

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2361
ANSWERED ON:07.12.2012
ETRADE IN GOLD AND DIAMOND
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Will the Minister of FINANCE be pleased to state:

(a)whether the Union Government has any proposal to stop e-trade in gold and diamond to stop steep price hike on gold and diamond;

(b)if so, the details thereof; and

(c)if not, the reasons therefor ?

Answer

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

(a) to (c) No such proposal is under consideration of the Government. As far as diamond is concerned, it is not traded on any of the commodity futures exchange in India.

The commodity futures market performs the twin objectives of price discovery and price risk management and does not contribute to price increase of the commodity. The prices of gold and diamond depend on international prices. The movements in the prices of gold and diamond in India are mainly due to the changes in the prices of these commodities in the international markets.