

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 35

ANSWERED ON MONDAY, DECEMBER 1, 2025/ AGRAHAYANA 10, 1947 (SAKA)
Gold Loan Guidelines

35. SHRI BALASHOWRY VALLABHANENI:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that RBI has recently issued draft Gold Loan Guidelines;
- (b) if so, the details thereof;
- (c) the details of directions proposed by RBI in the guidelines which are impacting gold loans taken by small, marginal and small- ticket borrowers;
- (d) whether Department of Financial Services suggested RBI that small- ticket borrowers below Rs. 2 lakhs be excluded from the requirements of the proposed guidelines; and
- (e) whether RBI complied with the request made by DFS, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (e): Yes, the draft Directions on Lending Against Gold Collateral had been issued by Reserve Bank of India (RBI) on 9.4.2025 for public comments.

RBI was requested to consider, *inter alia*, exclusion of small ticket borrowers, including farmers, from the then proposed linkage of sanction amount with repayment capacity of borrower along with necessity of proof of ownership/ relevant document.

RBI has since issued comprehensive Directions on Lending Against Gold and Silver Collateral on 6.6.2025, taking into consideration comments/ feedback received from various stakeholders, to create a principle-based harmonized regulatory framework and to address prudential and conduct-related gaps across all regulated entities (REs) for loans against gold and silver collateral.

Further, these directions apply to all loans offered by RE for the purpose of consumption or income generation (including farm credit) where eligible gold or silver collateral is accepted as a collateral security.

The salient features of the Directions, *inter alia*, include:

- (i) Detailed credit assessment, including assessment of borrower's repayment capacity to be undertaken in case the total loan amount is above ₹2.5 lakh to a borrower;
- (ii) Maximum permissible Loan to value ratio not to exceed 85 per cent for maximum total consumption loan amount of ₹2.5 lakh;
- (iii) All communication with the borrower to be in the language of the region or in a language chosen by the borrower; and
- (iv) Renewal of bullet repayment loans on payment of accrued interest, if any.
