

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

LOK SABHA  
UNSTARRED QUESTION No. 6667  
TO BE ANSWERED ON: Friday, April 6, 2018/Chaitra 16, 1940 (Saka)

**GOLD MONETISATION SCHEME**

**QUESTION**

**6667. by SHRI GODSE HEMANT TUKARAM:**

Will the Minister of FINANCE be pleased to state:

- (a) whether India has surpassed China as the world's largest gold consumer resulting in outflow of Forex reserves, if so, the details thereof and the reasons therefor;
- (b) whether the Government has recently launched a Gold Monetization Scheme (GMS) 2015/Sovereign Gold Bond (SGB) Scheme and a National Gold Coin under gold monetization programme to reduce reliance on gold imports by encouraging households to monetize their gold, if so, the details thereof;
- (c) whether the Government has received any representations against this scheme and proposes to make changes in the GMS/SGB including increasing the interest rate on Gold Bonds, if so, the details thereof along with the action taken thereon;
- (d) whether the Government has taken any steps to protect depositors from tax department questioning the source of gold for this scheme, if so, the details thereof and the remedial action taken thereon; and
- (e) the extent to which the GMS is likely to improve Gross Domestic Product (GDP) and curb inflation and the steps taken by the Government to popularize this scheme?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(Shri P. Radhakrishnan)**

- (a) No, Madam. As per World Gold Council's yearly data for 2017, China is the largest consumer of Gold and India is the second largest consumer of Gold.
- (b) Yes, Madam. Government of India has launched Gold Monetisation Scheme (GMS) 2015, Sovereign Gold Bond (SGB) Scheme and Indian Gold Coin (IGC) on 5<sup>th</sup> November, 2015. The detailed guidelines of the Gold Monetisation Scheme are available vide RBI's Master Direction No. DBR.IBD.No.45/23.67.003/2015-16 dated October 22, 2015, which is available on RBI's website. The detailed guidelines of the Sovereign Gold Bond Scheme are available vide Government of India's Gazette Notification F.No. 4(25)-W&M/2017 dated

6 October, 2017. The Indian Gold Coin is the country's first national gold coin of 24 carat purity with 999 fitness which is minted indigenously. It has the Ashok Chakra engraved on one side and face of Mahatma Gandhi ji on the other.

(c) The Government receives representations from various organizations and individuals with suggestions to improve the Schemes. These are taken note and necessary changes made from time to time based on the review of the schemes.

(d) The Gold Monetisation Scheme does not provide tax amnesty. As per the guidelines issued by the Government on Gold Monetization Scheme which are available on the website of Ministry of Finance, tax exemptions, same as those available under the earlier Gold Deposit Scheme (GDS), would be made available to the customers, as applicable.

(e) The objective of the Gold Monetisation Scheme is to mobilize the gold held by households and institutions in the country to put this gold into productive use and in the long run to reduce the current account deficit by reducing the country's reliance on the imports of gold to meet the domestic demand.

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