Presents a booklet on

Duty Drawback under GST
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Overview

In case of export of goods, various export incentives are provided to the exporters under various schemes drafted and managed by the government. The main objective of these schemes is to provide the exporters a platform to promote the export of goods and increase foreign currency inflow into India. Most of these schemes like MEIS, SEIS, AA, DFIA, EPGC, EOU, SEZ etc. are managed by DGFT (Director General of Foreign Trade) and all the provisions of these schemes are mentioned in Foreign Trade Policy of India, which is amended from time to time. As of now Foreign Trade Policy 2015-20 is applicable which is valid till the year 2020. Apart from these schemes, some direct tax benefits are also provided to the exporters.

Apart from these benefits, another major benefit to the exporters is provided in form of Duty Drawbacks, where duties like excise duty, custom duty & service tax paid on inputs used in manufacture of some specified goods, or duties paid on import of some goods which are meant to be re-exported, are refunded back to the exporter in form of duty drawbacks.

The provisions related to duty drawback are not available in FTP rather these duty drawbacks are directly managed and controlled by the Department of Revenue, Government of India through The Customs Act’1962 and Rules made thereunder.

Chart provided below shows major export promotion benefits available to the exporters:

<table>
<thead>
<tr>
<th>Managed by DGFT</th>
<th>Managed by Department of Revenue (DoR)</th>
<th>Managed by Ministry of Textiles (MoT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MEIS / SEIS</td>
<td>Duty Drawbacks</td>
<td>RoSL Scheme on export of garments</td>
</tr>
<tr>
<td>2. Advance Authorisation</td>
<td>on re-export of imported goods</td>
<td>on export of goods manufactured out of exported and indigenous</td>
</tr>
<tr>
<td>3. DFIA</td>
<td>Section 74 of Customs Act’1962</td>
<td>Section 75 of Customs Act’1962</td>
</tr>
<tr>
<td>4. EPCG</td>
<td>from 15.11.2016 to 30.09.2017</td>
<td>With effect from 01.10.2017</td>
</tr>
<tr>
<td>6. Deemed Exports</td>
<td>AIR at Composite / Higher Rate [Notification 131/2016-Cus (NT)]</td>
<td>AIR at Composite / Higher Rate withdrawn [Notification 89/2017-Cus (NT)]</td>
</tr>
<tr>
<td></td>
<td>AIR at General Rate</td>
<td>Rebate of State VAT/CST on inputs including packaging, fuel, duty on electricity generation and duties and charges on purchase of grid power</td>
</tr>
<tr>
<td></td>
<td>Brand Rate</td>
<td>Special Advance Authorization (Schedule II)</td>
</tr>
<tr>
<td></td>
<td>Supplementary Claim</td>
<td>Supplementary Claim</td>
</tr>
</tbody>
</table>
Duty Drawback Schemes

Goods imported into India may either be exported as it is or it may be incorporated into some finished goods which are then exported out of India. Drawback of duties is available to the exporter in both of the cases.

As per section 74 of The Customs Act 1962, drawback of duty levied under section 3 of Customs Tariff Act, 1975, is available to the exporter on re-export of duty-paid goods subject to the conditions and procedures mentioned in Re-Export of Imported Goods (Duty drawback of Customs Duties) Rules, 1995.

Similarly duty drawback under section 75 of The Customs Act, 1962 is also available on imported materials used in the manufacture of goods which are exported subject to the conditions and procedures mentioned in The Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

Notification no. 131/2016-Customs N.T. provides “Notes and Conditions” related to drawback of duty under section 75 of The Customs Act’1962, as applicable from 15th November 2016 to 30th September 2017. Corresponding “Notes and Conditions” related to drawback of duty under section 75 of The Customs Act’1962, from 1st October 2017 is provided by Notification no. 89/2017-Customs N.T.

Similarly, with effect from 1st October 2017 the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 has been replaced by the Customs and Central Excise Duties Drawback Rules, 2017 vide notification no. 88/2017-Customs N.T.

Both these rules and notifications provide various restrictions, conditions and procedures to claim drawback of duties under respective situations. Details of these rules and notifications are discussed later in this booklet. Also, text of section 74 and 75 of The Customs Act’ 1962 along with these rules is provided as an annexure to this booklet.

As per section 74 of The Customs Act’ 1962, in case of re-exports of imported goods, which are capable of being easily identified, if they enters for export within two years from the date of payment of duty on the importation thereof, ninety-eight per cent of such duty shall, except as otherwise provided, be re-paid as drawback. In other words in case following conditions are satisfied, an exporter is eligible to claim 98% of the duty paid by him as drawback under section 74 of the Customs Act’1962:

1. Imported goods are re-exported in same form.
2. Identity of such goods exported is easily established.
3. Such goods are re-exported within 2 years of from the date of payment of duty on the importation thereof.

However if these imported goods are used after the importation thereof, the drawback amount shall be reduced having regard to the duration of use, depreciation in value and other relevant circumstances. The percentage of reduction in such value is provided by notification issued by the department in this regard.

Subject to some conditions, exports under section 74 is allowed both in form of baggage exports and export by posts, however exports under section 75 is not allowed in form of baggage exports. Also to claim drawback in case of goods re-exported, one to one correlation in terms of a particular supplier or port is not required i.e. goods once imported may be re-exported from any port in India to any person outside India.

As per section 75 of The Customs Act’ 1962, In case of export of goods which are either manufactured, processed or on which any operation has been carried out in India, a drawback should be allowed of duties of customs chargeable on any imported materials of a class or description used in the manufacture or processing of such goods or carrying out any operation on such goods. Similar provisions are also provided in respective Central Excise Act 1944 and Finance Act’ 1994 for service tax claims. So ideally drawback of Customs, Excise and Service tax is available on duties paid on use of goods or services in relation to finished goods which is finally exported out of India.

Duty drawback under section 75 of the Customs Act 1962, can be claimed either as a fixed percentage depending upon the value of goods exported or it may be claimed on actual basis supported by detailed calculation. It would be very difficult for an exporter to calculate the amount of duty drawback related to each and every export consignment, so to remove the difficulties and hardships faced by the exporters due to these provisions every year government notifies a commodity wise the All Industry Rate (AIR) for duty drawback in the form of a drawback schedule. AIR is basically derived by the government based upon the normal expected consumption of inputs and services, keeping in mind the cost of customs, excise and service tax to be borne by the exporter, taken on average basis. These are derived by the government after extensive research and discussion with all the stakeholders involved. It is generally provided as a percentage of FOB value of commodity exported.

As per notification no. 131/2016-Customs(NT), AIR Schedule of duty drawback provides rates under two categories, one is higher rate provided in column (4), with corresponding drawback cap per unit in provided column (5) of the schedule, which can be availed by a manufacturer exporter who do not avail CENVAT facility and other is lower rate
provided in column (6) with corresponding drawback cap per unit provided in column (7) of the schedule, which can be availed by a manufacturer exporter who avails CENVAT facility. Higher rate actually comprises of custom duty, excise duty and service tax, while lower rate comprises only basic customs duty. So exporter may claim CENVAT credit and duty drawback at general rate or he may opt to claim duty drawback at a higher rate (composite rate) without availing CENVAT credit.

However, this facility of claiming drawback is available to the exporters only up to 30th September 2017 because as discussed above w.e.f. 1st October 2017 notification no. 131/2016- Customs (NT) has been replaced by Notification no. 89/2017-Customs N.T. and the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 has been replaced by the Customs and Central Excise Duties Drawback Rules, 2017 vide notification no. 88/2017-Customs N.T. Since duty of service tax and excise duty on most of the items have been subsumed into GST, so facility for availing drawback of duty at composite rate is not provided in new rules and exporter may avail benefit of drawback under general rate only.

In case AIR for some commodity is not notified by the government or in case the exporter is not satisfied with the AIR notified for his commodity and he feels that this AIR does not cover even 80% of the duties paid by him, he may approach the jurisdictional customs department for the fixation of Brand Rate of Duty Drawback for a particular commodity for his exclusive use. Other detailed conditions and restrictions are discussed later in this booklet, also these conditions/restrictions are provided in notifications, sections and rules annexed to this booklet.

An important point to note here is that, condition of not claiming CENVAT / input tax credit to avail drawback is restricted to inputs and input services only i.e. CENVAT or ITC of tax paid on capital goods can be availed simultaneously along with availing drawback on exports of other goods.

Drawback of antidumping duty (ADD) is also available in customs, however the AIR rates does not include ADD, in other words claim of ADD can be made under section 74 or through brand rates under section 75 of the Customs Act’1962.

Also sales from DTA to SEZ are considered as exports sales for the purpose of drawback of duty, so drawback of duty can be claimed in these cases also.

Some conditions or restrictions imposed and other provisions related to drawback of duties.

Objective of this booklet is to understand the effect of GST on existing schemes and rules of duty drawback, so detailed conditions or restrictions on availing these drawback is not discussed here, rather complete text to statutory provisions related to these duty drawbacks have been provided as annexure to this booklet. Some important provision related to these duty drawbacks are discussed hereunder:

1. Drawback may not be allowed if the export value of such goods exported is less than the value of the imported materials on which drawback is claimed.

2. Drawback may be denied in case export value of such goods exported is not more than such percentage of the value of the imported materials on which drawback is claimed.

3. In order to avail drawback under section 75 of Customs Acts’ 1962, sale proceeds of such exports shall be received within the time allowed under the Foreign Exchange Management Act, 1999, otherwise such drawback shall be deemed never to have been allowed and procedure for the recovery or adjustment of the amount of such drawback may be initiated by the government.

4. In case the quantity of a particular material imported into India is more than the total quantity of like material that has been used in the goods manufactured, processed or on which any operation has been carried out in India and exported outside India, then, only so much of the material as is contained in the goods exported shall, be deemed to be the imported material and drawback shall be available for that part only.

5. In case where the rate of Duty Drawback is revised with retrospective effect or for any other valid reason an exporter has the reason to believe that the amount of duty drawback availed by him is less than as compared to amount of drawback that he is actually entitled to, in that case he may also file a supplementary claim of duty drawback.

6. Provisions have also been made in section 75A of The Customs Act’ 1962 for interest payable on delayed drawbacks and interest chargeable on excess drawback availed by an exporter.
7. As per section 76 of The Customs Act' 1962 no drawback shall be allowed, where the market-price of a particular goods is less than the amount of drawback due thereon or where the drawback due in respect of any goods is less than fifty rupees. Also in case the Government is of opinion that goods of any specified description in respect of which drawback may be claimed is likely to be smuggled back into India, it may restrict the drawback on such goods.

8. Rule 9 of Drawback Rules under section 75 of the Customs Act’1962 restricts the amount of drawback to one third of the market price of such goods exported only, so in any case drawback exceeding one third of market price of goods exported cannot be claimed.

**Effect of GST on Duty Drawback Schemes**

**01 Duty Drawback Schemes from 01-07-2017 to 30-09-2017**

Proviso to sub-section 1 of section 5 of IGST Act’ 2017 provides that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.

Further, Section 3(12) of the CTA, 1975, provides that the provisions of the Customs Act, 1962 and rules and regulations made thereunder relating inter alia to drawback shall apply to integrated tax and compensation cess also.

Accordingly, drawback under Section 74 would also include refund of integrated tax and compensation cess along with basic customs duty, etc. So to give effect, notification numbers 57/2017-Cus (N.T.), dated 29.06.2017 made a change in definition of drawback as provided in clause (a) of rule 2 of Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995, whereby reference to integrated tax and compensation cess was added to the definition of drawback.

However, at the same time in order to prevent dual benefit while sanctioning drawback under Section 74 of the Customs Act, 1962, Para 4 of circular no. 21/2017-Customs provides an additional condition on the exporters to obtain a certificate duly signed by the Central/State/UT GST officer, having jurisdiction over the exporter stating that no credit of integrated tax /compensation cess paid on imported goods has been availed or no refund of such credit or integrated tax paid on re-exported goods has been claimed.

As regards drawback u/s 75 is concerned, a notification number 59/2017-Cus (N.T.), dated 29.06.2017 also made some amendments in notification 131/2016 specifying notes & conditions related to availability of duty drawback under section 75 of the Customs Act’1962 based upon AIR rates. Changes brought by this notification with effect from 01-07-2017, are presented in a comparative chart as below:

<table>
<thead>
<tr>
<th>Old Provisions</th>
<th>New Provisions</th>
<th>Changes made</th>
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<tr>
<td>Para 6 (Notes &amp; Conditions) (6) An export product accompanied with <strong>application for removal of excisable goods for export (ARE-1)</strong> and forming part of project export (including turnkey export or supplies) for which no figure is shown in columns (5) and (7) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed the amount calculated by applying ad-valorem rate of drawback shown in column (4) or (6) to one and half times the <strong>ARE-1</strong> value.</td>
<td>Para 6 (Notes &amp; Conditions) (6) An export product accompanied with <strong>tax invoice</strong> and forming part of project export (including turnkey export or supplies) for which no figure is shown in columns (5) and (7) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed amount calculated by applying ad-valorem rate of drawback shown in column (4) or column (6) to one and half times the <strong>tax invoice</strong> value.</td>
<td>Provisions of application for removal of excisable goods for export (ARE-1) have been dispensed with effect from 01-07-2017 and these have been replaced by tax invoice so supplies under ARE-1 shall not be available under the GST regime</td>
</tr>
<tr>
<td>Para 11 (Notes &amp; Conditions) (11) The rates and caps of drawback specified in columns (4) and (5) of</td>
<td>Para 11 (Notes &amp; Conditions) (11) The rates and caps of drawback specified in columns (4) and (5) of</td>
<td>HIGHER RATE OF AIR shall not be available on export of commodity or product if it is:</td>
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</table>
the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is—
(a) manufactured or exported by availing the rebate of duty paid on materials used in the manufacture or processing of such commodity or product in terms of rule 18 of the Central Excise Rules, 2002;
(b) manufactured or exported in terms of sub-rule (2) of rule 19 of the said Central Excise Rules, 2002.

(c) exported availing input tax credit of the central goods and services tax or of the integrated goods and services tax on the export product or on the inputs or input services used in the manufacture of the export product;
(d) exported claiming refund of the integrated goods and services tax paid on such exports;
(e) exported by an exporter who has carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).

In order to avail HIGHER RATE OF AIR on export of commodity or product, requirement of declarations and certificates from officers of GST inserted
product or on any inputs or input services used in the manufacture of the export product or no refund of integrated goods and services tax paid on export product shall be claimed, is produced;
(c) a certificate from the officer of goods and services tax having jurisdiction over the exporter, to the effect that exporter has not carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017), is produced.

<table>
<thead>
<tr>
<th>4. This notification shall come into force on the 15th day of November, 2016.</th>
<th>4. This notification shall come into force on the 15th day of November, 2016.</th>
<th>Duty drawback provisions related to drawback of duty paid on export of goods manufactured in India to be scrapped w.e.f. 01-10-2017.</th>
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To clarify the provisions of this notification, a circular 23/2017 was also issued on 30.06.2017, as per this circular:

Government has allowed the extant Duty Drawback scheme to continue for a period of three months i.e. from 1.7.2017 to 30.9.2017.
For exports made during this transition period, the exporter can claim
All Industry Rate (AIR) or; Brand rate of drawback for Customs, Central Excise Duties and Service Tax subject to certain additional conditions.

The conditions were imposed for claiming these composite rates with an aim to ensure that the exporters do not claim composite AIRs of duty drawback and simultaneously avail input tax credit of Central Goods and Services Tax (CGST) or Integrated Goods and Services Tax (IGST) on the exported goods or on inputs and input services used in manufacture of export goods or claim refund of IGST paid on export goods.

Further, an exporter claiming drawback during transition period under these provisions shall not carry forward CENVAT credit in terms of the CGST Act, 2017 on the export goods or on inputs or input services used in manufacture of export goods.

The exporter also has to give the prescribed declaration and certificates (similar to declaration and certificate prescribed in Notification No. 59/2017-Cus (N.T.) dated 29.6.2017 for claiming composite AIR during transition time) at the time of application for fixation of Brand rate of drawback. These declaration and certificates as prescribed in this Notification has to be given at the time of export.

In respect of goods mentioned in Fourth Schedule to Central Excise Act, 1944, the exporter also has the option of claiming the Brand rate of Customs duties and remnant Central Excise duties and at the same time avail input tax credit of CGST or IGST or refund of IGST paid on exports.

While a transition period of three months has been allowed, the exporters shall have an option to claim only Customs portion of AIRs of duty drawback i.e. rates and caps given under column (6) and (7) respectively of the Schedule of AIRs of duty drawback and avail input tax credit of CGST or IGST or refund of IGST paid on exports.
Fixation of Brand rate of drawback has now been transferred from Central Excise formations having jurisdiction over the factory where export goods are manufactured, to Customs formations having jurisdiction over place of export. However, verification of data given in the application if so required shall be got done through the Customs formation having jurisdiction over the factory where the export goods have been manufactured. Also, in case the exports have taken place from more than one place, exporter shall file Brand rate application with the Principal Commissioner/Commissioner of Customs having jurisdiction over any one of the places of export. From 1.7.2017, all fresh applications for Brand rate of drawback irrespective of date of export will be dealt as per these guidelines. The applications already filed with existing Central Excise formations prior to 1.7.2017 and pending shall be transferred along with all relevant documents to the Principal Commissioner/Commissioner of Customs having jurisdiction over the place of export. In case an already filed application relates to exports from multiple places, the application should be transferred to the Principal Commissioner/Commissioner of Customs having jurisdiction over any one of the places of export as per choice of the exporter. The exporter concerned may be requested to indicate his choice in this regard before the transfer of his application.

With effect from 01-07-2017, supplementary claims of drawback are also now to be dealt only by Customs formations.

### 03 Condition to obtain certificate form GST officer, dispensed with.

Notification 59/2017 dated 29.06.2017 imposed a condition of obtaining certificate from jurisdictional GST officer, for claiming duty drawback at higher rate in case of exports by a manufacturer exporter. As per circular 32/2017, the certificate was aimed to ensure that there was no double neutralisation of taxes by way of credit/refund and drawback. However, in view of factors such as absence of clarity about jurisdictional GST officer, time lag between exports and the requisite returns to be filed under GST laws, etc., the said certificate from GST officer may not be available immediately at the time of export. Keeping in mind the above difficulties, the Government has amended Note and Condition 12A of Notification 131/2016-Cus (N.T.) dated 31.10.2016 by Notification 73/2017-Cus (N.T.) dated 26.07.2017 and dispensed with the requirement of the certificate from GST officer to claim higher rate of drawback as imposed by Notification 59/2017.

Changes brought by this notification NO. 73/2017-Cus (N.T.) read with circular no. 32/2017 dated 27.07.2017, is presented in a comparative chart as below:

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<tr>
<td>Para 12A (Notes &amp; Conditions) (12A) The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall be applicable to export of a commodity or product if the exporter satisfies the following conditions, namely:- (a) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been availed on the export product or on any of the inputs or input services used in the manufacture of the export product; (b) if the goods are exported under bond or letter of undertaking or on payment of integrated goods and services tax, a certificate from the officer of goods and services tax having jurisdiction over the exporter, to the effect that no input bond or letter of undertaking or on payment of integrated goods and services tax has been availed on the export product or on any of the inputs or input services used in the manufacture of the export product, or (ii) if the goods are exported on payment of integrated goods and services tax, the exporter shall declare that no refund of integrated goods and services tax paid on</td>
<td>Para 12A (Notes &amp; Conditions) (12A) The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall be applicable to export of a commodity or product if the exporter satisfies the following conditions, namely:- (i) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been availed on the export product or on any of the inputs or input services used in the manufacture of the export product, or (ii) if the goods are exported on payment of integrated goods and services tax, the exporter shall declare that no refund of integrated goods and services tax paid on</td>
<td>Requirement of submission of certificate is dispensed off. Declarations to cover the fulfillment of conditions in future also. Bonds and LUT’s already being self-declarations, so condition of additional declarations for exports made under bond/LUT also dispensed off.</td>
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<tr>
<td>tax credit of the central goods and services tax or input tax credit of the integrated goods and services tax has been availed on the export product or on any inputs or input services used in the manufacture of the export product or no refund of integrated goods and services tax paid on export product shall be claimed, is produced;</td>
<td>export product shall be claimed;</td>
<td></td>
</tr>
<tr>
<td>(b) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that the exporter has not carried forward and shall not carry forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).</td>
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<tr>
<td>(c) a certificate from the officer of goods and services tax having jurisdiction over the exporter, to the effect that exporter has not carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017), is produced.</td>
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So as per new requirements mentioned in the Customs notification no. 73/2017 dated 26-07-2017, manufacturer exporter shall be eligible to claim higher rate of AIR of drawback, subject to following conditions:

(a) (i) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been and shall be availed on the export product or on any of the inputs or input services used in the manufacture of the export product, or

(ii) if the goods are exported on payment of integrated goods and services tax, the exporter shall declare that no refund of integrated goods and services tax paid on export product shall be claimed;

(b) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that the exporter has not carried forward and shall not carry forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).
Format of Self-declaration for claiming higher rate of AIR of duty drawback under column (4) and (5) of the AIR Schedule under Notification No. 131/2016-Customs (N.T.) dated 31.10.2016 (as amended by notification no. 73/2017)

I/We, M/s. .............................., IEC No. ...................... and address ................................ hereby declare that in respect of export products covered under Shipping Bill Nos. ......................, dated ...................... on which higher rate of drawback under column (4) and (5) of the Schedule of All Industry Rates of duty drawback of Notification No. 131/2016-Customs (N.T.) dated 31.10.2016 (as amended) is claimed-

a) (i) no input tax credit of the Central Goods and Services Tax or of the Integrated Goods and Services Tax has been and shall be availed on the export product,
OR
(ii) no input tax credit of the Central Goods and Services Tax or of the Integrated Goods and Services Tax has been and shall be availed on any of the inputs or input services used in the manufacture of the export product,
OR
(iii) no refund of Integrated Goods and Services Tax paid on export product shall be claimed;
[Please strike out (i), (ii) or (iii), whichever is not applicable.]

b) CENVAT credit on the export product or on inputs or input services used in the manufacture of the export product has not been carried forward and shall not carry forward in terms of the Central Goods and Services Tax Act, 2017.

Signature, date and seal of exporter

* This format is also being suitably included in the EDI shipping bill. (Circular No. 32/2017 – Customs dated 27-07-2017)

** This format is available for use till 30-09-2017 only because facility to avail higher rate of duty drawback has been withdrawn w.e.f. 01-10-2017.

04 Duty Drawback Schemes from 01-10-2017

Some changes are made in drawback rules with effect from 01-10-2017. With effect from 1st October 2017 the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 has been replaced by the Customs and Central Excise Duties Drawback Rules, 2017 vide notification no. 88/2017-Customs N.T.

Notification no. 131/2016-Customs N.T. which provides “Notes and Conditions” related to drawback of duty under section 75 of The Customs Act’1962, was applicable from 15th November 2016 to 30th September 2017. So, corresponding “Notes and Conditions” related to drawback of duty under section 75 of The Customs Act’1962, from 1st October 2017 is also provided by Notification no. 89/2017-Customs N.T.

Both these rules and notifications provide various restrictions, conditions and procedures to claim drawback of duties under respective situations. Changes made by these notifications with effect from 01-10-2017 has been provided in circular no. 38/2017-Customs issued by the government on 22-09-2017. As per this circular and amendments made through these notifications, following changes were made to the provisions of duty drawback under section 75 of the Customs Act’1962:

1. Definition of Drawback has been amended to exclude integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 on any imported materials used in the manufacture of goods exported, so w.e.f. 01-10-2017, drawback of GST & Compensation cess is not allowed and so these has to be claimed as refund under GST Law. Also reference to input services and service tax input have been omitted from the drawback rules.

2. The Composite rates of Drawback are discontinued w.e.f. 1.10.2017. So, the declaration which was earlier required to be given by an exporter under section 75 of the Customs Act’1962 for claiming composite rate of drawback w.e.f. 1.7.2017 is no longer required. The new schedule of duty drawback as notified by new notifications, has only one rate of duty drawback because now drawback is limited to incidence of duties of Customs on inputs used and remnant Central Excise Duty on specified petroleum products used for generation of captive power for manufacture or processing of export goods.
3. Provisional drawback by proper officer of Customs in terms of sub-rule (3) of Rule 7 of the Drawback Rules, 2017 is also required to be made at general AIR rates only.

4. The brand rate facilitation would continue and there should be no delay by Customs formations in finalizing applications for fixation of brand rate. Clarification is also provided regarding NIL rate as compared to low rate of AIR, whereby it is made clear that NIL rate of AIR does not means low rate of AIR, so where in respect of a particular product, NIL rate or no rate of drawback is provided in AIR Schedule, an application for fixation of Brand Rate for such goods shall be made as per Rule 6 of the Drawback Rules, 2017 and shall not be filed under Rule 7 of the Drawback Rules, 2017. Also brand rates of drawback already fixed will not apply for exports with Let export date 1.10.2017 onwards. Thus, exporters will be required to apply fresh for fixation of Brand Rate under Rule 6 or Rule 7 for such exports.

5. As per changes made in “Notes and conditions” in case of AIR claim against tariff item numbers 711301, 711302 and 711401, the requirement of declaration by exporter as per Circular no. 30/2016-Customs dated 24.6.2016 is no longer required w.e.f. 1.10.2017. Also, the alternative AIRs on garment exports (items covered under Booklet 61 and 62) made against the Special Advance Authorization (para 4.04A of FTP 2015-20) in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13.8.2016. These AIRs are provided in ‘Table’ in the said notification.

6. For claiming the general AIRs, the relevant tariff item have to be suffixed with suffix ‘B’ e.g. for export of goods covered under tariff item 640609, the drawback serial no. should be declared as 640609B. However, for claiming the alternative AIRs, on garment exports made against the Special Advance Authorization as discussed above, the relevant tariff item has to be suffixed with suffix ‘D’ instead of the usual suffix ‘B’;

No changes have been made in the provisions related to filing of supplementary claims. Also, no changes have been made in the provisions related to filing of duty drawback under section 74 of the Customs Act 1962.

05 AIR rates of Duty Drawback amended from 25-01-2018

Notification no. 89/2017-Customs (NT) was amended vide notification no. 08/2018- Cus (NT) dated 22-01-2018, whereby AIR drawback rates u/s. 75 were again amended w.e.f. 25-01-2018. Circular No. 4/2018-Customs explaining amendments to the All Industry Rates of Duty Drawback effective from 25.01.2018 was issued on 24-01-2018. As per this circular, Government after considering various representations and data related to issues arising from the implementation of notification No. 89/2017- Cus (N.T.) has made certain amendments vide notification No. 08/2018- Customs (N.T.) dated 22.01.2018. These changes include –

(a) AIRs/caps of drawback have been enhanced for the following items:
   (i) Certain marine products covered under Chapters 3 and 16;
   (ii) Certain rubber articles like automobile tyres and bicycle tyres/tubes covered under Chapter 40;
   (iii) Leather and certain articles thereof covered under Chapters 39, 41, 42 and 64;
   (iv) Yarn/ fabric of wool covered under Chapters 51, 55, 56, 58 and 60;
   (v) Glass handicrafts covered under Chapter 70;
   (vi) Bicycles covered under Chapter 87; and
   (vii) Fishing/sports net of other man made textile material falling under tariff items 560802 and 950611.

(b) AIRs/caps of drawback have been reduced for chemicals covered under tariff items 290701 and 291201.

(c) Tariff item 391802 viz. Polypropylene Mats and the entries related thereto have been deleted from the Drawback Schedule. Polypropylene Mats will continue to be classifiable under tariff item 460101, which is in alignment with the entry under the Customs Tariff Act, 1975, with the existing rate/cap.
Section 74 of The Customs Act’ 1962

Drawback allowable on re-export of duty-paid goods. –

(1) When any goods capable of being easily identified which have been imported into India and upon which any duty has been paid on importation,—
   (i) are entered for export and the proper officer makes an order permitting clearance and loading of the goods for exportation under section 51; or
   (ii) are to be exported as baggage and the owner of such baggage, for the purpose of clearing it, makes a declaration of its contents to the proper officer under section 77 (which declaration shall be deemed to be an entry for export for the purposes of this section) and such officer makes an order permitting clearance of the goods for exportation; or
   (iii) are entered for export by post under section 82 and the proper officer makes an order permitting clearance of the goods for exportation,
   ninety-eight per cent of such duty shall, except as otherwise hereinafter provided, be re-paid as drawback, if -
   (a) the goods are identified to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the goods which were imported; and
   (b) the goods are entered for export within two years from the date of payment of duty on the importation thereof:
   Provided that in any particular case the aforesaid period of two years may, on sufficient cause being shown, be extended by the Board by such further period as it may deem fit.

(2) Notwithstanding anything contained in sub-section (1), the rate of drawback in the case of goods which have been used after the importation thereof shall be such as the Central Government, having regard to the duration of use, depreciation in value and other relevant circumstances, may, by notification in the Official Gazette, fix.

(3) The Central Government may make rules for the purpose of carrying out the provisions of this section and, in particular, such rules may -
   (a) provide for the manner in which the identity of goods imported in different consignments which are ordinarily stored together in bulk, may be established;
   (b) specify the goods which shall be deemed to be not capable of being easily identified; and
   (c) provide for the manner and the time within which a claim for payment of drawback is to be filed.

(4) For the purposes of this section -
   (a) goods shall be deemed to have been entered for export on the date with reference to which the rate of duty is calculated under section 16;
   (b) in the case of goods assessed to duty provisionally under section 18, the date of payment of the provisional duty shall be deemed to be the date of payment of duty.

as amended by notification no. 48/2010 Customs(N.T.) dated 17th June 2010

Short title, extent and commencement.-
(1) These rules may be called Re-export of Imported Goods (Drawback of Customs Duties) Rules, 1995.
(2) They extend to the whole of India.
(3) They shall come into force on the 26th day of May, 1995.

2. Definition.-
In these rules, unless the context otherwise requires,
(a) "drawback", in relation to any goods exported out of India, means the refund of duty or tax or cess as referred to in the Customs Tariff Act, 1975 (51 of 1975) and paid on importation of such goods in terms of section 74 of the Customs Act;
(b) "export", with its grammatical variations and cognate expressions means taking out of India to a place outside India and includes loading of provisions or store or equipment for use on board a vessel or aircraft proceeding to a foreign port or airport.

3. Procedure for claiming drawback on goods exported by post.-
(1) Where goods are to be exported by post under a claim for drawback under these rules,
(a) the outer packing carrying the address of the consignee shall also carry in bold letters the words "DRAWBACK EXPORT";
(b) the exporter shall deliver to the competent Postal Authority, alongwith the parcel or package, a claim in the form at Annexure I, [See Customs Series Form No. 108 in Part 5] in quadruplicate, duly filled in.
(2) The date of receipt of the aforesaid claim form by the proper officer of customs from the postal authorities shall be deemed to be date of filing of drawback claim by the exporter for the purpose of section 75A and an intimation of the same shall be given by the proper officer of customs to the exporter in such form as the [Commissioner of Customs] may prescribe.
(3) In case the aforesaid claim form is not complete in all respects, the exporter shall be informed of the deficiencies therein within fifteen days of its receipt from postal authorities by a deficiency memo in the form prescribed by the [Commissioner of Customs], and such claim shall be deemed not to have been received for the purpose of sub-rule (2).
(4) When the exporter complies with the requirements specified in the deficiency memo, within thirty days of receipt of the deficiency memo, he shall be issued an acknowledgement by the proper officer in the form prescribed by the [Commissioner of Customs] and the date of such acknowledgement shall be deemed to be date of filing the claim for the purpose of section 75A.

4. Statements/Declarations to be made on exports other than by post.-
In the case of exports other than by post, the exporter shall at the time of export of the goods -
(a) state on the shipping bill or bill of export, the description, quantity and such other particulars as are necessary for deciding whether the goods are entitled to drawback under section 74 and make a declaration on the relevant shipping bill or bill of export that -
(i) the export is being made under a claim for drawback under section 74 of the Customs Act;
(ii) that the duties of customs were paid on the goods imported;
(iii) that the goods imported were not taken into use after importation;
OR
(iii) that the goods were taken in use;
[Provided that if the Commissioner of Customs is satisfied that the exporter or his authorized agent has, for reasons beyond his control, failed to comply with the provisions of this clause, he may, after considering the representation, if any, made by such exporter or his authorized agent, and for reasons to be recorded, exempt such exporter or his authorized agent from the provisions of this clause.]
(b) furnish to the proper officer of customs, copy of the Bill of Entry or any other prescribed document against which goods were cleared on importation, import invoice, documentary evidence of payment of duty, export invoice and packing list and permission from Reserve Bank of India to re-export the goods, wherever necessary.

5. Manner and time of claiming drawback on goods exported other than by post.-
(1) A claim for drawback under these rules shall be filed in the form at Annexure II [See Customs Series Form No. 109 in Part 5] within three months from the date on which an order permitting clearance and loading of goods for exportation under Sec. 51 is made by proper officer of customs:

Provided that-
(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be.

(2) The claim shall be filed [ * * * * ] alongwith the following documents, namely :-
   (a) Triplicate copy of the Shipping Bill bearing examination report recorded by the proper officer of the customs at the time of export.
   (b) Copy of Bill of Entry or any other prescribed document against which goods were cleared on importation.
   (c) Import invoice.
   (d) Evidence of payment of duty paid at the time of importation of the goods.
   (e) Permission from Reserve Bank of India for re-export of goods, wherever necessary.
   (f) Export invoice and packing list.
   (g) Copy of Bill of lading or Airway bill.
   (h) Any other documents as may be specified in the deficiency memo.

(3) The date of filing of the claim for the purpose of section 75A shall be the date of affixing the Dated Receipt Stamp on the claims which are complete in all respects, and for which an acknowledgement shall be issued in such form as may be prescribed by the [Commissioner of Customs].

(4) (a) Any claim which is incomplete in any material particulars or is without the documents specified in sub-rule (2) shall not be accepted for the purpose of section 75A and such claim shall be returned to the claimant with the deficiency memo in the form prescribed by the [Commissioner of Customs] within fifteen days of submission and shall be deemed not to have been filed;

   (b) Where exporter complies with requirements specified in deficiency memo within thirty days from the date of receipt of deficiency memo, the same will be treated as a claim filed under sub-rule (1).

(5) Where any order for payment of drawback is made by the [Commissioner (Appeals)], Central Government or any Court against an order of the proper officer of customs, the manufacturer exporter may file a claim in the manner prescribed in this rule within three months from the date of receipt of the order so passed by the [Commissioner (Appeals)], Central Government or the Court, as the case may be.

6. Payment of drawback and interest.-
   (1) The drawback under these rules and interest, if any, shall be paid by the officer of Customs to the exporter or to the agent specially authorised by the exporter to receive the said amount of drawback and interest.
   (2) The date of payment of drawback and interest shall be deemed to be, in case of payment -
      (a) by cheque, the date of issue of cheque; or
      (b) by credit in the exporter’s account maintained with the Custom House, the date of such credit.

7. Repayment of erroneous or excess payment of drawback and interest.-
   Where an amount of drawback and interest, if any, has been paid erroneously or the amount so paid is in excess of what the claimant is entitled to, the claimant shall, on demand by an officer of customs repay the amount so paid erroneously or in excess, as the case may be, and where the claimant fails to repay the amount it shall be recovered in the manner laid down in sub-section (1) of section 142 of the Customs Act, 1962 (52 of 1962).

7A. Power to relax. -
   If the Central Government is satisfied that in relation to the export of any goods, the exporter or his authorised agent has, for reasons beyond his control, failed to comply with any of the provisions of these rules, and has thus been entitled to drawback, it may, after considering the representation, if any, made by such exporter or agent, and for reasons to be recorded in writing, exempt such exporter or agent from the provisions of such rule and allow drawback in respect of such goods.]
8. Savings.-
(1) Any claim made by an exporter or his authorised agent, for payment of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement, shall be disposed of in accordance with the provisions of these rules.
(2) Where any goods have been exported under claim for drawback under section 74, before the date of commencement of these rules but no claim for payment of drawback has been filed, the exporter may file his claim within a period of three months from the date of commencement of these rules in the manner prescribed in rule 5.
Section 75 of the Customs Act’ 1962

Drawback on imported materials used in the manufacture of goods which are exported. –

(1) Where it appears to the Central Government that in respect of goods of any class or description manufactured, processed or on which any operation has been carried out in India, being goods which have been entered for export and in respect of which an order permitting the clearance and loading thereof for exportation has been made under section 51 by the proper officer, or being goods entered for export by post under section 82 and in respect of which an order permitting clearance for exportation has been made by the proper officer, a drawback should be allowed of duties of customs chargeable under this Act on any imported materials of a class or description used in the manufacture or processing of such goods or carrying out any operation on such goods, the Central Government may, by notification in the Official Gazette, direct that drawback shall be allowed in respect of such goods in accordance with, and subject to, the rules made under sub-section (2):

Provided that no drawback shall be allowed under this sub-section in respect of any of the aforesaid goods which the Central Government may, by rules made under sub-section (2), specify, if the export value of such goods or class of goods is less than the value of the imported materials used in the manufacture or processing of such goods or carrying out any operation on such goods or class of goods, or is not more than such percentage of the value of the imported materials used in the manufacture or processing of such goods or carrying out any operation on such goods or class of goods as the Central Government may, by notification in the Official Gazette, specify in this behalf:

Provided further that where any drawback has been allowed on any goods under this sub-section and the sale proceeds in respect of such goods are not received by or on behalf of the exporter in India within the time allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), such drawback shall except under such circumstances or such conditions as the Central Government may, by rule, specify, be deemed never to have been allowed and the Central Government may, by rules made under sub-section (2), specify the procedure for the recovery or adjustment of the amount of such drawback.

(1A) Where it appears to the Central Government that the quantity of a particular material imported into India is more than the total quantity of like material that has been used in the goods manufactured, processed or on which any operation has been carried out in India and exported outside India, then, the Central Government may, by notification in the Official Gazette, declare that so much of the material as is contained in the goods exported shall, for the purpose of sub-section (1), be deemed to be imported material.

(2) The Central Government may make rules for the purpose of carrying out the provisions of sub-section (1) and, in particular, such rules may provide:

(a) for the payment of drawback equal to the amount of duty actually paid on the imported materials used in the manufacture or processing of the goods or carrying out any operation on the goods or as is specified in the rules as the average amount of duty paid on the materials of that class or description used in the manufacture or processing of export goods or carrying out any operation on export goods of that class or description either by manufacturers generally or by persons processing or carrying on any operation generally or by any particular manufacturer or particular person carrying on any process or other operation, and interest if any payable thereon;

(aa) for specifying the goods in respect of which no drawback shall be allowed;

(ab) for specifying the procedure for recovery or adjustment of the amount of any drawback which had been allowed under sub-section (1) or interest chargeable thereon;

(b) for the production of such certificates, documents and other evidence in support of each claim of drawback as may be necessary;

(c) for requiring the manufacturer or the person carrying out any process or other operation to give access to every part of his manufactory to any officer of customs specially authorised in this behalf by the Assistant Commissioner of Customs or Deputy Commissioner of Customs to enable such authorised officer to inspect the processes of manufacture, process or any other operation carried out and to verify by actual check or otherwise the statements made in support of the claim for drawback.

(d) for the manner and the time within which the claim for payment of drawback may be filed;

(3) The power to make rules conferred by sub-section (2) shall include the power to give drawback with retrospective effect from a date not earlier than the date of changes in the rates of duty on inputs used in the export goods.

1. Short title and commencement -

(1) These rules may be called the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

(2) Save as expressly provided otherwise, these rules shall come into force on the date of their publication in the Official Gazette.

2. Definitions. -

In these rules, unless the context otherwise requires, -

(a) "drawback" in relation to any goods manufactured in India and exported, means the rebate of duty or tax, as the case may be, chargeable on any imported materials or excisable materials used or taxable services used as input services in the manufacture of such goods;

(b) "excisable material" means any material produced or manufactured in India subject to a duty of excise under the Central Excises and Salt Act, 1944 (1 of 1944);

(c) "export", with its grammatical variations and cognate expressions, means taking out of India to a place outside India or taking out from a place in Domestic Tariff Area (DTA) to a special economic zone and includes loading of provisions or store or equipment for use on board a vessel or aircraft proceeding to a foreign port;

(d) "imported material" means any material imported into India and on which duty is chargeable under the Customs Act, 1962 (52 of 1962);

(da) "input service" shall have the same meaning as is assigned to it in the CENVAT Credit Rules, 2004.

(e) "manufacture" includes processing of or any other operation carried out on goods, and the term manufacturer shall be construed accordingly.

3. Drawback.

(1) Subject to the provisions of -

(a) the Customs Act, 1962 (52 of 1962) and the rules made thereunder,

(b) the Central Excises and Salt Act, 1944 (1 of 1944) and the rules made thereunder,

(bb) the Finance Act, 1994 (32 of 1994), and the rules made thereunder; and

(bc) the Central Goods and Services Tax Act, 2017 (12 of 2017) and the rules made thereunder,

(bd) the Integrated Goods and Services Tax Act, 2017 (13 of 2017) and the rules made thereunder; and

(c) these rules, a drawback may be allowed on the export of goods at such amount, or at such rates, as may be determined by the Central Government:

Provided that where any goods are produced or manufactured from imported materials or excisable materials or by using any taxable services as input services, on some of which only the duty or tax chargeable thereon has been paid and not on the rest, or only a part of the duty or tax chargeable has been paid; or the duty or tax paid has been rebated or refunded in whole or in part or given as credit, under any of the provisions of the Customs Act, 1962 (52 of 1962) and the rules made thereunder, or of the Central Excise Act, 1944 (1 of 1944) and the rules made thereunder, or of the Finance Act, 1994 (32 of 1994) and the rules made thereunder, the drawback admissible on the said goods shall be reduced taking into account the lesser duty or tax paid or the rebate, refund or credit obtained:

Provided further that no drawback shall be allowed -

(i) if the said goods, except tea chests used as packing material for export of blended tea, have been taken into use after manufacture;

(ii) if the said goods are produced or manufactured, using imported materials or excisable materials or taxable services in respect of which duties or taxes have not been paid; or;

(iii) on jute batching oil used in the manufacture of export goods, namely, jute (including Bimlipatam jute or mesta fibre), yarn, twist, twine, thread, cords and ropes;

(iv) if the said goods, being packing materials have been used in or in relation to the export of -

(1) jute yarn (including Bimlipatam jute or mesta fibre), twist, twine, thread and ropes in which jute yarn predominates in weight;

(2) jute fabrics (including Bimlipatam jute or mesta fibre), in which jute predominates in weight;

(3) jute manufactures not elsewhere specified (including Bimlipatam jute or mesta fibre) in which jute predominates in weight.

(2) In determining the amount or rate of drawback under this rule, the Central Government shall have regard to, -

(a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinarily produced or manufactured in India;

(b) the average quantity or value of the imported materials or excisable materials used for production or manufacture in India of a particular class of goods;

(c) the average amount of duties paid on imported materials or excisable materials used in the manufacture of semis, components and intermediate products which are used in the manufacture of goods;
(d) the average amount of duties paid on materials wasted in the process of manufacture and catalytic agents:

Provided that if any such waste or catalytic agent is re-used in any process of manufacture or is sold, the average amount of duties on the waste or catalytic agent re-used or sold shall also be deducted;

(e) the average amount of duties paid on imported materials or excisable materials used for containing or, packing the export goods;

(ea) the average amount of tax paid on taxable services which are used as input services for the manufacturing or processing or for containing or packing the export goods.

(f) any other information which the Central Government may consider relevant or useful for the purpose.

4. Revision of rates. -

The Central Government may revise amount or rates determined under rule 3.

5. Determination of date from which the amount or rate of drawback is to come into force and the effective date for application of amount or rate of drawback. -

(1) The Central Government may specify the period up to which any amount or rate of drawback determined under rule 3 or revised under rule 4, as the case may be, shall be in force.

(2) Where the amount or rate of drawback is allowed with retrospective effect, such amount or rate shall be allowed from such date as may be specified by the Central Government by notification in the Official Gazette which shall not be earlier than the date of changes in the rates of duty on inputs or tax on input services used in the export goods.

(3) The provisions of section 16, or sub-section (2) of section 83, of the Customs Act, 1962 (52 of 1962) shall determine the amount or rate of drawback applicable to any goods exported under these rules.

6. Cases where amount or rate of drawback has not been determined. -

(1)(a) Where no amount or rate of drawback has been determined in respect of any goods, any exporter of such goods may, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all the relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties paid on such materials or components or the tax paid on input services:

Provided that:

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.
(b) On receipt of an application under clause (a), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, shall, after making or causing to be made such inquiry as it deems fit, determine the amount or rate of drawback in respect of such goods.

(2)(a) Where an exporter desires that he may be granted drawback provisionally, he may, while making an application under clause (a) of sub-rule (1) apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, that a provisional amount be granted to him towards drawback on the export of such goods pending determination of the amount or rate of drawback under clause (b) of that sub-rule.

(b) The Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after considering the application, allow provisionally payment of an amount not exceeding the amount claimed by the exporter in respect of such export:

Provided that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, for the purpose of allowing provisional payment of drawback in respect of such export, require the exporter to enter into a general bond for such amount, and subject to such conditions, as he may direct; or to enter into a bond for an amount not exceeding the full amount claimed by such exporter as drawback in respect of a particular consignment and binding himself, -

(i) to refund the amount so allowed provisionally, if for any reason, it is found that the duty drawback was not admissible; or

(ii) to refund the excess, if any, paid to such exporter provisionally if it is found that a lower amount was payable as duty drawback:

Provided further that when the amount or rate of drawback payable on such goods is finally determined, the amount provisionally paid to such exporter shall be adjusted against the drawback finally payable and if the amount so adjusted is in excess or falls short of the drawback finally payable, such exporter shall repay to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, the excess or be entitled to the deficiency, as the case may be.

(c) The bond referred to in clause (b) may be with such surety or security as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may direct.

(3) Where the Central Government considers it necessary so to do, it may—

(a) revoke the rate of drawback or amount of drawback, determined under clause (b) of sub-rule (1) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.

**Earlier Rule 6 was read as under:**

(1)(a) Where no amount or rate of drawback has been determined in respect of any goods, any manufacturer or exporter of such goods may, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule (5), apply in writing to the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, having jurisdiction over the manufacturing unit, of the manufacturer or, of the supporting manufacturer, as the case may be, for determination of the amount or rate of drawback thereof stating all the relevant facts including the proportion in which the materials or components or inputs services are used in the production or manufacture of goods and the duties paid on such materials or components or the tax paid on input services:

Provided that-

(i) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be, may extend the aforesaid period of three months by a period of three months and that the
Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise or Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be.

(b) On receipt of an application under clause (a) the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be shall, after making or causing to be made such inquiry as it deems fit, determine the amount or rate of drawback in respect of such goods.

(2)(a) Where a manufacturer or exporter desires that he may be granted drawback provisionally, he may, while making an application under clause (a) of sub-rule (1) apply in writing to the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be that a provisional amount be granted to him towards drawback on the export of such goods pending determination of the amount or rate of drawback under clause (b) of that sub-rule.

(b) The Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, may, after considering the application, allow provisionally payment of an amount not exceeding the amount claimed by the manufacturer or exporter in respect of such export:
Provided that the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, may, for the purpose of allowing provisional payment of drawback in respect of such export, require the manufacturer or exporter to enter into a general bond for such amount, and subject to such conditions, as he may direct; or to enter into a bond for an amount not exceeding the full amount claimed by such manufacturer or exporter as drawback in respect of a particular consignment and binding himself,-

(i) to refund the amount so allowed provisionally, if for any reason, it is found the duty drawback was not admissible; or

(ii) to refund the excess, if any, paid to such manufacturer or exporter provisionally if it is found that a lower amount was payable as duty drawback:

Provided further that when the amount or rate of drawback payable on such goods is finally determined, the amount provisionally paid to such manufacturer or exporter shall be adjusted against the drawback finally payable and if the amount so adjusted is in excess or falls short of the drawback finally payable, such manufacturer or exporter shall repay to the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, the excess or be entitled to the deficiency, as the case may be;

(c) The bond referred to in clause (b) may be with such surety or security as the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be may direct.

(3) Where the Central Government considers it necessary so to do, it may-

(a) revoke the rate of drawback or amount of drawback, determined under clause (b) of sub-rule (1) by the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be; or

(b) direct the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, to withdraw the rate of drawback or amount of drawback determined.
7. Cases where amount or rate of drawback determined is low. -

(1) Where, in respect of any goods, the exporter finds that the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, for the class of goods is less than eighty per cent. of the duties or taxes paid on the materials or components or input services used in the production or manufacture of the said goods, he may, except where a claim for drawback under rule 3 or rule 4 has been made, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, make an application to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties or taxes paid on such materials or components or input services:

Provided that -

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(2) On receipt of the application referred to in sub-rule (1), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after making or causing to be made such inquiry as it deems fit, allow payment of drawback to such exporter at such amount or at such rate as may be determined to be appropriate, if the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, is in fact less than eighty per cent. of such amount or rate determined under this sub-rule.

(3) Provisional drawback amount, as may be specified by the Central Government, shall be paid by the proper officer of Customs and where the exporter desires that he may be granted further drawback provisionally, he may, while making an application under sub-rule (1), apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, in this behalf in the manner as has been provided in clause (a) of sub-rule (2) of rule 6 for the application made under that rule along with details of provisional drawback already paid and the grant of further provisional drawback shall be considered in the manner and subject to the conditions specified in clauses (b) and (c) of sub-rule (2), and sub-rule (3) of rule 6, subject to the condition that bond required to be executed by the claimant shall only be for the difference between amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4 by the Central Government and the provisional drawback authorised by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under this rule.

(4) Where the Central Government considers it necessary so to do, it may,–

(a) revoke the rate of drawback or amount of drawback determined under sub-rule (2) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

**Explanation.** For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.
Earlier Rule 7 was read as under:

(1) Where, in respect of any goods, the manufacturer or exporter finds that the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, for the class of goods is less than four-fifth of the duties or taxes paid on the materials or components or input services used in the production or manufacture of the said goods, he may, except where a claim for drawback under rule 3 or rule 4 has been made, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule (5), make an application in writing to the Commissioner of Central Excise or the Commissioner of Customs and Central Excise having jurisdiction over the manufacturing unit, of the manufacturer or, of the supporting manufacturer, as the case may be, for determination of the amount or rate of drawback thereof stating all relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties or taxes paid on such materials or components or input services:

Provided that-

(i) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise or Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Central Excise or Assistant Commissioner of Customs and Central Excise or Deputy Commissioner of Central Excise or Deputy Commissioner of Customs and Central Excise, as the case may be, and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Central Excise or Commissioner of Customs and Central Excise, as the case may be.

(2) On receipt of the application referred to in sub-rule (1), the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be may, after making or causing to be made such inquiry as it deems fit, allow payment of drawback to such exporter at such amount or at such rate as may be determined to be appropriate, if the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, is in fact less than four-fifth of such amount or rate determined under this sub-rule.

(3) "Provisional drawback amount, as may be specified by the Central Government, shall be paid by the proper officer of Customs and where the manufacturer or exporter desires that he may be granted further drawback provisionally, he may, while making an application under sub-rule (1), apply to the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, in writing in this behalf in the manner as has been provided in clause (a) of sub-rule (2) of rule 6 for the “applications made under that rule along with details of provisional drawback already paid and the grant of further provisional drawback shall be considered in the manner and subject to the conditions specified in clauses (b) and (c) of sub-rule (2), and sub-rule (3) of rule 6, subject to the condition that bond required to be executed by the claimant shall only be for the difference between amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4 by the Central Government and the provisional drawback authorised by the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, under this rule.

(4) Where the Central Government considers it necessary so to do, it may- (a) revoke the rate of drawback or amount of drawback, determined under sub-rule (2) by the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, or (b) direct the Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, to withdraw the rate of drawback or amount of drawback determined.
8. Cases where no amount or rate of drawback is to be determined. -

(1) No amount or rate of drawback shall be determined in respect of any goods under rule 3, rule 6 or, as the case may be, rule 7, the amount or rate of drawback of which would be less than one per cent of the F.O.B. value thereof, except where the amount of drawback per shipment exceeds five hundred rupees.

Provided that this sub-rule shall not apply in the case of-

(a) drawback on exports made in discharge of export obligation against an Advance Licence issued under the Export and Import Policy notified by the Central Government under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992), or

(b) export made by post.

[Omitted w.e.f. 15th November 2016 vide notification no. 132/2016 dated 31st Oct 2016]

(2) No amount or rate of drawback shall be determined in respect of any goods or class of goods under rule 6 or rule 7, as the case may be, if the export value of each of such goods or class of goods in the bill of export or shipping bill is less than the value of the imported materials used in the manufacture of such goods or class of goods, or is not more than such percentage of the value of the imported materials used in the manufacture of such goods or class of goods as the Central Government may, by notification in the Official Gazette, specify in this behalf.

8A. Upper Limit of Drawback money or rate. -

The drawback amount or rate determined under rule 3 shall not exceed one third of the market price of the export product.

9. Power to require submission of information and documents. -

For the purpose of-

(a) determining the class or description of materials or components or input services used in the production or manufacture of goods or for determining the amount of duty or tax paid on such materials or components or input services, or

(b) verifying the correctness or otherwise of any information furnished by any manufacturer or exporter or other persons in connection with the determination of the amount or rate of drawback, or

(c) verifying the correctness or otherwise of any claim for drawback, or

(d) obtaining any other information considered by Principal Commissioner of Central Excise Customs or the Commissioner of Central Excise Customs, as the case may be, to be relevant or useful, any officer of the Central Government specially authorized in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs or of Central Excise, may require any manufacturer or exporter of goods or any other person likely to be in possession of the same to furnish such information and to produce such books of account and other documents as are considered necessary by such officer.

10. Access to manufactory. -

Whenever an officer of the Central Government specially authorized in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs or of Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, considers it necessary, the manufacturer shall give access at all reasonable times to the officer so authorized to every part of the premises in which the goods are manufactured, so as to enable the said officer to verify by inspection the process of, and the materials or components used for the manufacture of such goods, or otherwise the entitlement of the goods for drawback or for a particular amount or rate of drawback under these rules.

11. Procedure for claiming drawback on goods exported by post. -

(1) Where goods are to be exported by post under a claim for drawback under these rules, -

(a) the outer packing carrying the address of the consignee shall also carry in bold letters the words "DRAWBACK EXPORT";

(b) the exporter shall deliver to the competent Postal Authority, along with the parcel or package, a claim in the form at Annexure I, in quadruplicate, duly filled in.
(2) The date of receipt of the aforesaid claim form by the proper officer of Customs from the postal authorities shall be
considered to be the date of filing of drawback claim by the exporter for the purpose of section 75A and an intimation of the
same shall be given by the proper officer of customs to the exporter in such form as the Commissioner of Customs may
prescribe.

(3) In case the aforesaid claim form is not complete in all respects, the exporter shall be informed of the deficiencies
within fifteen days of its receipt from postal authorities by a deficiency memo in the form prescribed by the
Commissioner of Customs, and such claim shall be deemed not to have been received for the purpose of sub-rule (2).

(4) When the exporter complies with the requirements specified in the deficiency memo within thirty days of its return,
he shall be issued an acknowledgement by the proper officer in the form prescribed by the Commissioner of Customs
and the date of such acknowledgement shall be deemed to be date of filing the claim for the purpose of section 75A.

12. Statement/Declaration to be made on exports other than by Post. -

(1) In the case of exports other than by post, the exporters shall at the time of export of the goods -

   (a) state on the shipping bill or bill of export, the description, quantity and such other particulars as are
   necessary for deciding whether the goods are entitled to drawback, and if so, at what rate or rates and make a
   declaration on the relevant shipping bill or bill of export that -

   (i) a claim for drawback under these rules is being made;

   (ii) in respect of duties of Customs and Central Excise paid on the containers, packing materials and
   materials and the service tax paid on the input services used in the manufacture of the export goods
   on which drawback is being claimed, no separate claim for rebate of duty or service tax under the
   Central Excise Rules, 2002 or any other law has been or will be made to the Central Excise authorities
   :

   Provided that if the Commissioner of Customs is satisfied that the exporter or his authorised agent
   has, for reasons beyond his control, failed to comply with the provisions of this clause, he may, after
   considering the representation, if any, made by such exporter or his authorised agent, and for
   reasons to be recorded, exempt such exporter or his authorised agent from the provisions of this
   clause;

   (b) furnish to the proper officer of Customs, a copy of shipment invoice or any other document giving
   particulars of the description, quantity and value of the goods to be exported.

(2) Where the amount or rate of drawback has been determined under rule 6 or rule 7, the exporter shall make an
additional declaration on the relevant shipping bill or bill of export that -

   (a) there is no change in the manufacturing formula and in the quantum per unit of the imported materials or
   components, if any, utilised in the manufacture of export goods; and

   (b) the materials or components, which have been stated in the application under rule 6 or rule 7 to have been
   imported, continue to be so imported and are not being obtained from indigenous sources.

13. Manner and time for claiming drawback on goods exported other than by post. -

(1) Triplicate copy of the Shipping Bill for export of goods under a claim for drawback shall be deemed to be a claim for
drawback filed on the date on which the proper officer of Customs makes an order permitting clearance and loading of
goods for exportation under section 51 and said claim for drawback shall be retained by the proper officer making such
order.

(2) The said claim for drawback should be accompanied by the following documents, namely :-

   (i) copy of export contract or letter of credit, as the case may be,

   (ii) copy of Packing list,
(iii) copy of **ARE-1 Tax Invoice**, wherever applicable,

(iv) insurance certificate, wherever necessary, and

(v) copy of communication regarding rate of drawback where the drawback claim is for a rate determined by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under rule 6 or rule 7 of these rules.

**Earlier:**
(v) copy of communication regarding rate of drawback where the drawback claim is for a rate determined by the Principal Commissioner of Central Excise or the Commissioner of Central Excise, as the case may be under rule 6 or rule 7 of these rules.

(3) (a) If the said claim for drawback is incomplete in any material particulars or is without the documents specified in sub-rule (2), shall be returned to the claimant with a deficiency memo in the form prescribed by the Commissioner of Customs within 10 days and shall be deemed not to have been filed for the purpose of section 75A.

(b) where the exporter resubmits the claim for drawback after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

(4) For computing the period of one month prescribed under section 75A for payment of drawback to the claimant, the time taken in testing of the export goods, not more than one month, shall be excluded.

(5) Subject to the provisions of sub-rules (2), (3) and (4), where the exporter has exported the goods under electronic shipping bill in Electronic Data Interchange (EDI) under the claim of drawback, the electronic shipping bill itself shall be treated as the claim for drawback.

14. **Payment of drawback and interest.** -

(1) The drawback under these rules and interest, if any, shall be paid by the proper officer of Customs to the exporter or to the agent specially authorised by the exporter to receive the said amount of drawback and interest.

(2) The officer of Customs may combine one or more claims for the purpose of payment of drawback and interest, if any, as well as adjustment of any amount of drawback and interest already paid and may issue a consolidated order for payment.

(3) The date of payment of drawback and interest, if any, shall be deemed to be, in the case of payment -

(a) by cheque, the date of issue of such cheque, or

(b) by credit in the exporter’s account maintained with the Custom House, the date of such credit.

15. **Supplementary claim.** -

(1) Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, he may prefer a supplementary claim in the form at Annexure III:

Provided that the exporter shall prefer such supplementary claim within a period of three months, -

(i) where the rate of drawback is determined or revised under rule 3 or rule 4, as the case may be, from the date of publication of such rate in the Official Gazette;

(ii) where the rate of drawback is determined or revised upward under rule 6 or rule 7, as the case may be, from the date of communicating the said rate to the person concerned;

(iii) in all other cases, from the date of payment or settlement of the original drawback claim by the proper officer:

Provided further that –
(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

Earlier:
(1) Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Commissioner of Central Excise or the Commissioner of Customs and Central Excise, as the case may be, he may prefer a supplementary claim in the form at Annexure III:

Provided that the exporter shall prefer such supplementary claim within a period of three months,

(i) where the rate of drawback is determined or revised under rule 3 or rule 4, from the date of publication of such rate in the official Gazette;

(ii) where the rate of drawback is determined or revised upward under rule 6 or rule 7, from the date of communicating the said rate to the person concerned;

(iii) in all other cases, from the date of payment or settlement of the original drawback claim by the proper officer.

Provided further that:-

(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months and that the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or Rs. 2000/- whichever is less, shall be payable for applying for grant of extension by the Commissioner of Customs or Commissioner of Customs and Central Excise, as the case may be

(2) Save as otherwise provided in this rule, no supplementary claim for drawback shall be entertained.

(3) The date of filing of the supplementary claim for the purpose of section 75A shall be the date of affixing the Dated Receipt Stamp on such claims which are complete in all respects and for which an acknowledgement shall be issued in the form prescribed by the Commissioner of Customs.

(4) (a) Claims which are not complete in all respects or are not accompanied by the required documents shall be returned to the claimant with a deficiency memo in the form prescribed by the Commissioner of Customs within fifteen days of submission and shall be deemed not to have been filed.
(b) Where the exporter resubmits the supplementary claim after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

16. Repayment of erroneous or excess payment of drawback and interest. -

Where an amount of drawback and interest, if any, has been paid erroneously or the amount so paid is in excess of what the claimant is entitled to, the claimant shall, on demand by a proper officer of Customs repay the amount so paid erroneously or in excess, as the case may be, and where the claimant fails to repay the amount it shall be recovered in the manner laid down in sub-section (1) of section 142 of the Customs Act, 1962 (52 of 1962).

16A. Recovery of amount of Drawback where export proceeds not realised. -

(1) Where an amount of drawback has been paid to an exporter or a person authorised by him (hereinafter referred to as the claimant) but the sale proceeds in respect of such export goods have not been realised by or on behalf of the exporter in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, such drawback shall except under circumstances or conditions specified in sub-rule (5), be recovered in the manner specified below.

Provided that the time-limit referred to in this sub-rule shall not be applicable to the goods exported from the Domestic Tariff Area to a special economic zone.

(2) If the exporter fails to produce evidence in respect of realisation of export proceeds within the period allowed under the Foreign Exchange Management Act, 1999, or any extension of the said period by the Reserve Bank of India, the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be shall cause notice to be issued to the exporter for production of evidence of realisation of export proceeds within a period of thirty days from the date of receipt of such notice and where the exporter does not produce such evidence within the said period of thirty days, the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be shall pass an order to recover the amount of drawback paid to the claimant and the exporter shall repay the amount so demanded within thirty days of the receipt of the said order:

Provided that where a part of the sale proceeds has been realised, the amount of drawback to be recovered shall be the amount equal to that portion of the amount of drawback paid which bears the same proportion as the portion of the sale proceeds not realised bears to the total amount of sale proceeds.

(3) Where the exporter fails to repay the amount under sub-rule (2) within said period of thirty days referred to in sub-rule (2), it shall be recovered in the manner laid down in rule 16.

(4) Where the sale proceeds are realised by the exporter after the amount of drawback has been recovered from him under sub-rule (2) or sub-rule (3) and the exporter produces evidence about such realisation within a period of three months from the date of realisation of sale proceeds, the amount of drawback so recovered shall be repaid by the Assistant Commissioner of Customs or Deputy Commissioner of Customs to the claimant provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India.

Provided that:

(i) the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, or Principal Commissioner or Commissioner of Customs and Central Excise, as the case may be, may extend the aforesaid period of three months by a period of nine months provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India;

(ii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, or Principal Commissioner or Commissioner of Customs and Central Excise, as the case may be.

(5) Where sale proceeds are not realised by an exporter within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), but such non-realisation of sale proceeds is compensated by the Export Credit Guarantee Corporation of India Ltd. under an insurance cover and the Reserve Bank of India writes off the requirement of realisation of sale proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of sale proceeds from the buyer, the amount of drawback paid to the exporter or the claimant shall not be recovered.
17. Power to relax. -

If the Central Government is satisfied that in relation to the export of any goods, the exporter or his authorised agent has, for reasons beyond his control, failed to comply with any of the provisions of these rules, and has thus been entitled to drawback, it may, after considering the representation, if any, made by such exporter or agent, and for reasons to be recorded in writing, exempt such exporter or agent from the provisions of such rule and allow drawback in respect of such goods.

18. Repeal and saving. -

(1) As from the commencement of these rules, the Customs and Central Excise Duties Drawback Rules, 1971 (hereinafter in this rule referred to as the 1971 Rules) shall cease to operate.

(2) Notwithstanding such cesser of operation -

(a) every application made by a manufacturer or exporter for the determination or revisions of the amount or rate of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of the 1971 Rules as if these rules had not been made;

(b) any claim made by an exporter or his authorised agent for the payment of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of these rules;

(c) where a manufacturer or exporter has exported any goods before the commencement of the Customs and Central Excise Duties Drawback (Third Amendment) Rules, 1996 and has not filed any claim for payment of drawback or the claim filed has been returned to him for complying with any deficiencies, such manufacturer or exporter may file his claim in the form of triplicate copy of Shipping Bill for export of goods under a claim for drawback along with documents prescribed in sub-rule (1) of rule 13 by 30th June, 1997 and the same shall be deemed to be a claim filed under that rule;

(d) every amount or rate of drawback determined under the 1971 Rules and in force immediately before the commencement of these rules shall be deemed to be the amount or rate of drawback determined under these rules until altered or superseded by the Central Government.

Note: as per notification no. 56/2014-Customs(N.T.) any reference to
1. Chief commissioner of customs shall be substituted with Principal chief commissioner of customs, as the case may be.
2. Commissioner of customs shall be substituted with Principal commissioner of customs, as the case may be.
So necessary changes may be made wherever necessary.
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G.S.R. (E). In exercise of the powers conferred by section 75 of the Customs Act, 1962 (52 of 1962) and section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules, namely:

1. Short title, extent and commencement.
   (1) These rules may be called the Customs and Central Excise Duties Drawback Rules, 2017.
   
   (2) They extend to the whole of India.
   
   (3) They shall come into force on the 1st day of October, 2017.

2. Definitions.
   In these rules, unless the context otherwise requires,
   
   (a) “drawback” in relation to any goods manufactured in India and exported, means the rebate of duty excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 (51 of 1975) chargeable on any imported materials or excisable materials used in the manufacture of such goods;
   
   (b) “excisable material” means any material produced or manufactured in India subject to a duty of excise under the Central Excise Act, 1944 (1 of 1944);
   
   (c) “export”, with its grammatical variations and cognate expressions, means taking out of India to a place outside India or taking out from a place in Domestic Tariff Area (DTA) to a special economic zone and includes loading of provisions or store or equipment for use on board a vessel or aircraft proceeding to a foreign port;
   
   (d) “imported material” means any material imported into India and on which duty is chargeable under the Customs Act, 1962 (52 of 1962);
   
   (e) “manufacture” includes processing of or any other operation carried out on goods, and the term manufacturer shall be construed accordingly;
   

3. Drawback. – (1) Subject to the provisions of
   
   (a) the Customs Act, 1962 (52 of 1962) and the rules made thereunder;
   
   (b) the Central Excise Act, 1944 (1 of 1944) and the rules made thereunder; and
   
   (c) these rules, a drawback may be allowed on the export of goods at such amount, or at such rates, as may be determined by the Central Government :

   Provided that where any goods are produced or manufactured from imported materials or excisable materials, on some of which only the duty chargeable thereon has been paid and not on the rest, or only a part of the duty chargeable has been paid; or the duty paid has been rebated or refunded in whole or in part or given as credit, under any of the provisions of the Customs Act, 1962 (52 of 1962) and the rules made thereunder, or of the Central Excise
Act, 1944 (1 of 1944) and the rules made thereunder, the drawback admissible on the said goods shall be reduced taking into account the lesser duty paid or the rebate, refund or credit obtained:

Provided further that no drawback shall be allowed –

(i) if the said goods, except tea chests used as packing material for export of blended tea, have been taken into use after manufacture;

(ii) if the said goods are produced or manufactured, using imported materials or excisable materials in respect of which duties have not been paid;

(iii) on jute batching oil used in the manufacture of export goods, namely, jute (including Bimlipatam jute or mesta fibre) yarn, twist, twine, thread, cords and ropes;

(iv) if the said goods, being packing materials have been used in or in relation to the export of -

(A) jute yarn (including Bimlipatam jute or mesta fibre), twist, twine, thread and ropes in which jute yarn predominates in weight;

(B) jute fabrics (including Bimlipatam jute or mesta fibre), in which jute predominates in weight;

(C) jute manufactures not elsewhere specified (including Bimlipatam jute or mesta fibre) in which jute predominates in weight.

(2) In determining the amount or rate of drawback under this rule, the Central Government shall have regard to,

(a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinarily produced or manufactured in India;

(b) the average quantity or value of the imported materials or excisable materials used for production or manufacture in India of a particular class of goods;

(c) the average amount of duties paid on imported materials or excisable materials used in the manufacture of semis, components and intermediate products which are used in the manufacture of goods;

(d) the average amount of duties paid on materials wasted in the process of manufacture and catalytic agents:

    Provided that if any such waste or catalytic agent is re-used in any process of manufacture or is sold, the average amount of duties on the waste or catalytic agent re-used or sold shall also be deducted;

(e) the average amount of duties paid on imported materials or excisable materials used for containing or, packing the export goods;

(f) any other information which the Central Government may consider relevant or useful for the purpose.

4. Revision of rates.- The Central Government may revise amount or rates determined under rule 3.

5. Determination of date from which the amount or rate of drawback is to come into force and the effective date for application of amount or rate of drawback.–

(1) The Central Government may specify the period up to which any amount or rate of drawback determined under rule 3 or revised under rule 4, as the case may be, shall be in force.

(2) Where the amount or rate of drawback is allowed with retrospective effect, such amount or rate shall be allowed from such date as may be specified by the Central Government by notification in the Official Gazette which shall not be earlier than the date of changes in the rates of duty on inputs used in the export goods.

(3) The provisions of section 16, or sub-section (2) of section 83, of the Customs Act, 1962 (52 of 1962) shall determine the amount or rate of drawback applicable to any goods exported under these rules.

6. Cases where amount or rate of drawback has not been determined.-
(1) (a) Where no amount or rate of drawback has been determined in respect of any goods, any exporter of such goods may, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all the relevant facts including the proportion in which the materials or components are used in the production or manufacture of goods and the duties paid on such materials or components:

Provided that-

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(b) On receipt of an application under clause (a), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, shall, after making or causing to be made such inquiry as it deems fit, determine the amount or rate of drawback in respect of such goods.

(2) (a) Where an exporter desires that he may be granted drawback provisionally, he may, while making an application under clause (a) of sub-rule (1) apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, that a provisional amount be granted to him towards drawback on the export of such goods pending determination of the amount or rate of drawback under clause (b) of that sub-rule.

(b) The Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after considering the application, allow provisionally payment of an amount not exceeding the amount claimed by the exporter in respect of such export:

Provided that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, for the purpose of allowing provisional payment of drawback in respect of such export, require the exporter to enter into a general bond for such amount, and subject to such conditions, as he may direct; or to enter into a bond for an amount not exceeding the full amount claimed by such exporter as drawback in respect of a particular consignment and binding himself,-

(i) to refund the amount so allowed provisionally, if for any reason, it is found that the duty drawback was not admissible; or

(ii) to refund the excess, if any, paid to such exporter provisionally if it is found that a lower amount was payable as duty drawback:

Provided further that when the amount or rate of drawback payable on such goods is finally determined, the amount provisionally paid to such exporter shall be adjusted against the drawback finally payable and if the amount so adjusted is in excess or falls short of the drawback finally payable, such exporter shall repay to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, the excess or be entitled to the deficiency, as the case may be.

(c) The bond referred to in clause (b) may be with such surety or security as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may direct.
Where the Central Government considers it necessary so to do, it may,—

(a) revoke the rate of drawback or amount of drawback, determined under clause (b) of sub-rule (1) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.— For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.

7. Cases where amount or rate of drawback determined is low.—

(1) Where, in respect of any goods, the exporter finds that the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, for the class of goods is less than eighty per cent. of the duties paid on the materials or components used in the production or manufacture of the said goods, he may, except where a claim for drawback under rule 3 or rule 4 has been made, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, make an application to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all relevant facts including the proportion in which the materials or components are used in the production or manufacture of goods and the duties paid on such materials or components:

Provided that -

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(2) On receipt of the application referred to in sub-rule (1), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after making or causing to be made such inquiry as it deems fit, allow payment of drawback to such exporter at such amount or at such rate as may be determined to be appropriate, if the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, is in fact less than eighty per cent. of such amount or rate determined under this sub-rule.

(3) Provisional drawback amount, as may be specified by the Central Government, shall be paid by the proper officer of Customs and where the exporter desires that he may be granted further drawback provisionally, he may, while making an application under sub-rule (1), apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, in this behalf in the manner as has been provided in clause (a) of sub-rule (2) of rule 6 for the application made under that rule along with details of provisional drawback already paid and the grant of further provisional drawback shall be considered in the manner and subject to the conditions specified in clauses (b) and (c) of sub-rule (2), and sub-rule (3) of rule 6, subject to the condition that bond required to be executed by the claimant shall only be for the difference between amount or rate of drawback determined under rule 3 or, as the case may be, revised under
rule 4 by the Central Government and the provisional drawback authorised by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under this rule.

(4) Where the Central Government considers it necessary so to do, it may,–
(a) revoke the rate of drawback or amount of drawback determined under sub-rule (2) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or
(b) direct the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.

8. Cases where no amount or rate of drawback is to be determined.– No amount or rate of drawback shall be determined in respect of any goods or class of goods under rule 6 or rule 7, as the case may be, if the export value of each of such goods or class of goods in the bill of export or shipping bill is less than the value of the imported materials used in the manufacture of such goods or class of goods, or is not more than such percentage of the value of the imported materials used in the manufacture of such goods or class of goods as the Central Government may, by notification in the Official Gazette, specify in this behalf.

9. Upper Limit of Drawback amount or rate.– The drawback amount or rate determined under rule 3 shall not exceed one third of the market price of the export product.

10. Power to require submission of information and documents.– For the purpose of –
(a) determining the class or description of materials or components used in the production or manufacture of goods or for determining the amount of duty paid on such materials or components; or
(b) verifying the correctness or otherwise of any information furnished by any manufacturer or exporter or other persons in connection with the determination of the amount or rate of drawback; or
(c) verifying the correctness or otherwise of any claim for drawback; or
(d) obtaining any other information considered by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to be relevant or useful, any officer of the Central Government specially authorised in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may require any manufacturer or exporter of goods or any other person likely to be in possession of the same to furnish such information and to produce such books of account and other documents as are considered necessary by such officer.

11. Access to manufactory.– Whenever an officer of the Central Government specially authorised in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, considers it necessary, the manufacturer shall give access at all reasonable times to the officer so authorised to every part of the premises in which the goods are manufactured, so as to enable the said officer to verify by inspection the process of, and the materials or components used for the manufacture of such goods, or otherwise the entitlement of the goods for drawback or for a particular amount or rate of drawback under these rules.

12. Procedure for claiming drawback on goods exported by post.–
(1) Where goods are to be exported by post under a claim for drawback under these rules,—
(a) the outer packing carrying the address of the consignee shall also carry in bold letters the words “DRAWBACK EXPORT”; and
(b) the exporter shall deliver to the competent Postal Authority, along with the parcel or package, a claim in the Form at Annexure I, in quadruplicate, duly filled in.

(2) The date of receipt of the aforesaid claim form by the proper officer of Customs from the postal authorities shall be deemed to be date of filing of drawback claim by the exporter for the purpose of section 75A and an intimation of the same shall be given by the proper officer of Customs to the exporter in such form as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may prescribe.
(3) In case the aforesaid claim form is not complete in all respects, the exporter shall be informed of the deficiencies therein within fifteen days of its receipt from postal authorities by a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, and such claim shall be deemed not to have been received for the purpose of sub-rule (2).

(4) When the exporter complies with the requirements specified in the deficiency memo within thirty days of its return, he shall be issued an acknowledgement by the proper officer in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, and the date of such acknowledgement shall be deemed to be date of filing the claim for the purpose of section 75A.

13. Statement/Declaration to be made on exports other than by Post.—

(1) In the case of exports other than by post, the exporters shall at the time of export of the goods—

(a) state on the shipping bill or bill of export, the description, quantity and such other particulars as are necessary for deciding whether the goods are entitled to drawback, and if so, at what rate or rates and make a declaration on the relevant shipping bill or bill of export that—

(i) a claim for drawback under these rules is being made;

(ii) in respect of duties of Customs and Central Excise paid on containers, packing materials and materials used in the manufacture of the export goods on which drawback is claimed, no separate claim for rebate of duty under the Central Excise Rules, 2002 or any other law has been or will be made to the Central excise authorities:

Provided that if the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, is satisfied that the exporter or his authorised agent has, for reasons beyond his control, failed to comply with the provisions of this clause, he may, after considering the representation, if any, made by such exporter or his authorised agent, and for reasons to be recorded, exempt such exporter or his authorised agent from the provisions of this clause;

(b) furnish to the proper officer of Customs, a copy of shipment invoice or any other document giving particulars of the description, quantity and value of the goods to be exported.

(2) Where the amount or rate of drawback has been determined under rule 6 or rule 7, the exporter shall make an additional declaration on the relevant shipping bill or bill of export that—

(a) there is no change in the manufacturing formula and in the quantum per unit of the imported materials or components, if any, utilised in the manufacture of export goods; and

(b) the materials or components, which have been stated in the application under rule 6 or rule 7 to have been imported, continue to be so imported and are not being obtained from indigenous sources.

14. Manner and time for claiming drawback on goods exported other than by post.—

(1) Electronic shipping bill in Electronic Data Interchange (EDI) under the claim of drawback or triplicate copy of the shipping bill for export of goods under a claim of drawback shall be deemed to be a claim for drawback filed on the date on which the proper officer of Customs makes an order permitting clearance and loading of goods for exportation under section 51 and said claim for drawback shall be retained by the proper officer making such order.

(2) The said claim for drawback should be accompanied by the following documents, namely:-

(i) copy of export contract or letter of credit, as the case may be;

(ii) copy of ARE-1, wherever applicable;

(iii) insurance certificate, wherever necessary; and

(iv) copy of communication regarding rate of drawback where the drawback claim is for a rate determined by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under rule 6 or rule 7 of these rules.
(3)(a) If the said claim for drawback is incomplete in any material particulars or is without the documents specified in sub-rule (2), shall be returned to the claimant with a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, within 10 days and shall be deemed not to have been filed for the purpose of section 75A.

(b) where the exporter resubmits the claim for drawback after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

(4) For computing the period of one month prescribed under section 75A for payment of drawback to the claimant, the time taken in testing of the export goods, not more than one month, shall be excluded.

15. Payment of drawback and interest.–

(1) The drawback under these rules and interest, if any, shall be paid by the proper officer of Customs to the exporter or to the agent specially authorised by the exporter to receive the said amount of drawback and interest.

(2) The officer of Customs may combine one or more claims for the purpose of payment of drawback and interest, if any, as well as adjustment of any amount of drawback and interest already paid and may issue a consolidated order for payment.

(3) The date of payment of drawback and interest, if any, shall be deemed to be, in the case of payment –

(a) by cheque, the date of issue of such cheque; or

(b) by credit in the exporter’s account maintained with the Custom House, the date of such credit.

16. Supplementary claim. –

(1) Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, he may prefer a supplementary claim in the form at Annexure II:

Provided that the exporter shall prefer such supplementary claim within a period of three months, -

(i) where the rate of drawback is determined or revised under rule 3 or rule 4, from the date of publication of such rate in the Official Gazette;

(ii) where the rate of drawback is determined or revised upward under rule 6 or rule 7, from the date of communicating the said rate to the person concerned;

(iii) in all other cases, from the date of payment or settlement of the original drawback claim by the proper officer:

Provided further that –

(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.
(2) Save as otherwise provided in this rule, no supplementary claim for drawback shall be entertained.

(3) The date of filing of the supplementary claim for the purpose of section 75A shall be the date of affixing the Dated Receipt Stamp on such claims which are complete in all respects and for which an acknowledgement shall be issued in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(4)(a) Claims which are not complete in all respects or are not accompanied by the required documents shall be returned to the claimant with a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be within fifteen days of submission and shall be deemed not to have been filed.

(b) Where the exporter resubmits the supplementary claim after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

17. Repayment of erroneous or excess payment of drawback and interest. - Where an amount of drawback and interest, if any, has been paid erroneously or the amount so paid is in excess of what the claimant is entitled to, the claimant shall, on demand by a proper officer of Customs repay the amount so paid erroneously or in excess, as the case may be, and where the claimant fails to repay the amount it shall be recovered in the manner laid down in sub-section (1) of section 142 of the Customs Act, 1962 (52 of 1962).

18. Recovery of amount of Drawback where export proceeds not realised. –

(1) Where an amount of drawback has been paid to an exporter or a person authorised by him (hereinafter referred to as the claimant) but the sale proceeds in respect of such export goods have not been realised by or on behalf of the exporter in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, such drawback shall, except under circumstances or conditions specified in sub-rule (5), be recovered in the manner specified below:

Provided that the time-limit referred to in this sub-rule shall not be applicable to the goods exported from the Domestic Tariff Area to a special economic zone.

(2) If the exporter fails to produce evidence in respect of realisation of export proceeds within the period allowed under the Foreign Exchange Management Act, 1999, or any extension of the said period by the Reserve Bank of India, the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be, shall cause notice to be issued to the exporter for production of evidence of realisation of export proceeds within a period of thirty days from the date of receipt of such notice and where the exporter does not produce such evidence within the said period of thirty days, the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, shall pass an order to recover the amount of drawback paid to the claimant and the exporter shall repay the amount so demanded within thirty days of the receipt of the said order:

Provided that where a part of the sale proceeds has been realised, the amount of drawback to be recovered shall be the amount equal to that portion of the amount of drawback paid which bears the same proportion as the portion of the sale proceeds not realised bears to the total amount of sale proceeds.

(3) Where the exporter fails to repay the amount under sub-rule (2) within said period of thirty days referred to in sub-rule (2), it shall be recovered in the manner laid down in rule 17.

(4) Where the sale proceeds are realised by the exporter after the amount of drawback has been recovered from him under sub-rule (2) or sub-rule (3) and the exporter produces evidence about such realisation within a period of three months from the date of realisation of sale proceeds, the amount of drawback so recovered shall be repaid by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, to the claimant provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India:

Provided that-

(i) the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India;
(ii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(5) Where sale proceeds are not realised by an exporter within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), but such non-realisation of sale proceeds is compensated by the Export Credit Guarantee Corporation of India Ltd. under an insurance cover and the Reserve Bank of India writes off the requirement of realisation of sale proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of sale proceeds from the buyer, the amount of drawback paid to the exporter or the claimant shall not be recovered.

19. Power to relax. - If the Central Government is satisfied that in relation to the export of any goods, the exporter or his authorised agent has, for reasons beyond his control, failed to comply with any of the provisions of these rules, and has thus been entitled to drawback, it may, after considering the representation, if any, made by such exporter or agent, and for reasons to be recorded in writing, exempt such exporter or agent from the provisions of such rule and allow drawback in respect of such goods.

20. Repeal and saving. –

(1) From the commencement of these rules, the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 shall cease to operate.

(2) Notwithstanding such cesser of operation –
   (a) every application made by a manufacturer or an exporter for the determination or revision of the amount or rate of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 as if these rules had not been made;

   (b) any claim made by an exporter or his authorised agent for the payment of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 as if these rules had not been made;

   (c) every amount or rate of drawback determined under the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 and in force immediately before the commencement of these rules shall cease to operate in respect of goods exported on or after commencement of these rules.

[F.No. 609/75/2017-DBK]

(Anand Kumar Jha)
Under Secretary to the Government of India
ANNEXURE-I

FORM FOR CLAIM OF DRAWBACK UNDER RULE 12

PART-I

Ref. Dbk.
Invoice No.
Dated:

PARTICULARS OF GOODS TO BE EXPORTED BY PARCEL POST UNDER CLAIM FOR DRAWBACK

To
The Assistant/Deputy Commissioner of Customs (Drawback)
Foreign Post Office ___________________.

We, ___________________ propose to export the undermentioned consignment.

Name and Address of the Consignee ___________________________________________.

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Date of Parcels</th>
<th>Gross Weight</th>
<th>Marks/N o. of Pcs.</th>
<th>Qty.</th>
<th>FOB Value</th>
<th>Rate of Net Dbk.</th>
<th>Weight</th>
<th>Amount Rs. P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
</tr>
</tbody>
</table>

1. Certified that goods were not taken into use after the manufacture.

2. Certified that no separate claim for rebate of duty has been made or will be made to the Central Excise Authorities under rule 18 or rule 19 of Central Excise Rules, 2002 and that the Customs and Central Excise duty has been paid on the raw materials used in the manufacture of the goods. We hereby declare that the declaration made herein is true and correct.

Strike out whatever is not applicable.

Dated: ___________________
Signature
Place: ___________________
Name
Official seal of the Exporter

Part-II

I have examined the above parcels which contain ___________ detailed above. The parcels have been packed in my presence and sealed by me with lead/wax seal No. _______ bearing the following particulars _____________.

Date: ___________________
Signature of the officer who examined and sealed the consignment
Place: ___________________

Certified that the above noted parcels were examined, packed and sealed under my supervision.

Date: ___________________
Signature of Supdt. Of Customs/Central Excise
Place: ___________________
Part-III
Forwarded along with _______ parcels to the Superintendent, foreign Post Office, New Delhi.
Postal receipt No. _____________.
Post Master
Postal Office
Date and Seal of Post Office

Part-IV
Inspected ____________ parcels and found the seal intact. Examined _________ parcels where the seals were not found intact.
Pass for export
Please detain for further action
Date: __________________________
Place: ________________________
Seal of Office ______________________________

Part-V
Certified that the parcels detailed herein have been exported out of India on ______________ by _____ Air/Sea Ex.
S.S. ____________, Forwarded to the Commissioner/Principal Commissioner of Customs _________.
Date: __________________________
Place: ________________________
Signature of Examiner/Inspector
Signature of Appraiser Department
Signature of Superintendent
(Place)
Foreign Post Office
APPLICATION FOR SUPPLEMENTARY CLAIM FOR DRAWBACK UNDER RULE 16

(Where the drawback received falls short of the rate finally fixed by the Government, application for supplementary claim of drawback should be made in the following form)

To
The Assistant/Deputy Commissioner of Customs-in-charge
Drawback Department

We hereby make a supplementary claim for drawback of Customs/Central Excise which has been less paid to us as explained therein.

1. Exporter
   (a) Name
   (b) Address
   (c) Telephone No.
   (d) Name of Clearing Agent

2. Goods Exported
   (a) Description
   (b) Quantity
      (i) Gross
      (ii) Net
   (c) Marks & No.
   (d) Destination
   (e) Shipping Bill No. & Date

3. Vessel
   (a) Name
   (b) Rotation No.

4. Drawback already paid
   (a) Amount
   (b) Custom House Reference No.
   (c) Quantity/Value on which allowed
   (d) Rate at which allowed

5. Drawback not claimed
   (a) Amount
   (b) Quantity/Value on which allowed
   (c) Rate at which claimed

6. Reason for the supplementary claim.

7. No. of documents enclosed*

DECLARATION

1. I/We hereby declare that the supplementary claim of drawback is based on the Customs and Central Excise duties paid on the raw materials used in the manufacture of goods exported and that the duties so paid have not been claimed as rebate under the Central Excise Rules, 2002.

2. I/We hereby declare that the declaration made herein is true and correct.

Signature
Designation

* Please enclose copy of communication regarding rate of drawback determined under rule 6 or 7, any other document in support of supplementary claim, or other documents as may be prescribed by Principal Commissioner/Commissioner of Customs. Please also enclose calculation sheet.
### Comparative analysis of
Customs, Central Excise Duties and Service Tax Drawback Rules, 1995
with
Customs and Central Excise Duties Drawback Rules, 2017

<table>
<thead>
<tr>
<th>Customs, Central Excise Duties and Service Tax Drawback Rules, 1995</th>
<th>Customs and Central Excise Duties Drawback Rules, 2017</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Short title and commencement</strong> -</td>
<td><strong>1. Short title, extent and commencement</strong> -</td>
<td>CHANGES ARE SELF EXPLANATORY</td>
</tr>
<tr>
<td>(1) These rules may be called the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.</td>
<td>(1) These rules may be called the Customs and Central Excise Duties Drawback Rules, 2017.</td>
<td></td>
</tr>
<tr>
<td>(2) They extend to the whole of India.</td>
<td>(2) They extend to the whole of India.</td>
<td></td>
</tr>
<tr>
<td>(3) They shall come into force on the 1st day of October, 2017.</td>
<td>(3) They shall come into force on the 1st day of October, 2017.</td>
<td></td>
</tr>
<tr>
<td><strong>2. Definitions.</strong> -</td>
<td><strong>2. Definitions.</strong> -</td>
<td>No drawback of IGST and Compensation cess, so only input tax credit of GST &amp; Cess to be claimed by the exporter.</td>
</tr>
<tr>
<td>In these rules, unless the context otherwise requires, -</td>
<td>In these rules, unless the context otherwise requires, -</td>
<td></td>
</tr>
<tr>
<td>(a) &quot;drawback&quot; in relation to any goods manufactured in India and exported, means the rebate of duty or tax, as the case may be, chargeable on any imported materials or excisable materials used or taxable services used as input services in the manufacture of such goods;</td>
<td>(a) “drawback” in relation to any goods manufactured in India and exported, means the rebate of duty excluding integrated tax leviable under sub-section (7) and compensation cess leviable under sub-section (9) respectively of section 3 of the Customs Tariff Act, 1975 (51 of 1975) chargeable on any imported materials or excisable materials used in the manufacture of such goods;</td>
<td></td>
</tr>
<tr>
<td>(b) &quot;excisable material&quot; means any material produced or manufactured in India subject to a duty of excise under the Central Excise and Salt Act, 1944 (1 of 1944);</td>
<td>(b) “excisable material” means any material produced or manufactured in India subject to a duty of excise under the Central Excise Act, 1944 (1 of 1944);</td>
<td>CHANGES ARE SELF EXPLANATORY.</td>
</tr>
<tr>
<td>(c) &quot;export&quot;, with its grammatical variations and cognate expressions, means taking out of India to a place outside India or taking out from a place in Domestic Tariff Area (DTA) to a special economic zone and includes loading of provisions or store or equipment for use on board a vessel or aircraft proceeding to a foreign port;</td>
<td>(c) “export”, with its grammatical variations and cognate expressions, means taking out of India to a place outside India or taking out from a place in Domestic Tariff Area (DTA) to a special economic zone and includes loading of provisions or store or equipment for use on board a vessel or aircraft proceeding to a foreign port;</td>
<td>NO CHANGES</td>
</tr>
<tr>
<td>(d) “imported material” means any material imported into India and on which duty is chargeable under the Customs Act, 1962 (52 of 1962);</td>
<td>NO CHANGES</td>
<td>Reference of input services removed from the rules.</td>
</tr>
<tr>
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</tr>
<tr>
<td>(da) “input service” shall have the same meaning as is assigned to it in the CENVAT Credit Rules, 2004.</td>
<td>NO CHANGES</td>
<td></td>
</tr>
<tr>
<td>(e) “manufacture” includes processing of or any other operation carried out on goods, and the term manufacturer shall be construed accordingly;</td>
<td>NO CHANGES</td>
<td></td>
</tr>
<tr>
<td>(f) “tax invoice” means the tax invoice referred to in section 31 of the Central Goods and Services Tax Act, 2017 (12 of 2017).</td>
<td>NO CHANGES</td>
<td></td>
</tr>
<tr>
<td><strong>3. Drawback.</strong> - (1) Subject to the provisions of -</td>
<td><strong>3. Drawback.</strong> – (1) Subject to the provisions of –</td>
<td></td>
</tr>
<tr>
<td>(a) the Customs Act, 1962 (52 of 1962) and the rules made thereunder,</td>
<td>(a) the Customs Act, 1962 (52 of 1962) and the rules made thereunder;</td>
<td></td>
</tr>
<tr>
<td>(b) the Central Excises and Salt Act, 1944 (1 of 1944) and the rules made thereunder,</td>
<td>(b) the Central Excise Act, 1944 (1 of 1944) and the rules made thereunder; and</td>
<td></td>
</tr>
</tbody>
</table>
| (bb) the Finance Act, 1994( 32 of 1994), and the rules made thereunder; | (c) these rules, a drawback may be allowed on the export of goods at such amount, or at such rates, as may be determined by the Central Government:

```
Provided that where any goods are produced or manufactured from imported materials or excisable materials or by using any taxable services as input services, on some of which only the duty or tax chargeable thereon has been paid and not on the rest, or only a part of the duty or tax chargeable has been paid; or the duty or tax paid has been rebated or refunded in whole or in part or given as credit, under any of the provisions of the Customs Act, 1962 (52 of 1962) and the rules made thereunder, or of the Central Excise Act, 1944 (1 of 1944) and the rules made thereunder, the drawback admissible on the said
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**OTHER CHANGES ARE SELF EXPLANATORY. REFERENCES TO SERVICES TAX IS REMOVED WHEREEVER NECESSARY.**
any of the provisions of the Customs Act, 1962 (52 of 1962) and the rules made thereunder, or of the Central Excise Act, 1944 (1 of 1944) and the rules made thereunder, or of the Finance Act, 1994 (32 of 1994) and the rules made thereunder, the drawback admissible on the said goods shall be reduced taking into account the lesser duty or tax paid or the rebate, refund or credit obtained:

Provided further that no drawback shall be allowed –

(i) if the said goods, except tea chests used as packing material for export of blended tea, have been taken into use after manufacture;

(ii) if the said goods are produced or manufactured, using imported materials or excisable materials or taxable services in respect of which duties or taxes have not been paid; or;

(iii) on jute batching oil used in the manufacture of export goods, namely, jute (including Bimlipatam jute or mesta fibre), yarn, twist, twine, thread, cords and ropes;

(iv) if the said goods, being packing materials have been used in or in relation to the export of –

(1) jute yarn (including Bimlipatam jute or mesta fibre), twist, twine, thread and ropes in which jute yarn predominates in weight;

(2) jute fabrics (including Bimlipatam jute or mesta fibre), in which jute predominates in weight;

(3) jute manufactures not elsewhere specified (including Bimlipatam jute or mesta fibre) in which jute predominates in weight.

(2) In determining the amount or rate of drawback under this rule, the Central Government shall have regard to,

(a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinarily produced or manufactured in India;

(b) the average quantity or value of the imported materials or excisable materials used for production or goods shall be reduced taking into account the lesser duty paid or the rebate, refund or credit obtained:

Provided further that no drawback shall be allowed –

(i) if the said goods, except tea chests used as packing material for export of blended tea, have been taken into use after manufacture;

(ii) if the said goods are produced or manufactured, using imported materials or excisable materials in respect of which duties have not been paid;

(iii) on jute batching oil used in the manufacture of export goods, namely, jute (including Bimlipatam jute or mesta fibre) yarn, twist, twine, thread, cords and ropes;

(iv) if the said goods, being packing materials have been used in or in relation to the export of –

(A) jute yarn (including Bimlipatam jute or mesta fibre), twist, twine, thread and ropes in which jute yarn predominates in weight;

(B) jute fabrics (including Bimlipatam jute or mesta fibre), in which jute predominates in weight;

(C) jute manufactures not elsewhere specified (including Bimlipatam jute or mesta fibre) in which jute predominates in weight.

(2) In determining the amount or rate of drawback under this rule, the Central Government shall have regard to,

(a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinarily produced or manufactured in India;

(b) the average quantity or value of the imported materials or excisable materials used for production or
regard to, -

(a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinarily produced or manufactured in India;

(b) the average quantity or value of the imported materials or excisable materials used for production or manufacture in India of a particular class of goods;

(c) the average amount of duties paid on imported materials or excisable materials used in the manufacture of semis, components and intermediate products which are used in the manufacture of goods;

(d) the average amount of duties paid on materials wasted in the process of manufacture and catalytic agents:

Provided that if any such waste or catalytic agent is re-used in any process of manufacture or is sold, the average amount of duties on the waste or catalytic agent re-used or sold shall also be deducted;

(e) the average amount of duties paid on imported materials or excisable materials used for containing or, packing the export goods;

(f) any other information which the Central Government may consider relevant or useful for the purpose.

**4. Revision of rates.** - The Central Government may revise amount or rates determined under rule 3.
5. Determination of date from which the amount or rate of drawback is to come into force and the effective date for application of amount or rate of drawback. -  

(1) The Central Government may specify the period upto which any amount or rate of drawback determined under rule 3 or revised under rule 4, as the case may be, shall be in force.  

(2) Where the amount or rate of drawback is allowed with retrospective effect, such amount or rate shall be allowed from such date as may be specified by the Central Government by notification in the Official Gazette which shall not be earlier than the date of changes in the rates of duty on inputs or tax on input services used in the export goods.  

(3) The provisions of section 16, or sub-section (2) of section 83, of the Customs Act, 1962 (52 of 1962) shall determine the amount or rate of drawback applicable to any goods exported under these rules.

6. Cases where amount or rate of drawback has not been determined. -  

(1)(a) Where no amount or rate of drawback has been determined in respect of any goods, any exporter of such goods may, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all the relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties paid on such materials or components or the tax paid on input services:

<table>
<thead>
<tr>
<th>5. Determination of date from which the amount or rate of drawback is to come into force and the effective date for application of amount or rate of drawback. -</th>
<th>6. Cases where amount or rate of drawback has not been determined. -</th>
<th>REFERENCE TO SERVICE TAX IS REMOVED FROM THE RULE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The Central Government may specify the period upto which any amount or rate of drawback determined under rule 3 or revised under rule 4, as the case may be, shall be in force.</td>
<td>(1)(a) Where no amount or rate of drawback has been determined in respect of any goods, any exporter of such goods may, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all the relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties paid on such materials or components or the tax paid on input services:</td>
<td></td>
</tr>
</tbody>
</table>
Provided that-

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(b) On receipt of an application under clause (a), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, shall, after making or causing to be made such inquiry as it deems fit, determine the amount or rate of drawback in respect of such goods.

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(b) On receipt of an application under clause (a), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, shall, after making or causing to be made such inquiry as it deems fit, determine the amount or rate of drawback in respect of such goods.
(2)(a) Where an exporter desires that he may be granted drawback provisionally, he may, while making an application under clause (a) of sub-rule (1) apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, that a provisional amount be granted to him towards drawback on the export of such goods pending determination of the amount or rate of drawback under clause (b) of that sub-rule.

(b) The Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after considering the application, allow provisionally payment of an amount not exceeding the amount claimed by the exporter in respect of such export:

Provided that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, for the purpose of allowing provisional payment of drawback in respect of such export, require the exporter to enter into a general bond for such amount, and subject to such conditions, as he may direct; or to enter into a bond for an amount not exceeding the full amount claimed by such exporter as drawback in respect of a particular consignment and binding himself,

(i) to refund the amount so allowed provisionally, if for any reason, it is found that the duty drawback was not admissible; or

(ii) to refund the excess, if any, paid to such exporter provisionally if it is found that a lower amount was payable as duty drawback:

Provided further that when the amount or rate of drawback payable on such goods is finally determined, the amount provisionally paid to such exporter shall be adjusted against the drawback finally payable and if

(2)(a) Where an exporter desires that he may be granted drawback provisionally, he may, while making an application under clause (a) of sub-rule (1) apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, that a provisional amount be granted to him towards drawback on the export of such goods pending determination of the amount or rate of drawback under clause (b) of that sub-rule.

(b) The Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after considering the application, allow provisionally payment of an amount not exceeding the amount claimed by the exporter in respect of such export:

Provided that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, for the purpose of allowing provisional payment of drawback in respect of such export, require the exporter to enter into a general bond for such amount, and subject to such conditions, as he may direct; or to enter into a bond for an amount not exceeding the full amount claimed by such exporter as drawback in respect of a particular consignment and binding himself,

(i) to refund the amount so allowed provisionally, if for any reason, it is found that the duty drawback was not admissible; or

(ii) to refund the excess, if any, paid to such exporter provisionally if it is found that a lower amount was payable as duty drawback:

Provided further that when the amount or rate of drawback payable on such goods is finally determined, the amount provisionally paid to such exporter shall be adjusted against the drawback finally payable and if
the amount so adjusted is in excess or falls short of the drawback finally payable, such exporter shall repay to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, the excess or be entitled to the deficiency, as the case may be.

(c) The bond referred to in clause (b) may be with such surety or security as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may direct.

(3) Where the Central Government considers it necessary so to do, it may,—

(a) revoke the rate of drawback or amount of drawback, determined under clause (b) of sub-rule (1) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.

7. Cases where amount or rate of drawback determined is low.—

(1) Where, in respect of any goods, the exporter finds that the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, for the class of goods is less than eighty per cent. of the duties or taxes paid on the materials or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, the excess or be entitled to the deficiency, as the case may be.

(c) The bond referred to in clause (b) may be with such surety or security as the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may direct.

(3) Where the Central Government considers it necessary so to do, it may,—

(a) revoke the rate of drawback or amount of drawback, determined under clause (b) of sub-rule (1) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.
components or input services used in the production or manufacture of the said goods, he may, except where a claim for drawback under rule 3 or rule 4 has been made, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, make an application to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all relevant facts including the proportion in which the materials or components or input services are used in the production or manufacture of goods and the duties or taxes paid on such materials or components or input services:

Provided that -
(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is

manufacture of the said goods, he may, except where a claim for drawback under rule 3 or rule 4 has been made, within three months from the date relevant for the applicability of the amount or rate of drawback in terms of sub-rule (3) of rule 5, make an application to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, having jurisdiction over the place of export, for determination of the amount or rate of drawback thereof stating all relevant facts including the proportion in which the materials or components are used in the production or manufacture of goods and the duties paid on such materials or components:

Provided that –

(i) in case an exporter is exporting the aforesaid goods from more than one place of export, he shall apply to the Principal Commissioner or Commissioner of Customs, having jurisdiction over any one of the said places of export;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of three months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(iii) the Assistant Commissioner of Customs or Deputy Commissioner of Customs or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iv) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension to the
less, shall be payable for applying for grant of extension to the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(2) On receipt of the application referred to in sub-rule (1), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after making or causing to be made such inquiry as it deems fit, allow payment of drawback to such exporter at such amount or at such rate as may be determined to be appropriate, if the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, is in fact less than eighty per cent. of such amount or rate determined under this sub-rule.

(3) Provisional drawback amount, as may be specified by the Central Government, shall be paid by the proper officer of Customs and where the exporter desires that he may be granted further drawback provisionally, he may, while making an application under sub-rule (1), apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, in this behalf in the manner as has been provided in clause (a) of sub-rule (2) of rule 6 for the application made under that rule along with details of provisional drawback already paid and the grant of further provisional drawback shall be considered in the manner and subject to the conditions specified in clauses (b) and (c) of sub-rule (2), and sub-rule (3) of rule 6, subject to the condition that bond required to be executed by the claimant shall only be for the difference between amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4 by the Central Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(2) On receipt of the application referred to in sub-rule (1), the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, after making or causing to be made such inquiry as it deems fit, allow payment of drawback to such exporter at such amount or at such rate as may be determined to be appropriate, if the amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4, is in fact less than eighty per cent. of such amount or rate determined under this sub-rule.

(3) Provisional drawback amount, as may be specified by the Central Government, shall be paid by the proper officer of Customs and where the exporter desires that he may be granted further drawback provisionally, he may, while making an application under sub-rule (1), apply to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, in this behalf in the manner as has been provided in clause (a) of sub-rule (2) of rule 6 for the application made under that rule along with details of provisional drawback already paid and the grant of further provisional drawback shall be considered in the manner and subject to the conditions specified in clauses (b) and (c) of sub-rule (2), and sub-rule (3) of rule 6, subject to the condition that bond required to be executed by the claimant shall only be for the difference between amount or rate of drawback determined under rule 3 or, as the case may be, revised under rule 4 by the Central Government and the provisional drawback authorised by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under this rule.
Government and the provisional drawback authorised by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under this rule.

(4) Where the Central Government considers it necessary so to do, it may,—

(a) revoke the rate of drawback or amount of drawback determined under sub-rule (2) by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be; or

(b) direct the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, to withdraw the rate of drawback or amount of drawback determined.

Explanation.- For the purpose of this rule, “place of export” means customs station or any other place appointed for loading of export goods under section 7 of the Customs Act, 1962 (52 of 1962) from where the exporter has exported the goods or intends to export the goods in respect of which determination of amount or rate of drawback is sought.

8. Cases where no amount or rate of drawback is to be determined. – No amount or rate of drawback shall be determined in respect of any goods or class of goods under rule 6 or rule 7, as the case may be, if the export value of each of such goods or class of goods in the bill of export or shipping bill is less than the value of the imported materials used in the manufacture of such goods or class of goods, or is not more than such percentage of the value of the imported materials used in the manufacture of such goods or class of goods as the Central Government may, by notification in the Official Gazette, specify in this behalf.

8A. Upper Limit of Drawback money or rate. – The

9. Upper Limit of Drawback amount or rate. – The

NO CHANGES
<table>
<thead>
<tr>
<th>Drawback amount or rate determined under rule 3 shall not exceed one third of the market price of the export product.</th>
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<tr>
<td>9. Power to require submission of information and documents. - For the purpose of –</td>
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<tr>
<td>(a) determining the class or description of materials or components or input services used in the production or manufacture of goods or for determining the amount of duty or tax paid on such materials or components or input services, or</td>
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<tr>
<td>(b) verifying the correctness or otherwise of any information furnished by any manufacturer or exporter or other persons in connection with the determination of the amount or rate of drawback, or</td>
</tr>
<tr>
<td>(c) verifying the correctness or otherwise of any claim for drawback, or</td>
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<tr>
<td>(d) obtaining any other information considered by the Principal Commissioner of Customs or the Commissioner of Customs, as the case may be, to be relevant or useful, any officer of the Central Government specially authorized in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may require any manufacturer or exporter of goods or any other person likely to be in possession of the same to furnish such information and to produce such books of account and other documents as are considered necessary by such officer.</td>
</tr>
<tr>
<td>10. Power to require submission of information and documents. - For the purpose of –</td>
</tr>
<tr>
<td>(a) determining the class or description of materials or components used in the production or manufacture of goods or for determining the amount of duty paid on such materials or components; or</td>
</tr>
<tr>
<td>(b) verifying the correctness or otherwise of any information furnished by any manufacturer or exporter or other persons in connection with the determination of the amount or rate of drawback; or</td>
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<td>(c) verifying the correctness or otherwise of any claim for drawback; or</td>
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<tr>
<td>(d) obtaining any other information considered by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, to be relevant or useful, any officer of the Central Government specially authorised in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may require any manufacturer or exporter of goods or any other person likely to be in possession of the same to furnish such information and to produce such books of account and other documents as are considered necessary by such officer.</td>
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**REFERENCE TO INPUT SERVICES IS REMOVED.**

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<tr>
<th>10. Access to manufactory. - Whenever an officer of the Central Government specially authorized in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, considers it necessary, the manufacturer shall give access at all reasonable times to the officer so authorized to every part of the premises in which the goods are</th>
</tr>
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<tbody>
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<td>11. Access to manufactory. - Whenever an officer of the Central Government specially authorised in this behalf by an Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, considers it necessary, the manufacturer shall give access at all reasonable times to the officer so authorised to every part of the premises in which the goods are</td>
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**CHANGES ARE SELF EXPLANATORY**
manufactured, so as to enable the said officer to verify by
inspection the process of, and the materials or
components used for the manufacture of such goods,
or otherwise the entitlement of the goods for
drawback or for a particular amount or rate of
drawback under these rules.

11. Procedure for claiming drawback on goods
exported by post. –

(1) Where goods are to be exported by post under a
claim for drawback under these rules, –

(a) the outer packing carrying the address of the
consignee shall also carry in bold letters the words
"DRAWBACK EXPORT";

(b) the exporter shall deliver to the competent Postal
Authority, alongwith the parcel or package, a claim in
the form at Annexure I, in quadruplicate, duly filled in.

(2) The date of receipt of the aforesaid claim form by
the proper officer of Customs from the postal
authorities shall be deemed to be date of filing of
drawback claim by the exporter for the purpose of
section 75A and an intimation of the same shall be
given by the proper officer of customs to the exporter
in such form as the Principal Commissioner of Customs
or Commissioner of Customs, as the case may be, may
prescribe.

(3) In case the aforesaid claim form is not complete in
all respects, the exporter shall be informed of the
deficiencies therein within fifteen days of its receipt
from postal authorities by a deficiency memo in the
form prescribed by the Principal Commissioner of
Customs or Commissioner of Customs, as the case may be,, and such claim shall be deemed not to have been
received for the purpose of sub-rule (2).

12. Procedure for claiming drawback on goods exported
by post.–

(1) Where goods are to be exported by post under a claim
for drawback under these rules,–

(a) the outer packing carrying the address of the
consignee shall also carry in bold letters the words
"DRAWBACK EXPORT";

(b) the exporter shall deliver to the competent Postal
Authority, alongwith the parcel or package, a claim in
the Form at Annexure I, in quadruplicate, duly filled in.

(2) The date of receipt of the aforesaid claim form by
the proper officer of Customs from the postal authorities shall
be deemed to be date of filing of drawback claim by the
exporter for the purpose of section 75A and an intimation of
the same shall be given by the proper officer of Customs to the exporter in such form as the Principal
Commissioner of Customs or Commissioner of Customs,
as the case may be,, may prescribe.

(3) In case the aforesaid claim form is not complete in
all respects, the exporter shall be informed of the
deficiencies therein within fifteen days of its receipt from
postal authorities by a deficiency memo in the form
prescribed by the Principal Commissioner of Customs or
Commissioner of Customs, as the case may be, and such
claim shall be deemed not to have been received for the
purpose of sub-rule (2).

(4) When the exporter complies with the requirements

CHANGES ARE SELF EXPLANATORY
(4) When the exporter complies with the requirements specified in the deficiency memo within thirty days of its return, he shall be issued an acknowledgement by the proper officer in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, and the date of such acknowledgement shall be deemed to be date of filing the claim for the purpose of section 75A.

<table>
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<th>12. Statement/Declaration to be made on exports other than by Post.</th>
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<tbody>
<tr>
<td>(1) In the case of exports other than by post, the exporters shall at the time of export of the goods -</td>
</tr>
<tr>
<td>(a) state on the shipping bill or bill of export, the description, quantity and such other particulars as are necessary for deciding whether the goods are entitled to drawback, and if so, at what rate or rates and make a declaration on the relevant shipping bill or bill of export that -</td>
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<td>(i) a claim for drawback under these rules is being made;</td>
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<tr>
<td>(ii) in respect of duties of Customs and Central Excise paid on the containers, packing materials and materials <strong>and the service tax paid on the input services</strong> used in the manufacture of the export goods on which drawback is being claimed, no separate claim for rebate of duty or service tax under the Central Excise Rules, 2002 or any other law has been or will be made to the Central Excise authorities:</td>
</tr>
<tr>
<td>Provided that if the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, is satisfied that the exporter or his authorised agent has, for reasons beyond his control, failed to comply with the provisions of this clause, he may, after considering the representation, if any, made by such exporter or his authorised agent, and for reasons to be</td>
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</table>

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<th>13. Statement/Declaration to be made on exports other than by Post.</th>
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<td>(1) In the case of exports other than by post, the exporters shall at the time of export of the goods -</td>
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</tr>
<tr>
<td>(i) a claim for drawback under these rules is being made;</td>
</tr>
<tr>
<td>(ii) in respect of duties of Customs and Central Excise paid on containers, packing materials and materials used in the manufacture of the export goods on which drawback is claimed, no separate claim for rebate of duty under the Central Excise Rules, 2002 or any other law has been or will be made to the Central Excise authorities:</td>
</tr>
<tr>
<td>Provided that if the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, is satisfied that the exporter or his authorised agent has, for reasons beyond his control, failed to comply with the provisions of this clause, he may, after considering the representation, if any, made by such exporter or his authorised agent, and for reasons to be</td>
</tr>
<tr>
<td>(b) furnish to the proper officer of Customs, a copy of</td>
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recorded, exempt such exporter or his authorised agent from the provisions of this clause;

(b) furnish to the proper officer of Customs, a copy of shipment invoice or any other document giving particulars of the description, quantity and value of the goods to be exported.

(2) Where the amount or rate of drawback has been determined under rule 6 or rule 7, the exporter shall make an additional declaration on the relevant shipping bill or bill of export that –

(a) there is no change in the manufacturing formula and in the quantum per unit of the imported materials or components, if any, utilised in the manufacture of export goods; and

(b) the materials or components, which have been stated in the application under rule 6 or rule 7 to have been imported, continue to be so imported and are not being obtained from indigenous sources.

13. Manner and time for claiming drawback on goods exported other than by post.

(1) Triplicate copy of the Shipping Bill for export of goods under a claim for drawback shall be deemed to be a claim for drawback filed on the date on which the proper officer of Customs makes an order permitting clearance and loading of goods for exportation under section 51 and said claim for drawback shall be retained by the proper officer making such order.

(2) The said claim for drawback should be accompanied by the following documents, namely:

(i) copy of export contract or letter of credit, as the case may be,

(ii) copy of Packing list.

14. Manner and time for claiming drawback on goods exported other than by post.

(1) Electronic shipping bill in Electronic Data Interchange (EDI) under the claim of drawback or triplicate copy of the shipping bill for export of goods under a claim of drawback shall be deemed to be a claim for drawback filed on the date on which the proper officer of Customs makes an order permitting clearance and loading of goods for exportation under section 51 and said claim for drawback shall be retained by the proper officer making such order.

(2) The said claim for drawback should be accompanied by the following documents, namely:

(i) copy of export contract or letter of credit, as the case may be;

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Reference to form ARE-1 was rightly replace by the word “Tax Invoice” by an amendment made through notification no. 58/2017-Customs (NT). However new rules again mentions ARE-1 in place of Tax Invoice. In the opinion of the author this is a clerical mistake which may be rectified by some notification in days to come.
(iii) copy of **Tax Invoice**, wherever applicable,
(iv) insurance certificate, wherever necessary, and
(v) copy of communication regarding rate of drawback where the drawback claim is for a rate determined by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, under rule 6 or rule 7 of these rules.

(3) (a) If the said claim for drawback is incomplete in any material particulars or is without the documents specified in sub-rule (2), shall be returned to the claimant with a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, within 10 days and shall be deemed not to have been filed for the purpose of section 75A.

(b) where the exporter resubmits the claim for drawback after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

(4) For computing the period of one month prescribed under section 75A for payment of drawback to the claimant, the time taken in testing of the export goods, not more than one month, shall be excluded.

(5) **Subject to the provisions of sub-rules (2), (3) and (4), where the exporter has exported the goods under electronic shipping bill in Electronic Data Interchange (EDI) under the claim of drawback, the electronic shipping bill itself shall be treated as the claim for drawback.**

14. Payment of drawback and interest.

15. Payment of drawback and interest.–

NO CHANGES
(1) The drawback under these rules and interest, if any, shall be paid by the proper officer of Customs to the exporter or to the agent specially authorised by the exporter to receive the said amount of drawback and interest.

(2) The officer of Customs may combine one or more claims for the purpose of payment of drawback and interest, if any, as well as adjustment of any amount of drawback and interest already paid and may issue a consolidated order for payment.

(3) The date of payment of drawback and interest, if any, shall be deemed to be, in the case of payment –

(a) by cheque, the date of issue of such cheque, or

(b) by credit in the exporter’s account maintained with the Custom House, the date of such credit.

15. Supplementary claim. -

(1) Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, he may prefer a supplementary claim in the form at Annexure III:

Provided that the exporter shall prefer such supplementary claim within a period of three months, -

(i) where the rate of drawback is determined or revised under rule 3 or rule 4, as the case may be, from the date of publication of such rate in the Official Gazette;

(ii) where the rate of drawback is determined or revised under rule 6 or rule 7, from the date of communicating the said rate to the person concerned.

16. Supplementary claim. –

(1) Where any exporter finds that the amount of drawback paid to him is less than what he is entitled to on the basis of the amount or rate of drawback determined by the Central Government or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, he may prefer a supplementary claim in the form at Annexure II:

Provided that the exporter shall prefer such supplementary claim within a period of three months, -

(i) where the rate of drawback is determined or revised under rule 3 or rule 4, from the date of publication of such rate in the Official Gazette;

(ii) where the rate of drawback is determined or revised upward under rule 6 or rule 7, from the date of communicating the said rate to the person concerned.
revised upward under rule 6 or rule 7, as the case may be, from the date of communicating the said rate to the person concerned;

(iii) in all other cases, from the date of payment or settlement of the original drawback claim by the proper officer:

Provided further that –

(i) the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months and that the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may further extend the period by a period of six months;

(ii) the Assistant Commissioner of Customs or Deputy Commissioner or Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may, on an application and after making such enquiry as he thinks fit, grant extension or refuse to grant extension after recording in writing the reasons for such refusal;

(iii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be and an application fee of 2% of the FOB value or two thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(2) Save as otherwise provided in this rule, no supplementary claim for drawback shall be entertained.

(3) The date of filing of the supplementary claim for the purpose of section 75A shall be the date of affixing the Dated Receipt Stamp on such claims which are complete.
(3) The date of filing of the supplementary claim for the purpose of section 75A shall be the date of affixing the Dated Receipt Stamp on such claims which are complete in all respects and for which an acknowledgement shall be issued in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(4)(a) Claims which are not complete in all respects or are not accompanied by the required documents shall be returned to the claimant with a deficiency memo in the form prescribed by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, within fifteen days of submission and shall be deemed not to have been filed.

(b) Where the exporter resubmits the supplementary claim after complying with the requirements specified in the deficiency memo, the same will be treated as a claim filed under sub-rule (1) for the purpose of section 75A.

16. Repayment of erroneous or excess payment of drawback and interest. - Where an amount of drawback and interest, if any, has been paid erroneously or the amount so paid is in excess of what the claimant is entitled to, the claimant shall, on demand by a proper officer of Customs repay the amount so paid erroneously or in excess, as the case may be, and where the claimant fails to repay the amount it shall be recovered in the manner laid down in sub-section (1) of section 142 of the Customs Act, 1962 (52 of 1962).

17. Repayment of erroneous or excess payment of drawback and interest. - Where an amount of drawback and interest, if any, has been paid erroneously or the amount so paid is in excess of what the claimant is entitled to, the claimant shall, on demand by a proper officer of Customs repay the amount so paid erroneously or in excess, as the case may be, and where the claimant fails to repay the amount it shall be recovered in the manner laid down in sub-section (1) of section 142 of the Customs Act, 1962 (52 of 1962).

16A. Recovery of amount of Drawback where export proceeds not realised. -

(1) Where an amount of drawback has been paid to an exporter or a person authorised by him (hereinafter referred to as the claimant) but the sale proceeds in

18. Recovery of amount of Drawback where export proceeds not realised. –

(1) Where an amount of drawback has been paid to an exporter or a person authorised by him (hereinafter referred to as the claimant) but the sale proceeds in
respect of such export goods have not been realised by or on behalf of the exporter in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, such drawback shall except under circumstances or conditions specified in sub-rule (5), be recovered in the manner specified below:

Provided that the time-limit referred to in this sub-rule shall not be applicable to the goods exported from the Domestic Tariff Area to a special economic zone.

(2) If the exporter fails to produce evidence in respect of realisation of export proceeds within the period allowed under the Foreign Exchange Management Act, 1999, or any extension of the said period by the Reserve Bank of India, the Assistant Commissioner of Customs or the Deputy Commissioner of Customs, as the case may be, shall cause notice to be issued to the exporter for production of evidence of realisation of export proceeds within a period of thirty days from the date of receipt of such notice and where the exporter does not produce such evidence within the said period of thirty days, the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, shall pass an order to recover the amount of drawback paid to the claimant and the exporter shall repay the amount so demanded within thirty days of the receipt of the said order:

Provided that where a part of the sale proceeds has been realised, the amount of drawback to be recovered shall be the amount equal to that portion of the amount of drawback paid which bears the same proportion as the portion of the sale proceeds not realised bears to the total amount of sale proceeds.

(3) Where the exporter fails to repay the amount under sub-rule (2) within said period of thirty days referred to in sub-rule (2), it shall be recovered in

Provided that where a part of the sale proceeds has been realised, the amount of drawback to be recovered shall be the amount equal to that portion of the amount of drawback paid which bears the same proportion as the portion of the sale proceeds not realised bears to the total amount of sale proceeds.

(3) Where the exporter fails to repay the amount under sub-rule (2) within said period of thirty days referred to in
(4) Where the sale proceeds are realised by the exporter after the amount of drawback has been recovered from him under sub-rule (2) or sub-rule (3) and the exporter produces evidence about such realisation within a period of three months from the date of realisation of sale proceeds, the amount of drawback so recovered shall be repaid by the Assistant Commissioner of Customs or Deputy Commissioner of Customs to the claimant provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India.

Provided that-

(i) the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India;

(ii) an application fee equivalent to 1% of the FOB value of exports or Rs. 1000/- whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(5) Where sale proceeds are not realised by an exporter within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), but such non-realisation of sale proceeds is compensated by the Export Credit Guarantee Corporation of India Ltd. under an insurance cover and the Reserve Bank of India writes off the requirement of realisation of sale proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of sale proceeds from the buyer, the amount of drawback paid to the claimant, under sub-rule (2), it shall be recovered in the manner laid down in rule 17.

(4) Where the sale proceeds are realised by the exporter after the amount of drawback has been recovered from him under sub-rule (2) or sub-rule (3) and the exporter produces evidence about such realisation within a period of three months from the date of realisation of sale proceeds, the amount of drawback so recovered shall be repaid by the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, to the claimant provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India:

Provided that-

(i) the Principal Commissioner of Customs or Commissioner of Customs, as the case may be, may extend the aforesaid period of three months by a period of nine months provided the sale proceeds have been realised within the period permitted by the Reserve Bank of India;

(ii) an application fee equivalent to 1% of the FOB value of exports or one thousand rupees whichever is less, shall be payable for applying for grant of extension by the Principal Commissioner of Customs or Commissioner of Customs, as the case may be.

(5) Where sale proceeds are not realised by an exporter within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), but such non-realisation of sale proceeds is compensated by the Export Credit Guarantee Corporation of India Ltd. under an insurance cover and the Reserve Bank of India writes off the requirement of realisation of sale proceeds on merits and the exporter produces a certificate from the concerned Foreign Mission of India about the fact of non-recovery of sale proceeds from the buyer, the amount of
exporter or the claimant shall not be recovered.

drawback paid to the exporter or the claimant shall not be recovered.

| 17. Power to relax. - If the Central Government is satisfied that in relation to the export of any goods, the exporter or his authorised agent has, for reasons beyond his control, failed to comply with any of the provisions of these rules, and has thus been entitled to drawback, it may, after considering the representation, if any, made by such exporter or agent, and for reasons to be recorded in writing, exempt such exporter or agent from the provisions of such rule and allow drawback in respect of such goods. |
| 18. Repeal and saving. - |
| (1) As from the commencement of these rules, the Customs and Central Excise Duties Drawback Rules, 1971 (hereinafter in this rule referred to as the 1971 Rules) shall cease to operate. |
| (2) Notwithstanding such cesser of operation – |
| (a) every application made by a manufacturer or exporter for the determination or revision of the amount or rate of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of the 1971 Rules as if these rules had not been made; |
| (b) any claim made by an exporter or his authorised agent for the payment of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of these rules; |
| (c) where a manufacturer or exporter has exported any goods before the commencement of the Customs and Central Excise Duties Drawback (Third |
| 19. Power to relax. - If the Central Government is satisfied that in relation to the export of any goods, the exporter or his authorised agent has, for reasons beyond his control, failed to comply with any of the provisions of these rules, and has thus been entitled to drawback, it may, after considering the representation, if any, made by such exporter or agent, and for reasons to be recorded in writing, exempt such exporter or agent from the provisions of such rule and allow drawback in respect of such goods. |
| 20. Repeal and saving. – |
| (1) From the commencement of these rules, the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 shall cease to operate. |
| (2) Notwithstanding such cesser of operation – |
| (a) every application made by a manufacturer or an exporter for the determination or revision of the amount or rate of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 as if these rules had not been made; |
| (b) any claim made by an exporter or his authorised agent for the payment of drawback in respect of goods exported before the commencement of these rules but not disposed of before such commencement shall be disposed of in accordance with the provisions of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 as if these rules had not been made; |
| (c) every amount or rate of drawback determined under |

NO CHANGES

| CHANGES MADE TO THESE RULES ARE SELF EXPLANATORY |
| As per clause (c) and circular no. 23/2017- Customs (N.T.) brand rates of drawback already fixed will not apply for exports with Let export date 1.10.2017 onwards. Thus, exporters will be required to apply fresh for fixation of Brand Rate under Rule 6 or Rule 7 for such exports. |
Amendment) Rules, 1996 and has not filed any claim for payment of drawback or the claim filed has been returned to him for complying with any deficiencies, such manufacturer or exporter may file his claim in the form of triplicate copy of Shipping Bill for export of goods under a claim for drawback along with documents prescribed in sub-rule (1) of rule 13 by 30th June, 1997 and the same shall be deemed to be a claim filed under that rule;

(d) every amount or rate of drawback determined under the 1971 Rules and in force immediately before the commencement of these rules shall be deemed to be the amount or rate of drawback determined under these rules until altered or superseded by the Central Government.

the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 and in force immediately before the commencement of these rules shall cease to operate in respect of goods exported on or after commencement of these rules.
Section 75A of The Customs Act’ 1962

Interest on drawback. –

(1) Where any drawback payable to a claimant under section 74 or section 75 is not paid within a period of one month from the date of filing a claim for payment of such drawback, there shall be paid to that claimant in addition to the amount of drawback, interest at the rate fixed under section 27A from the date after the expiry of the said period of one month till the date of payment of such drawback:

2) Where any drawback has been paid to the claimant erroneously or it becomes otherwise recoverable under this Act or the rules made thereunder, the claimant shall, within a period of two months from the date of demand, pay in addition to the said amount of drawback, interest at the rate fixed under section 28AA and the amount of interest shall be calculated for the period beginning from the date of payment of such drawback to the claimant till the date of recovery of such drawback.

Section 76 of The Customs Act’ 1962

Prohibition and regulation of drawback in certain cases. –

(1) Notwithstanding anything hereinbefore contained, no drawback shall be allowed -
   (b) in respect of any goods the market-price of which is less than the amount of drawback due thereon;
   (c) where the drawback due in respect of any goods is less than fifty rupees.

(2) Without prejudice to the provisions of sub-section (1), if the Central Government is of opinion that goods of any specified description in respect of which drawback may be claimed under this Chapter are likely to be smuggled back into India, it may, by notification in the Official Gazette, direct that drawback shall not be allowed in respect of such goods or may be allowed subject to such restrictions and conditions as may be specified in the notification.
G.S.R. 1018 (E).- In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), and section 93A and sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), read with rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (hereinafter referred to as the said rules) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.110/2015-CUSTOMS (N.T.), dated the 16th November, 2015, published vide number G.S.R. 861 (E), dated the 16th November, 2015, except as respects things done or omitted to be done before such supersession, the Central Government hereby determines the rates of drawback as specified in the Schedule annexed hereto (hereinafter referred to as the said Schedule) subject to the following notes and conditions, namely:-

Notes and conditions:

(1) The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight digits in the said Schedule are in several cases not aligned with the descriptions of goods given in the First Schedule to the Customs Tariff Act, 1975.

(2) The general rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 shall, mutatis mutandis, apply for classifying the export goods listed in the said Schedule.

(3) Notwithstanding anything contained in the said Schedule, -

(i) all art-ware or handicraft items shall be classified under the heading of art-ware or handicraft (of constituent material) as mentioned in the relevant Chapters;
(ii) any identifiable ready to use machined part or component predominantly made of iron, steel or aluminium, made through casting or forging process, and not specifically mentioned at six digit level or more in Chapter 84 or 85 or 87, except those classifiable under heading 8432 or 8433 or 8436, may be classified under the relevant tariff item (depending upon material composition and making process) under heading 8487 or 8548 or 8708, as the case may be, irrespective of classification of such part or component at four digit level in Chapter 84 or 85 or 87 of the said Schedule;
(iii) the sports gloves mentioned below heading 4203 or 6116 or 6216 shall be classified in that heading and all other sports gloves shall be classified under heading 9506.

(4) The figures shown in columns (4) and (6) in the said Schedule refer to the rate of drawback expressed as a percentage of the free on board value or the rate per unit quantity of the export goods, as the case may be.

Provided that nothing contained in this notification shall have effect after the 30th day of September, 2017.
(5) The figures shown in columns (5) and (7) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).

(6) An export product accompanied with tax invoice and forming part of project export (including turnkey export or supplies) for which no figure is shown in columns (5) and (7) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed amount calculated by applying ad-valorem rate of drawback shown in column (4) or column (6) to one and half times the tax invoice value.

(7) The figures shown in the said Schedule in columns (4) and (5) refer to the total drawback (Customs, Central Excise and Service Tax component put together) allowable and those appearing in columns (6) and (7) refer to the drawback allowable under the Customs component. The difference in rates between the columns (4) and (6) refers to the Central Excise and Service Tax component of drawback. If the rate indicated is the same in the columns (4) and (6), it shall mean that the same pertains to only Customs component and is available irrespective of whether the exporter has availed of Cenvat facility or not.

(8) The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on ad valorem basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.

(9) Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rules 11, 12 and 13 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.

(10) The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is -

(a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962);

(b) manufactured or exported in discharge of export obligation against an Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Foreign Trade Policy;

Provided that where exports are made against Special Advance Authorisation issued under paragraph 4.04A of the Foreign Trade Policy 2015-20 in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13th August, 2016, the rates of drawback specified in the said Schedule shall apply as if in the said Schedule-

(i) the heading A and heading B are heading C and heading D, respectively; and

(ii) the entries in columns (4), (5), (6) and (7) against the Tariff items in the said Schedule below all Chapters, except Chapter 61 and 62, are NIL, and those in Chapters 61 and 62 are as specified in the Table annexed hereto;

(c) manufactured or exported by a unit licensed as hundred per cent. Export Oriented Unit in terms of the provisions of the relevant Foreign Trade Policy;

(d) manufactured or exported by any of the units situated in Free Trade Zones or Export Processing Zones or Special Economic Zones;

(e) manufactured or exported availing the benefit of the notification No. 32/1997–Customs, dated 01st April, 1997.
(11) The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is –

(a) manufactured or exported by availing the rebate of duty paid on materials used in the manufacture or processing of such commodity or product in terms of rule 18 of the Central Excise Rules, 2002;

(b) manufactured or exported in terms of sub-rule (2) of rule 19 of the said Central Excise Rules, 2002.

(c) exported availing input tax credit of the central goods and services tax or of the integrated goods and services tax on the export product or on the inputs or input services used in the manufacture of the export product;

(d) exported claiming refund of the integrated goods and services tax paid on such exports;

(e) exported by an exporter who has carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).

(12) The expression “when Cenvat facility has not been availed”, used in the said Schedule, shall mean that the exporter shall satisfy the following conditions, namely:

(a) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Assistant Commissioner of Central Excise or Deputy Commissioner of Customs or Deputy Commissioner of Central Excise, as the case may be, that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product;

(b) if the goods are exported under bond or claim for rebate of duty of Central Excise, a certificate from the Superintendent of Customs or Superintendent of Central Excise in-charge of the factory of production, to the effect that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product, is produced:

Provided that the certificate regarding non-availment of Cenvat facility shall not be required in the case of exports of handloom products or handicrafts (including handicrafts of brass art-ware) or finished leather and other export products which are unconditionally exempt from the duty of Central Excise.

(12A) The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall be applicable to export of a commodity or product if the exporter satisfies the following conditions, namely:-

(a) (i) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been and shall be availed on the export product or on any of the inputs or input services used in the manufacture of the export product, or

(ii) if the goods are exported on payment of integrated goods and services tax, the exporter shall declare that no refund of integrated goods and services tax paid on export product shall be claimed;

(b) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that the exporter has not carried forward and shall not carry forward the amount of Cenvat credit on the export product or on the inputs or
input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).

(13) Whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials on the basis of a self-declaration to be furnished by the exporter to this effect and in case of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.

(14) The term „article of leather“ in Chapter 42 of the said Schedule shall mean any article wherein (a) 60% or more of the outer visible surface area; or (b) 60% or more of the outer and inner surface area taken together, 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.

(15) The term “dyed”, wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or predominantly printed or coloured in the body.

(16) The term “dyed” in relation to fabrics and yarn of cotton, shall include “bleached or mercerised or printed or mélange”.

(17) The term “dyed” in relation to textile materials in Chapters 54 and 55 shall include “printed or bleached or melange”.

(18) In respect of the tariff items in Chapters 60, 61, 62 and 63 of the said Schedule, the blend containing cotton and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man-made fibre or silk shall mean that the content in it of the respective fibre is 85% or more by weight.

(19) The term “shirts” in relation to Chapters 61 and 62 of the said Schedule shall include “shirts with hood”.

(20) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for adult shall comprise the following sizes, namely: -

   (a) French point or Paris point or Continental Size above 33;

   (b) English or UK adult size 1 and above; and

   (c) American or USA adult size 1 and above.

(21) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely: -

   (a) French point or Paris point or Continental Size upto 33;

   (b) English or UK children size upto 13; and

   (c) American or USA children size upto 13.

(22) The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom
Houses as specified in para 4.72 of the Hand Book of Procedures, 2015-2020 published vide Public Notice No.1/2015-2020, dated the 1st April, 2015 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold jewellery or silver jewellery or silver articles. The free on board value of any consignment through authorised courier shall not exceed rupees twenty lakhs.

(23) The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported in discharge of export obligation against any Scheme of the relevant Foreign Trade Policy of the Government of India which provides for duty free import or replenishment or procurement from local sources of gold or silver.

(24) Notwithstanding anything contained in paragraph (7) above, the drawback rate specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported availing CENVAT facility for any of the inputs or input services used in their manufacture or availing the rebate of duty paid on materials used in their manufacture or processing in terms of rule 18 of the Central Excise Rules, 2002 or manufactured or exported in terms of sub-rule (2) of rule 19 of the Central Excise Rules, 2002 and the exporter claiming the drawback rate against said tariff items shall make appropriate declaration at the time of export.

(25) “Vehicles” of Chapter 87 of the said Schedule shall comprise completely built unit or completely knocked down (CKD) unit or semi knocked down (SKD) unit.

2. All claims for duty drawback at the rates of drawback notified herein shall be filed with reference to the tariff items and descriptions of goods shown in columns (1) and (2) of the said Schedule respectively. Where, in respect of the export product, the rate of drawback specified in the said Schedule is Nil or is not applicable, the rate of drawback may be fixed, on an application by an individual manufacturer or exporter in accordance with the said rules. Where the claim for duty drawback is filed with reference to tariff item of the said Schedule and it is for the rate of drawback specified herein, an application, as referred under sub-rule (1) of rule 7 of the said rules shall not be admissible.

3. The amount referred in sub-rule (3) of rule 7 of the said rules, relating to provisional drawback amount as may be specified by the Central Government, shall be equivalent to the Customs component, as provided by the drawback rate and drawback cap shown in column (6) and (7) in the said Schedule for the tariff item corresponding to the export goods, if applicable, and determined as if it were a claim for duty drawback filed with reference to such rate and cap.

4. This notification shall come into force on the 15th day of November, 2016.
Provided that nothing contained in this notification shall have effect after the 30th day of September, 2017.

Amended by:
Notification no. 3/2017 dated 12.01.2017
Notification no. 41/2017 dated 26.04.2017
Notification no. 59/2017 dated 29.06.2017
Notification no. 73/2017 dated 26.07.2017
Notification no. 79/2017 dated 17.08.2017
New Delhi, the 21st September, 2017

G.S.R. (E). – In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962) and sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944), read with rules 3 and 4 of the Customs and Central Excise Duties Drawback Rules, 2017 (hereinafter referred to as the said rules) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 131/2016-Customs (N.T.), dated the 31st October, 2016, published vide number G.S.R. 1018(E), dated the 31st October, 2016, except as respect to things done or omitted to be done before such supersession, the Central Government hereby determines the rates of drawback as specified in the Schedule annexed hereto (hereinafter referred to as the said Schedule) subject to the following notes and conditions, namely :-

Notes and conditions. -

(1) The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight digits in the said Schedule are in several cases not aligned with the descriptions of goods given in the First Schedule to the Customs Tariff Act, 1975.

(2) The general rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 shall, mutatis mutandis, apply for classifying the export goods listed in the said Schedule.

(3) Notwithstanding anything contained in the said Schedule, -

(i) all art-ware or handicraft items shall be classified under the heading of art-ware or handicraft (of constituent material) as mentioned in the relevant Chapters;
(ii) any identifiable ready to use machined part or component predominantly made of iron, steel or aluminium, made through casting or forging process, and not specifically mentioned at six digit level or more in Chapter 84 or 85 or 87, except those classifiable under heading 8432 or 8433 or 8436, may be classified under the relevant tariff item (depending upon material composition and making process) under heading 8487 or 8548 or 8708, as the case may be, irrespective of classification of such part or component at four digit level in Chapter 84 or 85 or 87 of the said Schedule;
(iii) the sports gloves mentioned below heading 4203 or 6116 or 6216 shall be classified in that heading and all other sports gloves shall be classified under heading 9506.

(4) The figures shown in column (4) in the said Schedule refer to the rate of drawback expressed as a percentage of the free on board value or the rate per unit quantity of the export goods, as the case may be.

(5) The figures shown in column (5) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).

(6) An export product accompanied with a tax invoice and forming part of project export (including turnkey export or supplies) for which no figure is shown in column (5) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said
Schedule shall not exceed the amount calculated by applying ad-valorem rate of drawback shown in column (4) to one and half times the tax invoice value.

(7) The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on ad valorem basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.

(8) Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rule 12, 13 and 14 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.

(9) The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is -

(a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962);

(b) manufactured or exported in discharge of export obligation against an Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Foreign Trade Policy :
Provided that where exports are made against Special Advance Authorisation issued under paragraph 4.04A of the Foreign Trade Policy 2015-20 in discharge of export obligations in terms of Notification No. 45/2016-Customs, dated 13th August, 2016, the rates of drawback specified in the said Schedule shall apply as if in the said Schedule, the entries in columns (4) and (5) against the Tariff items in the said Schedule below all Chapters, except Chapter 61 and 62, are NIL, and those in Chapters 61 and 62 are as specified in the Table annexed hereto;

(c) manufactured or exported by a unit licensed as hundred per cent Export Oriented Unit in terms of the provisions of the relevant Foreign Trade Policy;

(d) manufactured or exported by any of the units situated in Free Trade Zones or Export Processing Zones or Special Economic Zones;

(e) manufactured or exported availing the benefit of the notification No. 32/1997-Customs, dated 1st April, 1997.

(10) Whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials on the basis of a self-declaration to be furnished by the exporter to this effect and in case of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.

(11) The term ‘article of leather’ in Chapter 42 of the said Schedule shall mean any article wherein (a) 60% or more of the outer visible surface area; or (b) 60% or more of the outer and inner surface area taken together, 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.

(12) The term “dyed”, wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or predominantly printed or coloured in the body.

(13) The term “dyed” in relation to fabrics and yarn of cotton, shall include “bleached or mercerised or printed or melange”. 

(14) The term “dyed” in relation to textile materials in Chapters 54 and 55 shall include “printed or bleached or melange”.

(15) In respect of the tariff items in Chapters 60, 61, 62 and 63 of the said Schedule, the blend containing cotton and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man-made fibre or silk shall mean that the content in it of the respective fibre is 85% or more by weight.

(16) The term “shirts” in relation to Chapters 61 and 62 of the said Schedule shall include “shirts with hood”.

(17) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for adult shall comprise the following sizes, namely:

(a) French point or Paris point or Continental Size above 33;
(b) English or UK adult size 1 and above; and
(c) American or USA adult size 1 and above.

(18) In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely:

(a) French point or Paris point or Continental Size upto 33;
(b) English or UK children size upto 13; and
(c) American or USA children size upto 13.

(19) The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4.72 of the Hand Book of Procedures, 2015-2020 published vide Public Notice No. 1/2015-2020, dated the 1st April, 2015 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold jewellery or silver jewellery or silver articles. The free on board value of any consignment through authorised courier shall not exceed rupees twenty lakhs.

(20) The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported in discharge of export obligation against any Scheme of the relevant Foreign Trade Policy of the Government of India which provides for duty free import or replenishment or procurement from local sources of gold or silver.

(21) “Vehicles” of Chapter 87 of the said Schedule shall comprise completely built unit or completely knocked down (CKD) unit or semi knocked down (SKD) unit.

2. All claims for duty drawback at the rates of drawback notified herein shall be filed with reference to the tariff items and descriptions of goods shown in columns (1) and (2) of the said Schedule respectively. Where, in respect of the export product, the rate of drawback specified in the said Schedule is Nil or is not applicable, the rate of drawback may be fixed, on an application by an individual manufacturer or exporter in accordance with the said rules. Where the claim for duty drawback is filed with reference to tariff item of the said Schedule and it is for the
rate of drawback specified herein, an application, as referred under sub-rule (1) of rule 7 of the said rules shall not be admissible.

3. The amount referred in sub-rule (3) of rule 7 of the said rules, relating to provisional drawback amount as may be specified by the Central Government, shall be equivalent to the drawback rate and drawback cap shown in column (4) and (5) in the said Schedule for the tariff item corresponding to the export goods, if applicable, and determined as if it were a claim for duty drawback filed with reference to such rate and cap.

4. This notification shall come into force on the 1st day of October, 2017.
### Comparative analysis of “Notes and Conditions” for availing duty drawback under section 75 of The Customs Act, 1962 as per Notification no. 131/2016 And Notification no. 89/2017

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<td>1.1</td>
<td>The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight digits in the said Schedule are in several cases not aligned with the descriptions of goods given in the First Schedule to the Customs Tariff Act, 1975.</td>
<td>1.1</td>
<td>The tariff items and descriptions of goods in the said Schedule are aligned with the tariff items and descriptions of goods in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) at the four-digit level only. The descriptions of goods given at the six digit or eight digit or modified six or eight digits in the said Schedule are in several cases not aligned with the descriptions of goods given in the First Schedule to the Customs Tariff Act, 1975.</td>
<td>NO CHANGE</td>
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<td>1.2</td>
<td>The general rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 shall, <em>mutatis mutandis</em>, apply for classifying the export goods listed in the said Schedule.</td>
<td>1.2</td>
<td>The general rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 shall, <em>mutatis mutandis</em>, apply for classifying the export goods listed in the said Schedule.</td>
<td>NO CHANGE</td>
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<td>1.3</td>
<td>Notwithstanding anything contained in the said Schedule, - (i) all art-ware or handicraft items shall be classified under the heading of art-ware or handicraft (of constituent material) as mentioned in the relevant Chapters; (ii) any identifiable ready to use machined part or component predominantly made of iron, steel or aluminium, made through casting or forging process, and not specifically mentioned at six digit level or more in Chapter 84 or 85 or 87, except those classifiable under heading 8432 or 8433 or 8436, may be classified under the relevant tariff item (depending upon material composition and making process) under heading 8487 or 8548 or 8708, as the case may be, irrespective of classification of such part or component at four digit level in Chapter 84 or 85 or 87 of the said Schedule; (iii) the sports gloves mentioned below heading 4203 or 6116 or 6216 shall be classified in that heading and all other sports gloves shall be classifiable under heading 9506.</td>
<td>1.3</td>
<td>Notwithstanding anything contained in the said Schedule, - (i) all art-ware or handicraft items shall be classified under the heading of art-ware or handicraft (of constituent material) as mentioned in the relevant Chapters; (ii) any identifiable ready to use machined part or component predominantly made of iron, steel or aluminium, made through casting or forging process, and not specifically mentioned at six digit level or more in Chapter 84 or 85 or 87, except those classifiable under heading 8432 or 8433 or 8436, may be classified under the relevant tariff item (depending upon material composition and making process) under heading 8487 or 8548 or 8708, as the case may be, irrespective of classification of such part or component at four digit level in Chapter 84 or 85 or 87 of the said Schedule; (iii) the sports gloves mentioned below heading 4203 or 6116 or 6216 shall be classified in that heading and all other sports gloves shall be classifiable under heading 9506.</td>
<td>NO CHANGE</td>
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<td>1.4</td>
<td>The figures shown in columns (4) and (6) in the said Schedule refer to the rate of drawback expressed as a percentage of the free on board value or the rate per unit quantity of the export goods, as the case may be. Provided that nothing contained in this notification shall have effect after the 30th day of September, 2017.</td>
<td>1.4</td>
<td>The figures shown in column (4) in the said Schedule refer to the rate of drawback expressed as a percentage of the free on board value or the rate per unit quantity of the export goods, as the case may be.</td>
<td>Notification 131/2016 shall not be effective after 30th day of September, 2017 because notification 89/2017 shall come into force.</td>
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<td>1.5</td>
<td>The figures shown in columns (5) and (7) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).</td>
<td>1.5</td>
<td>The figures shown in column (5) in the said Schedule refer to the maximum amount of drawback that can be availed of per unit specified in column (3).</td>
<td>Composite rates of duty drawback are not applicable w.e.f. 01-10-2017 so only one column is kept in new schedule.</td>
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<td>1.6</td>
<td>An export product accompanied with tax invoice and forming part of project export (including turnkey export or supplies) for which no figure is shown in columns (5) and (7) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed amount calculated by applying ad-valorem rate of drawback shown in column (4) or column (6) to one and half times the tax invoice value.</td>
<td>1.6</td>
<td>An export product accompanied with a tax invoice and forming part of project export (including turnkey export or supplies) for which no figure is shown in column (5) in the said Schedule, shall be so declared by the exporter and the maximum amount of drawback that can be availed under the said Schedule shall not exceed the amount calculated by applying ad-valorem rate of drawback shown in column (4) to one and half times the tax invoice value.</td>
<td>Composite rates of duty drawback are not applicable w.e.f. 01-10-2017 so reference to other column of the schedule is removed here. So requirement of filing declaration to avail drawback at composite rates is also withdrawn.</td>
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<td>1.7</td>
<td>The figures shown in the said Schedule in columns (4) and (5) refer to the total drawback (Customs, Central Excise and Service Tax component put together) allowable and those appearing in columns (6) and (7) refer to the drawback allowable under the Customs component. The difference in rates between the columns (4) and (6) refers to the Central Excise and Service Tax component of drawback. If the rate indicated is the same in the columns (4) and (6), it shall mean that the same pertains to only Customs component and is available irrespective of whether the exporter has availed of Cenvat facility or not.</td>
<td>1.7</td>
<td>The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on ad valorem basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.</td>
<td>NO CHANGE</td>
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<tr>
<td>1.8</td>
<td>The rates of drawback specified against the various tariff items in the said Schedule in specific terms or on ad valorem basis, unless otherwise specifically provided, are inclusive of drawback for packing materials used, if any.</td>
<td>1.8</td>
<td>Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rules 11, 12 and 13 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.</td>
<td>NO CHANGE</td>
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<tr>
<td>1.9</td>
<td>Drawback at the rates specified in the said Schedule shall be applicable only if the procedural requirements for claiming drawback as specified in rules 11, 12 and 13 of the said rules, unless otherwise relaxed by the competent authority, are satisfied.</td>
<td>1.9</td>
<td>The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is - (a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962); (b) manufactured or exported in discharge of export obligation against an Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Foreign Trade Policy; Provided that where exports are made against Special Advance</td>
<td>Composite rates of duty drawback are not applicable w.e.f. 01-10-2017 so reference to other column of the schedule is removed here. Special Rates in case of Special Advance Authorisation issued under para 4.04A of FTP 2015-20 to continue.</td>
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<td>1.10</td>
<td>The rates of drawback specified in the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is - (a) manufactured partly or wholly in a warehouse under section 65 of the Customs Act, 1962 (52 of 1962); (b) manufactured or exported in discharge of export obligation against an Advance Authorisation or Duty Free Import Authorisation issued under the Duty Exemption Scheme of the relevant Foreign Trade Policy; Provided that where exports are made against Special Advance</td>
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Authorisation issued under paragraph 4.04A of the Foreign Trade Policy 2015-20 in discharge of export obligations in terms of Notification No. 45/2016-Customs dated 13th August, 2016, the rates of drawback specified in the said Schedule shall apply as if in the said Schedule-

(i) the heading A and heading B are heading C and heading D, respectively; and

(ii) the entries in columns (4), (5), (6) and (7) against the Tariff items in the said Schedule below all Chapters, except Chapter 61 and 62, are NIL, and those in Chapters 61 and 62 are as specified in the Table annexed hereto;

(c) manufactured or exported by a unit licensed as hundred per cent. Export Oriented Unit in terms of the provisions of the relevant Foreign Trade Policy;

(d) manufactured or exported by any of the units situated in Free Trade Zones or Export Processing Zones or Special Economic Zones;

(e) manufactured or exported availing the benefit of the notification No. 32/1997–Customs, dated 01st April, 1997.

1.11 The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall not be applicable to export of a commodity or product if such commodity or product is –

(a) manufactured or exported by availing the rebate of duty paid on materials used in the manufacture or processing of such commodity or product in terms of rule 18 of the Central Excise Rules, 2002;

(b) manufactured or exported in terms of sub-rule (2) of rule 19 of the said Central Excise Rules, 2002.

(c) exported availing input tax credit of the central goods and services tax or of the integrated goods and services tax on the export product or on the inputs or input services used in the manufacture of the export product;

(d) exported claiming refund of the integrated goods and services tax paid on such exports;
(e) exported by an exporter who has carried forward the amount of Cenvat credit on the export product or on the inputs or input services used in the manufacture of the export product, under the Central Goods and Services Tax Act, 2017 (12 of 2017).

1.12 The expression “when Cenvat facility has not been availed”, used in the said Schedule, shall mean that the exporter shall satisfy the following conditions, namely:-

(a) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Assistant Commissioner of Central Excise or Deputy Commissioner of Customs or Deputy Commissioner of Central Excise, as the case may be, that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product;

(b) if the goods are exported under bond or claim for rebate of duty of Central Excise, a certificate from the Superintendent of Customs or Superintendent of Central Excise in-charge of the factory of production, to the effect that no Cenvat facility has been availed for any of the inputs or input services used in the manufacture of the export product, is produced:

Provided that the certificate regarding non-availment of Cenvat facility shall not be required in the case of exports of handloom products or handicrafts (including handicrafts of brass art-ware) or finished leather and other export products which are unconditionally exempt from the duty of Central Excise.

1.12A (12A) The rates and caps of drawback specified in columns (4) and (5) of the said Schedule shall be applicable to export of a commodity or product if the exporter satisfies the following conditions, namely:-

(a) (i) the exporter shall declare, and if necessary, establish to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, that no input tax credit of the central goods and services tax or of the integrated goods and services tax has been and shall be availed on the export product or on any of the inputs or input services used in the manufacture of the export product, or

(ii) if the goods are exported on payment of integrated goods and services tax, the exporter shall declare that no refund of integrated goods and services tax paid on export product shall be claimed;

Duty Drawback under composite rates are not available from 01.10.2017 so this clause is removed.
1.13 Whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials on the basis of a self-declaration to be furnished by the exporter to this effect and in case of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.

1.10 Whenever a composite article is exported for which any specific rate has not been provided in the said Schedule, the rates of drawback applicable to various constituent materials can be extended to the composite article according to net content of such materials on the basis of a self-declaration to be furnished by the exporter to this effect and in case of doubt or where there is any information contrary to the declarations, the proper officer of customs shall cause a verification of such declarations.

1.14 The term „article of leather‟ in Chapter 42 of the said Schedule shall mean any article wherein (a) 60% or more of the outer visible surface area; or (b) 60% or more of the outer and inner surface area taken together, 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.

1.11 The term „article of leather‟ in Chapter 42 of the said Schedule shall mean any article wherein (a) 60% or more of the outer visible surface area; or (b) 60% or more of the outer and inner surface area taken together, 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.

1.15 The term „dyed‟, wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or predominantly printed or coloured in the body.

1.12 The term „dyed‟, wherever used in the said Schedule in relation to textile materials, shall include yarn or piece dyed or predominantly printed or coloured in the body.

1.16 The term „dyed‟ in relation to fabrics and yarn of cotton, shall include “bleached or mercerised or printed or mélangé”.

1.13 The term „dyed‟ in relation to fabrics and yarn of cotton, shall include “bleached or mercerised or printed or mélangé”.

1.17 The term „dyed‟ in relation to textile materials in Chapters 54 and 55 shall include “printed or bleached or melange”.

1.14 The term „dyed‟ in relation to textile materials in Chapters 54 and 55 shall include “printed or bleached or melange”.

1.18 In respect of the tariff items in Chapters 60, 61, 62 and 63 of the said Schedule, the blend containing cotton and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man-made fibre or silk shall mean that the content in it of the respective fibre is 85% or more by weight.

1.15 In respect of the tariff items in Chapters 60, 61, 62 and 63 of the said Schedule, the blend containing cotton and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight and the blend containing wool and man-made fibre shall mean that content of man-made fibre in it shall be more than 15% but less than 85% by weight. The garment or made-up of cotton or wool or man-made fibre or silk shall mean that the content in it of the respective fibre is 85% or more by weight.

1.19 The term „shirts‟ in relation to Chapters 61 and 62 of the said Schedule shall include “shirts with hood”.

1.16 The term „shirts‟ in relation to Chapters 61 and 62 of the said Schedule shall include “shirts with hood”.

1.20 In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for adult shall comprise the following sizes, namely: -
(a) French point or Paris point or Continental Size above 33;  
(b) English or UK adult size 1 and above; and  
(c) American or USA adult size 1 and above.

1.21 In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely:  
(a) French point or Paris point or Continental Size upto 33;  
(b) English or UK children size upto 13; and  
(c) American or USA children size upto 13.

1.18 In respect of the tariff items appearing in Chapter 64 of the said Schedule, leather shoes, boots or half boots for children shall comprise the following sizes, namely:  
(a) French point or Paris point or Continental Size upto 33;  
(b) English or UK children size upto 13; and  
(c) American or USA children size upto 13.

1.22 The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4.72 of the Hand Book of Procedures, 2015-2020 published vide Public Notice No.1/ 2015-2020, dated the 1st April, 2015 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold jewellery or silver jewellery or silver articles. The free on board value of any consignment through authorised courier shall not exceed rupees twenty lakhs.

1.19 The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall apply only to goods exported by airfreight, post parcel or authorised courier through the Custom Houses as specified in para 4.72 of the Hand Book of Procedures, 2015-2020 published vide Public Notice No. 1/2015-2020, dated the 1st April, 2015 of the Government of India in the Ministry of Commerce and Industry, after examination by the Customs Appraiser or Superintendent to ascertain the quality of gold or silver and the quantity of net content of gold or silver in the gold jewellery or silver jewellery or silver articles. The free on board value of any consignment through authorised courier shall not exceed rupees twenty lakhs.

1.23 The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported in discharge of export obligation against any Scheme of the relevant Foreign Trade Policy of the Government of India which provides for duty free import or replenishment or procurement from local sources of gold or silver.  

1.20 The drawback rates specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported in discharge of export obligation against any Scheme of the relevant Foreign Trade Policy of the Government of India which provides for duty free import or replenishment or procurement from local sources of gold or silver.

1.24 Notwithstanding anything contained in paragraph (7) above, the drawback rate specified in the said Schedule against tariff items 711301, 711302 and 711401 shall not be applicable to goods manufactured or exported availing CENVAT facility for any of the inputs or input services used in their manufacture or availing the rebate of duty paid on materials used in their manufacture or processing in terms of rule 18 of the Central Excise Rules, 2002 or manufactured or exported in terms of sub-rule (2) of rule 19 of the Central Excise Rules, 2002 and the exporter claiming the drawback rate against said tariff items shall make appropriate declaration at the time of export.  

1.25 “Vehicles” of Chapter 87 of the said Schedule shall comprise completely built unit or completely knocked down (CKD) unit or
All claims for duty drawback at the rates of drawback notified herein shall be filed with reference to the tariff items and descriptions of goods shown in columns (1) and (2) of the said Schedule respectively. Where, in respect of the export product, the rate of drawback specified in the said Schedule is Nil or is not applicable, the rate of drawback may be fixed, on an application by an individual manufacturer or exporter in accordance with the said rules. Where the claim for duty drawback is filed with reference to tariff item of the said Schedule and it is for the rate of drawback specified herein, an application, as referred under sub-rule (1) of rule 7 of the said rules shall not be admissible.

The amount referred in sub-rule (3) of rule 7 of the said rules, relating to provisional drawback amount as may be specified by the Central Government, shall be equivalent to the drawback rate and drawback cap shown in column (4) and (5) in the said Schedule for the tariff item corresponding to the export goods, if applicable, and determined as if it were a claim for duty drawback filed with reference to such rate and cap.

This notification shall come into force on the 1st day of October, 2017.

Effective date of notifications are provided here.

Since composite rate of AIR omitted so reference to provisional refunds also amended accordingly.