

# Customs – Circulars

Circular No. 24/2019

Date – 8th August 2019

*Clarification regarding applicability of All Industry Rates of duty drawback while fixing Brand Rate of duty drawback in post GST era.*

This circular has been issued to clarify the applicability of Circular Nos. 83/2003 dated 18.09.2003 and 97/2003 dated 14.11.2003 to cases of Brand Rate fixation in the post GST era.

Circular Nos. 83/2003- Customs dated 18.09.2003 and 97/2003- Customs dated 14.11.2003 were issued by the Board allowing the applicability of All Industry Rates (AIRs) of Duty Drawback in respect of certain specific items, namely, finished/lining leather, bicycles and their parts/accessories and bus bodies when used in the export product, while determining Brand Rate of Duty Drawback under Rules 6 and 7 of the then Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (now Customs and Central Excise Duties Drawback Rules, 2017). These clarifications in the pre-GST era were issued based on the premise that the aforesaid items were exempt from levy of Central Excise duty and the duties on their inputs remained unrelieved.

Post GST, since Central Excise duty on inputs and Service Tax on input services used in the manufacture of export goods have been subsumed in GST for which input tax credit/refund is available thereunder, the basic premise for applicability of AIRs for calculation of Brand Rate of duty drawback no longer exists for exports made in GST regime. Accordingly, it is clarified that contents of para 3(a) and 3(b) of Circular No. 83/2003 dated 18.09.2003 and Circular No. 97/2003 dated 14.11.2003 are not applicable for exports made in post GST era

As regard the duties to be rebated under Duty drawback scheme in post GST era, which are not refunded or neutralized in any other manner, the same can be claimed by the exporter on actual basis in terms of Rules 6 and 7 of aforesaid Rules, 2017