

Q. REPLENISHMENT IMPREST LICENCES:**GENERAL EXEMPTION NO. 46****Exemption to consumables for manufacture of Gem & Jewellery or cut & polished diamonds to holders of Replenishment Licence -****[Notfn. No. 41/99-Cus. dt. 28.4.99 as amended by Notfn. Nos. 55/00,64/02 and 87/04 dt. 6.9.2004]**

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts the goods -

- (a) as specified in Annexure - I to this notification, -
- (i) upto one per cent. of the Free On Board (FOB) value of preceding financial year of the export of plain or studded Jewellery made of gold or platinum, when imported by the exporter of such gold jewellery or platinum jewellery;
 - (ii) upto two per cent. of the Free On Board (FOB) value of preceding financial year of the export of Jewellery made of silver imported by the exporter of such silver jewellery;
- (b) as specified in Annexure - II to this notification upto one per cent. of the Free On Board (FOB) value of preceding financial year of the export of cut and polished diamonds when imported by the manufacturer and exporter of such cut and polished diamonds,

when imported into India against the Replenishment Licences referred to in para 4.80 of Handbook of Procedures, Volume I, 1st September, 2004 - 31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry vide Public Notice No. 1/2004-09, dated the 31st August, 2004 as amended from time to time, from -

- (i) the whole of the duty of customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
- (ii) the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act:

Provided that goods imported under this notification are used for the manufacture of gold, silver or platinum jewellery or the cut and polished diamonds, as the case may be, for exports by the holders of the said Replenishment Licences.

ANNEXURE-I**Sl.No. Description of goods for exporters of Gems and Jewellery**

1. Special Industrial Adhesives or Gums
2. Master Alloys (used in gold jewellery for mixing in gold)
3. Gravar, files and rotary burs or files
4. Investment powder
5. Rhodium and plating salts

6. Waxes.
7. Enamels for Jewellery
8. Soldering Blocks/Plates Non Azebeztos
9. Tubes, Ceramic Plates, crucibles, lids, insulation for electric/electronic furnaces
10. Elements, induction coils, thermocouples for electric/electronic furnaces/casting machines
11. Solders, solder powders, solder pastes or precious and non-precious metal alloys
12. Dies, Jigs, tools for chain making, hammering, faceting, welding/brazing, M/c/presses.
13. Small tools, burrs, abrasives that operate on micro motors or hand held motors.
14. Molds for hydraulic/pneumatic press
15. Propriety Precious and Non-Precious salts, baths, brightners, replenishers, additives and compounds for electroplating.
16. All sorts and forms of media, compounds, chemical formulations proprietary/non proprietary for polishing burnishing, clearing jewellery.
17. Master alloys for making carat gold jewellery mainly constituting silver, copper, Zinc, Palladium and other adhesives in small quantity.
18. Master alloys for making silver jewellery
19. Master Alloys for making solders and Gold and Silver jewellery.
20. All kinds of rubbers for making molds -vulcanised, unvulcanised or semi-vulcanised
21. Silicon rubber/resin compounds for making molds
22. Fluxes, heat guard/shields compounds, pickles, salts for annealing salt baths.
23. Grinding wheels, buff wheels of all kinds for polishing
24. Anodes for electroplating, special platinised titanium
25. All forms of media and tools required for texturing jewellery.

ANNEXURE-II

Sl.No. Description of goods for exporters of cut and polished Diamonds

1. Special Industrial Adhesives
2. Gums and Solution
3. Synthetic Diamond Powders
4. Diamond Scaifes
5. Collets for E.G.S. Sticks
(5.5mm)BS/001/009
6. Dovetail HSS Grief for Top
7. Spare Box for bottom and Top Tang
8. Spare for all types of dops.
9. Collect Angles Flat 35 and 41
10. E.G.S. Bearing Small Gear
11. E.G.S. Bearing Big Front
12. E.G.S. Collect Cap
13. L.P. Claw
14. L.P. Tang (Stud and Screw)
15. L.P. Honder
16. Emery Carving Stick - G- 80
17. Wass Cover
18. Cement for Table Polishing
19. Anti Corrosion Liqued

20. Bauxilite Powder No. 80
21. Carbolin Liquid for Polishing
22. Tube lights only for gem testing lamp
23. Marking Pen
24. Sawing Blades
25. Steel Pots and Pins
26. Pots for Semi automatic Machine
27. Diamond Powder
28. Sawing Rubber Pads
29. Q-Switch
30. Yak Road and flow Tube
31. Laser Lamp and Flow Tube
32. Lens (46/58/77 mm)
33. Axis Screw
34. Guides with strips and bearing set
35. Mirror
36. Coated diamond (Board)";

2. The notification of the Government of India in the Ministry of Finance, Department of Revenue, No.79/96-Customs, dated the 8th October, 1996 (G.S.R. 456(E), dated the 8th October, 1996), is hereby rescinded.

GENERAL EXEMPTION NO. 47

Exemption to cut and polished diamonds and Gem Stones, as the case may be, when imported into India by the holders of Diamond Imprest Licences
[Notfn. No. 42/99-Cus., dt. 28.4.99 as amended by Notfn. Nos. 64/02 and 87/04 dt. 6.9.2004]

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government being satisfied that it is necessary in the public interest so to do, hereby exempts the **cut and polished diamonds and Gemstones** falling under Chapter 71 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) hereinafter referred to as the said Act, **upto five per cent of the Free on Board (FOB) value of the preceding financial year of the exports of cut and polished diamonds or studded Jewellery**, as the case may be, when imported into India by the holders of **Diamond Imprest Licences** issued under para 4.4.16 read with para 4.4.16. 1 of the Foreign Trade Policy, or by the **holders of Gem Replenishment Licences** referred to in para 4.58 of the HOP, as the case may be, from the **whole of the duty of customs** leviable thereon under the First Schedule to the said Act and from the **whole of the additional duty and special additional duty**, if any, leviable thereon under section 3 and section 3A respectively of the said Act, subject to the following conditions, namely:-

- (i) the importer, in case of cut and polished diamonds, shall have any status of Star Export House as categorized in para 3.5.2 of the Foreign Trade Policy and in respect of the goods imported, the importer is the actual user within the meaning of para 9.5 of the Foreign Trade Policy;
- (ii) the maximum weight of any individual piece, in a consignment, of cut and polished diamonds so imported shall not be more than 25 cents or 1/4th of a carat and the entitlement of exemption under this notification shall not be allowed to be carried forward;

(iii) the importer executes a bond in such form and for such sum as may be specified by the Assistant Commissioner of Customs undertaking -

- (a) to re-export the goods so imported within one year from the date of import or during such extended period as the Assistant Commissioner of Customs may allow;
- (b) to pay on demand duty of customs as leviable and the penalty and fine, if any, on the quantity of diamond and gemstones which are not exported, within the specified period of one year or extended period under (a) above, as the case may be.

Explanation.- for the purposes of this notification,-

(i) "Foreign Trade Policy" means the Foreign Trade Policy, 1st September, 2004-31st March, 2009 published by the Government of India in the Ministry of Commerce and Industry *vide* Notification No. 1/2004-09, dated the 31st August, 2004, as amended from time to time.

(ii) "Handbook of Procedures Volume-I" means the Handbook of Procedures Volume I published by the Government of India, in the Ministry of Commerce and Industry *vide* Public Notice No. 1/2004-09, dated the 31st August, 2004.

(iii) cut and polished diamonds shall include semi-processed diamonds, half-cut diamonds and broken diamonds in any form.