GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 3648
ANSWERED ON MONDAY, AUGUST 10, 2026/SHRAVANA 19, 1948 (SAKA)

NPAs in Gold Loans

3648. DR. C M RAMESH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is true that five Southern States account for 75% of outstanding gold loans of Rs. 18.62 lakh crores in the country as on March, 2026, if so, the details thereof;
(b) whether it is also true that Andhra Pradesh, with Rs. 3.09 lakh crores stood second and Telangana, with Rs. 1.6 lakh crores, stands at fourth position, if so, the details thereof;
(c) whether the rapid growth in gold lending poses any systematic or financial stability risks, if so, the details thereof;
(d) whether it is also true that gold loans have become the second largest product in retail lending after home loans, if so, the details thereof;
(e) the details of Non-Performing Assets (NPAs) in gold loans and whether there is any increasing trend of NPAs in gold loans during the last 4-5 years, if so, the details thereof; and
(f) the measures taken by the Government and the RBI to regulate gold loans and to protect borrowers?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a)and(b): The Reserve Bank of India (RBI) has informed that it does not maintain the State-wise information on outstanding gold loans. However, as per the information received from Public Sector Banks (PSBs), the State-wise details of gold loans outstanding of PSBs on 31st March, 2026, is provided at *Annexure-I*.

(c): RBI has informed that, as noted in the Financial Stability Report (FSR), June 2026, the rapid growth in gold loans has been supported by rising gold prices. Loan-to-value (LTV) ratios across Banks and Non-Banking Financial Companies (NBFCs) have declined despite growth in gold lending, thereby strengthening collateral buffers and enhancing lenders' resilience to movements in gold prices. It has further informed that asset quality in the gold loan portfolio remains stable, reflecting the sound collateral position of lenders.

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.

(d): As per the information received from RBI, as on 31st March 2026, the largest product in retail lending is Housing Loans followed by Personal Loans and Vehicle Loans.

(e): 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*.

(f): 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, 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

Annexure referred in part (a) and (b) of the reply of Lok Sabha Unstarred Question No. 3648 for 10.8.2026 regarding "NPAs in Gold Loans"

State-wise Gold Loan Outstanding for Public Sector Banks (PSBs)

(Amount in Rs. Crore)

S.No.	State/UTs	As on 31.3.2026
1	Andaman & Nicobar Islands	2,501
2	Andhra Pradesh	2,22,953
3	Arunachal Pradesh	0
4	Assam	624
5	Bihar	5,717
6	Chandigarh	479
7	Chhattisgarh	2,001
8	Dadra & Nagar Haveli	129
9	Daman and Diu	63
10	Delhi	5,720
11	Goa	2,281
12	Gujarat	23,381
13	Haryana	9,161
14	Himachal Pradesh	971
15	Jammu and Kashmir	845
16	Jharkhand	1,705
17	Karnataka	98,962
18	Kerala	83,657
19	Ladakh	0.22
20	Lakshadweep	21
21	Madhya Pradesh	19,028
22	Maharashtra	45,710
23	Manipur	1,030
24	Meghalaya	25
25	Mizoram	0.12
26	Nagaland	7
27	Odisha	16,846
28	Puducherry	10,302
29	Punjab	13,057
30	Rajasthan	19,705
31	Sikkim	13
32	Tamil Nadu	4,11,656
33	Telangana	92,394
34	Tripura	279
35	Uttar Pradesh	21,745
36	Uttarakhand	1,986
37	West Bengal	16,957

** Source Public Sector Banks*

Annexure-II

Annexure referred in part (e) of the reply of Lok Sabha Unstarred Question No. 3648 for 10.8.2026 regarding "NPAs in Gold Loans"

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

Bank Group Name				
	31-03-23	31-03-24	31-03-25	31-03-26
Scheduled Commercial Banks	0.19	0.19	0.22	0.12
NBFCs	2.32	2.35	2.13	0.81

** Source Reserve Bank of India (RBI)*

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

** Data for March 2026 is provisional*

** Data provided for NBFCs (excluding CICs, PDs and HFCs) in Middle and Upper Layer as per the list of NBFCs registered with RBI as on March 31,2026*

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