



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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Sub: Amendments to the All Industry Rates of Duty Drawback effective from 03.05.2024 related to CBIC Notification to Cotton Yarn Counts and Revision of Duty Drawback Rates & Caps for Drawback Tariff item under 4202 & 6302

Dear Member,

Kindly refer to Council E-Serve No. 68 dtd. 2.5.2024 ([enclosed](#)) on the above subject.

The Government has made further amendments in the All Industry Rates (AIRs) of Duty Drawback, which has been made effective from 3.5.2024. These amendments, published vide Notification No.33/2024-Cus. (N.T.) dated 30.4.2024, aimed to clarify 'Ne/Nm' Cotton Yarn Count issue which needed urgent attention and the increase in the Drawback rates/ Caps under Drawback Tariff Item 630201 / 630202 removed certain ambiguities caused due to a marginal difference in earlier DBK rates as against 630401 / 630402.

Given below is the Relevant extract of CBIC Circular No.4/2024-Cus.dtd.7.5.2024 ([enclosed](#))-

(a) Clarification for Cotton Yarn Counts under Drawback Tariff Item 5205

-- Clarification regarding unit of "counts" mentioned in Chapter 52 concerning cotton yarn is provided. A new Para (13A) is inserted in the Notes and Conditions of Notification No.77/2023- Cus. (NT) dtd. 20.10.2023 clarifying that the term "counts" in Chapter 52 shall mean "counts in New English (Ne)".

-- It is also clarified that since the inception of Drawback Schedules, the unit of counts was taken in "New English (Ne)", hence, in all the Schedules of Drawback Notifications issued earlier, the counts were meant to be counts in New English (Ne) only.

(b) Increase in the Drawback Rates / Caps

-- There is an increase in the Drawback Cap in certain goods of bags, handbags, trunks, suitcases and others falling under Drawback tariff item 42020103.

-- For articles of bed linen, table linen, kitchen linen; falling under Drawback tariff item 630201, there is an increase in Drawback Rate & Cap; while there is an increase of

Drawback Rate for these items falling under Drawback tariff item 630202.

The Council thanks the Government and Drawback Department for clarifying on the issue of Yarn Count and also enhancing the rates of items falling under Chapter 42 and 63.

Members may kindly make a note of these important amendments.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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