

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:898  
ANSWERED ON:12.11.2010  
LOANS ON MORTGAGE BY RRBS  
Jagannath Dr. M.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India has prepared a comprehensive policy under which Regional Rural Banks (RRBs) can provide loans on mortgaging gold and jewellery;
- (b) if so, the details thereof; and
- (c) the amount likely to be provided under this scheme and the time under which the loans is to be returned?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) (b) and (c):- The Reserve Bank of India(RBI) has reported that it has not prepared any policy for Regional Rural Banks(RRBs) on granting of loans on mortgaging gold and jewellery. However, it is left to the individual banks to formulate their loan policy with the approval of their Board of Directors.

Further, RBI vide its circular dated September 22, 2010 has advised RRBs to permit bullet repayment of gold loans upto one lakh, subject to certain conditions, like the amount of gold loan should not exceed one lakh at any point of time and the period of loan should not exceed 12 months from the date of sanction. The circular dated 22.9.2010 is available on the website of RBI at [www.rbi.org.in](http://www.rbi.org.in).