

F.NO. 609/41/2000-DBK  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi, the 20th, April, 2000

**Subject: Drawback --- fixation of brand rate for inputs sent to EOUs/EPZ Units for mfg. Export goods on behalf of DTA units**

It was provided in Board's Circular No. 67/68-Cus. Dated 14.9.98 issued vide F. No. 305/147/93-FTT that DTA units may utilise the idle capacity of EOU/EPZ units in certain sectors for manufacturing export goods.

2. In such cases, the inputs which are supplied by DTA Units for processing by EOU/EPZ Units are procured by DTA units on payment of applicable duties. Various Trade Associations and the Ministry of Commerce have brought out that the incidence of such duty on inputs consumed in the manufacture of the export goods can be rebated only through the brand Rate Drawback route.
3. The issue has been examined in the Board. It has been decided that in view of the above mentioned facts, the DTA units shall be eligible for grant of drawback against duties suffered on their inputs which are processed by EOU/EPZ units for the manufacture of goods which are exported in accordance with the said Circular No. 67/98.
4. Such DTA Exporters will be eligible for payment of Brand Rate of Drawback against duties suffered on inputs, on submission of proof of payment of duty. Accordingly, drawback will be payable to such exporters under Rule 6(1) of the Customs and Central Excise Duties Drawback Rules, 1995 at the rate fixed on specific application. The procedure laid down under the said Drawback Rules will have to be followed for fixation of Brand Rates of Drawback. Such exporters will have to apply to the Directorate of Drawback for fixation of Brand rates on exports under DEPB. However, under no circumstances, such exporters will be allowed to claim All-Industry Rate of Drawback.