

# SITAPURA GEM & JEWELLERY INDUSTRIES ASSOCIATION

## EPIP MAIN GATE, SITAPURA, JAIPUR

---

Ref. no.:

Date: 19<sup>th</sup> April, 2020

Shri Raj Mehra,  
Addl. Commissioner of Income Tax,  
Range-3, Jaipur

**Sub: Issues/ Bottlenecks faced by the Gems & Jewellery Industry on account of COVID-19 pandemic and inputs/ suggestions for the revival of the Industry**

Dear Sir,

In reference to the above subject, we have been represented by our members who are manufacturers and exporters of Gems & Jewellery products about the various issues/ bottlenecks being faced by them with respect to Income tax which are being submitted to your good office hereunder with suggestions/ inputs for resolving the same in order to ensure revival of the industry post COVID Scenario.

- i. The SEZ units manufacturing & exporting gems & jewellery products that are located in Sitapura Industrial Area of Jaipur are getting continuous Scrutiny every year for past few years. In order to respond to the department's queries, these units are required to engage at least one accountant to prepare reports, submission of documents etc.. The Scrutiny proceedings are dropped once queries of the Department are satisfactorily answered. This is burdening the units with additional cost of hiring an accountant. Routine Scrutiny shall be discouraged by Department this year.
- ii. The entire marriage season and Akshaya Thrithiya business is not there for this year. The letters of advance tax compliance compared to last year may not be sent to assesees especially the high end Jewellery assesees. Advance tax to be made lenient for the current financial year.
- iii. The demands created by assessing authorities on technical grounds and is pending in appeal may not be pressed for one year till a finality is reached in appeal.
- iv. The survey and search on Jewellers may be suspended for at least one year unless it is very important and based on clear inputs/ evidences.
- v. The accreditation of Jewellers for joining the Gold ETF scheme to support the government to mobilise the old gold lying idle and churn it to business. This will reduce the burden of imports and improve ballance of payments situation of our country.
- vi. Complete waiver of interest on delayed payment of TDS which has recently been reduced to 9% from existing 18%.

- vii. Tax rate for partnerships and LLPs should be reduced as most of the Gems & jewellery industry prefers to work as a firm in place of company due to the fact that it is generally a family run businesses requiring complete control on the operations and it also helps in ensuring trust which is the key factor in this business as dealing with valuables.
- viii. Donations and CSR activities given by partnership firms and LLPs in relation to COVID relief should be allowed as deduction under Income Tax Act.
- ix. TDS return filing date for the first two quarters of the FY 2020-21 should be extended.
- x. Reduction in interest rates for a year and waiver of interest for the lockdown period.

Looking forward for your kind support in recommending the above issues and suggestions for grant of relaxation to the gems & jewellery industry which is badly affected by the situations arising due to outbreak of COVID-19 Pandemic.

Thanking you,

Sincerely yours,

Gaurav Jain Mundot  
President  
+919829065700