

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5807

ANSWERED ON:30.04.2010

GOLD HOLDINGS

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

- (a) whether India has now become the 10th largest gold holding nation in the world;
- (b) if so, the details thereof; and
- (c) the incentives given to the workers involved in this industry in the Eleventh Five Year Plan and the future plans?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b) Yes Sir. According to the World Gold Council, India ranked 10th in March 2010 in terms of official gold holding. This was due to the purchase of 200 metric tonnes of gold by the Reserve Bank of India from the International Monetary Fund under the IMF's limited gold sales program, which increased India's official gold holding to 557.7 metric tonnes. The purchase was part of the Reserve Bank's foreign exchange reserves management operations.

(c) The Government has given a number of incentives to promote gems and jewellery export. These inter alia, include

- (i) interest subvention of 2 per cent to the labour intensive sectors of exports such as gems and jewellery etc;
- (ii) duty drawback facilities on jewellery exports to neutralize duty incidence. In addition, in the Union Budget 2010-11, the Government has announced
  - (a) reduction in basic custom duty from 10 per cent to 2 per cent on Rhodium, which is a precious metal used for polishing jewellery;
  - (b) reduction of basic customs duty from 2 per cent ad valorem to a specific duty of Rs.140 per 10 grams of gold content with full exemption from special additional duty on gold ore and concentrates to encourage domestic refining capacity for gold; and
  - (c) reduction of the excise duty from 8 per cent to a specific duty of Rs.280 per 10 grams on refined gold made from such ore or concentrate.