

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3380
ANSWERED ON:12.05.2006
TAX STRUCTURE ON GEMS & JEWELLERY
Singh Shri Kirti Vardhan

Will the Minister of FINANCE be pleased to state:

- (a) whether taxation structure and other fiscal issues pertaining to the gems and jewellery trade create hurdles to make India a global trading hub;
- (b) if so, whether the Union Government has set up a committee to look into these hurdles;
- (c) if so, the details thereof; and
- (d) the time by which the said Committee will submit its report?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) No sir, taxation structure and other fiscal issues do not pose hurdle for gems and jewellery trade.
- (b) & (c). However, Government had set up an Expert Body on 31st March, 2006, to look into the potential of the gems and jewellery sector and the prevalent taxation practices in India and abroad, and make suitable recommendations to enable India to be a hub for this sector.
- (d) The committee is expected to submit its report by 30th September, 2006.