

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4160
ANSWERED ON:22.03.2013
CO OPERATIVE BANK GOLD LOAN
Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/ Reserve Bank of India (RBI) has recently directed State and Central Co-operative Banks not to grant loans for purchase of gold in any form;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the compliance status thereof as on date?

Answer

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

(a) to (c): Keeping in view the concerns arising out of the significant rise in import of gold in recent years, the Reserve Bank of India (RBI) has issued a circular on 7th February, 2013 reiterating its advice to State and Central Cooperative Banks not to grant any loan for purchase of gold in any form, including primary gold, gold bullion, gold jewellery, gold coins, units of gold Exchange Traded Funds (ETF) and units of gold Mutual Funds. As per inspection reports of National Bank for Agriculture and Rural Development(NABARD), being supervisor of State Cooperative Banks/District Central Cooperative Banks, so far, no violations in this regard have been reported.