GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 2373
ANSWERED ON MONDAY, AUGUST 3, 2026/SHRAVANA 12, 1948 (SAKA)

Increasing Gold Loans

2373. DR. M K VISHNU PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether the number and value of gold loans disbursed by banks and Non-Banking Financial Companies (NBFCs) have increased during the last five years;
(b) if so, the details thereof, year-wise and State-wise;
(c) whether the Government has assessed the impact of the rising dependence on gold loans on household finances, if so, the details thereof;
(d) whether the number of defaults in gold loans has increased during the last five years, if so, the details thereof;
(e) the number and value of pledged gold auctions conducted by banks and NBFCs during the said period, year-wise and State-wise details thereof; and
(f) the steps taken by the Government to protect borrowers from distress auctions?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and(b): As per the information received from the Reserve Bank of India (RBI), the year-wise details of outstanding gold loans of Scheduled Commercial Banks (SCBs) and Non-Banking Financial Companies (NBFCs) are given at *Annexure-I*. Further RBI has informed that it does not maintain state-wise data on gold loan outstanding.

(c): Loans against gold have been instrumental in promoting financial inclusion and providing access to credit, particularly to rural, micro, small and medium enterprises (MSMEs) and underserved segments of the population by bringing new-to-bank or new-to-credit customers amongst that segment under the ambit of formal lending channels, including banks and NBFCs, and by protecting such borrowers who could otherwise have moved to unorganized channels and been susceptible to usurious and prejudiced loan covenants.

RBI has issued Directions on Lending Against Gold and Silver Collateral in June, 2025 to harmonise lending norms against gold collateral across banks, co-operative banks and NBFCs, while strengthening responsible lending, collateral valuation and consumer protection. The Directions provide for prudent Loan-to-Value (LTV) norms, standardized valuation of gold collateral. Further, with regard to assessment of impact of the rising dependence on gold loans on household finances, RBI periodically monitors developments in the gold loan segment as part of its financial stability and supervisory framework.

(d): The number of defaults in gold loans has declined during the last five years. The Gross Non-Performing Asset (GNPA) ratio for gold loans of SCBs has declined from 0.19% as on 31st March, 2023 to 0.12% as on 31st March, 2026. Similarly, the GNPA ratio for gold loans of NBFCs has declined from 2.32% to 0.81% during the same period. The details are provided at *Annexure-II*.

(e)and(f): RBI has informed that it does not maintain year-wise or State-wise data on pledged gold auctions. Further, to safeguard borrowers from distress sales during recovery, RBI has prescribed measures, *inter-alia*, adequate prior notice before auction, a reserve price of at least 90% of the current collateral value, refund of any surplus realised after adjustment of dues, and transparent assaying, valuation, auction and recovery practices. The regulatory framework also requires upfront disclosure of charges, standardized documentation and compensation for delays in the release of pledged collateral, thereby strengthening consumer protection and ensuring fair treatment of borrowers.

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Annexure-I

Annexures referred in part (a) and (b) of the reply of Lok Sabha Unstarred Question No. 2373 for 03.8.2026 regarding "Increasing Gold Loans"

Data of Scheduled Commercial Banks - Gold Loans

Amount in ₹ Crores

Bank Group Name	Advances Outstanding (As on)			
	31-03-23	31-03-24	31-03-25	31-03-26
Public Sector Banks	4,67,983	5,92,501	7,55,929	11,30,940
Private Sector Banks	1,38,747	1,68,118	2,14,027	3,06,111
Foreign Banks	4,785	7,246	4,039	7,703
Small Finance Banks	3,826	5,383	9,720	18,356
Scheduled Commercial Banks	6,15,341	7,73,248	9,83,716	14,63,118

Data of NBFCs (Middle & Upper Layer)-Gold loans

As on	Total Advances (Outstanding) (in ₹ crore)
31-03-22	1,19,088
31-03-23	1,30,839
31-03-24	1,54,496
31-03-25	2,10,010
31-03-26	3,66,552

**Source Reserve Bank of India*
**The information furnished is as reported by SCBs (excluding RRBs and Payments bank) in Offsite returns*
**As informed by RBI Gold Loans data for March 2022 is not available for SCBs*
**Data provided for NBFCs (excluding CICs, PDs and HFCs) in middle and upper layer as per list of NBFCs registered with RBI as on March 31, 2026.*
**Data for March 2026 is provisional.*
**State wise data is not available with RBI*

Annexures referred in part (d) of the reply of Lok Sabha Unstarred Question No. 2373 for 03.8.2026 regarding "Increasing Gold Loans"

Data of Scheduled Commercial Banks and NBFCs (Middle & Upper Layer) - Gold Loans GNPA Ratio

Bank Group Name	GNPA Ratio (in %)				
	31-03-22	31-03-23	31-03-24	31-03-25	31-03-26
Scheduled Commercial Banks	NA	0.19	0.19	0.22	0.12
NBFCs	2.31	2.32	2.35	2.13	0.81

**The GNPA Ratio is compiled based on NPA and Gold Loan outstanding data given by RBI*

**As informed by RBI Gold Loans data for March 2022 is not available for SCBs*