

AWARENESS SEMINAR ON “DUTY DRAWBACK - A POLICY & PROCEDURE” AT NEW DELHI ON 10TH JANUARY, 2015.

In continuation to its endeavour for dissemination of knowledge-the key aspect of running a successful business; Export Promotion Council for Handicrafts organises an awareness seminar for the exporters, on the topic “**DUTY DRAWBACK - A POLICY & PROCEDURE**” at New Delhi on **10th January, 2015**.

Mr. Malhotra, CoA member and Ex-Chairman, EPCH chaired the seminar and there were around 60 exporters/beneficiaries present during the session to interact and take the benefits of the session. **Dr. Ram Singh**, Professor, IIFT was the speaker.

The seminar concluded with an interactive Question-Answer session followed by Hi-Tea.

Duty Drawback has been one of the popular and principal methods of encouraging export. It is a method of refund of custom duties paid on the inputs or raw materials and service tax paid on the input services used in the manufacture of export goods.

Duty Drawback provisions are given under section 74 and 75 of the custom Act, 1962. Section 74 allows the duty drawback on the re-export of duty paid goods. Whereas Section 75 allows the drawback on imported goods used in the manufacture of export goods.

In case of such goods which were earlier imported on payment of duty and are later exported within a specified period, Customs duty paid at the time of import of the goods, with certain cuts, can be claimed as Duty Drawback at the time of export of such goods. Such Duty Drawback is granted in terms of Section 74 of the Customs Act, 1962 read with Re-export of Imported Goods (Drawback of Customs Duty) Rules, 1995. For this purpose, the identity of export goods is cross verified with the particulars furnished at the time of import of such goods.

Where the goods are not put into use after import, 98% of Duty Drawback is admissible under Section 74 of the Customs Act, 1962. In cases the goods have been put into use after import, Duty Drawback is granted on a sliding scale basis depending upon the extent of use of the goods. No Duty Drawback is available if the goods are exported 18 months after import. Application for Duty Drawback is required to be made within 3 months from the date of export of goods, which can be extended up to 12 months subject to conditions and payment of requisite fee as provided in the Drawback Rules, 1995.

QUESTION-ANSWER SESSION:

Q1. What are Duty Exemption and Duty Remission Scheme?

Ans: Duty Exemption Schemes enable duty free import of inputs required for export production. Duty Exemption Schemes consist of (a) Advance Authorization and (b) Duty Free Import Authorization (DFIA).

A Duty Remission Scheme enables post export replenishment / remission of duty on inputs used in export product. Duty Remission Schemes consist of (a) Duty Entitlement Passbook Scheme (DEPB) and (b) Duty Drawback (DBK) Scheme.

Q2. What is the procedure of claiming Duty Drawback?

Ans: The Duty Drawback on export goods (whether AIR or Brand Rate) is to be claimed at the time of export and requisite particulars filled in the prescribed format of Shipping Bill/Bill of Export under Drawback. In case of exports under electronic Shipping Bill, the Shipping Bill itself is treated as the claim for Drawback. In case of manual export, triplicate copy of the Shipping Bill is treated as claim for Drawback. The claim is to be accompanied by certain documents as laid down in the Drawback Rules 1995. If the requisite documents are not furnished or there is any deficiency, the claim may be returned for furnishing requisite information/documents. The export shipment, however, will not be stopped for this reason.

A GLIMPSE OF THE SESSION



