

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2195
ANSWERED ON:12.08.2011
INVESTMENT OF UNACCOUNTED MONEY IN GOLD AND SILVER
Choudhary Shri Harish;Rama Devi Smt.

Will the Minister of FINANCE be pleased to state:

- (a) whether the prices of gold and silver are rapidly going up in the country;
- (b) if so, the reasons therefor;
- (c) whether the unaccounted money is being invested in both the commodities;
- (d) the steps taken by the Government to check it; and
- (e) the success achieved by the Government through the steps taken in this regard?

Answer

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

- (a) & (b): Yes, Sir. India is a net importer of gold and silver and therefore, prices of these precious metals depend on international prices. The volatility in the prices of gold and silver in India is mainly due to the volatility in the prices of these commodities in the international markets.
- (c): During the course of investigation by the Income Tax Department, instances of unaccounted investment in gold and silver do come to the notice of the Department.
- (d): The CBDT has issued a notification No. 27/2011 dated 26th May, 2011 wherein quoting of Permanent Account Number (PAN) has been made compulsory for purchase of jewellery or bullion for an amount of Rs. 5 lakh or more. This has been done to check investment of unaccounted money in purchase of jewellery and bullion.
- (e): Necessary steps are taken by the Department to bring to tax undisclosed investment in gold and silver and realize the taxes thereon. However, no separate figures in this regard are maintained centrally in the Ministry.