

ALL INDIA GEMS & JEWELLERY TRADE FEDERATION

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GJF Statement on Pan Card

The All India Gems and Jewellery Trade Federation (GJF), the national trade federation for the promotion and growth of trade in Gems and Jewellery (G&J) sector across India, has expressed dissatisfaction over imposition of requirement of PAN Card on any transaction of Rs 2 lakhs and above.

In a statement, GJF Chairman Mr Sreedhar GV said, “This is not practical and will discriminate 70% of the rural buyers including farmers as they are not under tax net and do not have PAN cards. We urge the Government to remove pan card requirement in jewellery sector and maintain status-quo on application of TCS on sales of bullion on Rs. 2 lakh and on Rs. 5 lakh of jewellery. We also emphasized the need to reduce import duties on Bullion, Gems, Jewellery and Jewellery Machineries”.

Mr Sreedhar further said “The gems and jewellery sector is not a source to attract black money since there is a value addition of 15-20% in developing the products while bullion is a preferred segment for investment by black money holders. Today, people buy jewellery items not only for their daily uses but also for essential purposes like festive and religious functions including marriages”.

Overall, GJF believes that the decision on imposing pan card restriction is not fair and justifiable under law as it tantamount to discrimination against a large number of populations who don't have pan card number. In India, hardly 8 to 10 per cent of population has pan card and a large number of rural buyers of jewellery will be deprived of buying jewellery items for marriages of their family members. Government needs to come up with more trade and industry friendly policies where industries can develop and grow to build the economy.”

Speaking on the PAN card issue, Mr. Bachhraj Bamalwa, Director, GJF, said, "the gems and jewellery sector is not the generator of black money. More than 80% of the value of jewellery is raw materials like gold and silver which are legitimately imported in the country.”

Mr. Ashok Minawala, Director, GJF, said, “We will be facing problems of encouraging buyers to visit our showrooms since the new restriction of pan card compulsory for buying jewellery articles above Rs 2 lakh. It is a negative step for the industry as this would neutralize benefits arising out of monetization scheme which is positive. As of 31st March, 2015, there are approx. 22.3 crore

PAN cards issued in India. Will it be justifiable to ask for a pan card to approximately 89-90% of the population who do not possess one?"