



Volume III. Issue No. 03 January 07, 2017

INSIDE THIS ISSUE

**Page 1 - 2 : CHAIRMAN'S MESSAGE
COVER STORY**

**Page 3-4: India Madeups Sector &
Special Package for the Madeups Sector**

SPECIAL FEATURE

**Page 5 : TEXPROCIL makes a Presentation
at a Personal Hearing at
National Tariff Commission, Islamabad**

TRADE HIGHLIGHTS

**Page 6 : Stakeholder's Meeting to
Highlight Issues in Madeups Sector**

TRADE NOTIFICATION

Page 7 : Member Satisfaction Survey

Page 8 : Membership Subscription Renewal

Special Package Announced for Madeups Sector



Shri Ujwal R Lahoti, Chairman, TEXPROCIL met HMoT Smt Smriti Zubin Irani & appreciated the special package announced for Made-ups sector.

CHAIRMAN'S MESSAGE



Dear Friends,

At the outset, let me wish all our readers "A Very Happy 2017". May the New Year bring all round cheer and prosperity in our lives, as we pursue excellence in our exports.

Special Package for Made-ups

The New Year began on an optimistic note as the Government kept its promise and issued the notification regarding the "Special Package" for the Made - ups sector on the lines of the Garments package announced earlier. The package is well designed and includes schemes for Refund of State Levies, Additional incentives under TUFs, Employee Provident Fund Scheme Reforms (under Pradhan Mantri Rozgar Protsahan

Yojana, PMPRY), Increase in Overtime Caps, Enhancing Scope of Section 80 JJAA of Income Tax Act.

All these measures are giant steps which will definitely lead to higher level of exports and employment. In fact creation of additional direct and indirect employment for 11 lakh persons in the next three years is the raison d'être of the scheme.

Stakeholder's Meeting of Made-ups Manufacturers and Exporters

In order to announce the "Special Package" for the Made - ups sector, the Hon'ble Minister chaired a meeting of all stakeholders on 5 January, 2016 at New Delhi. Leading exporters and manufacturers of Made - ups from all parts of the country attended the meeting. Various issues relating to transaction costs, need for better printing and processing abilities,

setting up of R&D and testing facilities, etc were highlighted by the participants.

Friends, now that the Government has kept its part of the promise, we as trade and industry should rise to the occasion and put in all our efforts to create additional employment. The Government will also be putting in place a monitoring system to ensure that the target of 11 lakh employment is met.

Personal Hearing in the Anti-Dumping Proceedings on Cotton Yarn of Counts 55.5 and above initiated by Pakistan

Officials of the Council led by the Executive Director and including the legal counsel attended a personal hearing on 26 December, 2016 in Islamabad, Pakistan in the aforesaid anti-dumping proceedings.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

The delegation pointed out various infirmities in the proceedings including those relating to the “standing” of the complainants, definition of “domestic industry”, lack of “positive evidence” establishing dumping and injury to the domestic industry, lack of an “objective examination” of the “causal link” between “ dumped imports” and injury to the domestic industry etc.

The National Tariff Commission (NTC) of Pakistan gave the Indian delegation a patient hearing and appreciated some of the arguments forwarded by them. We hope that the NTC gives due consideration to the important points raised by the Council and terminates the present proceedings.

Heimtextil Fair, Frankfurt

Friends, the Heimtextil Fair held in Frankfurt in January every year

is a major event for the Made-ups and Home Textiles sector. Like in the previous years this year also around 325 Indian Companies are participating in the Fair.

However, unlike the previous years, all the participating Export Promotion Councils viz. Texprocil, PDEXCIL, HEPC, EPCH are joining hands under the Marketing plan drawn up by the Ministry of Textiles and undertaking joint publicity and promotion.

A Road Show and Networking event have also been planned on 11 January where leading importers have been invited for an interactive meeting on the theme of “Incredible Textiles of India”. A high level delegation led by Mr Puneet Agarwal from the Ministry of Textiles will also be visiting the Fair to hold meetings with various stakeholders.

We do hope that all the exhibitors

and participants at the Fair report good business and increase their exports in the New Year especially as the “Special Package” for Made ups has become a reality.

Friends, we have also taken up the pending issues relating to grant of MEIS for Cotton Yarn, grant of interest subvention to cotton yarn and the merchant exporters and the need to consider granting an additional benefit of 3% under MEIS for exports of Made-ups to EU in order to off- set the undue advantage of 9% conferred on our competitors like Bangladesh and Pakistan.

Finally, in conclusion it needs to be emphasized that exports are slowly but steadily on the upswing and we can all look forward to better times in the coming months.

Ujwal R Lahoti
Chairman

:: TEXPROCIL ::



JOIN US... NOW!

& avail of our

Membership Benefits

To know more, please write to us on email:

info@texprocil.org

COVER STORY

Indian Made-ups Sector & Special Package for Made-ups Sector

Year 2016

Ministry of Textiles

Cabinet clearance to Package for Made-ups to increase demand of domestic fabric, exports & employment generation

Highlights:

- Financial boost for Made-ups is expected to generate additional direct and indirect employment for 11 lakh people over the next 3 years.
- Exports are expected to increase by 52.8 billion over the next 3 years.
- Support to Made-ups will generate demand of domestic fabric & increase production opportunity to 900 million sq. mt. over the next 3 years.
- Increase in demand of domestic fabric will boost growth of SMEs as they cater fabric to 70% of the Made-ups.
- Package for Made-ups will create employment for 11 lakh people.
- Capital Investment Subsidy Rate for made-ups units has been increased to 25% with value cap revised to Rs. 50 crores.
- Labour Reforms will encourage both workers & employers to explore vast opportunities that Made-ups sector has in store.



Package for Made-ups will boost the sector which amounts to \$4.6 billion exports and has the potential of generating 160 jobs against investment of Rs. 1 crore

The much awaited package for the made ups sector has been approved by the Union Cabinet with the primary objective of creating large scale direct and indirect employment of upto 11 lakh persons over the next three years in this sector. Shri Ujwal Lahoti, Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL) extended his thanks to Shri Narendra Modi, Hon'ble Prime Minister for his visionary outlook towards employment generation.



TEXPROCIL E-NEWSLETTER

Edited & Published by:
Siddhartha Rajagopal

Editorial Team
N. Ravindranathan,
Rajesh Satam, A. Ravindrakumar,
Shailesh Martis, Sanjay Rane

Ideas & contributions are welcome at:
texprocil1@gmail.com; mktg@texprocil.org

Editorial & Publishing Office at :



The Cotton Textiles Export Promotion Council
Engineering Centre, 5th floor, 9, Mathew Road,
Mumbai – 400 004. India.
Tel: +91 22 23632910 to 12
E-mail: info@texprocil.org

Disclaimer

TEXPROCIL E-Newsletter, fortnightly edition, is the sole property of Texprocil – [owners] The Cotton Textiles Export Promotion Council. The views and opinions expressed or implied by contributions - compiled by the editorial team are those of the authors and do not necessarily reflect those of Texprocil, Editorial Team or the Publisher. Unsolicited articles and transparencies are sent in at the contributor's risk and the owners accept no liability for loss or damage. Subscription to this e-newsletter shall be available on the condition that no content be reproduced whether in part or full or distributed without prior written consent of the owners.

(For private circulation only)

Shri Lahoti conveyed his special thanks to Smt. Smriti Irani, Hon'ble Union Minister of Textiles, Smt Rashmi Verma, Secretary of Textiles and the entire Ministry of Textiles for having kept the promise of extending the special package for apparels to the made ups sector also. Highlights of the special package are enclosed below.

OBJECTIVES

Employment Generation: Textile & Apparel sector is a powerhouse for employment generation. Made-ups sector generates 60 jobs in organized sector while 80 jobs in unorganized sector for every 1 crore rupees of investment.

Potential for growth in exports: India is the second largest exporter of made-ups in the world with exports worth US\$ 4.6 billion (2015). It has 8% share in global made-ups exports of US\$ 61 billion after China which accounts for 36% of global trade :

India's Position in Global Exports of Made-ups

Year	Global Made-ups Exports (HS 63)	India's Exports	India's share
2012	US\$ 55 bn.	US\$ 4.0 bn.	7.3 %
2013	US\$ 61 bn.	US\$ 4.7 bn.	7.7 %
2014	US\$ 64 bn.	US\$ 4.6 bn.	7.2 %
2015	US\$ 61 bn.	US\$ 4.6 bn.	8.0 %

Source - MOC

COVER STORY
(CONTD. FROM PAGE 3)

**Indian Made-ups Sector &
Special Package for Made-ups Sector**

Boost Demand in Domestic Fabric Sector: Made-ups sector in India primarily uses domestically manufactured fabric which is currently facing contraction in demand. 70% of the made-ups demand for fabric is catered by SMEs in unorganized sector which will get demand boost due to the made-ups package.

BENEFITS

A. Employee Provident Fund Organization (EPFO) Reforms

Features

Government will bear entire 12% of employer's Employee Provident Fund (EPF) contribution

For first 3 years for workmen earning less than Rs. 15,000 per month

Benefits

This will lead to employment generation and inclusion of work force in the formal sector

B. Labour Law Reforms

Features

Increase in overtime limit for workers from 50 hours to 100 hours per quarter

Optional EPF for employees earning less than 15,000 per month

Benefits

Increased overtime will lead to increased earning for the workers

Optional EPF will lead to more cash-in-hand with the workers

C. Enhancement of Capital Investment Subsidy under ATUFS

Features

Subsidy under ATUFS for made-ups sector has been increased from 15% to 25%; value cap raised from Rs. 30 to Rs. 50 crore

Benefits

This will lead to more investments, ultimately leading more production and exports of made-ups as well as employment generation in the sector

D. Higher Duty Drawback

Features

Rebate on State Levies will be provided on made-ups exports for 3 years under RoSL Scheme

Drawback at All Industries Rate will be provided to made-ups exporters which shall be decided by Drawback Committee

Benefits

Boost India's export competitiveness in foreign market

Increase in made-ups exports

Expected Impact

The possible impact of special package for made-ups over next 3 years in the textile and apparel industry are:

Fabric production opportunity of approximately 900 million square meters (1.4% of India's total fabric production) for domestic sector .

Large scale direct and indirect employment of upto 11 lakh persons.

Cumulative increase of US\$ 2.8 bn. in exports.

Textile sector likely to attract investment of approx. Rs. 6,000 crores.

Boosting the Indian Made-ups Sector

Approx. 70% of the home textile demand is catered by unorganized sector. At an average price of Rs. 250 per piece (US\$ 3.7) the current market demand is estimated at US\$ 4.8 bn. This a positive move by the Government which will give a big boost to exports of made ups and also generate employment opportunities

:: TEXPROCIL ::



Avail of more detailed information on
EXIM POLICY
at **TEXPROCIL GRIEVANCE REDRESSAL CELL**
email: ravikumar@texprocil.org

TRADE HIGHLIGHT

TEXPROCIL makes a Presentation at a Personal Hearing at National Tariff Commission, Islamabad

TEXPROCIL Officials led by Shri Siddhartha Rajagopal, Executive Director and including the legal counsel attended a personal hearing on 26 December, 2016 in Islamabad, Pakistan in the anti-dumping proceedings on exports of Cotton Yarn of Counts 55.5 and above at the National Tariff Commission (NTC) ISLAMABAD. Presented herewith is the summary of the major issues raised by the Texprocil Delegation at the Personal Hearing in the Anti- Dumping Proceedings .

MAJOR ISSUES:

1. The first major issue concerns the lack of sufficient evidence in the Application to justify initiation. Three related concerns arise in this regard - :
 - i) Determination of Standing ie. the number of producers supporting the petition and percentage of production covered by the petitioners.
 - ii) Determination of “Domestic Industry” in the proceeding
 - iii) Determination of total production and total capacity of the concerned product under investigation as the total manufacturing facilities of the domestic industry producing the “like product” can be used interchangeably to manufacture other types of Cotton yarn by varying the count.
2. The Second major issue is the lack of positive evidence establishing that the alleged dumping is causing injury to the domestic producers. The application provides information on volume of imports and profitability but no causal link has been established between “dumped imports” and injury to domestic producers as according to us the causes of injury are other than the alleged “dumped imports”. In this connection it needs to be noted that Article 3.5 of the WTO Anti-Dumping Agreement states that “the authorities shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry and the injuries caused by these other factors must not be attributed to the dumped imports”.
3. The Third major issue is that information on only a few parameters of Injury have been examined whereas, Article 3.4 of the WTO Anti- Dumping Agreement categorically states that “examination of the impact of the dumped imports on the domestic industry concerned shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry...”. The Article goes on to further elaborate on the indices. An examination of the injury parameters shows that there has been no price- undercutting or under- selling, no loss of market share, no decline in sales, no decline in capacity utilization, no decline in employment etc.
4. A Fourth major issue is whether an objective examination of the causal link between “dumped imports” and injury to domestic producers has been undertaken by the Commission. It needs to be pointed out that in the Preliminary Determination in the proceedings published by the Commission on 15 February, 2016 there is a contradiction between the findings contained in paragraph 43.1 in Section D and the Conclusions drawn up in paragraph 45.1.(v) in Section E of the document regarding the causal link between dumped imports of the investigated product and the material injury suffered by the domestic industry. Whereas paragraph 43.1 in Section D states that “on the basis of the analysis and conclusions”, the Commission has concluded that there was no causal link between dumped imports of the investigated product and material injury, para 45.1(v) states just the opposite that “there was a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.”
5. The Commission should also keep the interests of the user community of the product concerned in the down stream segment of the textile value chain in Pakistan in mind. It needs to be noted that the variety of cotton yarn under investigation is imported in Pakistan mainly for use in manufacturing of fabrics that are exported to other countries. Therefore the imposition of duties on the products will not affect this segment of the market but will adversely impact the domestic market for fabrics using cotton yarn of counts 55.5 and above as the costs of manufacturing will increase. Thus, imposition of punitive levies will be detrimental to the larger value- added segments of the Pakistani Textile Industry.
6. As per Para 2.4 of the WTO Anti- Dumping Agreement a “fair comparison” has to be made between the export price and the normal value. Accordingly the authorities have to consider giving “due allowance” on account of various factors that affect price comparability. Amongst the factors for which the respondents in the present proceedings have claimed allowance are payment/ credit terms, drawback of taxes to arrive at price comparison at the ex- factory level, and procurement and exports by merchant exporters. We request the Commission to allow these adjustments while making “fair comparison” between the export price and the normal value.

:: TEXPROCIL ::

**SPECIAL
FEATURE**

**Stakeholder's Meeting to highlight
Issues in the Made-up Sector**



A meeting was convened under the Chairpersonship of Hon'ble Minister of Textiles on 5th January, 2017 from 11.30 A.M. to 1.30 P.M. at Constitution Club of India, Rafi Marg, New Delhi 110001 to discuss the issues being faced by the Made-up Sector. In this regard, the Council had extended invitation to many of its leading member companies to make it convenient to attend the said meeting and represent their issues before the government.

Hon'ble Minister could address one of the biggest demand of including the made-up sector the garment special export package and extend all the benefits except the imported fabric duty drawback benefit to protect the ailing Powerloom sector.

Some of the salient issues highlighted at the meeting include the following:

- 1) Made ups ROSL notification already issued. The rates and value cap will be announced at any moment (likely rate is 3.5%). Industry to give any suggestion or modification in the notification immediately especially the HS code tariff items
- 2) Hon'ble Minister called upon the industry to give inputs for short, medium and long term measures for the next 10 years, attract large scale investments and job creations
- 3) She also appealed the industry to enhance its handholding with the handloom and Powerloom segments in a visible manner by organising buyer-seller meet and direct interactions by export promotion councils and associations
- 4) The compliance issues being raised by certain NGOs (invariably fabricated and exaggerated)

through media is seen to be downgrading the image of the Indian products especially the progressive States like Tamil Nadu; industry need to take more proactive steps and ensure compliance to curb such allegations

- 5) Industry to give detailed notes on logistics and transport cost (road, rail, port, ship, etc.) to take up the issues including cabotage rule relaxation with the Ministry of Road and Transport, Ministry of Shipping at the meeting to be held on 9th January
- 6) All export promotion councils to jointly give a proposal to make better market promotion in all the major textile fairs including the Heimtextil expo and also to have market promotion centres in all the major countries
- 7) MoT to consider the duty drawback rates for MMF and its blended items
- 8) The industry appealed MoT to remove the central excise duty on MMF to increase consumption and remain competitive till GST is implemented
- 9) Set up centres of excellence for designing, R&D and product development for made-ups
- 10) Digital printing machinery to removed from red category by PCBs
- 11) Government would focus on upskilling in handloom sector

Texprocil Chairman and all the industry associations thanked Hon'ble Minister for announcing the Made-up sector package in right time when the Heimtextil fair is happening.

:: TEXPROCIL ::



**For more information on
Global Textile Markets,
Please contact us on
Email : info@texprocil.org**



Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

The Council has recently obtained ISO-9001:2008 Certification. As part of the ISO documentation concerning 'Customer Satisfaction' we are seeking feedback from our Members on the services offered by the Council. Accordingly kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.

COMPANY INFORMATION

Name of the Company	:	
Contact Person & Designation	:	
TEXPROCIL Membership (RCMC) No.	:	
Email Address & Website	:	

1) Kindly rate the following services offered by Texprocil on rating of 5 to 1. in order to serve you still better.*

5= Excellent, 4=Good, 3 = Satisfactory, 2 = Needs Improvement., 1 = Not Availed (N.A.)

Membership	Rate Here	Trade Development	Rate Here	Trade Promotion	Rate Here	Trade Services	Rate Here	Trade Intelligence	Rate Here
Procedure for New Membership	<input type="text"/>	Publication: E-Newsletter	<input type="text"/>	Intl. Fairs & Events	<input type="text"/>	Certificate of Origin	<input type="text"/>	Interactive Website	<input type="text"/>
Membership Renewal	<input type="text"/>	E-serve	<input type="text"/>	Seminars & Workshops	<input type="text"/>	Grievance Redressal Services	<input type="text"/>	E-News Clippings	<input type="text"/>
RCMC Amendment	<input type="text"/>	Circulation Trade Enquiries Award	<input type="text"/>	MDA/MAI Schemes	<input type="text"/>	Information on Exim policy/Amendment DBK	<input type="text"/>	Information Disseminated	<input type="text"/>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)	YES	<input type="text"/>	NO	<input type="text"/>
b. If you have replied 'no' above, please suggest how the Council can improve the services (use additional sheet if required)	Suggestions:			

3) How is your company benefitting from the Exhibitions / BSMS being organized by the Council? Tick (✓)	Accessing new Markets	<input type="text"/>	Generating additional business	<input type="text"/>
Others (Pls. Specify):	Making new Contacts (Trade Enquiries)	<input type="text"/>	Any Others	<input type="text"/>

4) How is your company benefitting from the Export Facilitation services being provided by the Council?	Information on Export Policy / Procedures	<input type="text"/>	Responses to various EXIM queries	<input type="text"/>
Others (Pls. Specify):	Redressal of Trade related grievances	<input type="text"/>	Any Others	<input type="text"/>

5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)	YES	<input type="text"/>	NO	<input type="text"/>
---	-----	----------------------	----	----------------------

6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)	Suggestions:			
---	--------------	--	--	--

*Kindly ignore this feedback form, if you have already responded.

Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

The annual renewal subscription amount for the financial year 2016-2017 (due from 1st April, 2016) is as follows: -

- 1) **MEMBER EXPORTER** - RS. 11,500/- (MEM FEES 10,000 + S. TAX 1,500)
- 2) **REGISTERED TEXTILE EXPORTERS (RTE)** - RS. 5,750/- (MEM FEES 5,000 + S. TAX 750)

Special Discount: Texprocil is announcing a special discount scheme for those who wish to renew their membership for a period of 3 or 5 years as follows:

Period	Membership Fees		Discount Slab	Discounted Fees		Benefit to Exporters	
	RTE	Member		RTE	Member	RTE	Member
For 3 years	15,000	30,000	10%	13,500	27,000	1,500	3,000
For 5 years	25,000	50,000	15%	21,250	42,500	3,750	7,500

[RTEs and Members have to pay service tax on the discounted amount at the rate of 15%.]

Note for Members:

Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for the financial years 2014-2015 & 2015-2016 i.e. the amount of actual FOB value of exports of Cotton Textiles excluding Readymade Garments and Handloom Textiles.

Members may note that the eligibility criterion of annual export turnover is minimum Rs. 2 Crore. Those not fulfilling the criteria will automatically be renewed as RTE i.e. Registered Textile Exporter.

RTEs are not required to submit the CA certificate.

Format of Chartered Accountant Certificate to be submitted by Members only:

CHARTERED ACCOUNTANT CERTIFICATE (on C.A.'s Letter Head)

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. _____ (Name and full address of the Member) having IE code No. _____ have exported Cotton / Cotton Yarn / Cotton Fabrics / Cotton Madeups (Excluding Handloom Items / Readymade Garments and Silks, etc.) during the financial year 2014-2015 & 2015-2016 as follows:

Sr. No.	Description	2015-2016 (Rs. FOB Value)	2014-2015 (Rs. FOB Value)
1	Cotton		
2	Cotton Yarn		
3	Cotton Fabrics		
4	Cotton Made-ups		
	TOTAL		

(Stamp & Signature of Chartered Accountant)
(Membership No. of Chartered Accountant)
(Firm Registration No. of Chartered Accountant)

PLACE:

DATE:

Note to Members & RTEs whose RCMC is expiring on 31.03.2016:

Please apply immediately for renewal of RCMC with the following documents:

- [1] Copy of your Import-Exporter Code (IEC)
- [2] In case of Manufacturer Exporter, a copy of Manufacturing Licence
- [3] In case of changes in Partners, a copy of revised deed of partnership
- [4] In case of changes in Directors, a copy of Form 32/DIR-2 or Board Resolution for those who have resigned or newly appointed.

(For any further queries please write to Mrs. Smita Dalvi on email : smita@texprocil.org)