

## **TEXPROCIL seeks increase in Drawback caps for Cotton and blended Fabrics**

The Government has announced the revised All Industry Rates of Duty Drawback vide Notification No. 110/2015- Customs (N.T) dated 16.11.2015. The rates will be effective from November 23.11.2015. The composite rates have been increased in cases like Madeups of Cotton, Readymade Garments of cotton and cotton with lycra and certain MMF yarns /fabrics.

“The Drawback rates announced by the Government for cotton yarn and fabrics, by and large, are satisfactory except that for some inexplicable reasons the rates for dyed fabrics have been reduced even though these are value added products. Further, the Drawback caps have also been slashed for fabrics which need to be reviewed in order to ensure full refund of duties on the inputs and also to encourage exports “,said Shri R.K.Dalmia , Chairman of The Cotton Textiles Export Promotion Council ( TEXPROCIL) . Increased drawback caps for fabrics will encourage exports and make India a hub for fabrics manufacturing which will lead to employment generation, pointed out shri Dalmia.

Shri Dalmia welcomed the increase in the Drawback rates for Cotton Madeups and Garments. These will encourage exports of value added products, according to the Chairman, TEXPROCIL.

The Drawback Schedule has incorporated a separate entry for “Cotton yarn of 100 counts or more”. Shri Dalmia thanked the Drawback department for accepting the Council’s proposal and creating a separate entry for this product which will encourage exports of fine count yarns.

However, Shri Dalmia stated that in the product coverage there are some glaring omissions for high valued items like “Boiler Suits” and “Protective wear made of blend containing cotton and manmade fibres” which are classified as technical textiles products for which the market is growing.

Shri Dalmia appreciated the Government’s willingness to reconsider some of the rates and anomalies that have arisen under the new Drawback Schedule and stated that the Council will take up the issues related to product coverage, Drawback caps etc. with the Government.