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GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

**Notification**  
**No. 27/2016 – Central Excise**

New Delhi, the 26<sup>th</sup> of July, 2016

G.S.R. (E). – In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts articles of jewellery manufactured,-

- (i) from jewellery provided by a retail customer; or
- (ii) by mounting of precious stones provided by a retail customer,

from so much of the excise duty leviable thereon, as is in excess of the duty of excise payable on a value which is sum of the cost of additional materials used by the manufacturer or principal manufacturer, as the case may be, for making such article of jewellery and labour charges charged by the manufacturer or principal manufacturer, as the case may be, from the retail customer.

2. For availing the exemption under this notification, the manufacturer or principal manufacturer, as the case may be, shall maintain a proper record containing the following details, namely:-

- (i) name and address of the retail customer;
- (ii) weight and purity of the jewellery, weight of precious stone provided by the retail customer;
- (iii) receipt number and date;
- (iv) issue voucher number and date of sending such jewellery or precious stones to a job worker or to the manufacturing premises of the jeweller himself; and
- (v) value addition, including cost of additional materials and labour charges, charged by the jeweller, which shall also be mentioned separately in the invoice issued to the retail customer.

**Explanation.-1** - For the purposes of this notification, weight refers to weight in grams for precious metals; and in carats for precious stones.

**Explanation.-2** - For the removal of doubts, it is hereby clarified that for the purposes of this notification, the expression “jewellery” shall not include precious metal in any form, other than jewellery provided by a retail customer for the manufacture of articles of jewellery to a manufacturer or principal manufacturer, as the case may be.

[F. No. 354/25/2016 –TRU (Pt.-I)]

(Anurag Sehgal)  
Under Secretary to the Government of India

