

AEPC Circular No: 179

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Secretary General, AEPC

AEPC/HO/R&PA/SG/2023
27th October 2023

Sub: Clarification regarding drawback in Garment of blend containing cotton and man-made fibre/fibres

Dear Member Exporters,

In its trade facilitation effort, AEPC has been raising the issues of apparel exporters with the Government from time to time. AEPC vide its letter dated 06.06.2023 had requested the Drawback Directorate, Ministry of Finance to make an amendment in the Drawback Schedule in the description of goods from “**Readymade Garments of Blend containing Cotton and Man-Made Fibre**” to “**Readymade Garments of Blend containing Cotton and Man-Made Fibre/Fibres**” to prevent the possibility of Garment of blend of more than one man-made fibre with cotton getting classified under residual category leading to disbursement of drawback at reduced rate ([copy of AEPC's letter is enclosed](#)).

I am happy to share that the request of the Council has been acceded to and requisite clarification by the Ministry of Finance vide Circular No 26/2023-Customs dated 26.10.2023 has been issued ([Copy enclosed](#)).

The relevant portion of the Circular is furnished below:

“Representations have been received from various trade associations and export promotion councils stating that for products consisting of cotton and more than one manmade fibre, drawback was being denied under tariff item 610902-‘blend containing cotton and manmade fibre’ on the ground that the said heading refers only to “manmade fibre” in singular. In this regard, it is clarified that as per section 13 of the General Clauses Act, 1897’ – words in singular shall also include the plural and vice versa’. In view of this, products containing cotton and more than one manmade fibre are squarely covered by the aforesaid tariff item 610902.”

I am sure that the clarification shall be of immense help to the apparel exporters in getting the rightful entitlement.

Yours sincerely,

Mithileshwar Thakur
Secretary General