

CUSTOMS—CIRCULARS

Circular No. 52/2018-Customs

Date – 12.12.2018

Revised All Industry Rates of Duty Drawback

The Central Government has notified the revised All Industry Rates (AIRs) of Duty Drawback vide Notification No. 95/2018-Customs (N.T.) dated 6.12.2018 which has come into force on 19.12.2018.

The salient features of the revised AIRs are as follows –

- (i) As being done since 1.10.2017, the revised AIRs of Duty Drawback neutralize incidence of duties of Customs on inputs used and remnant Central Excise duty on specified petroleum products used in manufacture of export goods. Accordingly each tariff item in the Schedule annexed with above mentioned Notification has been provided with one AIR specified under column (4) with caps under column (5) in the Schedule. For claiming these AIRs, the relevant tariff item have to be suffixed with suffix 'B' e.g. for export of goods covered under tariff item (TI) 640609, the drawback serial no. should be declared as 640609B;
- (ii) The notification also specifies the alternative AIRs on garments exports made against the Special Advance Authorization (para 4.04A of Foreign Trade Policy 2015-20) in discharge of export obligations in terms of Notification No. 45/2016- Customs dated 13.08.2016. For claiming these alternative AIRs, the relevant tariff item has to be suffixed with suffix 'D' instead of the usual suffix 'B'.
- (iii) The AIR of Duty Drawback for items of marine products and seafood (Chapter 3, 15, 16, 23) including live fish (TI 0301), chemicals (Chapter 29), essential oils (Chapter 33) including synthetic perfumery compounds (TI 330201), bicycle/ cycle-rickshaw tyres and bicycles tubes (Chapter 40), finished and lining leather, leather articles and footwear (Chapter 41, 42 and 64), raw cotton, ginned cotton (Chapter 52), textiles (Chapter 50 to 60), silk yarn fabrics and readymade garments (Chapter 50 and 61-62), wool yarn fabrics and readymade garments (Chapter 51 and 61-62), carpets (Chapter 57), made-ups (Chapter 63), glass and glass ware (Chapter 70) Multi speed bicycle and Mountain Terrain Bike (TIs 871202 & 871203) and sports goods (Chapter 95) have been increased on account of various factors such as change in duty structure, change in prices (CIF) of imported inputs and FOB of export goods, change in import intensity of inputs, etc.;
- (iv) Rationalization of rates for some readymade garments (Chapters 61 & 62), articles of stones (Chapter 68), in iron and steel sector (Chapter 72, 73, 84 and articles in different Chapters) and for bicycles single speed with or without accessory (TI 871201) have been done on account of various reasons viz. decrease in C. Ex. Duty rate on diesel, change in prices (CIF) of imported inputs and FOB of export goods and change in import intensity of inputs etc.;

- (v) 24 new tariff items in various sectors viz. Chemicals (17 items), Textiles and made-up (3 items) and Electrical and electronics (4 items) have been introduced in the Schedule including for common rail injector (Chapter 84) and cellular mobile phones (Chapter 85);
- (vi) Appropriate caps have been provided wherever felt necessary to prescribe upper limit of Duty drawback.

The Commissioners are expected to ensure due diligence to prevent any misuse. The shipping bills with parameters considered to be sensitive should be handled with adequate care at the time of export. There is also need for continued scrutiny for preventing any excess drawback arising from mismatch of declarations made in the Item Details and the Drawback Details in a shipping bill.

With trade facilitation in view, the Drawback Committee constituted by the Central Government has also been mandated to give a supplementary report on the basis of representations received after the revised rates are notified. Accordingly, exporters may immediately come forward with representations with supporting data and documents, if any, for higher rates than rates provided. The representation may be submitted latest by 31.12.2018.