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<p style="text-align: center;"> भारत सरकार GOVERNMENT OF INDIA वित्त मंत्रालय, राजस्व विभाग MINISTRY OF FINANCE, DEPARTMENT OF REVENUE आयुक्त सीमा शुल्कका कार्यालय, निर्यात आयुक्तालय OFFICE OF THE COMMISSIONER OF CUSTOMS, EXPORT COMMISSIONERATE सीमा शुल्क भवन, सं६०, राजाजी सालै, चेन्नै-६०० ००१. CUSTOM HOUSE, NO. 60, RAJAJI SALAI, CHENNAI- 600 001. </p>		

F.No. CUS/DBK/MISC/1138/2023-DBK

दिनांक/ DATED: 27.10.2023

STANDING ORDER NO.- 10/2023

Subject: Revision of All Industry Rates (AIRs) of Duty Drawback-reg.

Madam/Sir,

Attention of all the Officers is invited to the Board's Circular No. 26/2023-Customs dated 26th October, 2023 wherein it has been communicated that the Central Government has notified the revised All Industry Rates (AIRs) of Duty Drawback, vide Notification No. 77/2023-Customs (N.T.) dated 20th October, 2023 which will come into force on 30th October, 2023. The notification may be downloaded from the Board's Website and carefully perused for details.

2. Important Changes are highlighted below:-

- i. Each tariff item in the Schedule, annexed to the above-mentioned Notification, has been provided with an AIR specified under column (4) with cap of Duty Drawback amount, wherever applicable, given under column (5). For claiming these AIRs, the relevant tariff item has to be suffixed with letter 'B'. For example, for export of goods covered under tariff item (TI) 610901, the drawback serial number should be declared as 610901B;
- ii. The Notification also specifies, in the Table annexed thereto, AIRs on export of items covered under Chapters 61 and 62 of the Schedule

(viz. articles of apparel and clothing accessories) made under Special Advance Authorization Scheme (Para 4.04A of Foreign Trade Policy 2015-2020 and Foreign Trade Policy, 2023) in terms of Notification No. 45/2016-Customs dated 13.08.2016 and Notification No. 27/2023-Customs dated 01.04.2023. For claiming these AIRs, the relevant tariff item has to be suffixed with letter 'D', instead of the usual suffix 'B' mentioned above. For example, for export of goods under Special Advance Authorization Scheme covered under tariff item (TI) 610901, the drawback serial number should be declared as 610901D;

- iii. AIRs of Duty Drawback have been increased for certain items pertaining to chemicals (Chapter 29), finished and lining leather, leather articles and footwear (Chapter 41, 42 and 64), textiles and articles thereof made of silk/wool/cotton/MMF other than of nylon) (Chapter 50 to 63), carpets (Chapter 57), glass and glass ware (Chapter 70) and gold jewellery and silver jewellery/article (Chapter 71), The increase in AIRs is on account of various factors such as changes in duties, price (CIF) of imported inputs, FOB value of export goods, import intensity of inputs etc.;
- iv. AIRs have been rationalized for various items, including textiles and articles thereof made of nylon, on account of reasons such as decrease in BCD rate, changes in price (CIF) of imported inputs, FOB value of export goods, import intensity of inputs etc.;
- v. New tariff items have been introduced in the Schedule pertaining to sectors, viz. sugar confectionary (2 items), chemicals (21 items), pharma (2 items), plastic (7 items), leather articles and footwear (8 items), cotton and manmade fibers/fabrics (4 items), apparels (1 item), footwear (1 item), article of stone (1 item), arms and ammunition (2 items) and furniture (4 items). Description of some of the existing tariff items have been revised for better product differentiation and for enabling tax neutralization for specific products.
- vi. Appropriate caps of duty drawback amount have been provided wherever necessary to prescribe upper limit of duty drawback.
- vii. 'Schaeffers Acid' is currently classified for duty drawback purpose under Tariff Item (TI) 291501. In light of its proper classification under Customs Tariff Heading 2908, a separate entry for 'Schaeffers Acid' has been inserted under TI 290801. The duty drawback rate and cap amount for the item remain unchanged. The existing entry for Schaeffers Acid (TI 291501) has been deleted.

3. Based on the representations received from various trade associations and export promotion councils stating that for products consisting of cotton and more than one manmade fibre, drawback was being denied under tariff item 610902- 'blend containing cotton and manmade fibre' on the ground that the said heading refers only to

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"manmade fibre" in singular. In this regard, it has been clarified by the Board that as per section 13 of the General Clauses Act, 1897'- words in singular shall also include plural and vice versa'. In view of this, products containing cotton and more than one manmade fibre are squarely covered by the aforesaid tariff item 610902.

4. Officers are directed 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. Continuous scrutiny may be carried out to prevent any excess drawback arising from mismatch of declarations made in the Item Details and the Drawback Details in a shipping bill.

5. Close watch should also be kept by the officers of concerned sections regarding any change in trend of export valuation or drawback outgo in respect of the goods where caps have been removed or increased as compared to the earlier caps. Any change in pattern should be immediately brought to notice of the undersigned.

6. This Standing Order is issued as directed in aforesaid Board Circular. Officers and Staff should note the above changes/amendments for strict compliance. Difficulties, if any, in implementation may be brought to the notice of the undersigned immediately.

(A. MANIMARAN)
COMMISSIONER

To:

1. All the Concerned.

Copy to:

1. The Chief Commissioner of Customs, Chennai Customs Zone.
2. All the Principal Commissioner/ Commissioner of Customs, Chennai Customs Zone.
3. All the Additional/Joint Commissioner, Chennai Customs Zone.
4. All the Deputy/Asst. Commissioner, Chennai Customs Zone.
5. The Deputy/Asst. Commissioner (EDI) for publishing it in website.