

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1514  
ANSWERED ON:13.12.2013  
EXPORT OF ETHANOL  
Reddy Shri S.P.Y.

**Will the Minister of FINANCE be pleased to state:**

- (a) Whether duty drawback benefit for export of ethanol has been reduced during the recent time;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken or proposed to be taken to benefit exporters in the matter?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI J. D. SEELAM)

(a) & (b): The All Industry Rate (AIR) of Duty Drawback is a rebate of specified duties and taxes based on averages. The composite AIR on ethanol was reduced from Rs.3.50 per litre to 1% ad valorem with effect from 21.09.2013 so as to eliminate the potential of mis-declaration of substrate, such as molasses, grains or other, used in the exported ethanol.

(c): The exporter has option to avail Duty Drawback based on the actual incidence if the AIR is less than four-fifths of the duties or taxes paid. Representations to restore the earlier AIR of Duty Drawback on ethanol are being examined.