

Consultation meeting with Duty Drawback Committee on 31/10/2017
at Crowne Plaza, Ahmedabad

Chemexcil had received intimation for consultation meeting with Drawback Committee on 31/10/2017 at Crown Plaza, Ahmedabad.

The council had deputed Shri Deepak Gupta- Dy Director to attend the meeting along-with Shri Bhupen Bhai Patel-Regional Chairman, Ms. Vaishali- RO and representatives of Meghmani Group and Sajjan India.

As per our submission before the DBK Committee, the DBK Rates 2017 announced recently for majority of items under CHEMEXCIL Purview i.e. Chapter 29, 32, 33, 34 & 38 remain at 1.5%. **However, the DBK Rates of Chapter 28 items have been reduced from 1.5% to 1.1%.**

Further, in chemical items falling under Chapter 28, 29 & 32 pertaining to Dye intermediates/ Dyes/ Organic & Inorganic chemicals, the All Industry rates of Duty Drawback is only factoring Customs duty which has remained stagnant at 5%/ 7.5%. Therefore, even though customs tariff has remained stagnant DBK rates for our export products were earlier reduced in 2016 from 1.9 % to 1.5% last year. Now, after recent announcement, the DBK rates are ranging from 1.1% & 1.5 %. The gradual reduction of DBK rates adversely impacts competitiveness of exporters in current scenario specially when exporters are concerned about status of **export incentives/ GST refunds/ liquidity etc.**

In addition to these hindrances, it was also pointed out that there are **state levies such as electricity duty, VAT on Natural gas** etc which are not neutralised and are a cost to the exporters.

Our Request

In view of above factors, we have requested DBK Committee to maintain following:

- **Re-instatement of 1.5% DBK rate for chapter 28 items which has been recently reduced to 1.1%**
- **DBK rate of 1.9% on other items under CHEMEXCIL Purview i.e. Chapter 29, 32, 33, 34 & 38 etc**

After the meeting, we have once again mailed our submission to the DBK Division requesting support. Also, the representatives of Meghmani Group who attended the meeting have provided some additional suggestions for rates (Agrochemicals & Dyes) and procedures which were also mailed to the concerned officer.