

**TO: ALL MEMBERS OF THE COUNCIL****Sub: Highlights of Union Budget 2021-22**

Dear All,

This is to inform you all that Smt. Nirmala Sitharaman, Hon'ble Minister of Finance and Corporate Affairs today announced the Union Budget for the financial year 2021-22.

The measures announced for Indian Gem & Jewellery Sector are as follows:

1. Changes in Customs Duty raw materials and inputs used by Domestic Manufacturers for reducing cost of inputs and correction of inverted duty structure:

S.No	Specific Items	Rate of Duty	
		From	To
1	Gold & Silver	12.5%	7.5%*
2	Gold Dore Bar	11.85%	6.9%*
3	Silver Dore Bar	11%	6.1%*
4	Platinum & Pallidum	12.5%	10%
5	Gold & Silver Findings	20%	10%
6	Waste & Scrap of Precious Metals	12.5%	10%
7	Spent Catalyst or ash containing precious metals	11.85%	9.2%
8	Precious metal coins	12.5%	10%

\* To attract Agriculture Infrastructure and development Cess at the rate of 2.5%

For better clarification, you may refer the below chart for gold duty:-

**Illustrative: For Gold under heading 7108**

Pre-Union Budget 2021			Post-Union Budget 2021			Change
Nominal Import Value		100	Nominal Import Value		100	
BCD	12.5%	12.5	BCD	7.5%	7.5	
SWS	3%	0.375	AIDC	2.5%	2.5	
			SWS (excluding on AIDC)	10%	0.75	
<b>Total customs duties (excluding IGST)</b>		<b>12.875</b>	<b>Total customs duties (excluding IGST)</b>		<b>10.75</b>	<b>-2.13</b>
Total value for GST levy		112.875	Total value for GST levy		110.75	
IGST	3%	3.386	IGST	3%	3.323	
<b>Total Tax Incidence</b>		<b>16.261</b>	<b>Total Tax Incidence</b>		<b>14.073</b>	<b>-2.19</b>

2. Changes in basic customs duty for creating level playing field for the benefit of farmer, MSME and other domestic manufacturers (with effect from 02.02.2021)

S.No	Specific Items	Rate of Duty	
		From	To
1	Cut and Polished Zirconia	7.5%	15%
2	Synthetic Cut & Polished Stones	7.5%	15%

3. Clarification on Equalisation Levy: In order to provide certainty, it is being expressly clarified that transaction taxable under income tax are not liable for equalisation Levy. Further it is also proposed to clarify regarding applicability of equalization levy on physical/offline supply of goods and services.

❖ **However, Council will be seeking adequate clarification from the Govt. to understand whether the above is applicable for online rough diamond auctions by mining companies.**

4. In the budget 2018-19, Government had announced its intent to establish a system of regulated gold exchanges in the country. For the purpose, SEBI will be notified as the regulator and Warehousing Development and Regulatory Authority will be strengthened to set up a commodity market eco system arrangement including vaulting, assaying, logistics etc in addition to warehousing.

5. Revised the definition under the Companies Act, 2013 for Small Companies by increasing their thresholds for Paid up capital from "not exceeding `50 Lakh" to "not exceeding `2 Crore" and turnover from "not exceeding `2 Crore" to "not exceeding `20 Crore". This will benefit more than two lakh companies in easing their compliance requirements.

Thanking you,

With best regards,

Sd/-

**SABYASACHI RAY**  
**EXECUTIVE DIRECTOR**