Circular No.13/2006-Cus

29th March, 2006.

F. No.528/18/2004-Cus(TU)

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

Sub: Concessional duty on findings, mountings of gold - regarding.

I am directed to invite your attention to the Board"s circular No 40/2004-cus dated 4th June, 2004 and instructions issued in F.No.528/18/2004-Cus.TU dated 2.8.2005. Certain doubts have been expressed on the issue of extending concessional rate of duty on "findings" and "mountings" of gold/silver under notification No. 62/2004-Customs dated 12.5.2004.

2. The issue has been examined by the Board. Findings are small parts of jewellery, used for making it as complete item. Mountings are structures intended to support mounting of pieces of jewellery or studding. Notification No. 62/2004-Customs provides for concessional duty to all forms of gold/silver. The explanation to the notification specifically excludes only jewellery and foreign currency coins. Hence findings and mountings of gold or silver will continue to be eligible for concessional rate of import duty under serial No. 2 and 3 of the table to the notification, respectively.

3. In order to make it abundantly clear, it is clarified that instructions issued vide F.No.528/18/2004-Cus.TU dated 2.8.2005 was intended to alert the field formation to prevent any misuse of notification No. 62/2004-Customs by claiming concessional import duty on the import of complete gold/silver jewellery under the guise of mountings and findings.

4. In view of the above, it is hereby clarified by the Board that the findings and mountings of gold and silver are covered under the scope of serial no. 2 and 3 respectively, of the notification No. 62/04-customs dated 12.5.2004 and the concessional import duty may be extended to these items.

5. The above instructions may be brought to the notice of all concerned for effective implementation.