CENTRE FOR MICRO FINANCE, IFMR RESEARCH

STUDY OF GOLD LOAN MARKET AS AN ALTERNATIVE SOURCE OF CREDIT FOR LOW INCOME HOUSEHOLDS

Misha Sharma

9/12/2013

The demand for gold in India has always been high, thus creating a huge potential for growth in the gold loan market. In the recent decades, gold loan market has come to be one of the most reliable sources of credit for low-income households. This paper attempts to explore the various facets of the Indian gold loan sector. It looks at factors associated with participation in the formal and informal gold loan sector, distinguishing features of the gold loan product, uses of gold loans in the absence of a borrowing constraint and reasons for high demand for gold.

Contents

Tables

Figures

Background

India is one of the biggest markets for gold and gold loan. According to World Gold Council, India accounts for 10% of total world gold stock and is world's largest gold consumer[1]. Indian investment in gold is motivated by social, cultural and economic reasons. For Indians, gold is not just a commodity, but an auspicious metal that they buy for various purposes on different occasions. There has always been a high demand for gold in India, irrespective of prices. During 2001- 2012, the annual demand for gold remained relatively stable at around 700 to 900 tonnes despite constant rise in prices[2].

Over the last few decades, there has been a considerable shift in the scenario of the Indian gold loan market, with the emergence of formal financial institutions providing loans against gold as collateral. These formal financial institutions consist of banks and other private financial institutions such as NBFCs who cater to the financial needs of low-income households at better cost. On the other hand, informal gold loan market comprising of pawn brokers and private money lenders have been in existence for over centuries that perhaps explains the extremely skewed market share between the unorganized and the organized gold loan sector (75:25)[3].

Gold loan is an important source of credit for low-income households as loans against gold as collateral are easily available. Compared to other sources of credit available to low-income households such as loans from MFI, loans from SHGs or community based borrowing; gold loans are disbursed more quickly with minimal procedural requirements. The consumer friendly features of the gold loan market distinguish itself from other sources of credit, thus making gold loan products extremely popular and reliable.

This study is intended as a descriptive study to deepen the understanding of the characteristics and behaviors of the various stakeholders involved in the gold loan market. In specific, the study attempts to present a comparative analysis of the formal and informal sector within the gold loan market by looking at the various factors associated with participation in unorganized versus organized sector and the different purposes for which gold loan are acquired.

Motivation

Although the unorganised sector of the gold loan market has been functioning for over centuries now, the organised sector is at a very nascent yet exciting stage. However, there are some intriguing questions related to the gold loan market that pursue us to study this sector.

Firstly, the skewed market share between the unorganised and organised sector indicates scope for further development and innovation in the gold loan market to protect the interest[4] of the low-income households. Secondly, although the unorganised sector seems to take the lead in the gold loan market, the question of whether clients prefer money lenders/pawn brokers to NBFCs/banks or is it just an issue of lack of penetration of the organised sector, remains unanswered. Lastly, gold

[1] http://www.cognizant.com/InsightsWhitepapers/Surveying-the-Indian-Gold-Loan-Market.pdf

[2] Report of the working group to study the issues related to gold imports and gold loans by NBFC's, RBI 2013

[3] http://www.cognizant.com/InsightsWhitepapers/Surveying-the-Indian-Gold-Loan-Market.pdf

[4] Consumer protection, documented procedures, grievance redressal, etc.

loan forms an important component to meet the short-term needs of the poor and is viewed as an alternative to the microfinance industry. However, new policies aiming to reduce demand for gold and curbing gold loan market pose a challenge to the base of pyramid population. Therefore, it is important to understand the implications of these policies on low-income households.

Research Questions

1. What are the characteristics of gold loan versus other sources of credit (MFI's, SHG's, community based lending, etc.) available to the low-income households?
   Gold loans have several characteristics which differentiate them from other types of financial products. In specific, the product features of gold loan compared to other sources (interest rates, duration of loans, repayment schedule, etc.) vary to a great extent.

2. What factors are associated with participation in the unorganised and organised sectors of the gold loan market?
   The unorganized sector dominates 75% of the overall gold loan market. *Primae facie* this market dynamic is intriguing, as the product features of organized sector loans appear to be far superior than their unorganized sector competitors. Some of the distinguishing features of the organized gold loan sector are: lower interest rates, higher security of loans, better customer service, etc. It is then surprising to note greater preference for unorganized sector over organized sector. The range of potential explanations includes arguments of simple scarcity of organized sector options for consumers; customers lacking the financial sophistication or basic literacy to take advantage of the organized sector options, etc.

3. What are the various purposes for which people acquire gold loans? According to the microfinance institution regulation and development bill, microfinance clients are required to use 75% of loans for income generating activities. However, gold loans market does not impose any restrictions on the usage of loans. Therefore, it is interesting to analyze if poor people use the gold loan for productive or non- productive purpose in the absence of borrowing constraint.

Research Methodology

The study uses survey methodology in order to answer the questions detailed above. For this purpose, data collection activities were administered among 400 randomly selected gold loan clients in Karaikudi town of Sivagangai District, Tamil Nadu. The sample was divided equally, such that 200 clients have acquired loans from informal vendors (pawn brokers/private money lender) and the other 200 from formal vendors (banks/NBFCs). Since we want to observe trends when comparing clients of the unorganized sector vs. clients of the organized sector, we build a sample that is balanced along these characteristics. However, this study is only a correlational analysis with a snapshot of the current scenario in the sample districts and does not allow for any causal conclusion. Additionally, the results of the study lack external validity, as it has been conducted in only one town of South-India among a sample size of 400 households. Nevertheless, it does give insight on the various perceptions people hold regarding gold and gold loan and helps us in drawing conclusion regarding the preference for gold loan products, use of gold loan and reasons for the increasing demand for gold. Karaikudi is a tier 3 city located in south of Tamil Nadu. As per the 2011 census data, Karaikudi has a population of 106,793. The study was conducted in a semi-urban area of South India for primarily two reasons. Firstly, in order to find the reasons for preference of unorganised versus orgnaised or vice-versa in the context of gold loan market, it was important to assume access to finance of both informal and formal types of institution. Since Karaikudi has a significant presence of financial institutions of different kinds- banks, NBFCs, private money lenders, pawn brokers, it is safe to assume formal and informal sources of finance are accessible in Karaikudi. Secondly, the study was conducted in south India because southern Indian states account for around 40% of the annual demand for gold[5] and therefore the chances of randomly identifying a respondent with gold loan becomes higher.

Along with a household survey among 400 gold loan clients, few interviews were also conducted among formal and informal gold loan providers. The main objective of the vendor interview was to understand their perspectives on gold loan clients and market undercurrents in general.

Lastly, a financial infrastructure survey was conducted to map the various formal and informal financial institutions present in Karaikudi. This was done by recording the GPS coordinates of the locations of the various financial institutions.

Results

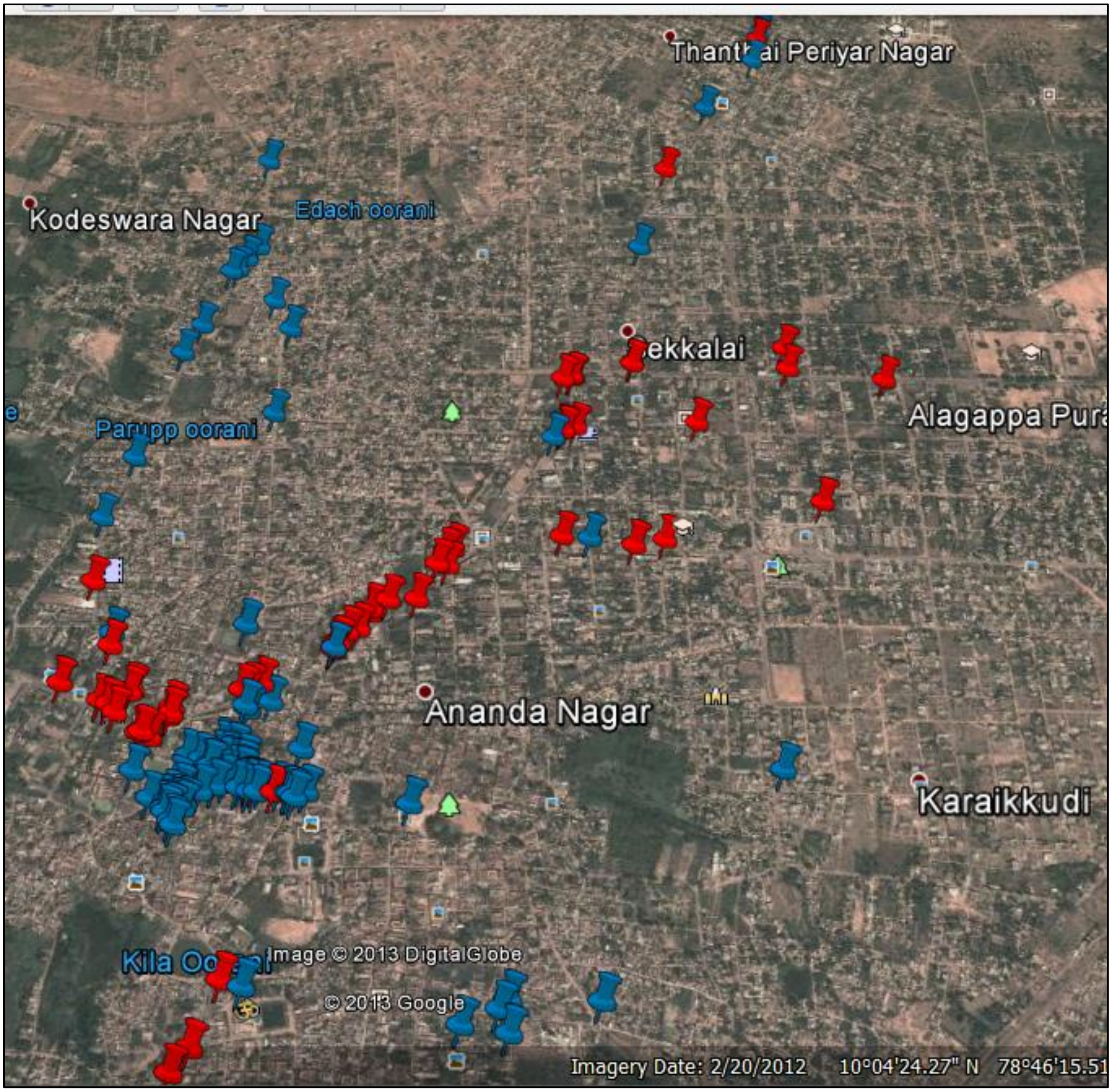
1. Financial Infrastructure Survey

The financial infrastructure survey was conducted with the objective of mapping the entire set of financial institutions that were present in Karaikudi, at the time of the research study. This infrastructure survey mapped various types of financial institutions, both formal and informal. The primary motivation for conducting this survey was to confirm the presence of various financial institutions (formal and informal) in Karaikudi.

The results of the financial infrastructure survey confirm that there are various kinds of financial institutions in Karaikudi, implying that clients have an array of options to choose from. This result helps us make the assumption that the reason why a client selects a particular kind of institution to acquire a gold loan is because of his/her individual preference and not because of lack of options available to choose from.

The following graph represents the various formal and informal financial institutions present in Karaikudi. The blue pins refer to informal organization and the red pins represent formal organization. The graph reflects that the number of informal organization outnumbers formal organization, implying the widespread presence of pawn brokers and private money lenders in small semi-urban towns like Karaikudi.

[5] Surveying the Indian Gold Loan Market, Cognizant 20-20 Insights



2. Distinguishing features of gold loan versus other sources of credit available to the low income households

Table 1: Characteristic differences between sources of credit available to low income households

Product Structure	MFI	SHG	Gold Loan
Target group	Collateral free loan given to joint liability groups	Collateral free loan given to self-help groups	Loan against gold as collateral given to individuals
Loan Duration	Short term loans- a typical MFI loan is for a one year period	Medium and long term loans, with a minimum duration of one year	Average duration of gold loans is 3 to 6 months
Rate of Interest	A minimum of 26% interest can be charged on MFI loans	An average of 24% interest rate is charged on SHG loans	Interest rates within formal sector of gold loan market varies from 10 to 26% and 20 to 50% within informal sector
Loan Disbursement Time	Given within one month of forming joint liability groups	Given two - three months after group formation	Given in less than one day
Repayment Schedule	Weekly/Monthly repayment	Weekly/Monthly repayment	Flexible repayment schedule
Purpose for loans	70% of MFI loans should be used for income generating activities	SHG loans should be used for enterprise creation	Gold loans can be used for any purpose

Gold loan is an extremely popular source of credit for low income households as almost everyone in India possesses some amount of gold and can acquire loans against gold as collateral for various purposes. This is true even for the economically weaker sections of the society. The primary reason why gold loan forms a major source of credit within the informal sector is because it is easily available with minimal procedural requirements. Table 1 provides a snapshot of the major differences between the product structure of MFIs, SHGs and gold loans. Compared to loans from MFIs or SHGs, gold loan products offer greater flexibility in terms of repayment schedule, interest rates, loan purpose, etc. These consumer friendly features of gold loan market make gold loan products far more accessible than other sources of credit available to the poor. For example, while MFI/SHG loans are given only after forming JLGs/SHGs, which takes a minimum of one to two weeks, gold loans are disbursed in less than half an hour by popular NBFCs and commercial banks. Similarly, while, MFI loans are mandated to be used for income generation activities, gold loans do not have a borrowing constraint and can be used for any purpose.

3. Factors associated with participation in organised and unorganised sector of the gold loan market

There are several factors associated with participation in unorganised versus organised sector of the gold loan market. Reasons could vary from characteristic differences in the client profile or differences in the structure of various gold loan products. We will look at the differences in the structure of gold loan product at a later stage in this paper (See Figure 4: Procedural differences in acquiring loans). In order to analyze the differences in profiles of formal versus informal clients, we compare the economic and demographic characteristics of these gold loan customers, as shown in Table 2. As observed, there are some stark differences between the profiles of formal and informal clients. Although the average household size is almost same, the dependency[6] ratio is higher for formal clients. This could potentially be correlated to formal clients having higher annual income compared to the informal clients. We observe that the average annual income for formal clients is Rs. 8212 more than the average annual income for informal clients. The average literacy level of formal clients is higher than the literacy level of informal clients by 24%. We also conducted a literacy test; where we tested the reading abilities of the respondents. The scores to reading tests suggest that formal clients have a higher score compared to the informal clients across reading letters, words and sentences. Around 74% of informal clients work on daily wages and do not have a reliable source of income, whereas only 53% of formal clients rely on wage employment for their income. In terms of financial access, informal clients are lagging far behind as only 45% of the clients have a bank account and only 5.5% of the total informal clients save. On the other hand, formal clients are much more financially included as 87% of formal clients have a bank account and 20% of the total formal clients save.

Table 2: Characteristic differences between formal and informal clients

Variables	Formal Client	Informal Client
Avg. Household size	4.4	4.3
Dependency Ratio (per 100 working population)	237	190
Live in own house	59%	65%
Currently own a business	31%	28%
Avg. Annual Income	106197	97985
Primary Occupation as wage employers	53%	74%
Literacy level of head of household (read and write)	86%	62%
Reading test score_letter (got a full score)	86%	65%
Reading test score_word (got a full score)	86%	66%
Reading test score_sentence (got a full score)	87%	64%
# of o/s loans (have multiple loans)	42%	46%
Have a bank account	87%	45%
Household savings	20%	6%

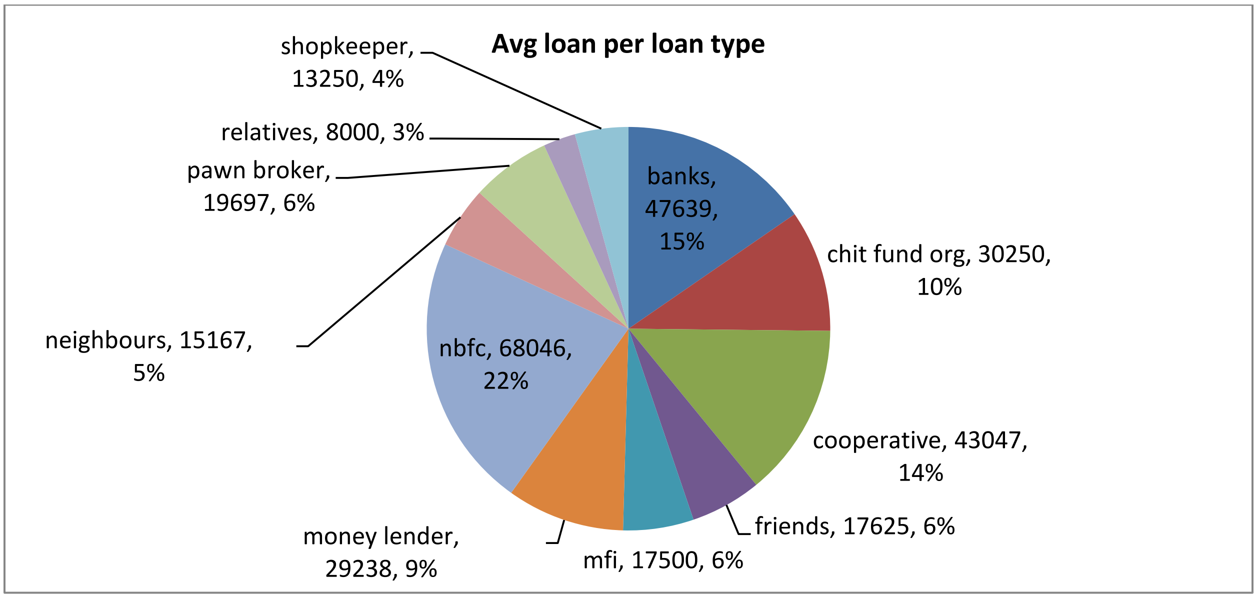
These factors suggest that the economic, social and financial profile of formal clients is much more stable than informal clients. Higher literacy rate (lower literacy rate), stability in income source (irregular income), greater financial inclusion (lack of access to better financial products), lesser loans (more loans) and more businesses per household (less businesses per household) are correlated to formal clients (informal clients). However, whether stability in the economic and social profile of customers leads them to opt for formal financial services or whether access to formal financial services within the gold loan market leads to economic and social stability of clients remains unanswered.

[6] Dependency ratio is calculated as the ratio of total number of dependents by total number of working population, normalized to 100.

4. Average loans per loan type

The average amount of loan disbursed by various formal and informal institutions varies depending on the structure of the gold loan product. Through our study, we try to determine the average amount of loan disbursed by banks, NBFCs, pawn broker shops, etc. and find that the mean loans for NBFCs is the highest as it constitutes 22% of the pie. This is in alignment with the recent market trends as NBFCs provide relatively larger amount of loans at high loan to value ratio compared to other formal sources such as banks and cooperatives. NBFCs are followed by banks and cooperatives with 15% and 14% of pie respectively. Over the last few decades, banks have started providing specialized gold loan products to cater to the needs of low-income households. Within the informal sector, private money lender and pawn brokers constitute for a total of 15%, however, the average amount of loans disbursed by them is considerably lesser compared to formal institutions. This could be potentially linked to their dominance in the industry as informal players are generally risk averse and provide loans in small amount to people whom they personally know.

Figure 1: Average loans per loan type

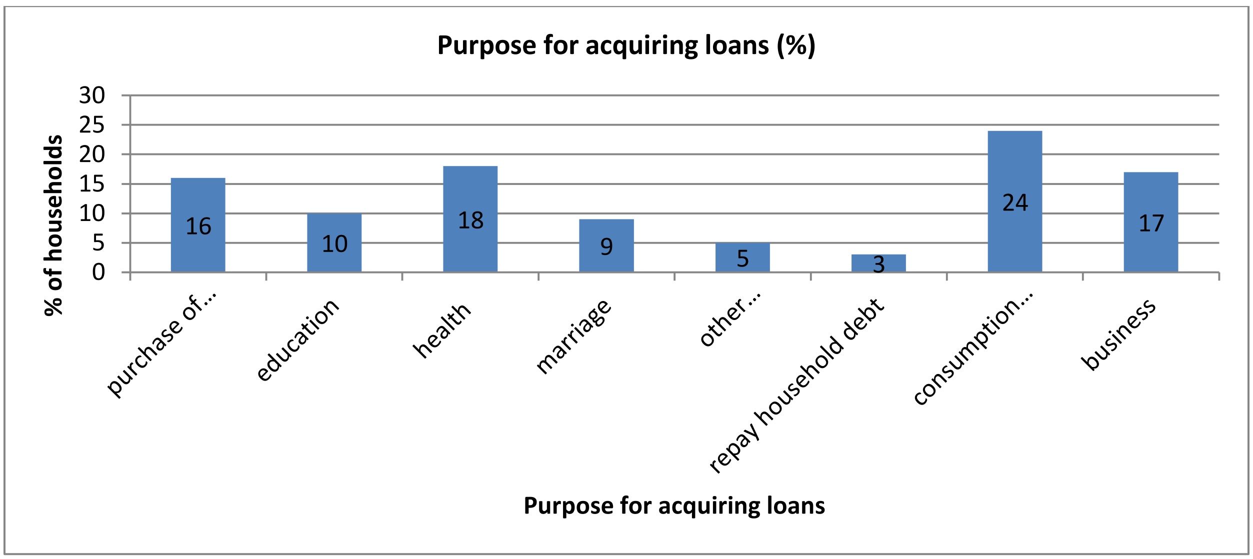


5. Purpose of Gold Loans

According to the revised norms of Microfinance Institutions (Development and Regulation) Bill, microfinance clients are required to use 70% of their loans for income generating activities or productive purposes. This guideline has been much in debate among policy makers and microfinance practitioners, as there is no clear demarcation between productive and non-productive purpose. For example, spending on health/education is not considered as an income generating activity but could be categorized as productive purpose as good education/ good health improves ones productive capacity.

However gold loan market does not impose any restrictions on the usage of loans. Therefore, it is interesting to analyze if poor people use gold loan for productive or non- productive purpose in the absence of a borrowing constraint. This study attempts to investigate various purposes for which clients acquire gold loans and found that 24% of the clients mentioned consumption smoothing as the primary reason for taking gold loans. Most low-income households do not have stable consumption patterns due to irregular income sources. Several studies (Banerjee, Duflo et.al, 2009) testing the impact of microfinance loan on its clients have found that majority of the loans is used for consumption purposes. However with borrowing constraints introduced by the microfinance bill, gold loan provides relief to its customers as loans acquired within the gold loan market can be used for varied purposes. The second leading category is health as 18% of respondent acquired gold loans for expenditure on health, followed by a close 17% on business expenditure which involves smoothing cash flow problems of business, repaying old business debt, investment for innovation in business, etc. Other reasons include purchase of household assets (16%), education (10%) and marriage (9%).

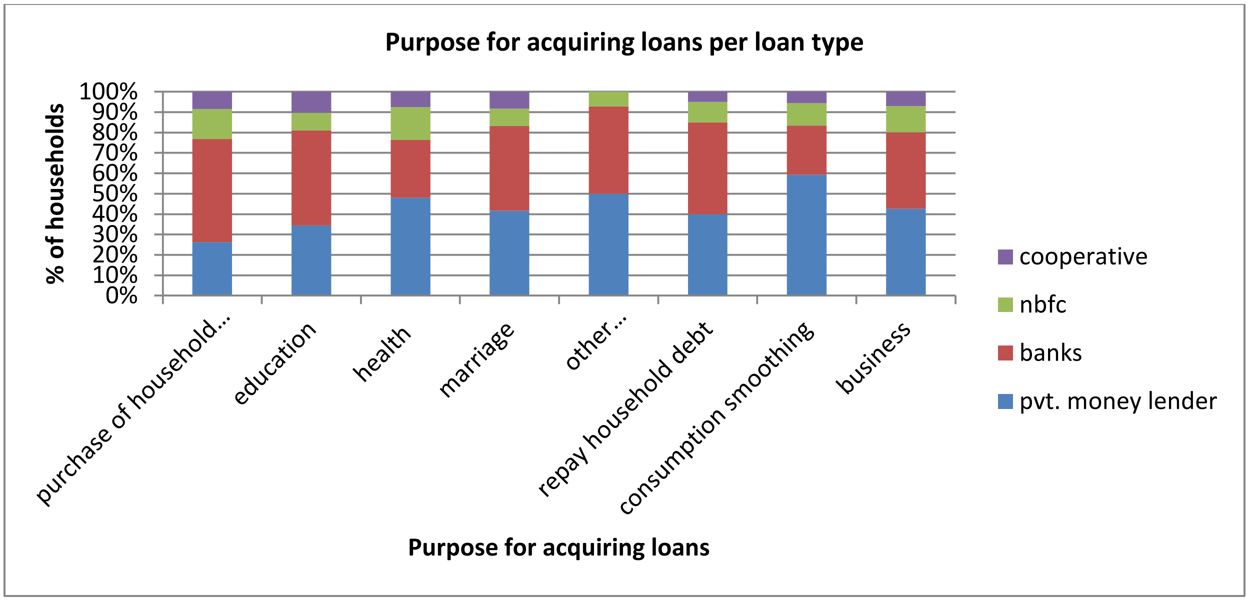
Figure 2: Purpose for acquiring loans



Following table presents a summary of the various reasons for acquiring loans per loan type. In other words, we try and ascertain if the source of loan varies depending on the reasons for obtaining a gold loan. For example, 50% of gold loans for health purposes are acquired from private money lenders. Similarly, 60% of loans for consumption smoothing purposes are obtained from private money lenders and more than 55% of loans for purchase of household assets are obtained from banks. These findings have a very important implication. These results lead us to believe that more clients approach informal institutions during short term needs or emergency needs and formal institutions for predictable expenses such as education or purchase of household assets[7].

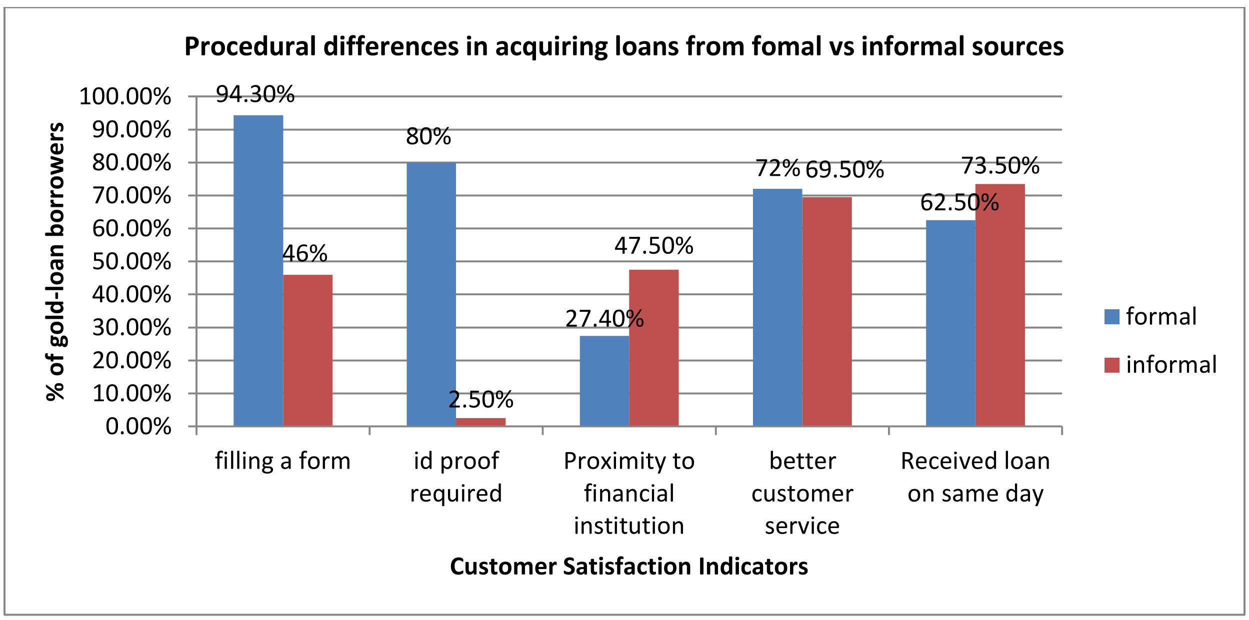
[7] Banks specialize in products such as home loan, education loan, etc.

Figure 3: Purpose for acquiring loan per loan type



6. Unorganised Versus Organised Gold Loan Sector

Figure 4: Procedural differences in acquiring loans

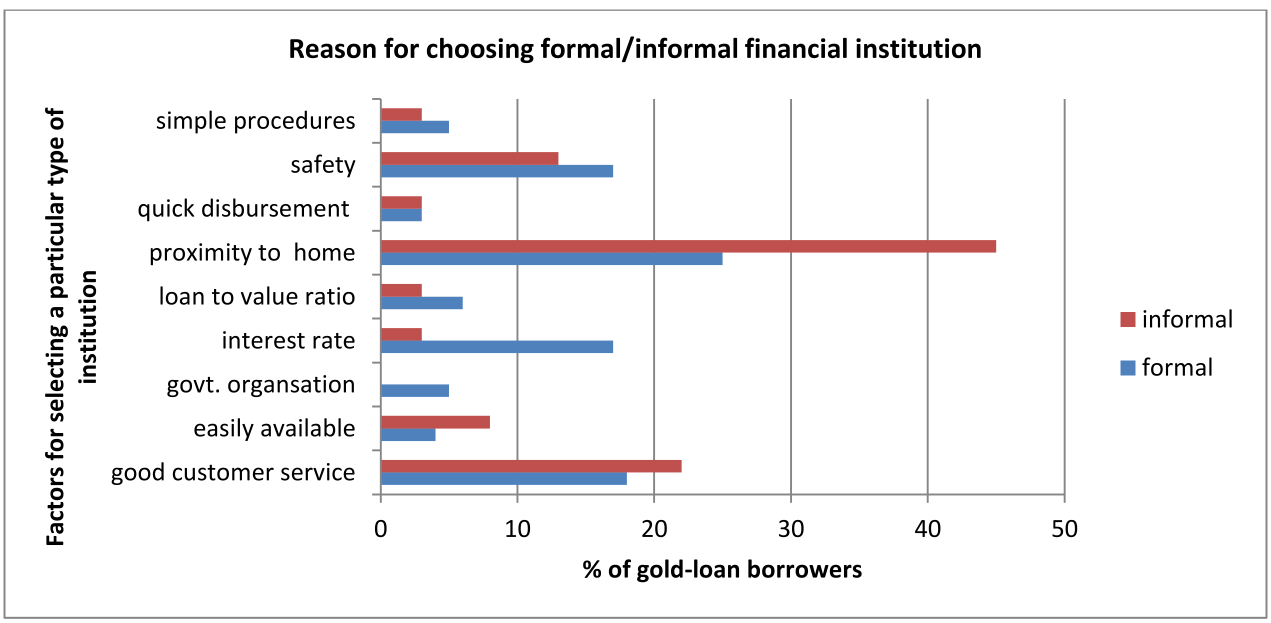


There are various factors for preference of acquiring gold loans from unorganised versus organised sector or vice versa. The range of potential explanation includes arguments of simple scarcity of organized sector options for customers, procedural differences in acquiring loans from various types of financial institution, customer lacking the perceived financial sophistication to take advantage of the organised sector options, etc.

Figure 4 presents the various procedural differences in acquiring loans from formal versus informal sources. There are significant differences in the procedures followed by formal and informal institutions. For example, with regard to filling a form, approximately 95% of formal clients were asked to fill a form compared to only 46% of informal clients who were asked to fill a form. Similarly, 80% of formal clients were asked to provide an id proof, whereas only 2.5% of the total informal clients were asked to provide an id proof. These results indicate that there is a huge difference in the norms and procedures followed by formal and informal financial institutions and that these requirements could possibly be the driving factor that dictates preference over informal loan versus a formal loan. In terms of distance to financial institution, approximately 48% respondents mentioned that it was easier to locate an informal gold loan vendor closer to their home, while only 27% of clients mentioned finding a formal gold loan vendor near their home. With regard to time required for receiving loans, informal players are much faster in disbursing loans than their formal counterparts. However, in terms of providing better customer service, formal institutions take the lead as 72% of respondents answered receiving better customer service from financial institutions, while only 69.5% of total informal clients responded in affirmative for the same. However, it must be noted that there is a marginal difference between the two and is perhaps not the driving factor that leads to a preference for unorganised sector over organised sector and vice versa.

The above statistics clearly suggests that informal institutions are much more customer friendly with minimal procedural requirements. However the primary factor leading to choice of organised versus unorganised or vice versa is still unclear. To explore this further, we ask the respondents their primary motivating factor which led them to choose a given type of institution.

Figure 5: Reasons for choosing formal/informal institutions

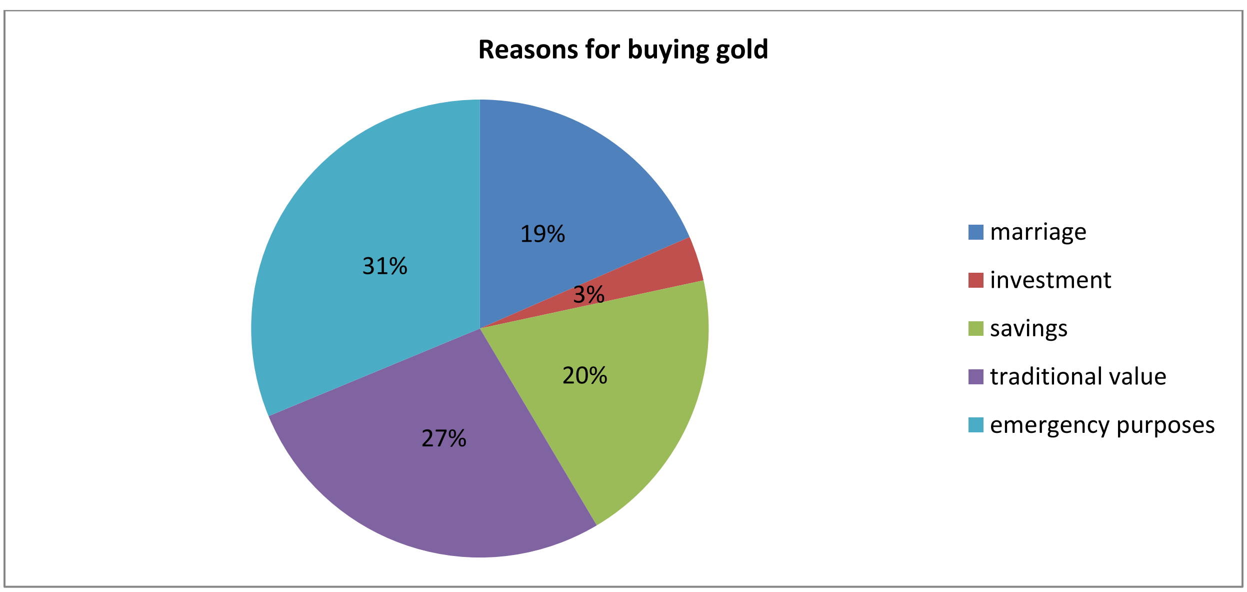


Most of the respondents answered 'proximity to home' as being the primary factor for choosing a given type of financial institution. This implies people's preference for convenience over other factors. This also addresses our previous question about the reasons for dominance of unorganized sector in spite of better products offered by the organised sector. For example, in cases where clients acquire gold loan for an emergency purpose, people do not value interest rates, as much as they would value quicker availability of loans from a nearby pawn shop. While 45% of informal clients cited 'proximity to home' as the leading factor for their decision, only 25% of formal client cite this factor, indicating that informal financial institutions are easily accessible to clients compared to formal financial institutions. The second most cited reason was 'sharing a comfortable relationship with the service provider'. Since most of the informal service providers know the clients personally, they share a much more comfortable relationship with informal clients. Interestingly, clients who consider interest rate and loan to value ratio as the primary factors for choosing a particular type of institution belong to the formal sector. While it is a common known fact that interest rate for formal institutions is much lower and regulated under the RBI guidelines, it is rather intriguing that formal clients have found a higher loan to value ratio with formal institutions. This reflects the changing trend among informal gold loan sector as they are becoming increasingly risk averse. Clients who give priority to safety and security of their gold choose formal institutions as storing gold in informal institutions is considered unsafe[8].

7. Reasons for buying gold

In order to gauge people's perception about gold, we asked respondents their motive behind buying gold. Following figure provides a snapshot of the various reasons people cite for buying gold.

Figure 6: Reasons for buying gold



[8] There have been several cases of burglary reported in pawn broker shops in villages in and around Madurai. (http://articles.timesofindia.indiatimes.com/2011-10-08/madurai/30257982_1_shop-burgled-pawn-broker-burglars)

As observed, 31% of respondents buy gold for use during emergency situations. This is because gold loans are easily available with minimal procedural requirements. Gold is also considered as one of the most liquid assets, since it can be easily converted back to cash and hence the resale value of gold is quite high compared to other types of asset. The second most common reason for buying gold is that gold has a very high traditional value in India. This includes buying gold during festivals, marriages, etc. There are various festivals in India during which buying gold is considered auspicious. This is true especially in the case of South India as it constitutes 45% of the total stock of gold in India.

20% of respondents save in the form of gold. This is indeed a prudent decision as the value of gold has seen an upward trend over the last few years. Therefore, Indians prefer investing and saving in the form of gold, as gold is considered to be a safe asset. Lastly, a total of 19% of the sample size cites buying gold for marriage purposes.

Whether Indians are emotionally attached to accumulating/buying gold is an interesting question to investigate. Historically, Indians have expressed great emotional attachment to their gold, which is one of the primary reasons for a flourishing Indian gold-loan market. However off late, the industry has witnessed increasing defaults on gold loans, due to decrease in prices of gold. This reflects peoples' changing perception about gold. Indians have proved to be smart investors and consider gold as a medium to save, invest, hedge against inflation and most importantly to protect themselves from shocks.

Policy Implications of the study

In the recent past, RBI has introduced several regulations for the Indian gold loan market to contain the surging demand for gold as it has been said to be the prime cause for increasing current account deficit. Imports for gold too have increased tremendously, being only the second biggest import commodity after oil. According to World Gold Council, India's gold imports in 2012 were half of the total gold imported globally. Following are the various guidelines introduced by the Government to control the demand for gold:

- Hiking import duty on gold imports to 10%
- Ruling out credit transactions for gold imports unless they intend to make jewellery for export
- Restricting regional rural banks to provide gold loans
- Loan to value ratio not to exceed 60% of the total value of gold
- Restricting lending against gold coins up to 50 grams only per customer
- Restricting gold import on consignment basis by banks only to meet the genuine needs of exporters of gold jewellery

However, new policies aiming to reduce demand for gold and curbing gold loan market pose a challenge to the base of pyramid population. Therefore, it is important to understand the implications of these policies on low-income households. The following recommendations are based on the findings of our study (cited earlier).

- Firstly, with an increase in the import duty of gold to 15% and further restrictions levied by the government on purchase of gold, gold is increasingly becoming unaffordable for the low-income households. With financial inclusion still remaining a challenge for low-income households, discouraging purchase of gold makes the base of pyramid population even more vulnerable to shocks since gold serves as a medium of financial security for low-income households. While the government aims to achieve 100% financial inclusion to cover all households under the ambit of formal financial sector, it must also keep in mind the duration required for this transition.
- The policy changes in the gold loan sector regulate only the formal financial institutions like banks and NBFC's. This increases the supply gap to a larger extent, by indirectly promoting financial services of the informal institutions. Curbing services of formal institutions leads to lesser competition in the gold loan sector. This might increase the cost burden of the low income households as informal service providers could hike the interest rate or decrease the loan to value ratio or provide low quality customer service, etc. Therefore, the recent policy changes not just have an adverse effect on the operation of formal financial institutions but also on the pricing of the gold loan sector in general.
- Gold is a highly liquid asset and people prefer obtaining gold loans during an emergency situation. The gold loan study reveals 31% of the total survey respondents buy gold for use during an emergency. However restrictions on purchase of gold imply decrease in the demand for gold leading to a decrease in gold loans. This leaves the base of pyramid population with little options to avail from in the absence of alternative financial products.
- Unlike MFI loans, gold loans do not have a borrowing constraint and can be used for various purposes. This provides flexibility to gold loan clients as health, education, improvement/repair of household assets, etc. are also important investments that improve quality of life indicators. While other types of loans (MFI/SHG loans) often restrict its clients to use the loans for an income generating activity, gold loan does not impose this constraint, thereby enabling us to see the natural expenditure pattern of low-income households. This presents a case for formal financial institutions to develop innovative credit products to meet the specific needs (health, consumption, marriage, etc.) that help in building the social capital of low income households. The Government's role too can be pivotal here by introducing several schemes that not just focus on enterprise creation but also on improving the quality of life of the poor.

Conclusion

The study adopts a holistic approach to understand the gold loan market by gaining perspectives from both the demand and supply side of the gold loan sector. A survey was conducted among informal and formal clients of gold loan market to understand the difference in the characteristics of these clients. An attempt was also made to find the reasons for preference of unorganised over organised service providers and vice versa. Results suggest that there are significant differences between formal and informal clients in terms of socio- economic indicators. Formal clients were found to be economically much more stable, had less outstanding debt and fared better in reading tests than informal gold loan clients. It was also found that the primary factor leading to a choice of a given financial institution is 'proximity to home'. This shows that people prefer convenience over any other structural benefit of the gold loan product itself. Therefore, interest rate, loan to value ratio, customer service, etc. does not matter much as long as the financial service provider is located closely to the client's place of residence. According to the data gathered, gold loan was mostly acquired for consumption soothing purposes; however, it was also observed that the source of loan varied according to the purpose for acquiring loan. Lastly, we explored reasons as to why people buy gold and the results suggest that people view gold as an insurance that helps in safeguarding their future against uncertainty.

Gold loans in India have been in existence for centuries now in the form of pawn shops delivering quick and easy access to loans against gold as collateral. Until a couple of decades ago, gold loans were delivered only through the unorganised sector by private money lenders and pawn brokers. However, with the entrance of formal financial institutions in the gold loan sector, the market dynamics changed completely as they introduced innovative gold loan products at cheaper costs and better customer service. While it is true that high demand for gold burdens the current account balance by increasing deficit, the fact that gold is the most valued asset among Indians, cannot be neglected either. Over the years, gold has become an inseparable part of the Indian society, as it not just holds an emotional value but is also used for various other financial purposes like savings, investment and insurance. This fact is more so true in the context of rural India, which accounts for 65% of the total gold stock[9]. Therefore, curbing demand for gold and gold loans should be complemented by introducing innovative financial products that can act as a substitute for gold loans. Gold loans are more than just a conduit for credit- they also act as a delivery mechanism that helps progress the lives of some of the poorest households and policymakers needs to be sensitive to these realities.

References

1. RBI Report (Jan 2013): Report of the working group to study the issues related to gold imports and gold loans by NBFCs, Viewed on 11th September 2013 (http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/RWGS02012013.pdf)
2. Cognizant 20-20 Insights (2012): Surveying the Indian gold loan market, Viewed on 11th September 2013 (http://www.cognizant.com/InsightsWhitepapers/Surveying-the-Indian-Gold-Loan-Market.pdf)
3. Dinesh Unnikrishnan (May 2013): RBI restricts bank lending against gold, Viewed on 11th September 2013 (http://www.livemint.com/Politics/tSyb5MXFxnnrIt66NKZO5J/RBI-restricts-banks-lending-against-gold.html)
4. Dinesh Unnikrishnan (August 2013): RBI norms on gold imports may deal a blow to domestic jewellers, Viewed on 11th September 2013

[9] Surveying the Indian Gold Loan Market, Cognizant 20-20 Insights

(http://www.livemint.com/Money/L1mWy5AwBhYNPE43LPhhLI/RBI-norms-on-gold-imports-may-deal-a-blow-to-domestic-jewell.html)