

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3399  
ANSWERED ON:12.12.2014  
LOAN AGAINST GOLD  
Arunmozhithevan Shri A.

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

- (a) whether the Reserve Bank of India has raised the limit for Urban Cooperative Banks (UCBs) to sanction loan against gold collateral;
- (b) if so, the details thereof;
- (c) whether the UCBs are allowed to give loan under the bullet repayment scheme; and
- (d) if so, the details thereof along with the compliance status thereof?

**Answer**

The Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a) & (b): Reserve Bank of India (RBI) has not prescribed any limit for loans that can be sanctioned by Urban Cooperative Banks (UCBs) with gold as collateral security. However, RBI has raised the quantum of gold loans that can be granted under the bullet repayment scheme from Rs.1.00 lakh to Rs.2.00 lakh.

(c) & (d): RBI has informed that UCBs are permitted to grant gold loan upto Rs.2.00 lakh with bullet repayment option.