

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO-1029**

ANSWERED ON TUESDAY, JULY 29, 2025/ SRAVANA 7, 1947 (SAKA)

**RISING NPAs AND REGULATORY CONCERNS IN GOLD LOANS**

1029. SMT. RENUKA CHOWDHURY

Will the Minister of FINANCE be pleased to state:-

- (a) the year-wise gold loan outstanding amount and NPAs for the last five years for commercial banks and NBFCs;
- (b) whether it is a fact that a significant portion of loans is disbursed by digital lending platforms, if so, the estimated share of digital lending platforms and fintechs in the disbursement of gold loans; and
- (c) whether any irregularities or non-compliance in gold loan disbursement, collateral valuation, or auction processes have been observed, if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): As per the Reserve Bank of India (RBI), the data pertaining to Advances outstanding and Gross NPA as reported by Upper and Middle Layer NBFCs (NBFC-wise) for past 5 Years is given in **Annex-1** and for Scheduled Commercial Banks (SCBs)-(Bank wise) for past three (03) years is given in **Annex-2**.

Note: Gold loans data of SCBs for March 31, 2022, and before is not available with RBI.

(b): Digital lending platforms and fintechs are Lending Service Providers (LSPs). These LSPs facilitate lending services. LSPs are agents of Regulated Entities (REs) who carry out one or more of lender's functions or part thereof in customer acquisition, underwriting support, pricing support, servicing, monitoring, recovery of specific loan or loan portfolio on behalf of REs in conformity with extant outsourcing guidelines issued by the RBI. Further, RBI has informed that the estimated share of digital lending platforms and fintechs in the disbursement of gold loans is not maintained by them.

(c): Reserve Bank has carried out a review of the adherence to prudential guidelines as well as practices being followed by Supervised Entities (SEs) with regard to loans against pledge of gold ornaments and jewellery. The review, as well as the findings of the onsite examination of select SEs by the Reserve Bank, indicate several irregular practices in this activity. The major deficiencies include (i) shortcomings in use of third parties for sourcing and appraisal of loans; (ii) valuation of gold without the presence of the customer; (iii) inadequate due diligence and lack of end use monitoring of gold loans; (iv) lack of transparency during auction of gold ornaments and jewellery on default by the customer; (v) weaknesses in monitoring of Loan-to-Value (LTV); and (vi) incorrect application of risk-weights, *etc.*

RBI, *vide* its circular dated 30.9.2024 on “Gold loans - Irregular practices observed in grant of loans against pledge of gold ornaments and jewellery” advised REs to comprehensively review their policies, processes and practices on gold loans to identify gaps, including those highlighted in the circular, and initiate appropriate remedial measures in a timebound manner.

The Regulated Entities (REs) have submitted Action taken Report (ATR) in response to RBI circular dated September 30, 2024. A brief summary of the action taken by the REs to strengthen the systems and practices observed in grant of loans against pledge of gold ornaments and jewellery is as follows:

1. The banks have undertaken a review of their policies, processes, and practices on gold loan to identify gaps, including those highlighted in the circular from RBI referred above.
2. Further, the banks have reported they have strengthened the process in place for monitoring of loan-to-value (LTV) limits and breaches thereof. All accounts where LTV is breached are followed up for regularizing/ recovery of overdue amount. Wherever the borrowers are not forthcoming with repayment/ payment of overdue amount, the banks can initiate the auction process for recovery of their dues after following the laid down processes.
3. The banks have strengthened the process for ensuring end use of agricultural gold loans, by making the documentation requirement more stringent.
4. The banks have also devised systems to track evergreening of gold loans. Offsite tracking is used to detect instances of gold loans which are closed soon after sanctioning. The banks have developed robust systems checks to detect and prevent closure of gold loans accounts through debit of internal accounts.
5. The standards for gold loan appraisal and auctions have been revisited.
6. The scope of internal audit has been widened to detect the risk in the gold loan branches.

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**Rajya Sabha Unstarred question no. 1029, regarding Rising NPAs and regulatory concerns in Gold Loans**

**Gold Loan Portfolio of NBFCs (ML & UL)**

**Amount in ₹ Crores**

NBFC Name	Advances to Individuals against Gold									
	Total Advances (Outstanding) - Funded (As on)					Gross NPAs (As on)				
	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025
Arka Fincap Limited (Formerly Kirloskar Capital Limited)	-	-	-	12	-	-	-	-	-	-
Bajaj Finance Ltd.	2,246	2,048	2,806	4,608	8,312	23	16	9	29	25
Capri Global Capital Limited (Formerly Money Matters Financial Services Ltd.)	-	-	1,126	2,824	5,561	-	-	1	27	45
Dvara Kshetriya Gramin Financial Services Private Limited	3	7	9	5	2	0	0	0	0	0
Fedbank Financial Services Limited	1,918	2,248	2,986	3,447	4,750	3	29	25	28	17
Hdb Financial Services Limited	684	474	425	513	800	26	20	7	7	16
IIFL Finance Limited	8,697	7,545	8,330	9,634	14,002	51	68	67	369	76
Indel Money Limited		421	500	874	1,406		-	-	-	-
ITI Gold Loans Limited (Formerly United Petro Finance Limited)	-	81	177	276	529	-	1	1	5	16
Keertana Finserv Private Limited (Formerly Rajshree Tracom (P) Ltd)			384	704	1,588			-	-	-
Kisetsu Saison Finance (India) Private Limited	-	6	-	-	-	-	0	-	-	-
KLM Axiva Finvest Limited (Formerly Needs Finvest Limited)	389	625	938	1,068	1,102	0	3	0	6	20
Kosamattam Finance Limited	3,146	3,658	4,845	5,324	5,712	15	24	21	29	31
Manappuram Finance Limited	19,077	19,867	19,041	20,656	24,658	305	534	227	360	436
Moneywise Financial Services Private Limited	-	2	12	25	46	-	-	-	-	0
Muthoot Vehicle & Asset Finance Ltd. (Formerly Muthoot Leasing & Finance Ltd.)	-	15	29	50	113	-	-	0	0	1
Muthoot Finance Limited	51,927	57,531	61,875	72,878	1,02,956	453	1,728	2,388	2,444	3,369

NBFC Name	Advances to Individuals against Gold									
	Total Advances (Outstanding) - Funded (As on)					Gross NPAs (As on)				
	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025	31-03-2021	31-03-2022	31-03-2023	31-03-2024	31-03-2025
Muthoot Fincorp Limited (Formerly Muthoot Debt Management Services Ltd)	18,057	16,758	16,778	19,502	22,085	360	218	106	175	253
Muthoot Microfin Ltd (Formerly Panchratna Securities Limited)	-	21	15	6	73	-	-	-	-	3
Muthoot Money Pvt. Ltd. (Formerly Moneylyne Financing and Trading (Pvt) Ltd)	-	20	239	947	3,867	-	-	0	6	37
Muthoottu Mini Financiers Limited	1,935	2,427	3,049	3,222	3,813	13	11	10	24	19
Paul Merchants Finance Private Limited (Old Name - Paul Fincap Pvt. Ltd.)		474	680				4	6		
Sarvagram Fincare Private Limited					19					0
SBFC Finance Limited	560	640	864	1,057	1,527	8	11	10	5	6
SBI Global Factors Ltd. (Formerly - Global Trade Finance Limited)	-	25	200	382	703	-	-	-	-	-
Shriram City Union Finance Limited	3,789	4,078				109	81			
Shriram Finance Limited (Formerly Shriram Transport Finance Company Limited)	-	-	4,479	6,300	4,837	-	-	141	121	100
TVS Credit Services Ltd	-	-	-	1	21	-	-	-	-	-
<b>NBFCs (Middle and Upper Layer)</b>	<b>1,12,428</b>	<b>1,18,971</b>	<b>1,29,787</b>	<b>1,54,315</b>	<b>2,08,481</b>	<b>1,365</b>	<b>2,749</b>	<b>3,021</b>	<b>3,634</b>	<b>4,470</b>

*Note: List of NBFCs in Middle and Upper Layer as on December 31, 2024*

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**Rajya Sabha Unstarred question no. 1029, regarding Rising NPAs and regulatory concerns in Gold Loans**

**Data of Scheduled Commercial Banks (Excluding RRBs and payments bank)**

**Amount in ₹ Crores**

Bank Name	Gold Loans - Advances Outstanding			Gold Loans - Gross NPAs		
	31-03-2023	31-03-2024	31-03-2025	31-03-2023	31-03-2024	31-03-2025
AB Bank Limited	-	-		-	-	
AB Bank PLC			-			-
American Express Banking Corp.	-	-	-	-	-	-
AU Small Finance Bank Limited	107	169	1,896	1	1	27
Australia And New Zealand Banking Group Limited	-	-	-	-	-	-
Axis Bank Limited	7,665	9,548	10,424	74	106	298
Bandhan Bank Limited	700	1,026	1,901	4	13	20
Bank of America, National Association	-	-	-	-	-	-
Bank of Bahrain & Kuwait B.S.C.	-	-	-	-	-	-
Bank of Baroda	38,520	47,631	63,965	91	107	130
Bank of Ceylon	-	-	-	-	-	-
Bank of China Limited	-	-	-	-	-	-
Bank of India	22,166	27,553	35,339	114	147	170
Bank of Maharashtra	2,967	8,266	12,893	15	15	22
Bank of Nova Scotia	-	-	-	-	-	-
Barclays Bank PLC	-	-	-	-	-	-
BNP Paribas	-	-	-	-	-	-
Canara Bank	1,23,185	1,51,638	1,81,351	82	69	138
Capital Small Finance Bank Limited	9	9	7	0	0	0
Central Bank of India	10,238	12,698	16,375	17	16	17
Citibank N.A	-	-	-	-	-	-
City Union Bank Limited	11,033	11,044	14,356	18	8	6
Cooperatieve Rabobank U.A.	-	-	-	-	-	-
Credit Agricole Corporate and Investment Bank	-	-	-	-	-	-
Credit Suisse AG	-	-		-	-	
CSB Bank Limited	8,705	10,413	14,095	25	38	38
CTBC Bank Co., Ltd.	-	-	-	-	-	-
DBS Bank India Limited	4,785	7,246	4,039	13	8	50
DCB Bank Limited	4,449	4,876	8,778	21	37	32
Deutsche Bank AG	-	-	-	-	-	-
Dhanlaxmi Bank Limited	2,274	2,839	3,799	5	4	3
Doha Bank Q.P.S.C.	-	-	-	-	-	-
Emirates NBD Bank (P.J.S.C.)	-	-	-	-	-	-
Equitas Small Finance Bank Limited	186	211	319	1	1	1
ESAF Small Finance Bank Limited	2,054	2,891	5,734	11	24	20

Bank Name	Gold Loans - Advances Outstanding			Gold Loans - Gross NPAs		
	31-03-2023	31-03-2024	31-03-2025	31-03-2023	31-03-2024	31-03-2025
Federal Bank Ltd	15,184	18,843	22,976	38	45	50
Fincare Small Finance Bank Limited*	865	1,363		17	21	
First Abu Dhabi Bank PJSC	-	-	-	-	-	-
Firststrand Bank Ltd	-	-	-	-	-	-
HDFC Bank Ltd.	11,038	14,542	16,682	40	75	147
ICICI Bank Limited	22,297	27,035	31,519	156	306	452
IDBI Bank Limited	11,386	13,180	16,039	37	15	22
IDFC First Bank Limited	257	1,256	3,503	1	5	13
Indian Bank	61,270	74,906	96,570	91	80	53
Indian Overseas Bank	36,813	47,715	69,188	44	29	25
Indusind Bank Ltd	207	305	486	1	4	5
Industrial and Commercial Bank of China	-	-	-	-	-	-
Industrial Bank of Korea	-	-	-	-	-	-
Jammu & Kashmir Bank Ltd	36	111	81	1	0	0
Jana Small Finance Bank Limited	224	290	980	4	3	26
JP Morgan Chase Bank National Association	-	-	-	-	-	-
JSC VTB Bank	-	-	-	-	-	-
Karnataka Bank Ltd	3,075	4,357	8,620	2	5	6
Karur Vysya Bank Ltd	16,541	18,582	23,301	18	15	13
KEB Hana Bank	-	-	-	-	-	-
Kookmin Bank	-	-	-	-	-	-
Kotak Mahindra Bank Ltd.	10	13	1,643	6	10	7
Mashreq Bank PSC	-	-	-	-	-	-
Mizuho Bank Ltd	-	-	-	-	-	-
MUFG Bank, Ltd.	-	-	-	-	-	-
Nainital Bank Ltd	79	94	99	1	1	1
Natwest Markets PLC	-	-	-	-	-	-
Nonghyup Bank		-	-		-	-
North East Small Finance Bank Limited	-	-	-	-	-	-
Pt Bank Maybank Indonesia TBK	-	-	-	-	-	-
Punjab And Sind Bank	2,280	2,021	1,933	3	10	14
Punjab National Bank	2,194	6,792	13,768	12	10	16
Qatar National Bank (Q.P.S.C)	-	-	-	-	-	-
RBL Bank Ltd	1	1,448	444	0	1	2
Sberbank	-	-	-	-	-	-
SBM Bank (India) Limited	-	-	-	-	-	-
Shinhan Bank	-	-	-	-	-	-
Shivalik Small Finance Bank Limited	373	436	587	1	3	2
Societe Generale	-	-	-	-	-	-
Sonali Bank	-	-		-	-	
Sonali Bank PLC			-			-
South Indian Bank Ltd	13,808	15,513	16,982	6	11	12

Bank Name	Gold Loans - Advances Outstanding			Gold Loans - Gross NPAs		
	31-03-2023	31-03-2024	31-03-2025	31-03-2023	31-03-2024	31-03-2025
Standard Chartered Bank	-	-	-	-	-	-
State Bank of India	1,12,358	1,32,127	1,74,187	103	118	154
Sumitomo Mitsui Banking Corporation	-	-	-	-	-	-
Suryoday Small Finance Bank Limited	-	-	-	-	-	-
Tamilnad Mercantile Bank Ltd	9,627	12,646	17,831	3	9	1
The Hongkong And Shanghai Banking Corporation Limited	-	-	-	-	-	-
UBS AG			-			-
UCO Bank	5,827	7,297	10,508	20	12	12
Ujjivan Small Finance Bank Limited	1	11	196	-	-	-
Union Bank of India	50,165	73,858	79,851	116	126	155
United Overseas Bank Ltd	-	-	-	-	-	-
Unity Small Finance Bank Limited	0	0	0	0	0	-
Utkarsh Small Finance Bank Limited	7	4	1	0	0	0
Woori Bank	-	-	-	-	-	-
Yes Bank Ltd.	375	447	465	7	4	2
<b>Scheduled Commercial Banks</b>	<b>6,15,341</b>	<b>7,73,248</b>	<b>9,83,716</b>	<b>1,217</b>	<b>1,513</b>	<b>2,162</b>

\*FINCARE SFB merged with AU SFB w.e.f. April 1, 2024

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