



**F. No. 609/17/2005-DBK
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Circular No. 41/2005-Customs

Dated 28th October, 2005

**Eligibility of brand rate of Duty Drawback where inputs
used in the manufacture of export products are imported availing of DEPB – Clarification - Regarding**

The undersigned is directed to invite your attention on the above mentioned subject and to state that an issue has been raised as to whether additional Customs Duty paid through debit under DEPB can be allowed as brand rate of Duty Drawback.

2. The matter has been examined by the Board. Hitherto, the additional Customs Duty paid in cash only was adjusted as CENVAT credit or Duty Drawback while the same paid through debit under DEPB was not allowed as Duty Drawback. In the Foreign Trade Policy 2004-2009, which came into force w.e.f. 1.9.2004, it has been provided under paragraph 4.3.5 that the additional Customs Duty/ Excise Duty paid in cash or through debit under DEPB shall be adjusted as CENVAT credit or Duty Drawback as per the rules framed by the Department of Revenue. Taking note of this change, it has been decided that the additional Customs Duty paid through debit under DEPB shall also be allowed as brand rate of Duty Drawback.
3. Accordingly, the instructions contained in Circular No. 3/99-Cus. dated 3.2.1999 stand modified.
4. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff. Difficulties faced, if any, in implementation of the Circular may be brought to the notice of the Board at an early date.

Sd/-
(Dr. M. SUBRAMANYAM)
Deputy Secretary(DBK)