

ALL INDIA GEMS & JEWELLERY TRADE FEDERATION

PROMOTING • PROTECTING • PROGRESSING

Plot No. A-56, Road No. 1, 5th Floor, P & S Corporate House, Behind Tunga International, Marol, MIDC, Andheri (E), Mumbai - 400 093, India.
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NOTIFICATIONS AND CIRCULARS ISSUED BY GOVT ON EXCISE

Date: 28th JULY 2016

Members of the Gems & Jewellery industry,

A brief summary of the key issues discussed and the resolutions accepted by the HLC were sent to the Finance Minister for approval. All the recommendations had been unanimously accepted by the government and due circulars and notifications issued by the government are mentioned below for the benefit of all Gems & Jewellery industry members. The government has issued the notifications dated 26th July 2016.

This note has been prepared in coordination, with the best understanding and approval by the GJF Legal Committee and are only for the purpose of guidance and knowledge of the industry.

Definitions of Job work, Job worker & Principal Manufacturer:

Notification no 34/2016

“job work” means processing or working upon of raw materials or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of articles of jewellery or parts of articles of jewellery or both falling under heading 7113 of the First Schedule to the Central Excise Tariff Act;

Notification no 34/2016

“job worker” means a person engaged in manufacture or processing on behalf of a principal manufacturer, from any inputs or goods supplied by the principal manufacturer, so as to complete a part or whole of the process resulting ultimately in manufacture of articles.

(NO EXCISE DUTY IS APPLICABLE ON JOB WORKERS (KARIGARS) FOR ANY AMOUNT OF MANUFACTURING DONE AS LONG AS NO SALES TAKES PLACE BY HIM OR HIS COMPANY EXCEEDING THRESHOLD LIMIT)

Notification no 34/2016

“principal manufacturer” means every person (not being an export-oriented unit or a unit located in a Special Economic Zone or any person who gives his pre-owned gold or any precious metal, ornaments or jewellery for the purpose of being re-made or re-conditioned or gives precious stones for the purpose of being mounted) who gets articles, produced or manufactured on his behalf, on job-work basis and causes the sale of the articles for the first time.

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1. ED will be payable only on 1st point of sales of the manufactured jewellery.

Excise duty is generally levied on point of clearance of manufacturing ie. factory but for articles of jewellery Govt. has permitted excise duty point of 1st sales.

This means when jewellery is manufactured by JW and returned to PM and when PM sells the jewellery it will be considered the 1st point of sales.

There is no excise payable on traded jewellery ie. Jewellery purchased from dealers with Vat invoice.

Excise duty has to be paid on the final invoice value+excise+vat = total amount

Notification no 33/2016

Table S. No.	Description of excisable goods	Tariff value
(1)	(2)	(3)
1.	Articles of jewellery or parts of articles of jewellery or both, (other than those which are manufactured from the precious metal provided by the retail customer).	Value at which such excisable goods are sold for the first time from the registered premises or from the centrally registered premises, or branches of such centrally registered premises (hereinafter referred to as the "first sale value") by the manufacturer or principal manufacturer, as the case may be.
2.	Articles of jewellery or parts of articles of jewellery or both which are manufactured from the precious metal provided by the retail customer.	Value which is sum of the,- (a) cost of additional materials used by the manufacturer or principal manufacturer, as the case may be, for making such articles of jewellery;

Circular no 1043/31/2016

For a jeweller [above the SSI excise duty exemption limit]:

(a) in case his first sale invoices show excise duty separately, the same will have to be paid to the Government; and

(b) in case his sale invoices do not show separately the excise duty, the value for VAT will be treated as cum excise duty value [that is value for excise duty plus excise duty] and duty payable will have to be determined accordingly.

iii. No excise duty will be payable on the sale of traded articles of jewellery [on which appropriate excise duty, including nil duty, has already been paid].

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2. SSI EXEMPTIONS LIMIT increased to 10 CRS / 15 CRS (THRESHOLD LIMIT)

The SSI exemption is Rs. 10 crore while the eligibility limit is Rs. 15 crore for jewellery sector. The Threshold will be determined by total turnover - traded turnover - export turnover- job work turnover = eligible turnover

A For those who register in March 2016, you are required to register for payment of ED if the turnover of manufactured jewellery crosses eligibility limit of 15 CRS for 2014/15 you will get exemption of 85 lakhs in Mar 2016.

You will also need to register if your turnover crosses exemption limit of 10 CRS for 2015/16.

B i. For those registering in 2016-17, the exemption is available for first clearance up to Rs. 10 crore provided total clearances in 2015-16, did not exceed Rs. 15 crore.

ii. If your turnover exceeds 15 crore in 2015-16 you do not receive any 10 crs exemption.

iii. For those who remain under 15 crs, clearances in excess of Rs. 10 crore will be liable to pay excise duty but the exemption already availed of will not be disturbed.

You will also need to register if your turnover is expected to cross exemption limit of 6 Crs for 2016/17 or you may opt to register once you cross 90% of 10 crs limit.

If your turnover continues to stay under 10 crores in 2015-16 you do not need to register. A declaration needs to be filed with ED if the t/o crosses 9 crs.

If your turnover continues to stay between 10 crs & 15 crs you will need to register but you will receive exemption of 10 crs. All sales crossing 10 crs will be entitled to 1% ED.

If your turnover once exceeds 15 crs then you will need to register, you will now not receive any SSI exemption of 10 crs and you will need to pay ED on all sales amount.

If sales of your manufactured jewellery is below SSI exemption limit there is no Excise duty.

In case your company qualifies to register but you does not intend to continue manufacturing activity you may file nil returns and write to ED for termination of your registration.

Notification no: No. 28/2016 – Central Excise

(1)	(2)	(3)
"3	First clearances of the articles of jewellery or parts of articles of jewellery or both for home consumption, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule upto an aggregate value not exceeding ten crore rupees made on or after the 1st day of April in any financial year, from the whole of the duty of excise specified thereon in the First Schedule : Provided that during the period starting from 1st March, 2016 and ending on 31st March, 2016, the exemption shall apply to the first clearances of the articles of jewellery or parts of articles of jewellery or both for home	Nil

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	consumption, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule, up to an aggregate value not exceeding eighty five lakh rupees.	
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(b) in paragraph 2,-

(i) in sub-paragraph (iii), for the proviso, the following shall be substituted, namely:-

“Provided that the manufacturer of the articles of jewellery or parts of articles of jewellery or both other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule shall not avail the credit of duty on inputs under rule 3 or rule 11 of the said rules, paid on inputs used in the manufacture of these goods cleared for home consumption, the aggregate value of first clearances of which, as calculated in the manner specified in the said Table does not exceed ten crore rupees :

Provided further that nothing contained in this sub-paragraph shall apply to the inputs used in the manufacture of specified goods bearing the brand name or trade name of another person, which are ineligible for the grant of this exemption in terms of paragraph 4;”;

(ii) in sub-paragraph (iv), for the proviso, the following shall be substituted, namely:-

“Provided that the manufacturer of the articles of jewellery or parts of articles of jewellery or both other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule also does not utilise the credit on capital goods under rule 3 or rule 11 of the said rules, paid on capital goods, for payment of duty, if any, on the aforesaid clearances, the aggregate value of first clearances of which does not exceed ten crore rupees, as calculated in the manner specified in the said Table;”;

(iii) in sub-paragraph (vii), for the proviso, the following shall be substituted, namely:-

“Provided that aggregate value of clearances of all excisable goods for home consumption by a manufacturer of the articles of jewellery or parts of articles of jewellery or both other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule, from one or more factory or premises of production or manufacture, or from a factory or premise of production or manufacture by one or more manufacturers, does not exceed rupees fifteen crore in the preceding financial year;”;

(c) in paragraph 3, for the words beginning with “For the purposes of determining”, and ending with “taken into account, namely :-”, the following shall be substituted, namely:-

“For the purposes of determining the first clearances upto an aggregate value not exceeding one hundred and fifty lakh rupees made against serial number 1 or upto an aggregate value not exceeding ten crore rupees made against serial number 3, of the said Table, as the case may be, on or after the 1st day of April in any financial year, the following clearances shall not be taken into account, namely:-”.

3. Status of stocks as on 29 Feb 2016.

A. Stocks lying with your manufacturers on 29 Feb 16 when received & sold will attract ED and will form part your opening balance of manufactured stock wef 1.3.16.

B. All stocks lying in your shops / lying on approval on 29.2.16 whether manufactured or traded will be considered as traded stocks.

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- C. So no excise payable from 1.3.16 on sales of such traded stocks.
 - D. Wef 1.3.16 need to maintain separate accounts like in VAT for manufactured n traded stock to be **maintained in weight** in books. (Not by way of pcs)
 - E. Self-assessment of taxable stocks on 29 Feb 2016 will be accepted & there will be no stock declaration required for excise duty payment of stocks as on 29 Feb 2016.
- Note:
- a. Buying from unregistered excise dealer will be considered as traded stocks.
 - b. Take confirmation from suppliers if they fall under threshold.
 - c. So excise will be required to be paid on sales.

Circular No. 1045/33/2016

- i. All jewellery manufactured and removed, on or before February 29, 2016, from the premises of the job workers or any other premises where such articles of jewellery were manufactured, and
 - (a) lying at different premises (including branches) of the principal manufacturer, or
 - (b) Sent on approval to potential customers, will not be liable to excise duty. Furthermore, no stock declaration is required to be filed by a jeweller for this purpose with the jurisdictional central excise authorities.
- ii. For the stock lying, as on February 29, 2016, with the job worker or any other premises where articles of jewellery were manufactured [including finished articles of jewellery as well as work in progress], the manufacturer or principal manufacturer, as the case may be, shall self-assess excise duty liability on such articles of jewellery or articles of jewellery manufactured out of such work in progress, received on and after 1st March, 2016, at the point of first sale of such articles of jewellery as per the Articles of Jewellery (Collection of Duty) Rules, 2016.

4. Floor plan for registration

No need to submit ground plan for single or multiple premises with online registration available @ aces.gov.in. Can register for head office and avoid all branch registrations for large chain stores / offices

5. Multiple companies in one premises

Multiple companies with separate Vat registrations can operate from 1 premise but then manufacturing turnover of all such Cos will be merged to determine eligibility & exemption of ED 10 / 15 CR limit.

Circular no 1040/28/2016

Multiple manufacturers or principal manufacturers, operating from the same premises and individually registered under State VAT on or before February 29, 2016, may be allowed separate central excise registrations. However, in such cases the value of clearances of all such manufacturers or principal manufacturers shall be clubbed together for determining the eligibility/exemption limits for the purposes of the small scale industries [SSI] excise duty exemption. Thus, if the clubbed together aggregate value of clearances of all such manufacturers or principal manufacturers during the preceding year is more than Rs. 15 crore then none of such manufacturers or principal manufacturers will be eligible for SSI exemption. Similarly, as and when the clubbed together aggregate value of clearances of such manufacturers or principal manufacturers in a financial year crosses Rs. 10 crore, all such manufacturers or principal manufacturers will be liable to pay excise duty on their clearances thereafter.

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6. Trading & Manufacturing activity

Trading & Manufacturing activity can be transacted from same premise.

Circular no 1043/31/2016

A manufacturer or principal manufacturer of articles of jewellery may also do trading of articles of jewellery from his central excise registered premises.

7. Valuation:

Valuation in excise is generally an issue as it based on clearance from factory but for G&J industry Valuation of goods will be considered at the point of 1st Sale and final invoice value will be accepted for ED payment.

(THIS IS MENTIONED IN THE NOTIFICATION AT VARIOUS PLACES)

8. Process of invoicing & Options on invoicing: not complete

A jeweller can follow 2 ways of invoicing. Excise Duty can be shown in tax invoice separately or not shown separately (incl. as price cum duty as final amount)

Notification no 34/2016

8. Articles to be removed on invoice. - (1) No excisable articles shall be sold for the first time by the assessee from his registered premises or the centrally registered premises or branches of such centrally registered premises, except under an invoice (hereinafter referred to as the "first sale invoice").

(2) First sale invoice shall be duly signed by the assessee or his authorised agent and shall be serially numbered. Such an invoice shall also contain the registration number, name of the consignee, description of articles, classification and date of removal by sale.

(3) First sale invoice shall show value of manufactured and traded articles separately so as to arrive at the excise duty payable on the manufactured articles.

(4) The invoice shall be prepared in duplicate and in the following manner, namely:-

(i) the original copy being marked as ORIGINAL FOR BUYER;

(ii) the duplicate copy being marked as DUPLICATE FOR ASSESSEE;

(5) The rules relating to digitally signed invoice under the Central Excise Rules, 2002 shall *mutatis mutandis* apply in relation to the digitally signed invoice under these rules.

9. Record Keeping & documentation

Every assessee shall maintain separate records for receipt and sale of manufactured and traded articles, indicating the particulars regarding description of the manufactured articles, on a daily basis. This must include all records of receipts and issues to job workers in weight basis shall be preserved for a period of five years. The record keeping can be based on the State Vat records / private records showing details of inputs, stocks, manufactured goods, sold/exported goods, etc., as per the scheme opted by the jewellery manufacturer, may suffice for all central excise purposes.

Circular no. 1043/21/2016

Records maintained for State VAT and other private records, showing details of inputs, stocks, manufactured goods, sold/exported goods, etc., as per the scheme opted by the jewellery

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manufacturer [Refer rule 12 of the Articles of Jewellery (Collection of Duty) Rules, 2016], will suffice for central excise purposes also.

Notification no 34/2016

(1) Every assessee shall maintain separate records for receipt and sale of manufactured and traded articles, indicating the particulars regarding description of the manufactured articles, on a daily basis.

(2) All records and documents maintained by the assessee for manufactured articles, including records showing receipts of articles manufactured or received back from job worker's premises, quantity of manufactured articles sold for the first time from the registered premises or centrally registered premises or branches of such centrally registered premises for home consumption, quantity of manufactured articles sold for the first time from the registered premises or centrally registered premises or branches of such centrally registered premises for exports or any other records and documents, shall be preserved for a period of five years immediately after the financial year to which such records pertain.

(3) All records and documents maintained by the assessee for traded articles, including records showing value of their traded stocks at the time of purchase or any other records and documents, shall be preserved for a period of five years immediately after the financial year to which such records pertain.

(4) All records of manufactured and traded articles maintained by the assessee under this rule shall be maintained on weight and caratage basis.

(5) The assessee at his own option may preserve records under this rule in electronic form with every page of the record so preserved authenticated by means of a digital signature.

10. ED payment & Filing returns:

i) Returns have to be filed online filing on a quarterly basis but payment of ED to be made on a monthly basis. Returns will have to be filed for Mar, Apr, May, June, July 2016 by the 6th of Aug 2016, if the duty is paid electronically through internet banking or by the 5th day of the following month, in any other case: . The return ER-8 format may be suitably modified for the jewellery industry, to provide for aggregate of first sale value & in weight/carat. Revised return for March 2016, and April to June 2016 will have to be filed in separate quarterly returns. Also, a column for input services tax credit availed may be inserted in this format. When for all other commodities, it may not be possible to carve out an exception for the jewellery industry.

Notification no 34/2016

Manner of payment. — (1) The duty on the articles sold for the first time by the manufacturer or principal manufacturer, as the case may be, from his registered premises or centrally registered premises or branches of such centrally registered premises, during a month, shall be paid by the 6th day of the following month, if the duty is paid electronically through internet banking or by the 5th day of the following month, in any other case:

Provided that in case of articles sold for the first time by the manufacturer or principal manufacturer, as the case may be, during the month of March, the duty shall be paid by the 31st day of March:

Provided further that where an assessee is eligible to avail of the exemption under a notification based on the value of goods sold for the first time in a financial year, the duty on articles sold for the

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first time during a quarter of the financial year shall be paid by the 6th day of the month following that quarter, if the duty is paid electronically through internet banking and in any other case, by the 5th day of the month following that quarter, except in case of articles sold for the first time during the last quarter, starting from the 1st day of January and ending on the 31st day of March, for which the duty shall be paid by the 31st day of March.

Explanation-1. - For the removal of doubts, it is hereby clarified that, an assessee, engaged in the manufacture or production of the articles shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees fifteen crore.

Explanation-2. - The manner of payment as specified in this proviso shall be available to the assessee for the whole of the financial year.

Explanation-3. - For the purposes of this rule,-

(a) the duty liability shall be deemed to have been discharged only if the amount payable is credited to the account of the Central Government by the specified date;

(b) if the assessee deposits the duty by cheque, the date of presentation of the cheque in the bank designated by the Central Board of Excise and Customs for this purpose shall be deemed to be the date on which the duty has been paid subject to realization of that cheque.

(2) Notwithstanding anything contained in sub-rule (1), the duty on the articles sold for the first time from his registered premises or centrally registered premises or branches of such centrally registered premises in the months of March, April, May and June of 2016, by an assessee shall be paid by the 31st of July, 2016.

Explanation. - For removal of doubts, it is hereby clarified that the duty liability shall be deemed to have been discharged only if the amount payable is credited to the account of the Central Government by the specified date.

(3) Every assessee shall electronically pay duty through internet banking :

Provided that for reasons to be conveyed in writing to the Assistant Commissioner or the Deputy Commissioner of Central Excise having jurisdiction, an assessee may make payment of duty by any mode other than internet banking.

(4) If the assessee fails to pay the amount of duty by due date, he shall be liable to pay the outstanding amount along with interest at the rate specified by the Central Government *vide* notification under section 11AA of the Act on the outstanding amount, for the period starting with the first day after due date till the date of actual payment of the outstanding amount.

(5) If the assessee fails to pay the duty declared as payable by him in the return within a period of one month from the due date, then the assessee is liable to pay the penalty at the rate of one per cent. on such amount of the duty not paid, for each month or part thereof calculated from the due date, for the period during which such failure continues.

Explanation. - For the purposes of this sub-rule, 'month' means the period between two consecutive due dates for payment of duty specified under sub-rule (1) or the first proviso to sub-rule (1), as the case may be.

(6) The provisions of section 11 of the Act shall be applicable for recovery of the duty as assessed under rule 5 and mentioned in the return filed under the Central Excise Rules, 2002, the interest under sub-rule (4) and penalty under sub-rule (5) in the same manner as they are applicable for recovery of any duty or other sums payable to the Central Government.

Explanation. - For the purposes of this rule, the expressions 'duty' or 'duty of excise' shall also include the amount payable in terms of the CENVAT Credit Rules, 2004.

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11. Movement of goods

In course of manufacturing / wholesale / retailing if goods require to be taken out of factory, office, shop for any reason a) to be shown as samples, b) branch transfers not involving sale, c) for display in exhibition, d) for hallmarking, and e) for approval before sale, may not be liable to excise duty.

There shall be free movement of goods permitted before 1st Sale has taken place as long as the jewellery is accompanied with supporting documents like repair voucher, issue voucher, approval voucher etc & along with proof of id of person carrying.

Notification no 34/2016

Removal of inputs or semi-finished articles or finished articles for certain purposes.-(1) A manufacturer or principal manufacturer, as the case may, may remove any inputs or semi-finished articles or finished articles for further processing, testing, repair, re-conditioning, hallmarking, display in exhibitions or for any other purpose including as samples, to some other premises, without payment of duty, if such removal does not involve sale, under a challan, issue voucher or any other document prepared by him for this purpose, duly signed by the manufacturer or principal manufacturer, as the case may be, or his authorised agent. Such challan or issue voucher or any other document shall contain the following details:-

(a) name and registration number of the manufacturer or principal manufacturer, as the case may be;

(b) description and quantity of articles;

(c) name of the person carrying the articles along with his signature and proof of identity; and

(d) date of removal.

(2) The manufacturer or the principal manufacturer shall account for the articles removed and returned in pursuance of sub-rule (1).

Circular no 1044/32/2016

No transit checks shall be carried out by the excise officials for checking movement of semi-finished or finished articles of jewellery.

12. Amendment of 12AA:

Section 12 AA to be suitably modified to accommodate valuation, conversion of old customer's jewellery, maintenance of stocks along with clear definition of job work, job worker, Principal Manufacturer.

- a) No additional compliance requirements are cast upon the principal manufacturer, intermediaries or the job worker, in addition to those already being maintained in terms of the existing VAT regime;
- b) All movements of inputs / semi-processed inputs or finished products (including for repairs, alteration etc.) are in terms of record keeping and documentation presently followed and no additional requirement is introduced;
- c) Movement of inputs are freely permitted between more than one job workers, based on currently followed documentary mechanism;
- d) The definition of principal manufacturer to be inserted in clear terms;

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Notification no. 35/2016

(C) in rule 12AA,-

(i) in the marginal heading, for the words “article of jewellery or other articles of precious metals”, the words “articles of precious metals falling under heading 7114 of the First Schedule to the Tariff Act.” shall be substituted;

(ii) for sub-rule (1), the following sub-rule shall be substituted, namely:-

“(1) Notwithstanding anything contained in these rules, every person (not being an export-oriented unit or a unit located in special economic zone) who gets articles of precious metals falling under heading 7114 of the First Schedule to the Tariff Act, produced or manufactured on his behalf, on job work basis, (hereinafter referred to as “the said person”) shall obtain registration, maintain accounts, pay duty leviable on such goods and comply with all the relevant provisions of these rules, as if he is an assessee.”

13. Customer’s jewellery received for remaking:

For conversion of retail customer’s old jewellery / gemstones for mounting or remaking into new jewellery ED will only be applicable on value addition. Proper records of receipt / issue vouchers / documentation need to be maintained.

Circular no 1040/28/2016

iv. Further, in respect of jewellery manufactured out of jewellery or precious stones supplied by the individual retail customer, only the value addition [sum of cost of additional material used and labour charges/making charges charged by the manufacturer or principal manufacturer] shall be taken into consideration for computation of such limits.

Notification 27/2016

G.S.R. (E). – In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts articles of jewellery manufactured,-

(i) from jewellery provided by a retail customer; or

(ii) by mounting of precious stones provided by a retail customer,

from so much of the excise duty leviable thereon, as is in excess of the duty of excise payable on a value which is sum of the cost of additional materials used by the manufacturer or principal manufacturer, as the case may be, for making such article of jewellery and labour charges charged by the manufacturer or principal manufacturer, as the case may be, from the retail customer.

2. For availing the exemption under this notification, the manufacturer or principal manufacturer, as the case may be, shall maintain a proper record containing the following details, namely:-

(i) name and address of the retail customer;

(ii) weight and purity of the jewellery, weight of precious stone provided by the retail customer;

(iii) receipt number and date;

(iv) issue voucher number and date of sending such jewellery or precious stones to a job worker or to the manufacturing premises of the jeweller himself; and

(v) value addition, including cost of additional materials and labour charges, charged by the jeweller, which shall also be mentioned separately in the invoice issued to the retail customer.

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Explanation.-1 - For the purposes of this notification, weight refers to weight in grams for precious metals; and in carats for precious stones.

Explanation.-2 - For the removal of doubts, it is hereby clarified that for the purposes of this notification, the expression “jewellery” shall not include precious metal in any form, other than jewellery provided by a retail customer for the manufacture of articles of jewellery to a manufacturer or principal manufacturer, as the case may be.

14. Customer’s gold received for remaking:

For Retail customer's who want to remake new jewellery from their gold (Bullion) this will attract ED on full market value of that day. Proper records of receipt / issue vouchers / documentation to be maintained.

(THERE IS NO NOTIFICATION FOR THIS AS IT IS PART OF LAW)

15. Repairs & alterations

Jewellery of customers, when received for repairs or alterations, must be accepted with proper receipts and records to be maintained. For Repairs & alterations made if they do not change the form or character it will be free from ED. In case there is addition of gold added then the value addition may attract ED.

Circular no 1043/31/2016

vi. Repairs and alterations, which do not change the identity, character and use of the goods and do not result in a new item, is not “manufacturing” and will not attract excise duty.

16. Sales return

Sales return of ED paid goods will be free of ED at the time of resale when such goods are transferred to the trading account provided no refund is claimed and proof of items can be proved by sales & purchase invoices.

Notification no 34/2016

11. Receipt of duty paid articles for certain processes. - (1) Where any articles on which duty had been paid at the time of their sale for the first time by the assessee from his registered premises or the centrally registered premises or branches of such centrally registered premises, are brought back as such, the assessee shall state the particulars of such receipt in his records as if they are traded articles and account for them in the trading stock account, provided no refund of excise duty is claimed.

17. ED on findings & parts of jewellery

Parts of jewellery (findings, screws, clasps etc) will also attract 1% duty instead of 12.5% as proposed.

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Notification no: 26/2016

(1)	(2)	(3)	(4)	(5)
"199	71 13	(I) Articles of jewellery (II) Parts of articles of jewellery (II) Articles of silver jewellery, other than those studded with diamond, ruby, emerald or sapphire Explanation. – For the purposes of this exemption,- An article of jewellery or part of article of jewellery or both, produced or manufactured from an alloy (including a sintered mixture and an inter-metallic compound) containing precious metal may be treated as an article of jewellery or part of article of jewellery or both of a precious metal, if any one precious metal constitutes as much as 2% by weight of the article of jewellery or part of article of jewellery or both (excluding the weight of the precious or semi-precious stones, mounted or set), in accordance to the following : (i) an article of jewellery or part of article of jewellery or both, containing 2% or more, by weight, of platinum is to be treated as an article of jewellery or part of article of jewellery or both, of platinum; (ii) an article of jewellery or part of article of jewellery or both, containing 2% or more, by weight, of gold but not platinum, or less than 2% by weight, of platinum, is to be treated as an article of jewellery or part of article of jewellery or both, of gold ; (iii) other articles of jewellery or parts of articles of jewellery or both, containing 2% or more, by weight, of silver are to be treated as articles of jewellery or parts of articles of jewellery or both, of silver.	1% 1% Nil	16 16 -";

18. Excise Duty on Silver jewellery

ED will be applicable only on silver jewellery studded with diamonds, ruby, emerald, sapphire and on branded articles & silverware.

ED will not be applicable to silverware, utensils, gift articles, furniture, and coins.

Given in the point 17 notification above

19. Excise Duty payment with optional scheme:

Those who are in a position to have complete segregation of manufacturing and trading stock physically would have no difficulty in paying excise duty on the manufacturing stock which will be reflected in the respective first sale invoices.

There is an optional scheme offered for ED payment.

For those who cannot maintain separate stock of traded n manufactured stocks separately can include ED in total amount & pay on price cum duty formula.

This will be considered as the **optional scheme** of ED payment.

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A principal manufacturer of jewellery will pay excise duty on her first sale value, by treating first sales during a month solely as sale of manufactured goods, if the quantity of such sales during the month is less than or equal to the opening stock of manufactured jewellery at the start of such month. Sales in excess of opening stock of manufactured goods, during a month will be deemed to be sale of traded goods on which no excise duty will be payable. If sales during a month are less than the opening stock of manufactured goods, then the balance stock of manufactured goods will be carried forward and as a result the opening stock of manufactured goods for the succeeding month will be sum total of such carried forward stock of manufactured goods and quantity of manufactured goods received during the preceding month.

- A. ED will be paid on 1st sales on FIFO basis to the extent of manufactured stock as stated by weight in the books every month.
 - B. In this scheme both traded & manufactured stocks may be clubbed together to derive at the quantity for ED taxation for the month.
 - C. The balance stocks if any could be carried forward towards the next month.
- Jewellers must adhere to any one option only and maintain continuously for 1 year. Jewellers can change the option next year with prior intimation to Excise Dept.

Notification no 34/2016

Optional scheme. -

(1) Notwithstanding anything contained in sub-rule (1) of rule (7) or sub-rule (3) of rule (8), the manufacturer or principal manufacturer, as the case may be, dealing in both manufactured and traded articles, may also pay excise duty on his first sale value, by treating his first sales during a month solely as sale of manufactured articles, if the quantity of such sales during the month is less than or equal to the opening stock of manufactured articles at the start of such month, at his own option, by giving a written declaration to the excise authorities having jurisdiction by the 28th day of February of the previous financial year:

Provided that for the financial year 2016-17, such written declaration may be given to the Assistant Commissioner or Deputy Commissioner of Central Excise, as the case may be, having jurisdiction, by the 31st day of July, 2016:

Provided further that for the period beginning from 1st March, 2016 to 31st March, 2016 such declaration may be given by the 31st day of July, 2016:

(2) An option given under sub-rule (1) shall be valid for whole of the financial year for which it is given by the manufacturer or the principal manufacturer, as case may be.

(3) For availing the optional scheme under sub-rule (1) a manufacturer or principal manufacturer, as the case may be, shall maintain,-

a) a record containing the stock details of manufactured articles and traded articles separately for silver studded articles; gold or platinum articles studded with diamonds; and other gold or platinum articles, on weight or caratage basis; and

b) a record of the value of such traded articles separately at their purchase prices.

(4) The opening stock, sales and closing stock of three types of articles, referred to in sub-rule (3), shall be calculated separately for assessing the excise duty payable during a month.

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(5) The sales in excess of opening stock of manufactured articles, during a month shall be deemed to be sale out of the opening stock of traded articles on which no excise duty shall be payable.

(6) If the sales during a month are in excess of the sum total of the opening stock of the manufactured articles and opening stock of traded articles, then such excess sales shall first be deemed to be that of manufactured articles received during that month and the balance, if any, shall be deemed to be that of traded articles received during the month

(7) If the sales during a month are less than the opening stock of manufactured articles, then the balance stock of manufactured articles shall be carried forward and the opening stock of manufactured articles for the succeeding month shall be the sum total of such carried forward stock of manufactured articles and quantity of manufactured articles received from the job worker's premises or manufactured, during the month.

The following illustrates the above rules (all figures in kg):

Illustration 1. - A manufacturer or a principal manufacturer:

has an opening stock as on 1st April	manufactured stock	traded stock
silver studded articles	60	20
gold or platinum articles studded with diamonds	30	20
other gold or platinum articles	20	20

sells during the month of April	total sales
silver studded articles	50
gold or platinum articles studded with diamonds	20
other gold or platinum articles	10

receives during the month of April	manufactured stock	traded stock
silver studded articles	60	10
gold or platinum articles studded with diamonds	30	30
other gold or platinum articles	20	40

As the sales during the month for the three types of articles are less than the opening stocks of such manufactured articles, the same shall be deemed to be that of manufactured articles only, as summarised below:

Quantity of articles deemed to be sold during the month of April	of manufactured articles	of traded articles
silver studded articles	50	0

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gold or platinum articles studded with diamonds	20	0
other gold or platinum articles	10	0

Total excise duty payable by such manufacturer or principal manufacturer for the month of April shall be the sum total of the excise duty payable on 50 kg of silver studded articles, 20 kg of gold or platinum articles studded with diamonds and 10 kg of other gold or platinum articles.

After deducting the sales during the month of April, the closing stocks of manufactured and traded articles as on 30th April, which shall also be the opening stock as on 1st May, of three types of articles, with the manufacturer or principal manufacturer shall be as under:

Closing stock as on 30th April / opening stock as on 1st May	manufactured stock	traded stock
silver studded articles	70	30
gold or platinum articles studded with diamonds	40	50
other gold or platinum articles	30	60

<i>Illustration 2.</i> - A manufacturer or a principal manufacturer: has an opening stock as on 1st April	manufactured stock	traded stock
<i>silver studded articles</i>	60	20
<i>gold or platinum articles studded with diamonds</i>	30	20
<i>other gold or platinum articles</i>	20	20

sells during the month of April	total sales
silver studded articles	70
gold or platinum articles studded with diamonds	40
other gold or platinum articles	30

receives during the month of April	manufactured stock	traded stock
silver studded articles	60	10
gold or platinum articles studded with diamonds	30	30
other gold or platinum articles	20	40

As the sales during the month for the three types of articles are more than the opening stocks of respective articles, the first sale equal to the opening stock of each type of articles shall be deemed to be that of manufactured articles of each type, as summarised below:

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Quantity of articles deemed to be sold during the month of April	of manufactured articles	of traded articles
silver studded articles	60	10
gold or platinum articles studded with diamonds	30	10
other gold or platinum articles	20	10

Total excise duty payable by such manufacturer or principal manufacturer for the month of April shall be the sum total of the excise duty payable on 60 kg of silver studded articles, 30 kg of gold or platinum articles studded with diamonds and 20 kg of other gold or platinum articles.

After deducting the sales during the month of April, the closing stocks of manufactured and traded articles as on 30th April, which shall also be the opening stock as on 1st May, of three types of articles, with the manufacturer or principal manufacturer shall be as under:

Closing stock as on 30th April / opening stock as on 1st May	manufactured stock	traded stock
silver studded articles	60	20
gold or platinum articles studded with diamonds	30	40
other gold or platinum articles	20	50

Illustration 3. - A manufacturer or a principal manufacturer:

has an opening stock of as on 1st April	manufactured stock	traded stock
silver studded articles	60	20
gold or platinum articles studded with diamonds	30	20
other gold or platinum articles	20	20

sells during the month of April	total sales
silver studded articles	70
gold or platinum articles studded with diamonds	60
other gold or platinum articles	30

receives during the month of April	manufactured stock	traded stock
silver studded articles	60	10
gold or platinum articles studded with diamonds	30	30
other gold or platinum articles	20	40

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In this case, the sales during the month for the three types of articles are more than the opening stocks of respective manufactured articles. Further, the sales of in respect of 'gold or platinum articles studded with diamonds' are even higher than the sum total of opening stocks of manufactured articles and traded articles.

That being so, the first sales equal to the opening stock of 'silver studded articles' and 'other gold or platinum articles' shall be deemed to be that of manufactured 'silver studded articles' and 'other gold or platinum articles' respectively.

However, in respect of 'gold or platinum articles studded with diamonds', the sales of 60 kg shall be first counted against that of opening stock of manufactured articles [that is 30 kg], thereafter against the opening stock of traded articles [that is 20 kg] and the balance [that is 10 kg] shall be counted towards the manufactured articles received during the month, as summarised below:

Quantity of articles deemed to be sold during the month of April	of manufactured articles	of traded articles
silver studded articles	60	10
gold or platinum articles studded with diamonds	40	20
other gold or platinum articles	20	10

Total excise duty payable by such manufacturer or principal manufacturer for the month of April shall be the sum total of the excise duty payable on 60 kg of silver studded articles, 40 kg of gold or platinum articles studded with diamonds and 20 kg of other gold or platinum articles.

After deducting the sales during the month of April, the closing stocks of manufactured and traded articles as on 30th April, which shall also be the opening stock as on 1st May, of three types of articles, with the manufacturer or principal manufacturer shall be as

Closing stock as on 30th April / opening stock as on 1st May	manufactured stock	traded stock
silver studded articles	60	20
gold or platinum articles studded with diamonds	20	30
other gold or platinum articles	20	50

Explanation-1. - For the purposes of this option, exports by a manufacturer or a principal manufacturer, as the case may be, shall be counted towards the sale of manufactured articles during the month.

Explanation-2. - For the removal of doubts, it is hereby clarified that in case of stock transfer between two branches of a manufacturer or a principal manufacturer with centralised registration, as the case may be, which do not involve sale, there shall be no liability to pay excise duty at the stage of stock transfer, provided such stock transferred manufactured articles or traded articles are added in corresponding stocks of manufactured articles or traded articles of the recipient branch.

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20. Maintenance of stocks:

Maintenance of stocks in books of accounts on with & purity basis for:

- a. Silver studded jewellery
- b. Gold & Platinum jewellery plain & studded with stones
- c. Gold & Platinum jewellery studded with precious gems & diamonds.

These stocks can be maintained in the books of accounts like as for Vat purposes under manufacturing account heads purity/product wise.

Notification no 34/2016

7. Daily stock account. - (1) Every assessee shall maintain separate records for receipt and sale of manufactured and traded articles, indicating the particulars regarding description of the manufactured articles, on a daily basis.

(2) All records and documents maintained by the assessee for manufactured articles, including records showing receipts of articles manufactured or received back from job worker's premises, quantity of manufactured articles sold for the first time from the registered premises or centrally registered premises or branches of such centrally registered premises for home consumption, quantity of manufactured articles sold for the first time from the registered premises or centrally registered premises or branches of such centrally registered premises for exports or any other records and documents, shall be preserved for a period of five years immediately after the financial year to which such records pertain.

(3) All records and documents maintained by the assessee for traded articles, including records showing value of their traded stocks at the time of purchase or any other records and documents, shall be preserved for a period of five years immediately after the financial year to which such records pertain.

(4) All records of manufactured and traded articles maintained by the assessee under this rule shall be maintained on weight and caratage basis.

(5) The assessee at his own option may preserve records under this rule in electronic form with every page of the record so preserved authenticated by means of a digital signature.

21 Excise Audit

Excise audit EA2000 will be applicable by way of desk audit only (at excise office only) with no physical stock verification to be done. No shop visits will be made by Excise dept. officers for Audit. No audit will be conducted for the first 2 years for below 1 CR tax payment.

a. Annual audit will be applicable for jewellers who have made ED payment of over 3 Crores in a year. (ie: Manufacturing Turnover of 300 crs)

b. Audit will be conducted once in 2 years for those jewellers who have made ED payment between 1-3 crore in a year.

c. Only 5% of units paying ED under 50 Lakhs will be audited. There shall be no repeat audit in the same period again.

Circular no 1041/29/2016

1. No excise Audit will be carried out for the first two years for manufacturers/principal manufacturers of articles of jewellery whose duty payment (cash plus credit) is less than Rs. 1 crore. However, after expiry of first two years period;

a. Manufacturers/principal manufacturers of articles of jewellery paying duty below Rs. 50 lakhs (cash plus credit), the proportion of units to be audited every year shall not

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exceed 5 per cent of total number of registered manufacturers/principal manufacturers of articles of jewellery, and selection of such assessee shall be done with the approval of Commissioner or an equivalent rank officer.

b. manufacturers/principal manufacturers of articles of jewellery whose duty payment (cash plus credit) is more than Rs. 50 lakhs and less than Rs. 1 crore may be audited once in every five years.

2. Manufacturers/principal manufacturers of articles of jewellery whose duty payment (cash plus credit) is more than Rs. 1 crore and less than Rs. 3 crore may be audited once in every two years.
3. Manufacturers/principal manufacturers of articles of jewellery whose duty payment (cash plus credit) is above Rs. 3 crore may be audited every year.
4. Excise audit of manufacturers/principal manufacturers of articles of jewellery will be desk audit that is audit done in the office of jurisdictional central excise audit commissionerate. Moreover, such audit will under no circumstances involve any physical verification of stocks in the premises.
5. Any show cause notice to be issued pursuant to such excise audit, irrespective of the quantum of duty demanded, shall be issued and adjudicated by an officer of the rank of Commissioner.
6. Except as herein provided, all existing circulars/instructions relating to central excise audit may also apply *mutatis mutandis* to the manufacturers/principal manufacturers of articles of jewellery or parts of articles of jewellery, as the case may be.

22. Search & Seizure

Search & Seizure to be conducted only when there is clear reason to believe there is an act of evasion, for a jeweller for tax collected but not paid to ED

In case there is a need of seizure then Stocks to be released by Supratnama instantly. (The seizure can only be to the extent of the tax payable. This will maintain legality and will not stop any business activities of any jeweller. No search & seizure may be resorted to in cases where the expected evasion of excise duty is less than Rs. 75 lakh.

Circular no 1044/32/2016

i. No transit checks shall be carried out by the excise officials for checking movement of semi-finished or finished articles of jewellery.

ii. Visits, search of the premises of a manufacturer or principal manufacturer of articles of jewellery, issue of summons, seizure, arrest and prosecution may be initiated only when there is a clear reason to believe that there is an act of evasion, formed at the level of Commissioner or an equivalent rank officer.

iii. Visits, search of the premises of a manufacturer or principal manufacturer of articles of jewellery, issue of summons, seizure, arrest and prosecution shall not be undertaken for,-

a) issues relating to procedure or compliance related matters;

b) issues related to documents such as invoices, registers; or

c) issues related to pure matters of legal interpretation.

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iv. Instances where visits, search of the premises of a manufacturer or principal manufacturer of articles of jewellery, issue of summons, seizure, arrest and prosecution may be undertaken,-

a) where excise duty is collected but not deposited with the Government; or

b) where there is information to the satisfaction of an officer of the level of Commissioner or equivalent that there has been a substantial evasion of duty.

v. Even if such actions are to be taken, the administration must ensure that it does not result in an unjustified targeting of certain persons. The administration must also ensure that visit or search, when justifiably taken, must not be taken against karigars/artisans and must be taken only in respect of a manufacturer or a principal manufacturer, and should not result in any disruption of business at the place of business or place of residence of such manufacturer or principal manufacturer.

vi. Summons in respect of evasion of excise duty on articles of jewellery may be issued only with the approval Commissioner or an equivalent rank officer.

vii. No visit to the premises of manufacturer of principal manufacturer shall be carried out except on the basis of specific intelligence and with the approval Commissioner or an equivalent rank officer.

viii. In case of seizure, the seized goods must be given back immediately to the manufacturer or principal manufacturer under supratnama. Further, provisional release of the seized goods shall be given within three working days from the date of request seeking provisional release. The amount of security sought for such provisional release should be equal to the duty payable on the seized goods and not their value.

ix. No visit, search and seizure may be resorted to in cases where the expected evasion of duty is less than Rs. 75 lakh. In such cases, the investigation of the case may be done under summons.

x. No arrest or prosecution for manufacturers or principal manufacturers of articles of jewellery shall be resorted to in cases where the duty evaded is less than Rs. 2 crore.

23. Summons, visits, arrest & prosecution

Summons, visits, arrest & prosecution to be conducted only when there is clear reason to believe there is an act of evasion, for a jeweller for tax collected but not paid to ED. Certain clear guidelines of instances in which such actions may, or, may not, be taken, must be formulated, such as where there is information to the satisfaction of an officer of a level of a Commissioner that there has been a substantial evasion of duty.

a. Summons to be issued by Superintendent with permission of Assistant Commissioner with sound reasons only.

b. Senior management, CEO, CFO, GM not to summoned at 1st instance.

c. Jewellers can be summoned by approval of Commissioner only.

d. Visit by officers only permitted on basis of specific intelligence with Commissioner's approval.

e. No visits or search n seizure to be resorted unless expected duty evasion of lesser than 75 lacs.

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f. Arrest & prosecution can resorted only there is duty evasion of 2 crore (200 crore T/o).

g. Even if such actions are to be taken, the administrators must ensure that it does not result in an unjustified targeting of certain persons. The administration must also ensure such actions, when justifiably taken, must not be taken against karigars or others, and, must be taken only in respect of a principal manufacturer, and should not result in any disruption of business, or, actions at the place of business or place of residence of such principal manufacturer.

Instances in which aforesaid actions may not be taken:

- i. For issues relating to procedures or compliance related matters;
- ii. For issues related to documents such as invoices, registers, etc.;
- iii. For issues related to pure matters of legal interpretation.

Covered above (Circular no 1044/32/2016)

24. Dead or slow moving stocks:

When Cumulative sales at the end of return cycle are less than the cumulative receipts of manufactured articles the balance stocks lying in excess of manufacturing over sales by weight may be considered in every quarter as dead stocks and can be transferred to trading stocks account after re manufacturing.

Notification no 34/2016

13. Stock of slow moving jewellery ("dead stock"). – (1) An assessee maintaining separate stocks of manufactured and traded articles and showing the value of such manufactured and traded articles separately in his first sale invoice shall treat his dead stock as that of manufactured articles or traded articles depending upon whether such dead stock is part of his stock of manufactured articles or traded articles, as the case may be.

(2) For an assessee, who opts to pay the excise duty as per the optional scheme under rule (12), if at the end of a particular return cycle, the cumulative sales for three types of articles, namely 'silver studded articles; 'gold or platinum articles studded with diamonds' or 'other gold or platinum articles', as the case may be, on which duty has been paid or which have been exported till the end of that return cycle are more than or equal to the cumulative receipts of manufactured stock of such articles till the end of the return cycle, then the whole of the dead stock of such articles would be deemed to be that of traded articles, and new articles made out of such dead stock on its receipt back by the manufacturer or principal manufacturer, as the case may be, would form part of his traded stock of such articles.

(3) For an assessee who opts to pay the excise duty as per the optional scheme under rule (12), the cumulative sales of a particular type of articles on which duty has been paid or which have been exported till the end of a particular return cycle are less than the cumulative receipts till the end of that return cycle of such manufactured articles, then the dead stock of such articles at the end of such return cycle, equal to the difference between the cumulative receipts of manufactured stock and the cumulative sales till the end of such return cycle shall be deemed to be that of manufactured articles, and balance, if any, shall be considered as that of traded articles.

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Illustration. – Thus, two alternative situations can be considered in treatment of the dead stock at the end of the quarter:

Situation 1 – Cumulative sales at the end of return cycle are more than the cumulative receipts of manufactured articles:

i. Cumulative receipts of manufactured silver studded articles till the end of a quarter are 100 kg.

ii. Cumulative sales of manufactured silver studded articles till the end of the quarter are 110 kg (out of which on 100 kg the manufacturer or principal manufacturer, as the case may be, has paid excise duty or which have been exported).

iii. Then, whole of the dead stock silver studded articles at the end of such quarter shall be treated as that of traded stock and new articles made out of such dead stock on its receipt back would form part of traded stock.

Situation 2 – Cumulative sales at the end of return cycle are less than the cumulative receipts of manufactured articles:

i. Cumulative receipts of manufactured silver studded articles till the end of a quarter are 100 kg.

ii. Cumulative sales of manufactured silver studded articles till the end of the quarter are 90 kg (out of which on 90 kg the manufacturer or principal manufacturer, as the case may be, has paid excise duty or which have been exported).

iii. Then, 10 kg [100 kg – 90 kg] of dead stock of silver studded articles at the end of such quarter shall be treated as that of manufactured stock and new articles made out of such dead stock on its receipt back would form part of manufactured stock. Any dead stock of silver studded articles at the end of such quarter in excess of 10 kg shall be deemed to be that of traded stock.

25. Handicrafts and jewellery

The Government has issued the notification removing articles of jewellery from Handicraft by a notification dt 26 July 2016. The only possibility for claiming Handicraft exemption can be claimed for sales of handmade jewellery till 26 July 2016 only.

Notification no 29/2016

(1)	(2)
"1.	Handicrafts, other than the handicrafts falling under heading 7113 of the said Schedule to the said Act."

FOR EXPORTS:

Clarification on levy of excise exporters:

1. Exporter will export in same system as he was exporting pre budget. He will now have to give bank guarantee at 1% of excise duty on his jewellery to nominated agency / bank besides what he is currently giving for availing duty free gold. The same will be reversed on his completing export obligation.

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2. Exporters will not need to file ARE 1 form. However, he may have to incorporate certain information in his custom attested invoice, modalities of which will be informed in due course.
3. For exporter, who is doing 100% export, no need to register with Central Excise, provided he does not claim any service tax or excise input credit.
4. All other exporters will have to register if they are above the threshold limit as explained above.

Circular no 1042/30/2016

In this context, pending finalisation of the procedure for exports, in consultations with the Department of Commerce and trade and industry;

(1) There shall be no requirement for taking central excise registration by a manufacturer or principal manufacturer or a jeweller, who exports 100% of articles of jewellery manufactured by him or got manufactured by him on job work basis, subject to the following conditions that:

- a. The manufacturer or principal manufacturer or a jeweller, as the case may be, gives a bank guarantee for excise duty payable of articles of jewellery (over and above the bank guarantee for customs duty on gold and VAT purpose on articles of jewellery) with the nominated agency/authorised bank
- b. In case of default in fulfilment of his export obligation, the manufacturer or principal manufacturer or a jeweller, as the case may be, shall take central excise registration.
- c. Either the manufacturer or principal manufacturer or a jeweller, as the case may be, shall pay the excise duty on the articles of jewellery sold to the domestic buyers on first sale basis or the nominated agency/bank shall release bank guarantee equal to excise duty payable on the article of jewellery (provided the customs duty on gold content in the jewellery and VAT payable on such articles of jewellery has been paid by the manufacturer or principal manufacturer or a jeweller or bank guarantee equivalent to that has been release by the nominated agency/authorised bank and
- d. In case there are no sales to domestic tariff area for subsequent return cycles, such unit will file nil returns for such return cycles.

2. Exporters may continue to export articles of jewellery, as provided by the circular no. 1021/9/2016-CX dated 21.03.2016 on self-declaration and submission of Letter of Undertaking (LUT) to customs without the need to get such LUT ratified by the jurisdictional central excise authorities, till the detailed procedures in this regard are put in place.