

TO: ALL MEMBERS OF THE COUNCIL

Sub: Finance Bill 2012

Dear All,

The Council is extremely pleased to inform you all that the Government of India has announced the following important measures for Indian Gem & Jewellery Industry in the Finance Bill 2012 on 7th May, 2012 -

- (a) Withdrawal of levy of 1% Central Excise on both branded & unbranded jewellery with effect from March 17, 2012
- (b) Increase in the threshold limit for TCS on cash purchases of jewellery to Rs.5 lakh from the present Rs.2 lakh
- (c) Retention of threshold limit for TCS on cash purchase of bullion at Rs.2 lakh (the bullion will not include any coin or other article weighing 10 gms or less.)
- (d) Reduction in the quantity of gold ornaments from 10kg to 1 kg for NRI who are staying for six months
- (e) Reduction in the quantity of Silver ornaments from 100kg to 10 kg for NRI who are staying for six months.

Post announcement of Union Budget for the year 2012-13, the Council had been rigorously representing and following the matter with the Government of India and had numerous meetings for roll back of the announcement of 1% levy of central excise on unbranded jewelry and announcing the threshold limit for TCS on cash purchases of jewellery at Rs 2 lakhs. The Council had attended the special meeting held under the Chairmanship of Hon'ble Minister of Finance to address this burning issue and had strongly lobbied the government as well as ruling and opposition members of parliament to roll back the levy.

The Council was equally distressed as other stakeholders of the industry for such a harsh budget for the industry and had supported industry associations across the nation in their demand to roll back the announcement of excise on jewellery at Union Budget 2012.

We will soon upload the necessary notifications on our website for your reference.

Thanking you,
With best regards,

SABYASACHI RAY
EXECUTIVE DIRECTOR