

## Gold loans to reach ₹15 lakh crore mark by March 2027: ICRA

### The Hindu Bureau

MUMBAI

The organised gold loan (GL) business of banks and non-banking financial companies (NBFCs) is projected to exceed ₹10 lakh crore in the current financial year and ₹15 lakh crore by March 2027, rating agency ICRA Ltd. said in a report.

It said the NBFCs currently dominating in retail gold loans would expand at 17-19% in FY25. Overall organised GL expanded at a compounded annual growth rate (CAGR) of 25% over the period FY20-FY24, driven by banks, which expanded these loans at a higher CAGR of 26%, while the NBFCs expanded theirs at 18%.

“Bank GL growth was driven by agriculture loans

### Bank GL growth was driven by agriculture loans backed by gold, which grew at CAGR of 26% in FY20-FY24

backed by gold jewellery, which grew at a CAGR of 26% during FY20-FY24, while their retail GLs grew by 32% on a lower base. Consequently, the share of the NBFCs reduced during this period, which were largely focussed on retail GLs for consumption or business purposes,” it said.

“Public sector banks (PSBs) accounted for about 63% of the overall GL in March 2024, up from 54% in March 2019, while the NBFC and private banks’ shares moderated by equal measure during this period,” it added.