Ref No. GJC/Circular/2013-14 00084

6th November, 2013

To

All Members of the Council

Dear All,

Greetings from The Gem and Jewellery Export Promotion Council!

In the last few weeks, there have been concerns amongst industry members about the undisclosed mixing of man-made diamonds with natural diamonds. These concerns have arisen as a consequence of media reports as well as a few instances of actual undisclosed mixing being detected. There have been two instances:

1. Towards the beginning of this month, a Council and NML duo had presented to the recent Indo-European Annual Conference held at New Delhi the following points about undisclosed mixing of man-made and natural diamonds:

   a. The experts had highlighted that man-made diamonds are being used to create the impression of a grade that is not feasible and the current technology for detecting man-made diamonds is not reliable. The experts had also pointed out that the mix could have serious implications for the buyer and the seller.

   b. The experts had recommended that a detailed study be undertaken to evaluate the extent of undisclosed mixing.

2. Insomuch as a large number of Indian and international jewellers are using man-made diamonds, an in-depth study of the issue and the extent of undisclosed mixing is imperative to ensure the industry's continued growth.

We urge all member to take immediate steps to address this issue and to ensure that their products are free of undisclosed mixing.

Yours sincerely,

[Signature]

[Name]

[Position]
Committee along with the various trade associations like GJEPC, BDB, GJF and MDMA in August 2013. The mandate of the NDMC is as follows:

- To protect the overall interests of the Natural Diamond industry
- To enhance consumer confidence by encouraging proper disclosure and preserve trust factor within the industry
- To ensure proper segregation of Natural Diamonds & Synthetic Diamonds
- To formulate policies in order to avoid any scenario of Synthetic diamonds being misrepresented & passed off as Natural Diamonds in course of the business transactions.

3. **Synthetics Diamonds Seminar**: The Council and BDB has been monitoring this carefully and you would recall that Council and BDB had conducted seminar on Synthetic diamonds in Surat (16th March, 2013) and Mumbai (4th October, 2013) to create awareness amongst the members.

4. **Experts have been appointed**: Further, to understand the landscape of man-made (synthetic or lab-grown) diamonds and the likely impact on the industry and potential solutions to deal with them, we have appointed experts - A. T. Kearney (Global Management Consulting Firm) and Bonas & Co (DTC Brokers), to assist us in the project of “Establishing the current status, prepare a framework/guideline for the industry members to trade in natural and Synthetic Diamonds”. A “Steering Committee” comprising of industry leaders is meeting regularly to drive the agenda of the NDMC forward and look after the completion of the aforesaid project. Based on the findings and recommendations (expected by February 2014) of the experts the Council along with the National and International Trade bodies and Government will formulate strategies to address the issues identified and formulate necessary guidelines.

5. **Man-made Diamonds Detection and Resource Centre**: Council and BDB has also decided to set up a Man-made Diamonds Quick Detection and Resource Centre at BDB within the next one month. This center will offer facilities of quick detection of man-made diamonds in addition to providing information about man-made diamonds, equipments for detection and training for operating the equipment. Depending on the response, we could plan to open more such centres (e.g. in Surat).
We will keep you updated regularly through bulletins and circulars as we get more information on the matter. Meanwhile you are requested to be vigilant and report to the Council if you notice or suspect on sale of undisclosed lab-grown/synthetic/man-made diamonds and do not pay heed to any rumours in the market which create more harm rather than taking the trade forward.

Thanking you,

With Best Regards,

SABYASACHI RAY
EXECUTIVE DIRECTOR

The Gem & Jewellery Export Promotion Council

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