



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2012-13/541

RPCD. RRB. BC. No. 79 /03.05.33/2012-13

June 25, 2013

All Regional Rural Banks

Dear Sir/Madam

Lending against Gold

Please refer to [paragraph 98](#) of the Monetary Policy Statement 2013-14 announced on May 3, 2013 on lending against gold, proposing to restrict the facility of advances against the security of gold coins per customer to gold coins weighing up to 50 gms.

2. As per extant instructions contained in our circular DBOD.Leg.BC.95/ C.124 (P) - 78 dated July 22, 1978, RRBs should not grant any advance against gold bullion. RRBs are, however, currently permitted to grant advances against gold ornaments and jewellery subject to Board approved policies in terms of our circular DBOD.No.BC.138/21.01.023/94 dated November 22, 1994. Advances may also be granted against specially minted gold coins sold by banks which may not be in the nature of "bullion" or "primary gold". However, as pointed out in the monetary policy statement, there is a risk that some of these coins would be weighing much more, thereby circumventing the Reserve Bank's guidelines regarding restriction on grant of advance against gold bullion. Accordingly, it is advised that while granting advance against the security of specially minted gold coins sold by banks, RRBs should ensure that the weight of the coin(s) does not exceed 50 grams per customer and the amount of loan to any customer against gold ornaments, gold jewellery and gold coins (weighing up to 50 grams) should be within the Board approved limit.

3. In this context, we have also been receiving references from certain banks asking whether advance against units of gold Exchange Traded Funds (ETF) and gold Mutual Funds is

ग्रामीण आयोजना और ऋण विभाग, केन्द्रीय कार्यालय, 10 वी मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉक्स सं. 10014, मुंबई - 400 001

Rural Planning & Credit Dept., Central Office, 10th Floor, Central Office Building, Shahid Bhagat Singh Marg, P.B.No.10014, Mumbai 400001

टेली Tel:022-22601000 फैक्स: 91-22-22621011/22610943/22610948 ई-मेल : cgmicrpcd@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए।

"चेतावनी: रिज़र्व बैंक द्वारा मेल-ड्राक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।"

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permitted. As these products are backed by bullion/primary gold, it is clarified that the restriction on grant of loan against “gold bullion” stipulated in terms of our circular dated July 22, 1978 referred to at para 2 above, will also be applicable to grant of advance against units of gold ETFs and units of gold Mutual Funds.

4. All other instructions issued in this regard will remain unchanged.

Yours faithfully,

(A. Udgata)
Principal Chief General Manager