the LTV ratio, is essential for borrowers. Bajaj Finserv Gold Loan combines these with competitive rates and customer-centric benefits. Here are the top 5 advantages of choosing this loan option:

- Transparent and accurate gold valuation with competitive rates.
- Borrow from Rs. 5,000 to Rs. 2 crore, based on gold

weight and purity.

- Retrieve part of your gold early by repaying a portion of the loan.
- Get complimentary insurance on your pledged gold, covering against theft or loss.
- Enjoy a convenient repayment schedule, with no prepayment or foreclosure fees.

T&C Apply.

### **About Bajaj Finance Limited**

Bajaj Finance Ltd. ('BFL', 'Bajaj Finance', or 'the Company'), a subsidiary of Bajaj Finserv Ltd., is a deposit taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI) and is classified as an NBFC-Investment and Credit Company (NBFC-ICC). BFL is engaged in the business of lending and acceptance of deposits. It has a diversified lending portfolio across retail, SMEs, and commercial customers with significant presence in both urban and rural India. It accepts public and corporate deposits and offers a variety of financial services products to its customers. BFL, a thirty-five-year-old enterprise, has now become a leading player in the NBFC sector in India and on a consolidated basis, it has a franchise of 80.41 million customers. Bajaj Finance has a credit rating of AAA/Stable for its Fixed Deposit program from CRISIL and ICRA, AAA/Stable for long-term borrowing from CRISIL, India Ratings, CARE and ICRA, and A1+ for short-term borrowing from CRISIL, India Ratings and ICRA. It has a long-term issuer credit rating of BBB-/Stable and a short-term rating of A-3 by S&P Global ratings.

To know more, visit [www.bajajfinserv.in](http://www.bajajfinserv.in).

