

GJEPC's Vigilant Campaign Aids Unearthing Of ₹3,000cr Import Scam

The Gem & Jewellery Export Promotion Council (GJEPC) thanked the Government of India and Directorate of Revenue Intelligence (DRI) for the thorough investigations which exposed the ₹3,000 crore diamond import scam.

The GJEPC said it has engaged in a sustained campaign in exposing such malpractices during the past few months. GJEPC's managing committee thanked its members who acted as whistle-blowers and information providers in unearthing the huge fraud.

The Council noted that as the apex organisation entrusted with the welfare of 6,000-plus members and more than 5 million livelihoods that are dependent on this industry, it has on several occasions sensitised the government about irregularities.

"It is unfortunate that a group of people who are not members of the GJEPC have used gem and jewellery products as a conduit



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for money laundering and malpractices. The Custom House Agents and a large part of Valuers were not recommended or referred to by GJEPC as part of trade valuation panel at the Customs," the Council said.

"We have sensitised the Government on large overvaluation of several imports from Hong Kong,

along with proof of such overvaluations. In fact, persons from the trade acted as whistle-blowers in uncovering the malpractice. Moreover, all the companies indulging in this malpractice were not members of the Council. We possess documentary evidence of our efforts and support provided to government agencies," it added. ■

Banking Finance To Gems & Jewellery Declines 10%: GJEPC

The Gem & Jewellery Export Promotion Council (GJEPC) said there has been at least a 10% decline in bank finance to the gem and jewellery sector, which is going to adversely impact exports out of the country. This also implies that gem and jewellery exports for the fiscal year 2018-19 will see a drastic drop of 10% as well, according to the GJEPC.

Post the recent scam, banks and other financial institutions have become stringent and are insisting on a much higher collateral security

against bank finance. Data released by the GJEPC indicates that exports of gems and jewellery from India declined by 8.84% to \$10.1 billion during April to June 2018, compared to \$11.1 billion in the same period last year.

In the recent past, the Council has undertaken initiatives such as MyKYC Bank and also released a White Paper to mitigate financing risks and boost transparency in the credit mechanism playing a critical role in the trade.

GJEPC chairman Pramod Agrawal

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said, “The Council is taking all efforts to self-regulate and instil confidence among key stakeholders through a slew of reforms. However, the industry is witnessing a crisis of sorts as the banks have curtailed lending to the traders and are demanding collateral security and extensive documentation. In such a scenario, the \$41 billion gem and jewellery export industry will see a gradual decline in the fiscal year

2018-19. We are hoping that the government will intervene and bring some relief to the ailing industry that contributes 7% to the GDP. It is time to bring back the interest subvention scheme to help in ease of doing business.”

Colin Shah, vice chairman, GJEPC, added, “Bank finance is the lifeline of the industry and any decrease would see a decrease in gem and jewellery exports as

well. After all the efforts to make sure genuine players continue to get the finance, banks are insisting for discounting that all customer invoices should be through the bank, which is seriously hampering relationships with customers as well as cash flow on a daily basis. Banks have also taken away all benefits on assessment fees due to which cost of finance has gone up.” ■

Suresh Prabhu Inaugurates Skill-building Programme In Sindhudurg

Suresh Prabhu, the minister of commerce & industry and civil aviation, inaugurated a skill-building training programme for the gem and jewellery sector in Sindhudurg that was organised by the Gem & Jewellery Export Promotion Council (GJEPC).

Speaking at the event, Prabhu said, “This is a golden opportunity for the gem and jewellery workers in Sindhudurg. The training programme is not just for people already working in this sector, but for anyone interested in being trained under this programme. Currently, artisans and traders lack the training they require to play an important role in the world gem and jewellery market. This advanced training facility could fill this gap.”

Pramod Agrawal, chairman, GJEPC, expressed his gratitude towards the minister for his commitment to the gem and jewellery sector: “One of the initiatives under Sureshji’s leadership is the signing of an MoU with the Maharashtra Government for setting up India’s largest Jewellery Park in Mumbai. It is estimated that there would be a ₹13,000 crore investment in this project and it will help generate 1 lakh new jobs in the sector.

“Aligned with Prime Minister’s



vision, GJEPC has undertaken this skill-building initiative to nurture skill development across the nation. The drive will provide enhanced learning across various centres in India, especially the interiors of Maharashtra, through the Indian Institute of Gems & Jewellery (IIGJ),” Agrawal said. The skill-building training programme in Sindhudurg is supported by IIGJ Delhi.

Regions like Ratnagiri and Sindhudurg are famous for making jewellery, especially tribal and imitation jewellery. “By enhancing these skills through training and giving better manufacturing facilities, both the regions can contribute significantly towards exports of gems and jewellery,” Agrawal added.

The GJEPC has plans to set up Common Facility Centres (CFCs) in 13 identified gem and jewellery clusters in India. The Council has already set up CFCs at Amreli, Visnagar and Palanpur in Gujarat. “We are in the process of setting up a CFC in Sindhudurg for which we are doing a capacity building programme among local traders,” he noted.

The GJEPC has identified 5,000 women from the Sindhudurg region for training in imitation and tribal jewellery making. Such training programmes would be a step towards empowering the women in this region, Agrawal said. ■