

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:260  
ANSWERED ON:23.11.2012  
ADVANCE TO JEWELLERS FOR PURCHASE OF GOLD  
Bhagora Shri Tarachand

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

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(a) whether the Government / Reserve Bank of India (RBI) has any proposal to ban the banks from lending for purchase of gold by jewellers; and

(b) if so, the details thereof and the reasons therefor?

**Answer**

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

(a) & (b): Reserve Bank of India has issued a circular to all Scheduled Commercial Banks on 19.11.2012 advising that other than working capital finance, banks are not permitted to finance for purchase of gold in any form. The circular is available is at RBI website [www.rbi.org.in](http://www.rbi.org.in).