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TEXPROCIL @ the curtain raiser to 'Textiles India 2017'



The Ministry of Textiles presented a curtain raiser to 'Textiles India 2017', celebrating the diverse crafts and textiles of India, at the Crafts Museum in New Delhi on April 18, 2017.

CHAIRMAN'S MESSAGE



Dear Friends,

As per the Quick estimates released by the Ministry of Commerce and Industry, merchandise exports from the country grew (at a 65 month high) by a noteworthy level of around 28% during the last month of the previous fiscal year i.e. March 2017, pulling up the overall exports to US\$ 274.65 billion. Thus overall, exports during the fiscal year 2016 -2017 grew by 4.8%.

The Textile & Clothing exports during this period were in positive territory reaching US\$ 35.42 billion against US\$ 35.11 billion during fiscal year 2015 -2016. Amongst the items in the basket, Garments recorded a growth of 2.31% while Carpet increased by 3.55%. Handicrafts have posted the highest growth in the basket at 18.65%.

Amongst the textiles group, while Man-made Textiles declined by (-) 2.75%, Cotton Textiles marked a decline of (-) 3.06 % during fiscal 2016-2017 valued at US\$ 9.80 billion.

Friends, despite a sluggish year, the performance in our exports has been commendable as the decline in exports of cotton textiles (with which we are directly connected) have been range bound and not very alarming. However, when the final data for the fiscal year gone by is published, we hope to end on a positive note.

Caution Listing of Exporters by RBI

As you are aware, with regard to the EDPMS (Export Data Processing and Monitoring system), RBI has granted temporary exemption upto April 20, 2017 to exporters whose IEC were appearing in the caution list in the EDPMS and whose outstanding shipping bills (in value terms) was less than 30% of the

total value of shipping bills for the period from March 1, 2014 to March 1, 2016.

We have received representations from many of our members pointing out that their banks have not updated the shipping bills on the EDPMS although the payments have been realized and the E-BRCs have been issued. As a result, after April 20, 2017, based on the latest position of outstanding export receivables, many of the exporter's name may appear in the caution list on EDPMS.

The Council had a meeting with top officials from RBI and have informed them about the problems exporters are likely to face after the deadline of April 20, 2017 as many of the exporters will find their names appearing in the caution list and will be deprived of export benefits (non-grant of packing credit, delay in negotiation of non-LC bills, etc.)

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

for no fault on their part. We have requested for an extension in the deadline by another one month. In the meanwhile, we would request you to please get in touch with your banks immediately and ensure that the banks update all the shipping bills on the EDPMS.

Meeting with Niti Aayog

We met Mr. A. Panagariya, Vice Chairman of Niti Aayog and made a presentation on the contribution the Textile Sector can make to help in reducing the trade deficit with China. As you are all aware India has a huge trade deficit of around US\$ 52 billion with China. We have been telling the Government that if case the tariffs on items like Fabrics and Made- Ups are reduced from the current 10% and 14% levels respectively India can supply more value added products to China.

The presentation was well received and the Vice Chairman of Niti Aayog and appreciated the potential the textile sector holds in terms of employment generation and value

creation in the industry. Regarding the tariff issues he suggested that that the same needs to be taken up through the Commerce Ministry in a structured forum like the INDIA - CHINA ECONOMIC DIALOGUE.

We also used the opportunity to apprise the Vice Chairman of Niti Aayog about the issues affecting the export sector.

'Curtain Raiser' on Textiles Show in Gandhi Nagar

The Ministry of Textiles organized a CURTAIN RAISER on the MEGA TEXTILE SHOW being organized in GANDHI NAGAR, GUJARAT from 30 JUNE - 2 JULY 2017.

Ambassadors from leading importing countries were invited to the meet which also included a FASHION SHOW.

Friends, the Ministry of Textiles is going all out to promote this event around the world. They are expecting huge participation from the Industry and Trade.

Texprocil is also committed to mobilizing at least 100 participants and is actively promoting this event abroad especially in China, Korea, Egypt, Colombia and various other destinations. All other Councils are also making efforts to invite the buyers/importers from across the world.

The event is thus expected to attract a large number of visitors. I would urge all of you to extend an invitation to all your buyers to visit the event and they can also register "on-line". The Council has already circulated the web-links to the members.

The exhibiting charges are also nominal. In view of this, I once again urge all our members to fill in the Exhibitor Applications which is "on-line" or seek assistance from the Council's officials to book space.

Ujwal R Lahoti
Chairman

:: TEXPROCIL ::



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Global Textile Markets,
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COVER STORY

TEXPROCIL @ the curtain raiser to
'Textiles India 2017'

Hon'ble Minister of Textiles Smriti Zubin Irani with designers during the curtain raiser to 'Textiles India 2017'

The Ministry of Textiles presented a curtain raiser to 'Textiles India 2017', the first ever global B2B Textile and handicrafts event in India. Celebrating the diverse crafts and textiles of India, the Crafts Museum in New Delhi was the venue for curtain raiser held on April 18, 2017.

Inauguration

The event brought forward the vision of the Hon'ble Prime Minister of India

Shri Narendra Modi - "From Farm to Fibre, Fibre to Factory, Factory to Fashion, Fashion to Foreign."

The event was hosted under the leadership of Minister of Textiles, Smriti Zubin Irani and Minister of State, Ajay Tamta. Speaking on the occasion, Smriti Zubin Irani shared that the spectrum of Indian textiles is extremely diverse and its history is world renowned. Textiles India 2017 holds the promise of becoming a landmark annual trade event for the Indian textiles and apparel industry at the global level. With this curtain raiser, we are celebrating the significant achievements of our textile industry and the enormous promise of spectacular growth over the next few years.

Event Highlights

A representation of artisans, weavers, emerging and established designers from across the country celebrated the special preview to Textiles

India 2017. The fashion designers and craftsmen showcased the strength of the Indian textiles sector in cotton, silk, wool, woven and hand-printed, embroidered as well as modern and futuristic textiles. The textile story was narrated through the works of Abraham & Thakore, Anita Dongre, AnujBhutani, Anuradha Pegu, Amit Aggarwal, ChamanPremji, Good Earth, Hemant Agarwal, Kaleekal, MasabaGupta, Madhu Jain, Manish Arora, Manish Malhotra, Rajesh Pratap Singh, Rahul Misra, RituKumar, Rimzim Dadu, Rohit Bal, Sanjay Garg, Sabyasachi, Samant Chauhan, Shades of India - Mandeep Nagi, Sunita Shankar, Suket Dhir, Wendell Rodricks and Tarun Tahiliani.

The evening also saw the presence of political dignitaries, ambassadors of textile partner countries industrialists, industry associations, leading fashion and media houses including Dr Arvind Panagariya, Vice Chairman, NITI Ayog, H.E. Lorenzo Angeloni, Ambassador of Italy, H.E. Chitraganee Wagiswara, H.E. Melba Pria, Ambassador, Mexico, H.E. Dalton Sembering,



TEXPROCIL E-NEWSLETTER

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COVER STORY
(CONTD. FROM PAGE 3)

**TEXPROCIL @ the curtain raiser to
'Textiles India 2017'**

Ambassador, Indonesia, H.E. Cho Hyun, Ambassador, South Korea, Muzaffar Ali, and Tarun Tahiliani.

Textiles India 2017

The Textiles India 2017 will be the first ever global business-to-business (B2B) event in the country that will bring domestic producers closer to global buyers. It is a landmark global trade event for the Indian textile and handicraft sector that will showcase the entire range of textile products from 'Fibre to Fashion' and will be inaugurated by the PM Narendra Modi. It is scheduled to be held at Mahatma Mandir in Gandhinagar from June 30 to July 2 this year. The event will showcase to global consumers India's prowess in the textile sector while pushing Prime Minister Narendra Modi's vision of "farm to foreign" policy.

It will have more than 1000 stalls and witness the presence of over 2500 discerning international buyers, agents, designers, retail chains from across the world, and 15000 domestic buyers. The three day event will include global conference on the last day with six themes



Hon'ble Minister of Textiles Smriti Zubin Irani interacting with Chairman, TEXPROCIL Mr. Ujwal Lahoti (Left) and Executive Director, TEXPROCIL Mr. Siddhartha Rajagopal (2nd from Left) during the curtain raiser to 'Textiles India 2017'

to be chaired by concerned union ministers and the valedictory session will be presided over by the Union Finance Minister. Over 33 roundtables will be held on issues of concern for the various segments of textiles and handicrafts on the second day with prominent international speakers and industry leaders.

TEXPROCIL appeals to all its members to participate and extend their valuable support and cooperation in making "Textiles India - 2017" a huge success!

:: TEXPROCIL ::



Cottons showcased at fashion show during the curtain raiser to 'Textiles India 2017'



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

**SPECIAL
FEATURE****TEXPROCIL represents against
exporters' caution listing in EDPMS**

Textile exporters fear that their names might figure in the Reserve Bank of India's (RBI's) caution list after April 20, 2017, deadline set for updating the shipping bills by banks. They have urged the banking sector regulator to remove the names of companies with a good track record as it would prevent them from making exports.

The EDPMS (Export Data Processing and Monitoring System), which has been introduced by the RBI to monitor payments against export bills, requires all banks to report in this system details of the export proceeds realisation pertaining to the shipping bills filed after Feb. 28, 2014.

RBI Notification

The Reserve Bank of India (RBI) had introduced additional modules under Export Data Processing and Monitoring System (EDPMS) vide Notification no BI/2015-16/41, D.P. (DIR Series) Circular No.74 dated May 26, 2016 for caution listing of exporters, reporting of advance remittance for exports and migration of old XOS data.

To simplify the procedure for filing returns on a single platform and for better monitoring, it was decided to integrate the returns related to

- (a) handling of shipping bills for caution listed exporters;
- (b) delayed utilisation of advances received for exports; and
- (c) exports outstanding with Export Data Processing and Monitoring System (EDPMS) which has been in operation since March 1, 2014.

As per provisions, exporters could be "caution listed" if any shipping bill against them remains open for more than two years in EDPMS, provided no extension is granted by the bank/RBI. "The exporters can also be caution listed even before the expiry of two years period based on the recommendation of AD banks.

Government's reaction

The commerce ministry have warned the Reserve Bank of India (RBI) that erroneously 'caution-listing' exporters will severely hurt the country's shipments. They asked the banking regulator to soon address the genuine concerns of the exporting community in this regard.

As per RBI norms, exporters would be 'caution listed' if any shipping bill against them remains open for more than two years (from the date of shipment) in the computerised system called Export Data Processing & Monitoring System (EDPMS) — provided no extension is granted by the RBI or an authorised bank. The EDPMS, launched by the RBI in February 2014, is a computerised system for effective monitoring of exports transactions. Since EDPMS eliminates paper reporting requirement to a great extent, it is considered an 'ease of doing business' reform.

The caution-listing can happen in certain cases even before the expiry of the two year-period – that is, when authorised banks recommend such an action in instances where an exporter has come to adverse notice of investigative agencies such as the Enforcement Directorate, the CBI and the Directorate of Revenue Intelligence; or other law enforcement agencies; or in cases where exporter is not traceable or not making any serious efforts for realisation of export proceeds.

'8% unrealised'

The financial year in this context is 2014-15 as the two-year deadline currently falls on April 20, 2017. As per official estimates, about nearly 8% of the country's overall (goods & services) export proceeds in FY15 have not been realised so far – meaning, there was no realisation of export proceeds to the tune of \$37.5 billion out of India's goods and services exports in FY15 worth \$468.45 billion. The issue was discussed on April 13 by the Commerce Ministry, RBI, Indian Banks' Association, Directorate General of Foreign Trade as well as the industry bodies and exporter associations.

The caution-listed exporters are denied packing credit, in turn affecting their exports. Also, caution-listing results in 'non-letter of credit bills' (non-LC bills) not being negotiated. As a result, though goods reach the buyer on time, they have to wait for banking documents (due to the exporter being caution-listed). This leads to delays and huge demurrage charges that have to be paid by the exporters. Besides, the caution-list is accessed by regulatory and investigating agencies who in turn issue notices/letters to exporters adding to the latter's paper work of exporters. Therefore, it is necessary that caution list only covers exporters whose shipments are not realised beyond the specified time without any genuine reason.

Errors cause confusion

In several cases, banks fail to report the transaction (of realisation of export proceeds by exporters) in the EDPMS on time leading to the system erroneously and automatically caution-listing exporters.

It may be pointed out that caution-listing has also happened due to data errors such as wrong entries of shipping bill number and date, as well as port code - in turn resulting in mismatch of actual exports and their realisation, hence the deadline of April 20, 2017 should hence be extended for genuine cases by the RBI in consultation with banks.

As per the RBI norms, once related bills are realised and closed or extension for realisation is granted, the exporter should automatically be 'de-caution listed'. The commerce ministry has asked the RBI for an audit of banks on instances of non-reporting of the transaction

**SPECIAL
FEATURE****TEXPROCIL represents against
exporters' caution listing in EDPMS**

by them in the EDPMS. In reference to norms allowing exporters to write-off 5% of their export proceeds (status holder exporters are entitled to write-off of 10%), if the outstanding amount remained within this stipulated limit, exporters should not be caution-listed.

The RBI, however, has said "giving extension (beyond April 20, 2017) would be detrimental to the planned process of 'ease of doing business' (initiative) ... as well as monitoring of such exports/and exporters..."

TEXPROCIL Representation

In a letter to the RBI, the apex textiles exporters' body, The Cotton Textiles Export Promotion Council (TEXPROCIL), has requested for an update in the centralised banking system before making the caution list for the pending shipping bills public.

"There are many shipping bills against which payments have already been realised and the electronic bank realisation certificates (e-BRCs) have been issued by the concerned banks. But, the EDPMS is yet to be updated by the banks. It is likely that many of the textiles exporters will find their names appearing in the caution list after the deadline of April 20, 2017, for no fault on

their part," said Ujwal Lahoti, Chairman, TEXPROCIL. "TEXPROCIL has taken up this matter with RBI and we hope that some decision will be taken on the matter at the earliest. Otherwise, it may have an adverse impact on textiles exports," Lahoti added.

A large number of textiles exporters have pointed out that many of the banks have not completed the EDPMS updation of the shipping bills.

As an interim relief, RBI has granted temporary exemption up to April 20, 2017, to exporters whose importer-exporter code (IECs) were appearing in the caution list in the EDPMS and whose outstanding shipping bills (in value terms) were less than 30 per cent of the total value of shipping bills for the period from March 1, 2014, to March 1, 2016. After April 20, 2017, based on the latest position of outstanding export receivables, exporter's name may appear in the caution list on EDPMS.

Exporters would face severe hardships in dispatching consignments abroad once their name appears in RBI's caution list.

:: TEXPROCIL ::

**PRESS
RELEASE****RBI Caution List – a matter of concern for
textile exporters – Chairman, TEXPROCIL**

The EDPMS (Export Data Processing and Monitoring system) which has been introduced by RBI to monitor payments against Export Bills requires all banks to report in this system details of the export proceeds realization pertaining to the shipping bills filed after February 28, 2014.

A large number of textiles exporters have pointed out that that many of the banks have not completed the EDPMS updation of the shipping bills, said Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL).

As an interim relief, RBI has granted temporary exemption upto April 20, 2017 to exporters whose IEC were appearing in the caution list in the EDPMS and whose outstanding shipping bills (in value terms) was less than 30% of the total value of shipping bills for the period from March 1, 2014 to March 1, 2016. After April 20, 2017, based on the latest position of outstanding export receivables, exporter's name may appear in the caution list on EDPMS.

Shri Ujwal Lahoti pointed out that since there are many shipping bills against which payments have already been realized and the E-BRCs have been issued by the concerned banks, but the EDPMS are yet to be updated by the banks, it is likely that many of the textiles exporters will find their names appearing in the caution list after deadline of April 20, 2017 for no fault on their part. TEXPROCIL has taken up this matter with RBI and we hope some decision will be taken in the matter at the earliest as otherwise, it may have an adverse impact on textiles exports, said Shri Lahoti.

RBI should advise all the banks to update the Shipping bills on the EDPMS and take a confirmation from them to this effect before putting the exporters in the caution list, according to the Chairman, TEXPROCIL.

Shri Ujwal Lahoti urged RBI to extend the last date of April 20, 2017 by another three months so that the banks can complete the updation process on the EDPMS and exporters are not put into unnecessary inconvenience.

:: TEXPROCIL ::

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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"/>
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b. If you have replied 'no' above, please suggest how the Council can improve the services (use additional sheet if required)	Suggestions:
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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"/>
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Others (Pls. Specify):	Making new Contacts (Trade Enquiries)	<input type="text"/>	Any Others	<input type="text"/>
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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"/>
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Others (Pls. Specify):	Redressal of Trade related grievances	<input type="text"/>	Any Others	<input type="text"/>
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5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)	YES	<input type="text"/>	NO	<input type="text"/>
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6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)	Suggestions:
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*Kindly ignore this feedback form, if you have already responded.

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**TRADE
NOTIFICATION****TEXPROCIL MEMBERSHIP
ANNUAL RENEWAL SUBSCRIPTION**

The Registration as well as Renewal fees for membership of the Council has been revised w.e.f. 01.04.2017.

Accordingly New Registration Fee Structure is as follows:-

Type of Membership	Amount (Rs.)	Service Tax @ 15%	Total Amount (Rs.)
Member (with Voting Right) (including Rs.6000/- as Entrance Fee)	17000/-	2550/-	19550/-
Registered Textile Exporter (including Rs.3000/- as Entrance Fee)	9000/-	1350/-	10350/-

The Annual Renewal Subscription amount for the financial year 2017-2018 (due from 1st April, 2017) is as follows:-

Type of Membership	Amount (Rs.)	Service Tax @ 15%	Total Amount (Rs.)
Member (with Voting Right)	11000/-	1650/-	12650/-
Registered Textile Exporter	6000/-	900/-	6900/-

Note for Members:

Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for F.Y. 2015-2016 & F.Y. 2016-2017 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 2015-2016 & 2016-2017 as follows:

Sr. No.	Description	2016-2017 (Rs. FOB Value)	2015-2016 (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 has expired on/before 31.03.2017:

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)