

OFFICE OF THE COMMISSIONER OF CUSTOMS (EXPORT)

**JAWAHARLAL NEHRU CUSTOM HOUSE, TAL- URAN,
NJAVA- SHEVA, DIST- RAIGAD, MUMBAI- 400 0707**

F. No. S/12-Gen- 394/07-DBK

PUBLIC NOTICE No.32/2007

Sub : All Industry Rates
of Duty Drawback Reg.

2. Like in previous years, the drawback rates have been determined on the basis of certain broad parameters including, inter alia, the prevailing prices of inputs, standard input/output

norms (SION), share of imports in the total consumption of inputs and the applied rates of duty. ◊ The incidence of duty on HSD/Furnace Oil has been factored in the drawback calculation. ◊ The incidence of service tax paid on taxable services which are used as input services in the manufacturing or processing of export goods has also been factored. ◊ 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.

3. The Drawback Schedule includes several new items. These include mats/rugs made of LDPE/LLDPE, leather-cum-synthetic/textile footwear upper, coir mats, parts of electrical apparatus made of copper/brass, handicraft/artware of stainless steel and certain dye & dye intermediates. The Schedule may be perused for details.

4. The drawback rates have undergone changes in line with the changes in prices of inputs, duties etc. The Schedule may kindly be perused for details. The more important changes are discussed below: -

i) **Textiles and Textile Articles (Chapters 50-63)**

a) **Silk:** In the case of silk, the drawback rate for higher quality silk fabrics has been increased from 8.3% with a drawback cap of Rs. 250/kg to 10.8% with a drawback cap of Rs.325/kg.. The rate for fabrics of noil silk has also been revised upwards.

b) **Wool:** In the case of wool, the new drawback rate for woollen worsted yarn grey weaving quality is 8% with a cap of Rs.42/kg as against the existing rate of 7.2% with a cap of Rs.24/kg. The new drawback rate for woollen worsted yarn (dyed) weaving quality is 9% with a cap of Rs.48/kg. Likewise, the drawback rate on woollen worsted yarn (grey) hosiery grade has been revised upwards to 8% with a cap of Rs.27/kg from the existing rate of 7.2% with a cap of Rs.19/kg. The dyed yarn hosiery grade carries a higher rate of 9% with a cap of Rs.30/kg. The drawback rates on blended yarn and fabrics have been revised upwards accordingly.

c) **Cotton Yarn and Fabrics:** The new drawback rate for grey cotton yarn of less than 60 counts is 5.4% with a cap of Rs.11/kg as against the existing rate of 4% with a cap of Rs.8/kg.◆ The new rate for dyed cotton yarn of less than 60 counts is 6.5% with a cap of Rs.18/kg.◆ In respect of cotton yarn of 60 counts and more, a higher rate of 8.8% / 9.9% with a cap of Rs.26 per kg / Rs.33 per kg has been provided depending upon whether the yarn is grey or dyed.◆ As for cotton fabrics, the new rate is 6.4% (grey) / 7.7% (dyed) with a drawback cap of Rs.19 per kg (grey) / Rs.28 per kg (dyed).◆ The new drawback rate for lungies and Real Madras Handkerchiefs is 6.4% with a cap of Rs.28/kg, the same as applicable for dyed fabrics.◆ In the case of denim fabrics the new rate prescribed is 8.5% with a cap of Rs.32/kg as against the existing rate of 6.5% with a cap of Rs.24/kg.

d) **Man-made Filaments and Man-made Staple Fibres:** In the case of synthetic / artificial filament yarn (Chapter 54), the new drawback rate is 16% (grey) / 17.3% (dyed) as against the existing rate of 12.5% (grey) / 14% (dyed). ◆ In the case of woven fabrics of synthetic / artificial filament yarn, the drawback rate has been revised upwards to 10.5% (grey) and 11.8% (dyed). ◆◆ Insofar as synthetic / artificial fibres (Chapter 55) are concerned, the new drawback rate is 16% as against the existing rate of 13.5%. ◆ In the case of yarn of synthetic / artificial staple fibres, the new rates are 14.4% (grey) and 17.5% (dyed). ◆ In the case of woven fabrics of synthetic / artificial staple fibres and / or man-made filament yarn, the new rates are 10.8% (grey) / 12.1% (dyed) as against the existing rates of 8.5% (grey) / 10% (dyed). ◆ The Schedule may be perused for details.

e) **Carpets and Floor Coverings:** The new drawback rate for hand knotted woolen carpets is 12.5% with a cap of Rs.700 per sqm. as against the existing rate of 9.4% with a cap of Rs.565 per sqm. For silk carpets, the new drawback rate is 15.5% with a cap of Rs.2750 per sqm. as against the existing rate of 11.8% with a cap of Rs.1600 per sqm. The drawback rate on cotton durries is fixed at 11.5% with a cap of Rs.26/kg as against the existing rate of 9.4% with a cap of Rs.20/kg.

In the case of knotted carpets under heading 5701, the pile threads are usually of wool or silk but sometimes of mohair or Kashmir goat hair.◆ The ground fabric is generally of cotton, flax, hemp or jute.◆ Hand-knotted woollen carpets usually contain cotton yarn varying between 10% to 30% which is used as warp as well as backing.◆ In view of this, these carpets may be allowed drawback @ 12.5% under drawback S.No.570101 which specifically covers knotted carpets of wool.

f) **Ready Made Garments:** In the ready made garment sector, the new drawback rate for knitted blouses/shirts/tops of cotton is 10% with a cap of Rs.48 per piece as against the existing rate of 7% with a cap of Rs.31 per piece.◆◆ The new rate for knitted blouses/shirts/tops of man-made fibre is 11.5% with a cap of Rs.48 per piece as against the existing rate of 8.1% with a cap of Rs.34 per piece.◆ For knitted blouses/shirts/tops of cotton and man made fibre blend, the new drawback rate is 10.7% with a cap of Rs.48 per piece as against the existing rate of 7.5% with a cap of Rs.32 per piece.◆ The drawback rates on woven garments have been revised accordingly.◆ As for ready made garments made up of silk and wool, the rate provided is 10% with varying caps.

g) **Made Ups:** In the made up category, the new drawback rate for bed linen, table linen, toilet linen, kitchen linen and curtains of cotton is 9.1% with a cap of Rs.110 per kg as against the existing rate of 6.4% with a cap of Rs.64 per kg. The new drawback rates on made-ups of manmade fibres and made-ups of silk/wool have also been revised upwards. The new rates are 10.4% and 9.8% respectively as against the existing rate of 7.5% and 6.9%.

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

5. The new drawback rate for finished leather is 7.5% with a cap of Rs.8 per sq.ft. as against the existing rate of 6.6% with a cap of Rs.7 per sq.ft. Likewise, the new drawback rate for leather footwear for adults is 11.5% with a cap of Rs.105 per pair as against the existing rate of 9.5% with a cap of Rs.85 per pair. In the case of leather apparel the rate provided is 11.4% with a cap of Rs.650 per piece as against the existing rate of 9.5% with a cap of Rs.533 per piece. The drawback rates on other leather items viz. suit cases, handbags and gloves have also been revised upwards.

5.1 The new drawback rate for saddlery and harness, made of leather is 10.2%.
The corresponding rate for saddlery and harness, made of non-leather is 9.5%. Saddlery and harness are horse riding equipment which consist of saddlery used on horse back for the rider to sit and harness goods which cover rest of the horse riding equipment, such as bridles, reins, breastplates, martingales, crupper, body rollers, halters, traces, collars, etc. These goods are exported individually or in sets, depending upon the requirements of the overseas buyers. In view of this, saddlery and harness of leather or non-leather under drawback serial Nos. 420101, 420102 & 420103 exported individually or in sets may be allowed drawback @ 10.2% or 9.5%, as the case may be, provided they are otherwise classifiable under heading 4201. Pending provisional assessments, if any may be finalized accordingly.

5.2 The term "articles of leather" in chapter 42 of the Drawback Schedule has been defined in condition 14 of the said notification as any article wherein 60% or more of the outer visible surface area (excluding shoulder straps or handles or fur skin trimming, if any) is of leather notwithstanding that such article is made of leather and any other material. For removal of doubts, it is clarified that the term "articles of leather" would also include articles of apparel, made of leather.

6. The drawback rates on semi-finished steel, HR Coils, CR Sheets, GP Sheets and bars & rods of mild steel have been reduced from 2.7% to 3.7% (all customs) to 1%. The drawback caps varying from Rs. 625/MT to Rs.1000/MT have, however, not been changed. In the case of similar items of stainless steel, the rate has been reduced from 2.6%-3.5% to a uniform rate of 2%. In respect of stainless steel utensils, the rate has been revised upwards from 15% to 17% with varying caps depending upon the quality of utensils.

6.1 **Table, kitchen or other household articles** (tariff item 73.23) are at times fitted with lids, handles or other parts or accessories of other materials.♦ In cases of export of such articles, drawback may be allowed @ 17% with relevant caps (i.e. the rate prescribed for tariff item 73.23) without making any deductions towards the weight of such lids, handles etc. provided that they retain the character of iron or steel articles classifiable under the said tariff item.

6.2 **???????** In Chapter 74 (Copper and Articles thereof), the drawback rates on copper cathodes, wire bars and rods have not undergone any change. **◆** 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 15% with a cap of Rs.75/kg to 18% with a cap of Rs.110/kg. **◆** The same is the case with artware/handicrafts of copper where the drawback rate has been increased from 15% with a cap of Rs.110/kg to 18% with a cap of Rs. 155/kg. **◆**

6.3 In the case of stainless steel cutlery falling under Chapter 82, the drawback rate has been increased to 17% in line with duty drawback on stainless steel utensils. The drawback rate on brass hardware items and other similar items under chapter 83 has also been raised to 18% on par with brass handicrafts.

iv) Machinery and Equipment (Chapters 84 and 85)

7. **????? ? ? ? ?** In the case of machinery items falling within Chapter 84, by and large, the existing drawback rates have not been changed. **◆** In the case of electrical machinery and equipment under Chapter 85, the rates have been revised downwards marginally.

v) **Bicycle & Bicycle Parts (Chapter 87) and Sports Goods (Chapter 95)**

8. ?????? The drawback rates on bicycles and bicycle parts have been revised upwards taking into account the duty incidence on inputs and the current FOB realization on exports.♦ The new rates are 13% for bicycles and 13%-15% on parts thereof.♦ The drawback rates on sports goods have also been revised upwards.♦ The drawback rate on the residual heading for sports goods has been increased from 1% to 4%.♦ The drawback rate on toys has also been increased to 6% from the existing rate of 2.1%.

vi) Writing Instruments (Chapter 96)

9. The existing drawback rate on ball point pen is 7% with a cap of Rs.75 per 100 pcs. The drawback rate on this item has been revised upwards to 8.5% with a cap of Rs.225 per 100 pcs. The drawback rate on felt tipped pen has also been increased from 12% with a cap of Rs.200 per 100 pcs to 13.3% with a cap of Rs.275 per 100 pcs. Further, on high value fountain pens (Rs.500 & above) the drawback has been provided @ 3% as against the existing rate of 1%.

vii) Chemicals, Dyes, Essential Oil, Plastics and Rubber (Chapters 28-40)

10. In the Schedule the drawback rates have been provided on 9 new dyes and 12 new dye intermediates. The drawback rates provided for these items are mostly in the range of 1.5%-3%. On other dye & dye intermediates the rates have been revised downwards marginally.

10.1 In respect of chemicals, pharmaceutical products, dye and dye intermediates under Chapters 29, 30 and 32, drawback caps have been removed on items where the rate prescribed is 2% or below. In the case of plastics in primary forms under Chapter 39, the excise duty component in the Drawback Schedule has been removed as the units exporting such products are in the CENVAT chain. Thus, for these items, only the customs component has been indicated in the new Schedule.

10.2 In the case of perfumed agarbattis, taking into account the incidence of duty on packing material, the drawback rate has been increased from 9.2% with a cap of Rs.25/kg to 12% with a cap of Rs.33/kg. In the case of zinc oxide IP / BP / USP Grade (28.17), the new drawback rate is 6.3% (customs) as against the present rate of 5.5%. On heat resistant latex rubber thread, the drawback rate has been reduced from 14.2% to 12%.

10.3 Last year, a drawback rate of Rs.1050/MT (all customs) was provided in the case of Furnace Oil and HSD (27.10) supplied by domestic oil companies to the Units located in SEZs. In view of increase in crude prices, the rate has been increased to Rs.1160/MT.

Any difficulties in following this Public Notice may be brought to notice immediately.

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of Customs (Export) Commissioner

Attested

(G. T. Shinde)

Asstt. Commissioner of Customs

Drawback Dept.

????????????????????????? OFFICE OF THE COMMISSIONER OF CUSTOMS
(EXPORT)

????????? JAWAHARLAL NEHRU CUSTOM HOUSE, TAL- URAN,

NJAVA- SHEVA, DIST- RAIGAD, MUMBAI- 400 0707

F. No. S/12-Gen- 394/07-DBK

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??Date :18/07/2007

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TANDING ORDER No.29/2007????????????????

??Sub : All Industry Rates
of Duty Drawback ◆Reg.

Attention of Officers is drawn to Notification No. 68/2007-Cus(NT), Dt. 16.07.2007 vide which revised All Industry Rate of Duty Drawback has been notified. Their attention is also drawn to CBEC Circular No. 25/2007-Cus., Dt. 16.07.2007 wherein important changes in the drawback schedule has been highlighted. The text of circular is reproduced below.

2. Like in previous years, the drawback rates have been determined on the basis of certain broad parameters including, inter alia, the prevailing prices of inputs, standard input/output norms (SION), share of imports in the total consumption of inputs and the applied rates of duty. The incidence of duty on HSD/Furnace Oil has been factored in the drawback calculation. The incidence of service tax paid on taxable services which are used as input services in the manufacturing or processing of export goods has also been factored. 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.

3. The Drawback Schedule includes several new items. These include mats/rugs made of LDPE/LLDPE, leather-cum-synthetic/textile footwear upper, coir mats, parts of electrical apparatus made of copper/brass, handicraft/artware of stainless steel and certain dye & dye intermediates. The Schedule may be perused for details.

4. The drawback rates have undergone changes in line with the changes in prices of inputs, duties etc. The Schedule may kindly be perused for details. The more important changes are discussed below: -

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b) **Wool:** In the case of wool, the new drawback rate for woollen worsted yarn grey weaving quality is 8% with a cap of Rs.42/kg as against the existing rate of 7.2% with a cap of Rs.24/kg. The new drawback rate for woollen worsted yarn (dyed) weaving quality is 9% with a cap of Rs.48/kg. Likewise, the drawback rate on woollen worsted yarn (grey) hosiery grade has been revised upwards to 8% with a cap of Rs.27/kg from the existing rate of 7.2% with a cap of Rs.19/kg. The dyed yarn hosiery grade carries a higher rate of 9% with a cap of Rs.30/kg. The drawback rates on blended yarn and fabrics have been revised upwards accordingly.

c) **Cotton Yarn and Fabrics:** The new drawback rate for grey cotton yarn of less than 60 counts is 5.4% with a cap of Rs.11/kg as against the existing rate of 4% with a cap of Rs.8/kg. The new rate for

dyed cotton yarn of less than 60 counts is 6.5% with a cap of Rs.18/kg.♦♦ In respect of cotton yarn of 60 counts and more, a higher rate of 8.8% / 9.9% with a cap of Rs.26 per kg / Rs.33 per kg has been provided depending upon whether the yarn is grey or dyed.♦ As for cotton fabrics, the new rate is 6.4% (grey) / 7.7% (dyed) with a drawback cap of Rs.19 per kg (grey) / Rs.28 per kg (dyed).♦ The new drawback rate for lungies and Real Madras Handkerchiefs is 6.4% with a cap of Rs.28/kg, the same as applicable for dyed fabrics.♦ In the case of denim fabrics the new rate prescribed is 8.5% with a cap of Rs.32/kg as against the existing rate of 6.5% with a cap of Rs.24/kg.

d) **Man-made Filaments and Man-made Staple Fibres:** In the case of synthetic / artificial filament yarn (Chapter 54), the new drawback rate is 16% (grey) / 17.3% (dyed) as against the existing rate of 12.5% (grey) / 14% (dyed).♦ In the case of woven fabrics of synthetic / artificial filament yarn, the drawback rate has been revised upwards to 10.5% (grey) and 11.8% (dyed).♦♦ Insofar as synthetic / artificial fibres (Chapter 55) are concerned, the new drawback rate is 16% as against the existing rate of 13.5%.♦ In the case of yarn of synthetic / artificial staple fibres, the new rates are 14.4% (grey) and 17.5% (dyed).♦ In the case of woven fabrics of synthetic / artificial staple fibres and / or man-made filament yarn, the new rates are 10.8% (grey) / 12.1% (dyed) as against the existing rates of 8.5% (grey) / 10% (dyed).♦ The Schedule may be perused for details.

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f) **Ready Made Garments:** In the ready made garment sector, the new drawback rate for knitted blouses/shirts/tops of cotton is 10% with a cap of Rs.48 per piece as against the existing rate of 7% with a cap of Rs.31 per piece.♦♦ The new rate for knitted blouses/shirts/tops of man-made fibre is 11.5% with a cap of Rs.48 per piece as against the existing rate of 8.1% with a cap of Rs.34 per piece.♦ For knitted blouses/shirts/tops of cotton and man made fibre blend, the new drawback rate is 10.7% with a cap of Rs.48 per piece as against the existing rate of 7.5% with a cap of Rs.32 per piece.♦ The drawback rates on woven garments have been revised accordingly.♦ As for ready made garments made up of silk and wool, the rate provided is 10% with varying caps.

g) **Made Ups:** In the made up category, the new drawback rate for bed linen, table linen, toilet linen, kitchen linen and curtains of cotton is 9.1% with a cap of Rs.110 per kg as against the existing rate of 6.4% with a cap of Rs.64 per kg. The new drawback rates on made-ups of manmade fibres and made-ups of silk/wool have also been revised upwards.♦ The new rates are 10.4% and 9.8% respectively as against the existing rate of 7.5% and 6.9%.

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

5. ♦♦♦♦♦♦♦♦ The new drawback rate for finished leather is 7.5% with a cap of Rs.8 per sq.ft. as against the existing rate of 6.6% with a cap of Rs.7 per sq.ft. Likewise, the new drawback rate for leather footwear for adults is 11.5% with a cap of Rs.105 per pair as against the existing rate of 9.5% with a cap of Rs.85 per pair.♦ In the case of leather apparel the rate provided is 11.4% with a cap of Rs.650 per piece as against the existing rate of 9.5% with a cap of Rs.533 per piece.♦ The drawback rates on other leather items viz. suit cases, handbags and gloves have also been revised upwards.

5.1 ?????????? The new drawback rate for saddlery and harness, made of leather is 10.2%.♦ The corresponding rate for saddlery and harness, made of non-leather is 9.5%.♦ Saddlery and harness are horse riding equipment which consist of saddlery used on horse back for the rider to sit and harness goods which cover rest of the horse riding equipment, such as bridles, reins, breastplates, martingales, crupper, body rollers, halters, traces, collars, etc.♦ These goods are exported individually or in sets, depending upon the requirements of the overseas buyers.♦ In view of this, saddlery and harness of leather or non-leather under drawback serial Nos. 420101, 420102 & 420103 exported individually or in sets may be allowed drawback @ 10.2% or 9.5%, as the case may be, provided they are otherwise classifiable under heading 4201.♦ Pending provisional assessments, if any may be finalized accordingly.

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

6. ?????????? The drawback rates on semi-finished steel, HR Coils, CR Sheets, GP Sheets and bars & rods of mild steel have been reduced from 2.7% to 3.7% (all customs) to 1%.♦ The drawback caps varying from Rs. 625/MT to Rs.1000/MT have, however, not been changed. In the case of similar items of stainless steel, the rate has been reduced from 2.6%-3.5% to a uniform rate of 2%.♦ In respect of stainless steel utensils, the rate has been revised upwards from 15% to 17% with varying caps depending upon the quality of utensils.

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7. ?????????? In the case of machinery items falling within Chapter 84, by and large, the existing drawback rates have not been changed.♦ In the case of electrical machinery and equipment under Chapter 85, the rates have been revised downwards marginally.

v) Bicycle & Bicycle Parts (Chapter 87) and Sports Goods (Chapter 95)

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increased from 1% to 4%.◆ The drawback rate on toys has also been increased to 6% from the existing rate of 2.1%.

vi) Writing Instruments (Chapter 96)

9. The existing drawback rate on ball point pen is 7% with a cap of Rs.75 per 100 pcs. The drawback rate on this item has been revised upwards to 8.5% with a cap of Rs.225 per 100 pcs. The drawback rate on felt tipped pen has also been increased from 12% with a cap of Rs.200 per 100 pcs to 13.3% with a cap of Rs.275 per 100 pcs. Further, on high value fountain pens (Rs.500 & above) the drawback has been provided @ 3% as against the existing rate of 1%.

vii) Chemicals, Dyes, Essential Oil, Plastics and Rubber (Chapters 28-40)

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????????????? Any difficulties found in implementation of this standing order should be brought to the notice without fail and laxity in implementing this standing order will be viewed seriously.

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????????????????????Sd/-

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????????????????????(SANJEEV BEHARI)

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Commissioner of Customs (Export)

Copy to : All Officers

Attested

(G.T. Shinde)

Asstt. Commissioner of Customs

Drawback Dept.