

PRESS RELEASE

In this year's Budget, a nominal excise duty of 1% [without input tax credit] and 12.5% [with input tax credit] has been imposed on articles of jewellery with simplified procedures. Salient features of the simplified procedures for this levy have been explained vide press release issued by the Government on 4th of March, 2016.

2. In this connection, on 17th of March, 2016, a number of representatives of jewellery industry met Secretary (Revenue) and Chairman (Central Board of Excise & Customs) to discuss the concerns regarding imposition of this levy.

3. During the meeting, the aforesaid representatives *inter-alia* raised the following issues:

- a) Re-imposition of levy will bring back regime of erstwhile Gold control Act leading to harassment of Jewellers, especially artisans and small goldsmiths.
- b) This will also result in visits of Inspectors to the Jewellers thereby bringing back the days of Inspector Raj.
- c) Who has to take excise registration and file return?
- d) What documents are to be maintained for excise purposes?

4. The representatives of industry also requested for increase in exemption limit of Rs. 6 Crore in a year to Rs. 10 Crore, and urged for an early consideration of the same.

5. Regarding concerns relating to procedures and compliance to the levy, the representatives of industry were informed that all these issues have already been clarified vide Chairman's D.O. letter dated 3rd March, 2016 to field formations and the Press release dated 4th March, 2016, copies of which were also provided to them. Further, in the meeting, the following was clarified:

- a) In case of jewellery manufactured on job work basis, the liability to take registration, pay duty and to file return is on the principal manufacturer and not on the job worker.
- b) Further, exemption from excise duty up to the clearance limit of Rs. 6 Crore is available to a jewellery manufacturer if his aggregate value of domestic clearances is less than Rs. 12 Crore in the preceding financial year.
- c) Artisans and job-workers are not covered within the ambit of this duty and thus they are not required to take registration, pay duty, file returns and maintain any books of account.
- d) A jewellery manufacturer having turnover less than Rs. 12 Crore during the preceding financial year and less than Rs. 6 Crore in the current financial year is not required to take registration and file return.
- e) Application for excise registration as well as returns can be filled online [<https://www.aces.gov.in/>].
- f) Directions have been issued to the field formations to provide hassle free registration within two working days. There will be no post registration physical verification of the jeweller's premises.

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- g) There is no requirement of declaring pre-budget stocks. Directions have also been issued barring any visits to the jeweller's premises.
- h) Jeweller's private records or his records for State VAT or for Bureau of Indian Standards (in the case of hallmarked jewellery) would be accepted for all Central Excise purposes.

Useful links:

- 1) <http://www.cbec.gov.in/htdocs-cbec/ub1617/do-ltr-jstru1-revised.pdf>
 - 2) <http://pib.nic.in/newsite/mbErel.aspx?relid=137342>
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