OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT)

JAWAHARLAL NEHRU CUSTOM HOUSE, NHAVA SHEVA,

URAN, RAIGAD, MAHARASHTRA 400 707

F.No. S/12-2/2006-07 AM (X)

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STANDING ORDER NO 30 /2006

Sub: All Industry Rates of Duty Drawback, 2006-07 � Reg.

Attention of all officers of Jawaharlal Nehru Custom House is invited to the Board Scircular No.19/2006 Cus. dated 13.07.2006 wherein the Ministry has announced the revised All Industry Rates of Duty Drawback vide notification No. 81/2006-Cus (NT) dated 13.7.2006. These rates shall come into force with effect from 15.7.2006. The notification may be downloaded from CBEC website www.cbec.gov.in (available on intranet) and perused for details.

Drawback Rules, 1995 have been suitably amended vide notification No. 80/2006-Customs (NT) dated 13.7.2006. The Commissioners may ensure that the exporters do not avail of the refund of this tax through any other mechanism while claiming the all industry rate of drawback.

- i) ••••• Textiles and Textile Articles (Chapters 50-63)
- drawback rate for woollen worsted yarn grey weaving quality is 7.2% with a cap of Rs.24/kg as against the existing rate of 6.5% with a cap of Rs.22/kg. The new drawback rate for woollen worsted yarn (dyed) weaving quality is 8.3% with a cap of Rs.29/kg. Likewise, the drawback rate on woollen worsted yarn (grey) hosiery grade has been revised upwards to 7.2% with a cap of Rs.19/kg from the existing rate of 6.5% with a cap of Rs.17/kg. The dyed yarn hosiery grade carries a higher rate of 8.3% with a cap of Rs.23/kg. The drawback rates on blended yarn and fabrics have been revised upwards accordingly.
- drawback rate for grey cotton yarn of less than 60 counts is 4% with a cap of Rs.8/kg as against the existing rate of 3.5% with a cap of Rs.7/kg. The new rate for dyed cotton yarn of less than 60 counts is 5% with a cap of Rs.13.30/kg. In respect of cotton yarn of 60 counts and more, a higher rate of 6.8% / 7.8% with a cap of Rs. 20.40 per kg / Rs. 26 per kg has been provided depending upon whether the yarn is grey or dyed. As for cotton fabrics, the new rate is 4.7% (grey) / 5.7% (dyed) with a drawback cap of Rs.14 per kg (grey) / Rs.20.50 per kg (dyed). The new drawback rate for lungies and Real Madras Handkerchiefs is 5.7% with a cap of Rs.20.50/kg, the same as applicable for dyed fabrics. In the case of denim fabrics the new rate prescribed is 6.5% with a cap of Rs.24/kg as against the existing rate of 5.5% with a cap of Rs.20/kg.

ii) Leather and Leather Articles (Chapters 41-42 & 64)

iii) ������������Base Metals and Articles of Base Metals (Chapters 72-83)

- 7.1 �������� In Chapter 74 (Copper and Articles thereof), the drawback rates on copper cathodes, wire bars and rods have been calculated taking into account the duty incidence on copper concentrates. In view of reduction in the duty on copper concentrates the drawback rates on these items have registered a decrease from

- 5% to 2.2%. Taking into account the duty incidence and prices of inputs, the drawback rate on brass builder hardware and handicrafts of brass has been increased from 11% with a cap of Rs. 33/kg to 15% with a cap of Rs.75/kg. The same is the case with artware/handicrafts of copper where the drawback rate has been increased from 11% with a cap of Rs.44/kg to 15% with a cap of Rs. 110/kg.
- iv) • • • Machinery and Equipment (Chapters 84 and 85)
- v) ••••• Bicycle and Bicycle Parts (Chapter 87)
- vi) ����� Writing Instruments (Chapter 96)
- vii) ����� Chemicals, Dyes, Essential Oils, Plastics and Rubber (Chapters 28-40)

provided for these items are mostly in the range of 2%-3%. In the case of zinc oxide P / BP / USP Grade, the new drawback rate is 5.5% (customs) as against the present rate of 9.6% [5.7% (excise component) + 3.9% (customs component)]. Following a request from the Department of Commerce (DOC) and after examination of the cost data, for the first time a drawback rate of Rs.1050/MT (all customs) has been provided in respect of Furnace Oil and HSD supplied by domestic oil companies to the Units located in SEZs. Hitherto, the drawback was being determined and paid by DOC.

�������� Drawback on Cotton Bags, Leather Caps and Plastic Combs

- Having regard to the difficulties being faced by the exporters, it has been decided to release drawback on cotton handbags, leather caps and plastic combs at the rate of 5% with a cap of Rs. 50/kg, 5% with a cap of Rs. 100/kg and 10.5% with a cap of Rs. 6.8/kg respectively w.e.f. 5.5.2005 and upto 14.07.2006. In this connection, notification No. 79/2006-Customs(NT), dt. 11.7.2006 refers. It may be mentioned here that these rates would have been available to the exporters under the existing Schedule but for the changes in classification as discussed above. The exporters are, of course, required to fulfil the stipulated conditions for availing of drawback.

��������All officers are directed to comply with the instructions issued by Ministry in this regard.� Difficulties faced, if any, may please be brought to the notice of the undersigned immediately.





���������� JAWAHARLAL NEHRU CUSTOM HOUSE.