TO: ALL MEMBERS OF THE COUNCIL

Sub: Revision of All Industry Rates for Duty Drawback on Gold and Silver Jewellery

Dear All,

We would like to inform all our members that the Government of India vide Notification No.84/2010 - Customs (N.T.) dated 17th September, 2010 has revised the All Industry Rates for Duty Drawback on Precious Metal Gold and Silver jewellery meant only for export purposes.

The new drawback rates for the same are as follows:

<table>
<thead>
<tr>
<th>ITC HS Code</th>
<th>Description of Goods</th>
<th>Unit</th>
<th>New Drawback Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>711301</td>
<td>Articles of jewellery and parts thereof, made of gold</td>
<td>Gms</td>
<td>Rs.30.90 per gram of net gold content (.995 or more purity) in the jewellery</td>
</tr>
<tr>
<td>711302</td>
<td>Articles of jewellery and parts thereof, made of silver</td>
<td>Kg</td>
<td>Rs. 1545/ per kg of net silver content (.999 purity) in the jewellery</td>
</tr>
</tbody>
</table>

The aforesaid Duty Drawback rates will be effective from 20.09.2010.

We would also like to inform you all that earlier, based on the Council’s continuous representations, the Government of India vide Notification No. 175/2009 –Customs (N.T.) dated 27th November 2009 had announced the All
Industry rates for Duty Drawback @ Rs 20.60 per gram of net gold content and Rs 1030 per kg of net silver in the jewellery.

Thereafter in the Union Budget for the year 2010-11 announced on 26th February 2010, the basic customs duty on Gold and Silver were increased from Rs 200/10 gm to Rs 300/10 gm and from Rs 1000/kg to Rs 1500/kg respectively.

As a result of the increase in the import duty on both Gold and Silver, the Council had once again approached the Drawback Committee in the Ministry of Finance and had made aggressive representations at all the levels of the Government of India. As a result of our continuous and sincere efforts, the duty drawback rates were revised for the gold and silver jewellery only for export purposes.

Further, the jewellery exporters in South India had been experiencing difficulty in availing the duty drawback as there were no trained Jewellery Appraiser/Superintendent at Custom Centre like Hyderabad, Coimbatore etc. and the Duty Drawback extended to post and courier parcels cleared through Customs also. Council had strongly taken up this case and we are pleased to inform that vide CBEC Circular No. 35/2010-Cus dated 17th September, 2010 the condition of gold and silver jewellery being examined by Custom Appraiser/Superintendent jewellery experts has been waived and now these goods may be examined by Appraiser/Superintendent. (jewellery experts) who have not been recruited as jewellery experts. copy of the said circular is attached for ready reference.

The members may download the aforesaid Customs Notification from our website www.gjepc.org.

Thanking you,

With best regards,

SABYASACHI RAY
EXECUTIVE DIRECTOR

GJEPC