

3) Exemption to the articles of jewellery to the extent of value of materials supplied by the retail customer

Articles of jewellery manufactured from the jewellery provided by a retail customer or by mounting precious stones provided by the retail customer, shall be exempted from so much of the excise duty as to the extent of the value of the material supplied by the retail customer. In other words, only cost of additional materials used by the jewellery manufacturer and the labour charges shall be liable for excise duty.

However, the above said exemption is subject to the condition of maintenance of proper records containing the following details –

- Name and address of retail customer;;
- Weight and purity of the jewellery, weight of precious stone supplied by the retail customer;
- Receipt no. and date;
- Voucher No. and date of sending such jewellery or precious stones to the job worker or to the manufacturing premises;
- Value addition and the same need to be mentioned separately in the invoice issued to the customer.

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