



दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल  
( भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित )

**THE PLASTICS EXPORT PROMOTION COUNCIL**  
(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref. No.: Plexh/Cir/433

Date: 20.08.2025

To,  
All Members of Plexconcil/  
COA

Dear Sir/Madam,

**Subject: Request for Inputs on Inverted Duty Structure under Basic Customs Duty (BCD) and GST Regime**

As part of our ongoing efforts to evaluate and represent industry challenges related to trade and taxation, we are undertaking a comprehensive review of **inverted duty structures** impacting the plastics and related downstream sectors.

This exercise is being conducted in response to a request from the **Department of Commerce**, which is actively seeking inputs from industry stakeholders to identify cases where inverted duty structures are adversely affecting domestic manufacturing and exports.

**Definition of Inverted Duty Structure:**

An inverted duty structure occurs when the rate of tax (Customs or GST) on inputs is higher than the rate of tax on the final product. This leads to the accumulation of unutilized input tax credit (ITC), which negatively impacts working capital and pricing competitiveness, especially for exporters and domestic manufacturers.

**Request for Inputs:**

We kindly request **Plexconcil** to provide the following information, wherever applicable:

1. **HS Code and Product Description**
2. **Raw Material/Input Used** (with corresponding HS Codes)
3. **BCD and GST Rates on Inputs vs. Final Product**
4. **Impact on Working Capital / Pricing**
5. **Any Suggestions or Justifications for Correction**

**Deadline for Submission:**

We would appreciate receiving your feedback by **22<sup>nd</sup> August, 2025 (4pm)** to the undersigned at **[bharti@plexconcil.org](mailto:bharti@plexconcil.org)**; **[shilpa@plexconcil.org](mailto:shilpa@plexconcil.org)** to enable timely compilation and submission to the Department of Commerce.

We look forward to your cooperation and support.

Best regards

Bharti Parave

Dy. Director (Trade & Policy)

**Plexconcil**