

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE  
THIRUCHIRAPALLI-1.

TRADE NOTICE : 153 / 2003

Dated: 11.12.2003

Sub: Fixation of brand rate of duty drawback by the Central Excise field formations under Rules 6 and 7 of the Customs and Central Excise Duties Drawback Rules, 1995 - Removal of difficulties – Regarding.

Copy of Board's Circular No.97 / 2003 - Customs dated: 14.11.2003 {F.No.603/32/2003-DBK} is communicated herewith.

The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations / Chamber of Commerce.

*(Issued from file C.NO.IV/16/4/2003-C.Ex.Pol)*

//ATTESTED//

SUPERINTENDENT (T)

Sd/xxx

(D.P. NAIDU)

JOINT COMMISSIONER (Tech)

To  
As per mailing list I, II, III /  
All Sections in Hqrs., Trichy.

Copy of Board's Circular No.97 / 2003 - Customs dated: 14.11.2003
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Sub: Fixation of brand rate of duty drawback by the Central Excise field formations under Rules 6 and 7 of the Customs and Central Excise Duties Drawback Rules, 1995 - Removal of difficulties – Regarding.

Attention is invited to the Customs Circular No.83/2003 dated 18<sup>th</sup> September, 2003 whereby detailed instructions along with illustrations had been given for computing duty drawback by the Central Excise field formations under rule 6 and rule 7 of the Customs and Central Excise Duties Drawback Rules, 1995.

2. The field formations as well as trade have expressed certain difficulties in implementation of para 3(a)(i) of the said Circular. Through this paragraph, the Board had prescribed that while fixing the brand rate of drawback for leather goods including shoes, shoe uppers, etc., the element of duty drawback on finished/lining leather has to be provided at the All Industry Rate available for finished/lining leather. Since the drawback rate for these products are on ad valorem basis with duty drawback caps, it was prescribed that the element of drawback on these inputs be computed on the procurement price of these inputs as evidenced by local procurement invoices.

3. It has been represented that this procedure is difficult to be applied where -

(a) only raw hides or wet blue leather, i.e., unfinished leather is procured from the market and the same undergoes the process of finishing in the manufacturer exporter's own factory, or

(b) where the unfinished leather (wet blue leather) or hides are procured by the manufacturer exporter but the finishing process on the same is

carried out by the job workers who subsequently supply the finished leather to the manufacturer exporter.

4. The issue has been examined. It is clarified that in such cases, the exporters may be asked to furnish the purchase invoice as to the procurement of the raw hides/wet blue leather. They should also furnish a certificate from the Chartered Accountant/Cost Accountant as to the consumption and cost of processing chemicals used for its processing and other incidental overhead charges incurred. The purchase price of raw hides/wet blue leather along with these processing costs and charges should be reckoned for the purposes of computing duty drawback element on the finished/lining leather by applying the All Industry Rates of Duty Drawback.

Sd/xxx

S.S. Renjhen

Joint Secretary to the Government of India