



TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL
(Sponsored By Government of INDIA)

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E Serve No. 76 of 2017

July 04, 2017

Circular No.EPS/21/2017-18

To: Members of the Council

**Sub: AIRs of Duty Drawback and other Drawback related changes
under GST regime**

Dear Member,

As you are aware, GST has been implemented w.e.f. 1/7/2017. In view of the GST implementation, the Government has issued Notification No.59/2017 - CUSTOMS (N.T) dated June 29, 2017 (Copy enclosed) [\(click here\)](#). The All Industry Rates of Duty Drawback and Caps for several textile items covered under Chapter 52, 54, 55 and 56 have been increased vide this Notification. A new tariff line for pillows /cushions / quilts/pouffles filled with poly-fil has been introduced under Chapter 94.

The Government has also issued Circular No. 22/2017- Customs dated June 30, 2017 (Copy enclosed) [\(click here\)](#) to introduce a Transition Period for the continuation of the existing Duty Drawback rates. As per this Circular, in order to ensure transition to the GST regime, 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. Exports made during this period will continue to be eligible for composite rates of drawback as given in column 4 & 5 of the Duty Drawback Schedule subject to certain additional conditions. The conditions imposed for claiming the composite rates aims to ensure that the exporters do not claim composite AIRs and simultaneously avail input tax credit of CGST or IGST on the export goods or on inputs and input services used in manufacture of export goods. The exporters are also required to give certain prescribed

declaration and certificate at the time of export. During the transition period of three months, exporters shall have an option to claim to Customs portion of AIRs of Duty Drawback & avail input tax credit of CGST or IGST or refund of IGST paid on exports. Also, exporters can claim Brand rate of duty / tax incidence as they have been doing earlier during this transition period.

We would request you to kindly look into a matter & do the needful.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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