

## **Jewellery exporters welcome govt move to exempt gold import from IGST**

We are also expecting a similar relief to the exporters of articles of silver and platinum very soon, said Pramod Kumar Agrawal, chairman of Gem & Jewellery Export Promotion Council

Jewellery exporters have welcomed the government's decision to exempt 3 per cent of integrated goods and services tax (IGST) on gold sourced from nominated agencies, effective January 1. "We commend the government's decision on 3 per cent IGST exemption on gold sourced from nominated agencies," said Pramod Kumar Agrawal, chairman of Gem & Jewellery Export Promotion Council. The GST Council felt the need to exempt intra-state supply of gold by nominated agencies, in public interest under the scheme for 'export against supply by nominated agency'.

"We are also expecting a similar relief to the exporters of articles of silver and platinum very soon," Agrawal added. He also said that the upfront payment of IGST and import duty in the form of bank guarantee had led to the huge working capital blockage for various small and medium jewellery exporters. In addition, it increased interest cost as well as hassles of compliance to claim refund, consequently impacting their business operations.

After implementation of the GST and the levy of 3 per cent IGST on gold, industry had requested for the exemption on supply of gold by nominated agencies to exporters. Thereafter, the government, in October 2017, had exempted specified banks and public sector units (nominated agencies) from payment of IGST on import of gold, but the same had not benefitted jewellery exporters as they still had to bear the upfront payment of IGST/GST and the basic import duty to the tune of 10 per cent on procurement of gold. GJEPC has also urged the government to consider relief on inverted duty structure and blockage of input tax credit.

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