



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State, INDIA

Web.: www.texprocil.org | E-mail: info@texprocil.org | Tel.: +91-22-49444000, 23632910-12

E-Serve No.: 84 of 2020 | Date: April 17, 2020

To: Members of the Council

Sub.: Summary of discussion at the VC held on 15.04.2020 on FOREX Issues

Dear Member,

Further to the Video Conference held on FOREX Issues on 15.04.2020, a short summary of the discussions along with the responses during the Q&A session are given below for your information: -

Opening Statement by Mr. Subramanian Sharma,

The current situation of lockdown due to the Coronavirus has created unprecedented problems for most of the countries and India is not an exception. Due to lockdown most of the Industrial activities have come to a standstill and business has also got affected. Movement of goods has stopped and as a result cross border trade has also come to a halt.

Both Exporters and Importers have been affected by this and have their own set of issues which I am addressing here. The initial lockdown was upto April 14th which has now been extended to May 3rd.

So as requested by Texprocil, I am trying to address the burning issues and also how these can be overcome.

Questions and the response

1. Corporate has booked a forward contract for export realisation maturing on end

April at 72.50. Now with exports not likely to happen due to cancellation of order, the FC also has to be cancelled and this will result in a huge loss. So how to address this issue

Response

There can be following options.

a. Cancel the FC contract on a day when Rs shows some retracement and book the loss. The aim will be to minimise the loss.

b. Rollover the FC for a further period of say 6 months. This will entail cancellation of the contract and immediately rebooking it for the new tenor. This will entail a loss . However the fresh contract will be at a higher rate and can be used against future exports.

2. Corporate has an import liability falling due in end April. Since liquidity is tight how can this be addressed.

Response

The Liability can be rolled over for additional 90/120 or 180 days under the SBLC route permitted by RBI.

3. Have drawn PCFC for 90 days and exports will not happen so how the PCFC can be liquidated.

Response

Request bank to extend the PCFC period for additional 90/120 days so that company gets time to export once the lockdown gets lifted and use the proceeds to liquidate PCFC.

These were the main concerns of the members and questions were on similar lines.

In case of further queries, members may contact Mr. Subramanian Sharma directly.

The Coordinates of Mr. Subramanian Sharma are given below: -

Mr. Subramanian Sharma,
Greenback Advisory Services, Mumbai
E Mail address : subusharma@greenback.in

Mobile No : [9820003648](tel:9820003648) / [9920903648](tel:9920903648).

Website : www.greenback.in

Regards,

Dr. Siddhartha Rajagopal
Executive Director

::TEXPROCIL::

TEXPROCIL respects your privacy. You are receiving this email because of your membership with TEXPROCIL.

To ensure that you continue receiving our emails, please add us to your address book or safe list.



© **TEXPROCIL** | 2020

Engineering Centre, 5th Floor 9 Mathew Road, Mumbai 400 004, INDIA

[Unsubscribe](#)