

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 4021**

ANSWERED ON MONDAY, AUGUST 18, 2025/ SRAVANA 27, 1947 (SAKA)  
**INCREASE IN GOLD LOAN NPA**

4021. SHRI RAHUL GANDHI:

Will the Minister of FINANCE be pleased to state:

- (a) the size of the gold loan market in the country and the details of gold loans advanced by Scheduled Commercial Banks (SCBs) and Non- Banking Financial Companies (NBFCs) since 2016, year- wise;
- (b) the details of gold loans advanced since January, 2024, month- wise;
- (c) the details of outstanding gold loans, defaults, and gold loan NPAs since 2016, year- wise;
- (d) whether there has been an increase in gold loan NPAs and if so, the reasons therefor;
- (e) the details of gold auctioned by SCBs and NBFCs since 2016; and
- (f) whether the Government has received any complaints regarding unethical practices by lenders, including auction of gold without the knowledge of borrowers and if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (f): As per the Reserve Bank of India (RBI), data on advances outstanding and Gross Non-Performing Assets (GNPAs) in respect of gold loans, including quarterly data since March 2024, as reported by Upper- and Middle-Layer Non-Banking Financial Companies (NBFCs) for the past five years is at Annex-I, and by Scheduled Commercial Banks (SCBs) for the past three years is at Annex-II. Gold loan data of SCBs prior to March 31, 2023, and of NBFCs prior to March 31, 2021, is not available with RBI.

Further, in accordance with extant guidelines, banks and NBFCs undertake various measures to mitigate the risks involved in gold loans. These measures, *inter alia*, include:

- (i) Assessment and re-assessment of the gold offered as collateral at regular intervals to ensure purity by methods such as acid tests, touchstone testing, and X-ray fluorescence (XRF) analysis.
- (ii) Empanelment of trained and skilled appraisers to assess the value of gold pledged.
- (iii) Valuation of pledged gold under CCTV surveillance in the presence of branch officials and the borrower.
- (iv) Periodic audits to ensure adherence to regulatory guidelines and internal policies.
- (v) Auction of pledged gold in case of default, with prior advance notice to customers providing them sufficient time to clear their liability.

Further, the Government and RBI have taken additional steps to safeguard the gold loan portfolio and reduce risks such as gold price fluctuations, valuation errors, and loan defaults. These include, *inter alia*:

- (i) The Department of Financial Services (DFS), vide communication dated 27.02.2024, advised Public Sector Banks to conduct a comprehensive review of their gold loan portfolios sanctioned/disbursed during 1.1.2022 to 31.1.2024, covering assessment and assaying of collateral, analysis of interest and other charges collected from borrowers, etc., to ensure adherence to regulatory requirements and internal policies.
- (ii) On 30.09.2024, RBI advised all supervised entities to comprehensively review their gold loan policies, processes, and practices to identify gaps and initiate remedial measures in a time-bound manner, closely monitor the gold loan portfolio, and ensure adequate controls over outsourced activities and third-party service providers.
- (iii) To safeguard lenders against risks such as gold price fluctuations and valuation errors, as per extant RBI instructions, regulated entities including banks and NBFCs are not permitted to extend loans exceeding 75% of the value of gold ornaments and jewellery. This Loan-to-Value (LTV) ratio of 75% is required to be maintained throughout the tenure of the loan.
- (iv) For loans where both interest and principal are payable at maturity (bullet repayment loans), banks are not permitted to extend loans with a tenure exceeding 12 months from the date of sanction, to mitigate the risk of defaults.

The ratio of Gross Non-Performing Assets in gold loans to the outstanding gold loans for SCBs has increased marginally from 0.20% in March 2023 to 0.22% in March 2025, while for Upper- and Middle-Layer NBFCs it has increased from 1.21% to 2.14% over the same period. RBI has further informed that the data related to gold loan auctioned by SCBs and NBFCs is not maintained with it.

The Office of the RBI Ombudsman has received 188 complaints related to gold loans during the financial year 2024–25. These complaints are handled in accordance with the provisions of the RBI Integrated Ombudsman Scheme, 2021.

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## Lok Sabha Unstarred question no. 4021, regarding Increase in Gold Loan NPA

## Gold Loan Portfolio of NBFCs (ML &amp; UL)

*Amount in ₹ Crores*

	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	30-6-2024	30-9-2024	31-12-2024	31-03-2025	31-03-2021	31-03-2022	31-03-2023	31-03-2024	30-6-2024	30-9-2024	31-12-2024	31-03-2025
NBFCs (ML and UL)	1,12,428	1,18,971	1,29,787	1,54,315	1,64,441	1,73,647	1,89,085	2,08,481	1,365	2,749	3,021	3,634	4,250	4,731	4,783	4,470

*Note: The information given is for NBFCs in Middle and Upper Layer as on 31.12.2024*

## Lok Sabha Unstarred question no. 4021, regarding Increase in Gold Loan NPA

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

*Amount in ₹ Crores*

	Advances to Individuals against Gold											
	Total Advances (Outstanding) - Funded (As on)						Gross NPAs (As on)					
	31-3-2023	31-3-2024	30-6-2024	30-9-2024	31-12-2024	31-3-2025	31-3-2023	31-3-2024	30-6-2024	30-9-2024	31-12-2024	31-03-2025
Scheduled Commercial Banks (Excluding RRBs and payments bank)	6,15,341	7,73,248	8,19,334	8,78,626	9,23,636	9,83,716	1,217	1,513	1,832	1,928	2,040	2,162