

# EXCISE DUTY ON JEWELLERY

BY BUDGET, 2016-17

AJMERA & AJMERA

CHARTERED ACCOUNTANTS

Website:

[www.ajmeraandajmera.co.in](http://www.ajmeraandajmera.co.in)

E-mail:

[info@ajmeraandajmera.co.in](mailto:info@ajmeraandajmera.co.in)

FLASH NEWS



# INTRODUCTION

Notification no. 12/2012-CE allowed the exemption to all types of jewellery items falling under tariff heading 7113. This notification has been amended vide notification no. 12/2016-CE dated 1.3.2016 and now excise duty @ 1% is leviable on articles of jewellery provided no Cenvat Credit is taken under provisions of Cenvat Credit Rules, 2004. However, exemption already available to articles of silver jewellery, other than those studded with diamond, ruby, emerald or sapphire is being continued.

# APPLICABILITY

Imposed on Articles of Jewellery [excluding articles of silver jewellery, other than those studded with diamonds, ruby, emerald or sapphire].

The effect being that all types of jewellery items except pure silver jewellery are now subject to excise duty @ 1% provided facility of Cenvat Credit is not availed.

# RATE OF EXCISE DUTY

**Basic Excise Duty  
(without Cenvat  
Credit)**

**1%**

**Basic Excise Duty  
(with Cenvat  
Credit)**

**12.5%**

# EXEMPTION

SSI threshold exemption for Articles of Jewellery [excluding articles of silver jewellery, other than those studded with diamonds, ruby, emerald or sapphire] is being increased to Rs. 6 crore in a year, with an eligibility limit of Rs. 12 crore in the preceding financial year. For the month of March, 2016, the proportionate SSI exemption for such articles of jewellery is being restricted to Rs. 50 lakh.

# CERTIFICATION

For SSI exemption CA certificate  
will be sufficient

CA certificate will be required for  
declaration of stock as on  
29.02.2016 .

CA certificate will be required to  
claim the Cenvat Credit

# IMPORTANT POINTS

- Jewellery produced on or before 29.02.2016 but lying in stock as on 29.02.2016 will attract excise duty at the time of clearance.
- The duty liability will be on the person who gets articles of jewellery made from the job worker, thus, all the excise formalities will have to be carried out by him rather than job worker.
- Full exemption from Central Excise duty will be available to duty-paid goods returned to the manufacturer during a financial year. This exemption will be allowed up to a limit of 10% of the value of clearances for home consumption made in the preceding financial year. However, some conditions shall have to be satisfied.

# REGISTRATION & DOCUMENTATION

- Registration will be granted within two working days from the date of application.
- Option of centralized excise registration for jewellery manufacturers with centralized billing or accounting system is also being given.
- Jewellery manufacturers will be eligible for a simplified return applicable for optional excise duty of 1%/2% without CENVAT credit.
- Documents maintained by the jewellery manufacturers for State VAT or Bureau of Indian Standards (in the case of hallmarked jewellery) shall be accepted for Excise purposes also.

## Contact us –

### Head Office:-

M/s. AJMERA & AJMERA  
Chartered Accountants  
B-01, Krupalu Kutir, Patel Wadi, SVP Road  
Opp. HDFC Bank, Chamunda Circle  
Borivali (w) Mumbai - 400092  
Tel.(o) 022-28957548 Cell +91  
9022897548/+91 9004496859

---

### Branch Offices :-

Delhi( NCR)  
M/s. AJMERA & AJMERA  
Chartered Accountants  
Address:- GF-  
1, Plot No. 202, Gyan Khand 1st  
Indrapuram, U.P.-201014

Bhilwara (Rajasthan)  
M/s. AJMERA & AJMERA  
Chartered Accountants  
C/O Mahavir Ji Ajmera, Near  
Doctor Nuwal,  
Gulabpura, Bhilwara,  
Rajasthan- 311021