



# INDIAN DRUG MANUFACTURERS' ASSOCIATION

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**INDIAN PHARMACEUTICALS FOR GLOBAL HEALTH**

December 23, 2014

**The Director General of Foreign Trade,**  
Office of the DGFT,  
Ministry of Commerce & Industry,  
Udyog Bhavan,  
New Delhi.

Attention .Mr.Pravir Kumar, DGFT.

**Subject:- Non-Availabilty of All Industry Rate of Drawback to Deemed Exporters where CENVAT Facility is availed**

Dear Sir,

Our Member-Exporters and Member- EOU Units are concerned that they are not able to avail their rightful All Industry Rate of Drawback after the announcement of Public Notice 35 dated 01.03.2011.

We wish to draw your attention to Public Notice 35 dated 01.03.2011 followed by Policy Circular 9 dated 30.10.2013. Vide Public Notice 35 dated 01.03.2011 a revised declaration was introduced to the effect that CENVAT Credit/rebate has not been availed by supplier of goods in respect of inputs used in the aforesaid supplies. Further, vide Policy Circular 9 dated 30.10.2013 it was clarified that Customs portion of All Industry Rate of Drawback is not available to Deemed Exporters and they have to claim through Brand Rate of Duty Drawback.

Sir, the benefits of All Industry Rate which was earlier available to both Physical Exports and Deemed Exports (whether CENVAT Credit is availed or not) is now denied to the Deemed Exports. The benefits should be restored to Deemed Exports which saves the Country's precious foreign exchange by way of import substitution.

We would also like to add here that when the Ministry is taking lot of efforts to reduce the Transaction Cost this action of DGFT is not in line because the Brand Rate route increases the transaction cost of the Deemed Exporters.



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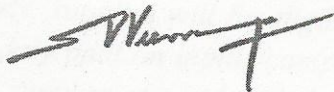
All Industry Rate is fixed by the Duty Drawback Department of the Ministry of Finance every year after collecting data from various Export Promotion Councils and after taking into consideration all the setoffs available to the exporter. Hence, asking the Deemed Exporters to get their data verified before claiming Drawback is unnecessary duplication of work.

In the larger interests of the Deemed Exporters we request you to reinstate the provision so that All Industry Rate of Drawback is extended to Deemed Exports even when CENVAT Credit facility is availed.

We look forward to your prompt and positive response.

Thanking you,

Yours sincerely,



S V Veerramani  
President