



OFFICE OF THE COMMISSIONER OF CUSTOMS, BENGALURU CITY
C.R. BUILDING, P.B. No. 5400, QUEEN'S ROAD, BENGALURU- 560 001

C.No.VIII/48/13/2014 City.Cus.Tech.

Date: 02.12.2014

STANDING ORDER No. 02/2014 DATED 02 .12.2014.

Sub: All Industry Rates of Duty Drawback effective 22.11.2014 – Regarding

Attention is invited to the Notification No.110/2014-Customs (N.T.), dated 17.11.2014 issued with effect from 22.11.2014 revising the All Industry Rates of Duty Drawback. Attention is also invited to the Instructions contained in Board's Circular No.13/2004-Custom dated 18.11.2014 and this office Public Notice No.03/2014 dated 01.12.2014 on the above subject.

2. Besides the position highlighted in the aforesaid Public Notice dated 01.12.2014, following instructions of the Board may be noted by all concerned for strict compliance:

(i) In the case of project exports, where export product is accompanied with ARE-1 and for which no drawback cap has been prescribed in the Schedule, the Note/Condition (6) in the AIR notification now specifies a cap. It has been provided that such cases shall be declared by the exporter and the maximum amount of drawback that can be availed under the Schedule shall not exceed the amount calculated by applying the ad valorem rate of drawback to one and half times the ARE-1 value. In such cases, before Let Export Order is made, the relevant ARE-1 value(s) are to be recorded in the "Departmental Comments" field which is to be also taken into account at the subsequent stage of drawback processing.

(ii) It has been made explicit that where the claim for duty drawback is filed with reference to the rate in the AIR Schedule, an application for fixation of Brand Rate under Rule 7 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 shall not be admissible. For this, para 2 of the Notification No.110/2014-Customs(NT) and amendment to the said Rule vide Notification No.109/2014-Customs (N.T.) dated 17.11.2014 may be referred

(iii) It has also been clarified that the exporters opting for claim of brand rate shall declare the figure "9801" as an identifier in the shipping bill under the Drawback Details on basis of which they may subsequently apply to Central Excise for determination of brand rate.

(iv) It may be ensured that the exporters do not avail the refund of service tax paid on taxable services which are used as input services in the manufacturing or processing of export goods through any other mechanism while claiming AIR. There is need for continued scrutiny for preventing any

excess drawback arising from mismatch of declarations made in the item details and the Drawback Details in a shipping bill. In case of claim of the composite (higher) rate of AIR, the processing at the time of export should specifically ensure availability of 'Non-availment of Cenvat certificate' etc at that stage itself.

3. All concerned are hereby directed to follow the above instructions scrupulously and also ensure requisite compliance from the exporters. Any deviation shall be viewed seriously.

4. Difficulties, if any, faced in implementation, may be brought to the notice of this office immediately.


(Sandeep Prakash)
Commissioner

Copy submitted to the Chief Commissioner of Customs, Bengaluru Zone, for information please.

To:

1. The Additional Commissioner of Customs, ICD, Bengaluru/ Deputy/ Assistant Commissioner of Customs, ICD, Bengaluru.
2. Notice Board.
3. Bengaluru Customs Website.