

**Brief Report of Chemexcil's Consultation meeting with Duty Drawback Committee on 09/08/2018 at Hotel Grand Hyatt Santacruz, Mumbai**

Chemexcil had received intimation from DBK Dept for consultation meeting with the esteemed Drawback Committee regarding AIR DBK 2018 on 09/08/2018 at Hotel Grand Hyatt Santacruz, Mumbai

The esteemed drawback committee comprised of following members:

- 1. Shri G K Pillai, Chairman**
- 2. Shri Y G Parande, Member**
- 3. Shri Gautam Ray, Member**

The council was represented by **Shri Satish Wagh, Chairman Chemexcil, Shri Ajay Kadakia, Vice Chairman Chemexcil, Shri S.G Bharadi, ED and Shri Deepak Gupta, Deputy Director.**

**Shri Satish Wagh** explained about various issues faced by the members such as DBK, environment issues, pre-import condition etc and how they are impacting exports and need for government support.

**Shri Ajay Kadakia** explained to the DBK Committee, that **DBK Rates 2017 for majority of items under CHEMEXCIL Purview i.e. Chapter 29, 32, 33, 34 & 38 remain at 1.5%.** Earlier, the DBK rates for our export products had been reduced from 1.9 % to 1.5% in 2016. In-fact, the DBK Rates of Chapter 28 items have been further reduced to 1.1%. The gradual reduction of DBK rates adversely impacts competitiveness of exporters as the customs duty on import of chemicals has remained stagnant at 5%/7.5%.

In addition to these hindrances, it was also pointed out that there are **state levies such as electricity duty, VAT on Natural gas, fuels** etc which are not neutralised and are a cost to the exporters. However, the committee informed that this decision can be taken only by the cabinet.

We have requested DBK Committee to maintain following:

- **AIR DBK of around 4 % for chemical items which will boost exports (as per Annexure)**
  
- **An additional consideration of around 1% be also provided for neutralization of embedded taxes/ state levies which are not refunded.**

The DBK committee assured that the submission will be examined and also advised the council to provide additional data on total imports.

The meeting ended with thanks.

## Glimpses of the meeting



**Chemexcil's presentation on AIR Duty Drawback 2018 before the esteemed Duty Drawback Committee on 09/08/2018 at Grand Hyatt Santacruz, Mumbai**