

## **Brief Report**

### **Chemexcil's Consultation meeting with Duty Drawback Committee on 26/11/2019 at Hotel Leela Palace, Bengaluru**

The council had received intimation from Shri Shakti Singh Deputy Commissioner/ OSD, (Drawback Division) for participation in the consultation meeting with the esteemed Drawback Committee regarding AIR DBK 2019 on 26/11/2019 at Hotel Leela Palace, Bengaluru.

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 DBK Division was also represented by **Shri Shakti Singh Deputy Commissioner OSD (Drawback Division)** who was co-ordinating with the council.

The council was represented by following:

- 1. Shri Ajay Kadakia, Chairman-Chemexcil**
- 2. Shri Deepak Gupta, Deputy Director**
- 3. Shri Vicky Moolchandani, Regional Officer, Bengaluru.**

Chemexcil Chairman updated the committee about council's export performance for last fiscal and also current year growth scenario. The committee members inquired about reasons for low growth in Panel 3 (Cosmetics and toiletries) and were apprised about the duty inversion faced by oleo-chemicals.

Chemexcil Chairman then explained that **DBK Rates for majority of items under CHEMEXCIL Purview i.e. Chapter 29, 32, 33, 34 & 38 remain at 1.5% (except very few items).** In-fact, the DBK Rates of Chapter 28 items are only 1.1%. The gradual reduction of DBK rates has adversely impacted 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 un-refunded taxes/ levies such as- **Petroleum Central excise duty and State VAT on petroleum products, Electricity duties, Motor vehicle taxes, Toll taxes, Documentation Stamp Duty etc** which are not neutralised and are a cost to the exporters. In this regard, the committee mentioned about the proposed RoDTEP scheme. However, council informed the committee about issues being faced by members in providing information in R1,R2, R3 format. The committee was also apprised about **council's report on embedded levies** and taxes on exports. The report was also shared with a request to recommend the same to the government.

The council submitted to the committee its suggestions for All Industry Rate of DBK for 2019 along-with data on FOB Prices of the export products, CIF price of inputs, domestic capacity of imported inputs etc. ***We have requested DBK Committee to recommend an AIR DBK of around 4 % for chemical items which will boost exports.***

The DBK committee assured that the submission will be examined and taken forward accordingly.

The meeting ended with thanks.

## **Glimpses of the meeting**



**Chemexcil's presentation on AIR Duty Drawback 2019 before the esteemed Duty Drawback Committee on 27/11/2019 at Hotel Leela Palace, Bengaluru**