



POWERING PROGRESS THROUGH PLASTICS
ISO 9001:2008 Certified

AIPMA



THE ALL INDIA PLASTICS MANUFACTURERS' ASSOCIATION

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OFFICE BEARERS : Ref. No. AIPMA/ RC/ 2020-1022

12th Dec, 2020

CHANDRAKANT TURAKHIA
President

KISHORE SAMPAT
Senior Vice President

MAYUR D. SHAH
Vice President - Finance

AKSHAT LADHA
Vice President (West Zone)

LALIT KUMAR SINGH
Vice President (North Zone)

ANIL REDDY VENNAM
Vice President (South Zone)

ASHOK AGARWAL
Vice President (East Zone)

North Zone :
Plot No. 232, Sector - 18,
Phase - IV, Udyog Vihar,
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naresh@aipma.net

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4C-Gaiety Palace,
1, Blackers Road, Chindadripet,
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West Zone :
Mondeal Heights, Tower - A
13th Floor, Office No.1306/1307,
S.G. Highway, Near Wide Angle
Cinema, Next to Hotel Novotel,
Ahmedabad - 380 015.
Tel No.: 079 2970 5124
maulik@aipma.net

To
Sh. R.K Chaturvedi
Secretary
Department of Chemicals and Petrochemicals
Shastri Bhawan, New Delhi

Subject: Inverted Duty Structure- HSN Code 3920

Dear Sir,

Greetings from The All India Plastics Manufacturers' Association (AIPMA).

The custom duty on PVC Resin was increased from 7.5% to 10% in 2019. However, Custom Duty in respect of products under HS Code 3920 (PVC Films) was kept unchanged at 10%. This has created a typical situation of Inverted duty structure thus encouraging low cost import of products falling under the category of 3920. In this regard, we had sent our representation to Ministry of Commerce and Industry on 1st August 2019. After examination, Department of Commerce has sent the recommendation to Department of Revenue on 18th Sept 2020. Industry is suffering due to the delay in deciding on the above thus creating injury to the domestic manufacturers.

We would be grateful if you can kindly intervene and recommend Department of Revenue for early resolution of the request.

We look forward to your taking necessary action in this regard.

Yours sincerely,

C.N. Turakhia

Chandrakant Turakhia
President

K-15018/12/2020- EP(CAP)
Ministry of Commerce & Industry
Department of Commerce
EP (CAP) Division

Udyog Bhavan, New Delhi
Dated 18 September 2020

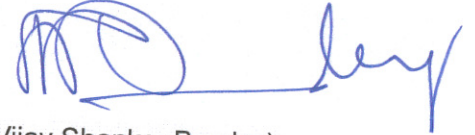
OFFICE MEMORANDUM

Sub: Request of the industry to increase import duty on PVC sheetings and bring it on par with PVC flooring

The undersigned is directed to refer to this Division's O.M.No 5/1/2017-EP(CAP) dated 6.08.2019 and reminders dated K-15018/10/2019-EP(CAP) dated 16.10.2019, K15018/9/2020-EP(CAP) dated 20.02.2020 on the subject mentioned above and say further that the Customs duty on PVC Flooring under HSN 391810 was raised to 15% in 2019 budget but kept at 10% for PVC Sheeting and there has been no change in the recent budget as well.

2. It is to mention that this is one of the core issues raised by the PVC industry. Therefore, Department of Revenue is requested to consider the request of the industry and intimate the action taken to us, so that the applicant may be informed accordingly.

Encls: as above



(Vijay Shanker Pandey)
Under Secretary to the Government of India
Tele: 23062044
Email: vshanker.pandey@gov.in

To,

Shri Ritvik Ranjanam Pandey
Joint Secretary (Revenue)
46, North Block,
New Delhi

Copy to :

- (i) Shri Sribash Dasmahopatra, Executive Director, Plexconcil, Mumbai
- (ii) Shri Deepak Balani, DG, All India Plastics Manufacturers Association AIPMA House, Mumbai.

K-15018/9/2020- EP(CAP)
 Ministry of Commerce & Industry
 Department of Commerce
 EP (CAP) Division

Udyog Bhavan, New Delhi
 Dated 24 February 2020

OFFICE MEMORANDUM

Sub: Request of the industry to increase import duty on PVC sheetings and bring it on par with PVC flooring

The undersigned is directed to refer to this Division's K-15018/10/2019-EP(CAP) dated 16.10.2019 (copy enclosed) on the subject mentioned above and say further that the Customs duty on PVC Flooring under HSN 391810 was raised to 15% in 2019 budget but kept at 10% for PVC Sheeting and there has been no change in the recent budget as well.

2. Therefore, Department of Revenue is requested to consider the request of the industry and intimate the action taken to us, so that the applicant may be informed accordingly.

Encl: as above

*all previous documents
 has been enclosed
 herewith*



(S.K. Ranjan)

Deputy Secretary to the Government of India
 Tele: 23063624
 Email: ranjan.sunil@nic.in

To,

Shri Ritvik Ranjanam Pandey
 Joint Secretary (Revenue)
 46, North Block
 New Delhi

Copy to :

- (i) Shri Sribash Dasmahopatra, Executive Director, Plexconcil, Mumbai
- (ii) Shri Deepak Balani, DG, All India Plastics Manufacturers Association AIPMA House, Mumbai.

*Issued w.c.
 by SPT mass engaged
 by mail
 01/02/2020*

K-15018/10/2019- EP(CAP)
Ministry of Commerce & Industry
Department of Commerce
EP (CAP) Division

Udyog Bhavan, New Delhi
Dated 16 October 2019

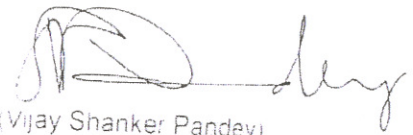
OFFICE MEMORANDUM

Sub: Regarding examination of representation requesting corrections in inverted duty structure due to withdrawal of customs duty exemption

The undersigned is directed to refer to this Division's O.M. No.5/1/2017-EP(CAP) dated 6.08.2019 (copy enclosed) forwarding therewith an email dated 2.08.2019 from Plastics Export Promotion Council under the domain of EP(CAP) Division highlighting issues related to inverted duty structure in consultation with All India Plastics Manufacturers Association. The Custom duty on PVC resin which is the major raw material was raised from 7.5% to 10%. However, there has been no increase in custom duty on products under Chapter 3920 such as PVC films which use PVC and plastic sheets as raw material. The Industry requested for increase in Customs duty on products under Chapter 3920 as well.

2 The Central Board of Indirect Tax and Customs (CBIC) is requested to intimate the action taken on this Division's O.M. referred to above, so that the applicant may be informed

Encls as above



(Vijay Shanker Pandey)
Under Secretary to the Government of India
Tele:23062044
Email: vshanker.pandey@gov.in

To

Shri Pranab Kumar Das
Chairman
Central Board of Indirect Taxes and Customs
Department of Revenue
North Block
New Delhi.

Copy to

- (i) Shri Ritvik Ranjanam Pandey, Joint Secretary (Revenue) 46, North Block, New Delhi
- (ii) Shri Sribash Dasmahopatra, Executive Director, Plexconcil, Mumbai
- (iii) Shri Meela Jaydev, President, All India Plastics Manufacturers Association AIPMA House Mumbai

forwarded
by special messenger
on 16/10/19

K-15018/10/2019- EP(CAP)
Ministry of Commerce & Industry
Department of Commerce
EP (CAP) Division

Udyog Bhavan, New Delhi

Dated 16 October 2019

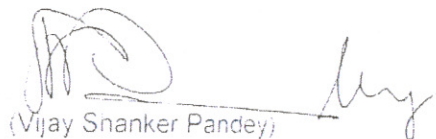
OFFICE MEMORANDUM

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2 The Department of Revenue is requested to intimate the action taken on this Division's O.M. referred to above, so that the applicant may be informed.

Encls as above



(Vijay Shanker Pandey)

Under Secretary to the Government of India

Tele 23062044

Email: vshanker.pandey@gov.in

To,

Shri Ritvik Ranjanam Pandey
Joint Secretary (Revenue)
46, North Block,
New Delhi

Copy to :

- (i) Shri Sribash Dasmahopatra, Executive Director, Plexconcil, Mumbai
- (ii) Shri Meela Jaydev, President, All India Plastics Manufacturers Association AIPMA House Mumbai

Issued w.c.
By Special Assistant
on 16/10/19

Udyog Bhavan, New Delhi

Dated 06 August 2019

OFFICE MEMORANDUM

Sub: Regarding examination of representation requesting corrections in inverted duty structure due to withdrawal of customs duty exemption

The undersigned is directed to forward herewith an email dated 2.08.2019 received from Plastics Export Promotion Council under the domain of EP(CAP) Division highlighting issues related to inverted duty structure in consultation with All India Plastics Manufacturers Association as given below:

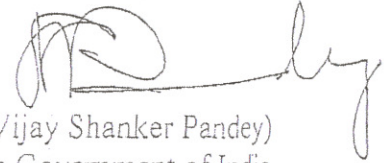
- Custom duty on PVC resin under Chapter 3904 was raised from 7.5% to 10%. PVC is a major raw material for various industries. In order to accommodate an increase in customs duty on raw materials, customs duty on finished product under Chapter 3926 has been increased from 10% to 15%. However products under chapter 3920 have been left out, specifically 'PVC films', which use raw materials such as PVC and plastic sheets. The problem of inverted duty structure has arisen as duty on finished good is unchanged and duty on raw materials is increased which will impact the domestic manufacturing of finished goods. From ASEAN, the custom duty is 5% on Chapter 3920 & 3921 due to the ASEAN-INDIA FTA.
- An increase in custom duty on PVC resin under chapter 3904 is in support of the PVC resin producers, however this has resulted in non-availability of PVC resin at competitive price as domestic production is only 50% of the consumption, due to which the products produced from PVC resin have become uncompetitive.
- Custom duty on PVC flooring (Ch 3918) is 15% but it is 10% on PVC sheets (Ch 3920 & 3921). Due to different duty rates, PVC floorings will start getting imported by unscrupulous importers under Ch 3920 & 3921. Hence Custom duty on PVC sheets should also be increased to 15%, as PVC Sheets and PVC floorings look similar, despite having different application.
- The issue of Inverted duty structure in Polyester yarn (HS 5402) which is a raw material attracting a duty of 46% including anti-dumping duty for import from China. Whereas its finished goods Ropes (5607), Nets (5608) attract a duty of 24.32%.

R. No. 2878 of 2019 - EP(CAP)
-18/2019

Issued a.c.
By Mail
6/8/2019
By Special Messenger
6/18/2019

2. The Central Board of Indirect Tax and Customs (CBIC) is requested that the request of Plexconcil and AIPMA may kindly be considered and action as appropriate, may be taken in this regard, under intimation to this Department.

Encls: as above



(Vijay Shanker Pandey)

Under Secretary to the Government of India

Tele:23062044

Email: vshanker.pandey@gov.in

To,

Shri Pranab Kumar Das
Chairman
Central Board of Indirect Taxes and Customs
Department of Revenue
North Block
New Delhi.

Copy to :

- (i) Shri ~~Sri~~ Ritvik Ranjanam Pandey, Joint Secretary (Revenue) 46 ,North Block, New Delhi.
- (iii) Executive Director, Plexconcil, Mumbai
- (iii) Shri Meela Jaydev, President, All India Plastics Manufacturers Association AIPMA House, Mumbai.

Cc: 'Sunil Ranjan' <ranjan.sunil@nic.in>
'Vijay Pandey' <vshanker.pandey@gov.in>

image001.jpg (16kB) Duty equalisation 3918 & 3920.xlsx (22kB)
Shyamal Mishra- Issue related to Import Duty on pr... (1.0MB)

Dear Madam,

Greetings!

This has reference to your below email regarding examination of representation requesting correction in inverted duty structure due to withdrawal of customs duty exemption in this regard we wish to inform you that the decision to hike custom duty on PVC Flooring to 15% from 10% was taken very timely to save this industry from sinking due to below mentioned reasons. Indian PVC Flooring manufacturers have large capacity to meet the demand of domestic as well as export market and also is a labour intensive industry. They were reeling under hardship because of cheap import from ASEAN, China, Korea and also from Europe due to following reasons:

1. PVC Resin is expensive in India in comparison to prices in NEA & SEA.
2. PVC Flooring bottom layer are produced using recycled PVC but Indian manufacturers had to use virgin PVC Resin as PVC scrap of desired quality is not available locally and imports are not allowed into India.
3. Imports of PVC Floorings from ASEAN countries was being done with inverted duty structure.
4. PVC Resin is in short supply in India. Production is only 50% of the consumption, so dependence on imports is inevitable

1. INVERTED DUTY on PVC Sheets:

The Hon'ble finance minister also raised the custom duty on PVC resin under chapter 3904 from 7.5% to 10% in support of the PVC resin producers as they were reeling under low margins. Due to hike in duty and due to non availability of PVC resin at competitive price as domestic production is only 50% of the consumption, the products produced from PVC resin have become highly uncompetitive now.

The basic raw material to produce PVC sheets is PVC resin and since custom duty on PVC resin has been raised to 10%, custom duty on PVC sheets should also be raised to 15% from 10% (similar to Ch 3918 - PVC Flooring) as it will provide some relief to the domestic producers to compete with cheap imports coming from ASEAN & even European countries. So custom duty on raw material & finished goods is same now. Rather from ASEAN the custom duty is only 5% on Ch 3920 & 3921 due to the ASEAN-INDIA FTA, which has resulted in a severe INVERTED DUTY structure for these 2 chapters.

2. Similarity in PVC Floorings & PVC sheets :

Custom duty on PVC flooring (Ch 3918) is now 15% but it is still 10% on PVC sheets (Ch 3920 & 3921). Due to different duty rates, PVC floorings will start getting imported by unscrupulous importers under Ch 3920 & 3921. Hence Custom duty on PVC sheets should also be increased to 15%. Below are the similarities :

1. Similar Thickness : Although applications of PVC Sheets may be different from PVC floorings but they also look similar and are of same thickness. PVC sheets thickness ranges from 0.03mm to 2.00mm & even upto 3.00 mm whereas PVC floorings thickness start from 0.35mm and go upto 8.00MM
2. PVC Flooring being imported already in Ch 3920 & 3921: PVC floorings are already being imported in India under Ch 3920 & 3921 as can be seen from the attached Excel sheet.

- Indian manufacturers under Ch 3920 & 3921 as can be seen from the attached Excel sheet.
4. SION H 328 of PVC Flooring: The description under this SION allows exports of PVC Floorings from thickness 0.35mm to 2.00mm, which itself shows the wide range of PVC floorings.
 5. IS Standard IS 2076 --1981 for PVC sheet. As per this IS standard which is in force as of now, thickness of PVC sheets are from 0.07mm to 1.00mm. So any PVC flooring upto 1.00mm thickness can be imported as PVC sheet.

Due to above 2 main reasons, it is requested by PVC sheets industry that custom duty on PVC sheet be increased to 15% from 10% to safeguard their interest in view of the hike in custom duty of their basic raw material.

Further Inverted duty structure is also there in Polyester yarn (HS 5402) which is raw material and it attract duty 46% including anti-dumping duty for import from China. Whereas its finished goods Ropes (5607), Nets (5608) attract duty 24.32%. Therefore excess Customs duty on Raw material is 21.66%

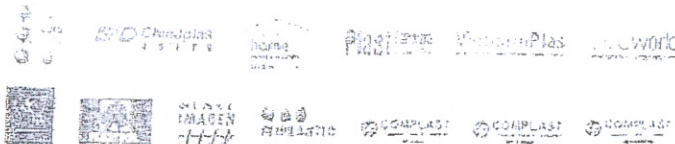
We request you to kindly consider the above and take appropriate measures for the benefits of the industry.

Regards,

Sribash Dasmohapatra
Executive Director
The Plastics Export Promotion Council
(Sponsored by the Ministry of Commerce & Industry, Govt. of India)
Crystal Tower, Gundivali Road No.3
Off Sir M. V Road, Andheri (E)
Mumbai - 400 069
Tel : +91 22 26833951 / 52



PLEXCONCIL REPRESENTS INDIAN PLASTICS INDUSTRY at



From: moc_epcap@nic.in <moc_epcap@nic.in>
Sent: 30 July 2019 11:06
To: ED, Plexconcil <ed@plexconcil.org>; veeramani <veeramani@gemgranites.com>; wrc@capexil.in; ed <ed@chemexcil.gov.in>; CHEMEXCIL H.O Licensing Dept <deepak.gupta@chemexcil.gov.in>
Cc: Sunil Ranjan <ranjan.sunil@nic.in>; Vijay Pandey <vshanker.pandey@gov.in>; ravish kamath <ravish@bigbagsinternational.com>; info@vivilexports.com
Subject: Fwd: Examination of representation requesting corrections in inverted duty structure due to withdrawal of customs duty exemption

REMINDER-1

Sir,

Kindly refer the mail below.

EPCs are requested to furnish issues relating to corrections in inverted duty structure due to withdrawal of Customs duty exemption in recently announced budget by 31.07.2019, so that this Division will also get enough time to examine them. If no such representations are received within the timeline, then it will treated as the EPCs have no issues of concern with respect to the subject matter that may be taken up with Department of Revenue.

----- Original Message -----

From: "EPCAP" <mac_epcap@nic.in>

Date: Jul 26, 2019 10:13:30 AM

Subject: Examination of representation requesting corrections in inverted duty structure due to withdrawal of customs duty exemption

To: ed <ed@chemexcil.gov.in>, "Debjani Roy, ED, Shefexil" <Shefexil@gmail.com>, Debjani Roy <sepc@bharatmail.co.in>, "ED, Plexconcil" <ed@plexconcil.org>, veeramani <veeramani@gemgranites.com>, wro@capexil.in

Cc: Sunil Ranjan <ranjan.sunil@nic.in>, Vijay Pandey <vshanker.pandey@gov.in>, J P Tiwari <rodelhi@chemexcil.gov.in>

Ma'am/Sir,

The undersigned is directed to seek issues with proper rationale pertaining to each EPC relating to corrections in inverted duty structure due to withdrawal of Customs duty exemption in recently announced budget to this Division latest by 29.07.2019 positively.

Note: (Chemexcil is requested to furnish other issues relating to chemical sector, apart from the representation received from M/s VVF Ltd, as the same is being examined in the Division)

with regards

Shilpa Kaushal

ASO

EP(CAP) Section

Ministry of Commerce

23062261/486

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EP(CAP) Section

Ministry of Commerce

23062261/486

Table showing IMPORT of PVC Flooring in India under HS code 3920 & 3921 instead of 3918

Product Descriptions for Flooring Import

| HS Code | Description | Weight | Value | Quantity | Rate | Country of Origin | Product Name |
|----------|--|--------|-------|----------|------|-------------------|--------------|
| 39211901 | FLOOR COVERING AND ACCESSORIES SPUN IN COPOLYMER FROM VINYL CHLORIDE (HT, HTD) IN VALUE ONLY FOR CUSTOMERS (LAMINATED FLOORING) (GUDELINER) QHD-STRIP VINYLIC UNDERLAY FOR LAMINATE FLOORING 60x2100x121 (21 ROLL) | 30.84 | 1105 | 31 | 3548 | Italy | 3105002804 |
| 39211901 | FLOOR COVERING AND ACCESSORIES SPUN IN COPOLYMER FROM VINYL CHLORIDE (HT, HTD) IN VALUE ONLY FOR CUSTOMERS (LAMINATED FLOORING) (GUDELINER) QHD-STRIP VINYLIC UNDERLAY FOR LAMINATE FLOORING 60x2100x121 (21 ROLL) | 30.84 | 1105 | 31 | 3548 | Italy | 3105002804 |
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| 39211901 | FLOOR COVERING AND ACCESSORIES SPUN IN COPOLYMER FROM VINYL CHLORIDE (HT, HTD) IN VALUE ONLY FOR CUSTOMERS (LAMINATED FLOORING) (GUDELINER) QHD-STRIP VINYLIC UNDERLAY FOR LAMINATE FLOORING 60x2100x121 (21 ROLL) | 30.84 | 1105 | 31 | 3548 | Italy | 3105002804 |

Product Descriptions for Flooring Import

| HS Code | Description | Weight | Value | Quantity | Rate | Country of Origin | Product Name |
|----------|--|--------|-------|----------|------|-------------------|--------------|
| 39201010 | VINYL FLOORING (FOR OUTDOOR) (30 SQFT) | 520.00 | 855 | 1 | 1644 | USA | 061304 31 |
| 39201010 | VINYL FLOORING (FOR OUTDOOR) (30 SQFT) | 520.00 | 855 | 1 | 1644 | USA | 061304 31 |
| 39201010 | VINYL FLOORING (FOR OUTDOOR) (30 SQFT) | 520.00 | 855 | 1 | 1644 | USA | 061304 31 |
| 39201010 | VINYL FLOORING (FOR OUTDOOR) (30 SQFT) | 520.00 | 855 | 1 | 1644 | USA | 061304 31 |
| 39201010 | VINYL FLOORING (FOR OUTDOOR) (30 SQFT) | 520.00 | 855 | 1 | 1644 | USA | 061304 31 |

Table showing EXPORT of PVC Flooring from India under HS code 3920 & 3921 instead of 3918

| HS Code | Description | Weight | Value | Quantity | Rate | Country of Origin | Product Name |
|---------|---|---------|-------|----------|------|-------------------|--------------|
| 3920921 | VINYL FLOORING-FLOOR COVERINGS OF PLASTIC | 1667.89 | 1155 | 31 | 3730 | India | 3100002404 |
| 3920921 | VINYL FLOORING-FLOOR COVERINGS OF PLASTIC | 1667.89 | 1155 | 31 | 3730 | India | 3100002404 |
| 3920921 | VINYL FLOORING-FLOOR COVERINGS OF PLASTIC | 1667.89 | 1155 | 31 | 3730 | India | 3100002404 |
| 3920921 | VINYL FLOORING-FLOOR COVERINGS OF PLASTIC | 1667.89 | 1155 | 31 | 3730 | India | 3100002404 |
| 3920921 | VINYL FLOORING-FLOOR COVERINGS OF PLASTIC | 1667.89 | 1155 | 31 | 3730 | India | 3100002404 |

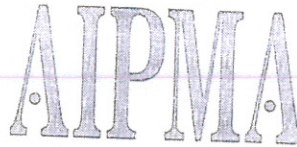
348985/2020/IEP-CAP-DOC

Table showing IMPORT under HS code 3920 thick PVC sheets of thickness 1.20mm to 2.00mm in India

| HS CODE | DESCRIPTION | UNIT | QUANTITY | UNIT PRICE | TOTAL VALUE | COUNTRY OF ORIGIN |
|---------|--|--------|-----------|------------|-------------|-------------------|
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 22,783.00 | 6.55 | 149,167.35 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | MA | 15,700.00 | 6.55 | 102,805.00 | China |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 23,950.00 | 6.55 | 156,672.50 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 23,950.00 | 6.55 | 156,672.50 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 3,500.00 | 6.55 | 22,922.50 | China |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 33,073.00 | 6.55 | 216,147.35 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 21,315.00 | 6.55 | 139,692.75 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 23,073.00 | 6.55 | 151,224.15 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 22,865.00 | 6.55 | 149,864.75 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 18,171.00 | 6.55 | 118,918.05 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 48,580.00 | 6.55 | 318,197.00 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 29,670.00 | 6.55 | 194,074.50 | Italy |
| 392001 | WATERPROOFING MATERIAL - FLASCO BSL 2 (RFR 2.10/25 PPH PERMIL) VERDE CHIAO/NERO (S.M. 5.7) | SCHEDE | 29,670.00 | 6.55 | 194,074.50 | Italy |



POWERING PROGRESS THROUGH PLASTICS
 100, 200, 300, 400, 500, 600, 700, 800, 900, 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3600, 3700, 3800, 3900, 4000, 4100, 4200, 4300, 4400, 4500, 4600, 4700, 4800, 4900, 5000, 5100, 5200, 5300, 5400, 5500, 5600, 5700, 5800, 5900, 6000, 6100, 6200, 6300, 6400, 6500, 6600, 6700, 6800, 6900, 7000, 7100, 7200, 7300, 7400, 7500, 7600, 7700, 7800, 7900, 8000, 8100, 8200, 8300, 8400, 8500, 8600, 8700, 8800, 8900, 9000, 9100, 9200, 9300, 9400, 9500, 9600, 9700, 9800, 9900, 10000



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1st August 2019

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Subject: Issue related to Import Duty on products in HS Code 3904, 3920 and 3926

Respected Sir,

This has reference to the recently proposed Union Budget for the Financial Year 2019-20. This has further reference to the increase in Basic Custom Duties on several products with a view to encourage and promote the 'Make in India' Scheme.

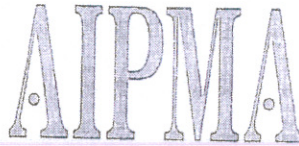
Customs duty on Poly Vinyl Chloride (PVC) falling under CTH 3904, which is one of the most commonly used raw materials by several industries has been increased from 7.5% to 10%. It may be noted that PVC in particular, is a major raw material for various industries including for plastic products falling under CTH 39. To accommodate the increase in basic Custom Duty in respect of raw materials, the Custom Duty on finished plastic products falling under Chapter 3926 has also been increased from 10% to 15%.

However, ironically, the commensurate increase in Custom Duty in respect of products specified under CTH 3920 primarily the 'PVC Films' has been left out. It would be pertinent to note that PVC falling under CTH 3904 is major constituent of finished goods classified under 3920 as well. Accordingly, the lopsided change in duty structure of products falling under CTH 39 has a significant detrimental impact on substance and growth of all the affected plastic industry. The same has been further elaborated in ensuring paragraphs.

As the local manufacturers of plastic items falling under CTH 3920 extensively use PVC, plastic sheets and plates as raw material in the manufacturing process, any increase in its customs duty is likely to result in increase in cost of the underlying finished product. However, by keeping the duty on finished product un-changed, the prices of the finished products imported from other countries have become more economical, feasible and conducive for the direct imports. The same is expected to have adverse impact on the purchase of finished product manufactured by the Indian manufacturers.



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 Vice President - Finance

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 S.G. Road, Near Wide Angle
 Cinema, Next to Hotel Novotel,
 Ahmedabad - 380 015.

However, keeping the Basic Customs Duty for CTH 3920 unchanged, while increasing the Customs Duty for imports of raw materials under CTH 3904 is detrimental to 'Make in India' vision of the government as it will force consumers to import items under CTH 3920 owing to lower rate of duty whereas the Indian manufacturers would find it difficult to match the pricing due to increase in cost on account of increase in Customs duty under CTH 3904.

In view of the above-said, it is submitted that keeping the Custom Duty unchanged on goods falling under CTH 3920 has larger ramifications across the plastic industry and may even put the sustenance of local plastic manufacturers at risk. Therefore, we request you to re-consider increasing Custom Duty rates for the finished products classified under CTH 3920 as well or reverse the duty increase on raw material i.e. PVC under CTH 3904.

The above is for your kind consideration. Please let us know in case of any further information or clarification.

For All Indian Plastics Manufacturers' Association

Thanking You.

Yours faithfully,

M. Jayadev

Meela Jayadev
 President