

F. No. 609/39/2019-DBK  
Government of India  
Ministry of Finance, Department of Revenue  
Central Board of Indirect Taxes & Customs

New Delhi, dated 8<sup>th</sup> August, 2019

To,  
Principal Chief Commissioners / Principal Directors General,  
Chief Commissioners / Directors General,  
Principal Commissioners/Commissioners,  
all under CBIC

Madam/Sir,

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

Representations have been received from trade and field formations seeking clarification on applicability of Circular Nos. 83/2003 dated 18.09.2003 and 97/2003 dated 14.11.2003 to cases of Brand Rate fixation in the post GST era.

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

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

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

5. A suitable Trade Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the Circular may be immediately brought to the notice of the Board. Hindi version shall follow.

Yours faithfully,

(Dinesh Kumar Gupta)  
OSD (Drawback)  
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