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TEXPROCIL conducts a meeting on GST



Texprocil conducted an Interactive Meeting on GST with its members at its office in Mumbai on April 3, 2017. The Council facilitated presentation by ATKearney - a leading consulting firm to resolve queries of its member exporters in being GST-compliant.

CHAIRMAN'S MESSAGE



Dear Friends,

As the fiscal year 2016-2017, ended hopes of higher export performance rose only to be dampened by a strengthening rupee and sluggish growth in demand from China. It appears that exports during the fiscal 2016-2017, will remain at par or slightly better over the performance in the previous year.

Inter-Textile & YarnExpo, Shanghai

42 Indian exhibitors participated at Yarn Expo in addition to 25 Indian exhibitors at Fabric and Home Textile Halls. Overall visitor flow was a bit less than the previous edition of these concurrent Fairs. The Inter - Textile & Yarn Expo ended on a sober note as the price difference between the offers made by the Indian Exhibitors and the Chinese expectations were not in

a negotiating range. Hopefully the situation should improve in coming months although a strong currency does not favour higher exports.

During discussion with some of the visitors, *it was noted that:*

A few of the Chinese importers of yarn themselves were also exhibiting at this Fair, offering imported Indian Yarn for immediate delivery at a price lower than prices offered by the Indian exhibitors at the Fair, mainly due to clearance of stock bought by them a few months back when the yarn prices were low. This is one of the reasons mismatch in price levels at the Fair.

High prices of stock cotton put on auction by the Chinese government is likely to boost the import of yarn into China over the next few months.

Some of the Chinese logistics companies are working towards setting up warehouses closer to Indian ports to stock Indian cotton

and yarn when the prices are low and then release in the domestic and export market when the prices go up.

Whole dynamics of business module is going through changes at Yarn Expo and Indian exhibitors are required to adopt suitable strategy to increase their market share in this high volume market.

Road Shows in China

In order to promote the forthcoming Textile Show in Gandhinagar, Gujarat the Ministry of Textiles sent a trade delegation under Ms Pushpa Subramaniam, Additional Secretary, Ministry of Textiles which included the Chairman Texprocil to China, first to the prominent textile manufacturing and trade city of Shaoxing in the Zhejiang Province. The delegation met the Vice Mayor of the city and local Chambers of Commerce and local textile associations.

Meetings were also organised in the

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

adjoining city of KEQIAO another big textile hub. Presentations were made on the forthcoming TEXTLE INDIA 2017 EXHIBITION being held in GANDHI NAGAR from June 30 to July 2, 2017. Over 140 people attended the meeting and many showed interest in setting up manufacturing units in India. The Textile Associations and Chambers of Commerce have shown interest in bringing delegations to India for the Exhibition.

After the meeting in SHAOXING & KEQIAO, the delegation went to the Southern part of China to the city of DONGGUAN, another prominent textile manufacturing hub in the GUANGDONG Province. Meetings were organised with the leading Textile & Garment Associations, Trade Forums. Around 150 participants attended the meeting. A detailed Q & A Session was held to understand the strengths of the Indian Textile industry and the Government's policies. Many of the Associations & Manufacturers have shown keen interest to participate in the mega Textile Exhibition.

Friends, the Ministry of Textiles is very keen to showcase the event as a world class show and strenuous efforts have been mounted to invite leading Buyers/Importers from across the World. Road Shows like the one in China (to invite Buyers/ Importers) are being organised in other parts of

the World like USA, Russia, Korea, Dubai amongst other countries.

I once again appeal to all our members to participate in 'TEXTILES INDIA - 2017' - the MEGA EXHIBITION being held in Gandhinagar, Gujarat on the lines of "VIBRANT GUJARAT" in large numbers and make the event a resounding success.

Anti - Subsidy Investigation on Cotton Yarn

With regard to the Anti Subsidy Investigation initiated by Pakistan on the import of Cotton yarn from India, a team from the investigating body, National Tariff Commission, Islamabad, Pakistan had visited India from 23rd March till 5th April, 2017 and had carried out verification of the Government of India & three exporters namely Nagreeka Exports Ltd., Veebee YarnTex Pvt. Ltd and Trident Ltd. The Council has forwarded its comments on the investigation to the Government as well as to the investigating body. We hope Pakistan will take a decision favourable to the exporters of cotton yarn from India.

Interactive Meeting on GST Implementation

I am glad to inform you that the Council conducted an Interactive Meeting with its members on 3/4/2017 to discuss the issues & concerns of the exporters under the GST Regime

which is likely to be rolled out from July 1, 2017. The meeting was well attended & exporters gave many useful suggestions on the concerns of the textiles sector and exports in particular. The Council is in the process of preparing detailed proposals on the GST which will be forwarded to the Government shortly.

Ease Of Doing Business

As you are aware, one of the priorities of the Government of India is to facilitate "Ease of Doing Business" & the Government has already taken various steps in this direction. However as this an on-going business, there are still some areas that need to be addressed. We would request you to please send us your suggestions which will be incorporated in the Council's proposals to the Government on "Ease of Doing Business".

Friends, the need for the day is being competitive and offering right solutions. Individual exporters need to position themselves in the right slot and focus on it. To gain tomorrow, what will matter is the ability to deliver value at the end of the chain !!.

Ujwal R Lahoti
Chairman

:: TEXPROCIL ::

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



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COVER STORY

TEXPROCIL conducts an Interactive Meeting on GST



Texprocil conducted an Interactive Meeting on GST with its members at its office in Mumbai on April 3, 2017.

As the government seeks to clear the decks for the rollout of the goods and services tax by July 1, small and medium enterprises (SMEs) appear to be the weakest link in corporate India's efforts to be GST-compliant by the cut-off date. TEXPROCIL facilitated presentation by ATKearney - a leading consulting firm to resolve queries of its member exporters in being GST-compliant.


TEXPROCIL E-NEWSLETTER

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(For private circulation only)

Of the estimated 8 million registered businesses under the VAT regime, around 90 per cent are SMEs. The GST applies to businesses with a turnover of Rs. 20 lakh or more. The threshold is Rs. 10 lakh for businesses in the north-eastern states.

While large companies have engaged a battery of experts to help them transition to the GST regime, SMEs are still struggling to assess the impact on their businesses.

Barely 10 per cent of small businesses are in a GST-ready position, and just about half have robust IT systems to comply with requirements of the new indirect tax regime, say experts.

TEXPROCIL conducts an Interactive Meeting on GST

The Council conducted an Interactive Meeting on GST with its members at its office in Mumbai on April 3, 2017.

The meeting which was well attended by the exporters including representatives from some leading companies like Arvind Mills Ltd, Aditya Birla Group, Vardhaman Textiles Ltd and Welspun had deliberated on the concerns of the textiles sector especially on exports under the GST regime. A large number of SMEs also joined in the meeting to discuss their concerns in being GST compliant. Experts from leading Consulting firm A T Kearney made a presentation on the impact of GST on the textile sector.

The Lok Sabha has passed the 4 GST Bills on March 29, 2017 – the CGST Bill, the IGST Bill, the UTGST Bill and the GST Compensation Bill (collectively referred to as GST Bills) on March 29, 2017. Subsequently, the Government has invited comments from all the stake holders on the nine set of draft rules viz., Valuation Rules, Composition Rules, ITC Rules, Transaction Rules and revised rules on

COVER STORY
(CONTD. FROM PAGE 3)

TEXPROCIL conducts an Interactive Meeting on GST

Invoicing, Payments, Refund, Returns and Registration by April 10, 2017. Further, the Ten working Groups constituted by the Finance Ministry to address specific industry concerns under GST are also expected to give their reports by April 10, 2017. With these developments, the Government machinery is making swift strides in the direction of implementation of GST from July 1, 2017.

A primer for making small businesses GST-compliant

- In the run-up to the GST regime, first ensure completion of accounts and keeping it up-to-date.
- Have correct stock position as on June 30, especially on taxes paid, goods returned, etc. (assuming GST rolls out on July 1)
- Take stock of input tax credit, as on June 30, 2017, as this will get passed on to the new regime, it should be in a format which can be easily verified.
- To be ready for GST regime, businesses have to automate accounting, inventory management, issue of bills, etc.
- Align the invoice specially the numbering system and other contents according to the invoice rules as prescribed under GST law.
- Get registered under GST at the portal www.gst.gov.in
- Ensure your suppliers and buyers are also enrolled.
- Regularly upload invoice data on GST portal.

What to watch out for in the GST regime

- Cash flows as working capital requirements may undergo a change
- Prepare for a business behaviour change by aligning suppliers to be compliant and setting payment terms such that their invoices are uploaded
- Strict discipline in maintaining records and filing of



returns, along with rigid financial controls

- Take a hard look at expenses to increase gains from the GST. Experts expect businesses that implement GST correctly to gain cost advantage ranging from anywhere between 2% and 4%
- Sensitise employees, vendors through regular training on an on-going basis.

Looking forward

As lawmakers look forward to clear hurdles in GST implementation, it will have to be seen how the industry effectively migrates into the new regime in this short time. The Government is also in the process of modifying the Drawback Scheme under the GST and will soon be holding meetings to seek views from the EPCs in this regard. It was in this context that interactive meeting was held to educate the exporters and also to seek suggestions from them on the GST. The Council will be shortly forwarding a comprehensive proposal on the GST to the Government, based on the suggestions received from the exporters.

The Council will be holding more such Interactive Meetings / Seminars on GST at other important textiles centres to educate its members and to assist them in their efforts to migrate to the GST regime.

:: TEXPROCIL ::

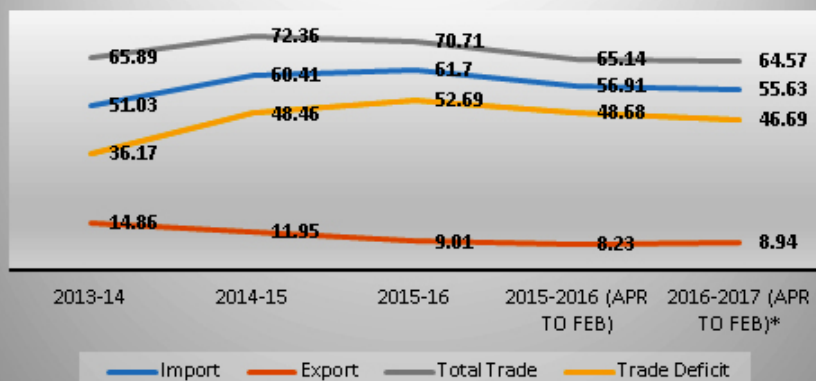


Avail of more detailed information on
EXIM POLICY
at **TEXPROCIL GRIEVANCE REDRESSAL CELL**
email: ravikumar@texprocil.org

**SPECIAL
FEATURE**

Reducing Trade Gap with China

Bilateral Trade between India and China during 2013-14 to 2015-16 and the current year



As reported by Embassy of India (EOI), Beijing, the provisional statistics released by the Chinese General Administration of Customs, China’s global exports in February 2017 shows a decline of 1.3 % year-on-year to US\$ 120.08 billion while its global imports increased 38.1 % year-on-year to US\$ 129.23 billion, resulting in a trade deficit of US\$ 9.15 billion.

Details of trade and trade deficit with China for the last three years and the current year are given below:-

Bilateral Trade between India and China during 2013-14 to 2015-16 and the current year				
Value in USD Billion				
Year	Import	Export	Total Trade	Trade Deficit
2013-14	51.03	14.86	65.89	36.17
2014-15	60.41	11.95	72.36	48.46
2015-16	61.70	9.01	70.71	52.69
2015-2016 (Apr to Feb)	56.91	8.23	65.14	48.68
2016-2017 (Apr to Feb)*	55.63	8.94	64.57	46.69

*Provisional (Source; DGCI&S)

From above table, it may be seen that India’s trade with China during April-February 2016-17 decreased marginally by 0.87% and amounted to US\$ 64.57 billion. During this period, India’s exports to China grew by 8.69% to US\$ 8.94 billion while India’s imports from China saw a decline of 2.26% to US\$ 55.63 billion resulting in a decline in India’s trade deficit with China by 4.1%.

Ministry of Commerce of the People’s Republic of China and Ministry of Commerce & Industry of the Republic of India jointly developed and signed in September 2014 the Five-Year Development Program for Economic and Trade Cooperation in order to lay down a medium term roadmap for promoting balanced and sustainable development of economic and trade relations between

China and India, on the principle of equality and mutual benefit.

The Five Year Program recognizes and states “that trade deficit with China is a matter of high concern for India. Against this background and in the spirit of mutual benefit, India and China shall endeavour to strengthen cooperation and gradually achieve bilateral trade balance over the next 5 years. India and China shall further endeavour to increase bilateral trade in services particularly Information Technology (IT) & Information Technology Enabled Services (ITES) in the next 5 years.”

- i. The Government has also taken various measures to extend support to exporters to increase exports to all countries including China, which are indicated below:
- ii. The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports and improving the ‘Ease of Doing Business’. The FTP introduced two new schemes, namely, ‘Merchandise Exports from India Scheme’ (MEIS) for incentivising export of specified goods to specified markets and ‘Service Exports from India Scheme’ (SEIS) for promoting export of notified services from India, by consolidating earlier schemes.
- iii. In the light of the major challenges being faced by Indian exporters in the backdrop of the global economic slowdown, the envisaged revenue outgo under MEIS was increased from Rs. 18000 Crore to Rs. 21000 Crore in October 2015 with accompanying enhancement in benefits on certain products and inclusion of certain additional items.
- iv. A new scheme called Special Advance Authorisation Scheme for export of Articles of Apparel and Clothing Accessories of chapter 61 & 62 of ITC (HS) Classification of Export and Import has been introduced with effect from 1st September 2016 wherein exporters are entitled to authorisation for duty free import of fabrics, including inter lining on pre-import basis and All Industry Rate of Duty Drawback for import of non-fabric inputs on the exports
- v. By way of trade facilitation and enhancing the ease of doing business Government has reduced the number of mandatory documents required for exports and imports. The trade community can file applications online for various trade related schemes.

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha on 05-April-2017.

:: TEXPROCIL ::

**TRADE
NOTICE****Cotton prices slipped below
75 cents - near month contract****E Serve No. 43 of 2017****Dated: April 05, 2017****Sub: Cotton prices slipped below
75 cents - near month contract**

Dear Member,

Alert received on 5th April 2017, from Kotak Commodities Services Pvt Ltd regarding declining Cotton prices is reproduced below for your information and strategic planning in cotton procurement.

Quote:

Decisively cotton price fell this week at the global market. The cotton for May contract trades at ICE slipped from the high of 78.07 to end the Tuesday's trading session sharply lower at 74.85 cents per pound. Speculative selling weighed on the nearby contracts while long only position square off also supported price to trade down. A large long only fund completed its position fund rolling from May into July with another large fund expected to start their position fund rolling later in the week. The trading volumes were strong. As per the report on Tuesday the traded volumes were around 52,000 contracts while on Monday the volume was 60+K highest for ICE contracts since past seven weeks.

With the recent fall in price breaking 50-day simple moving average (SMA) indicates in the near term cotton price may remain under pressure. Therefore, mill fixation against the outstanding on call purchases has become active. The next CFTC report shall give us a clearer picture on the same. However, the open interest in the month contract has declined sharply to 0.128 million contracts. While, there has been addition of OI (funds position rollover partly) in the July contract. The July OI has increased to 65000 contracts from a recent low of 47000 contracts.

This morning ICE future for near month contract is seen trading at 74.95 marginally higher from the previous day's close while holding a strong support at 100-day SMA. We believe market would now be very critical and upon convincing break below 74.50 would confirm a fresh bear move towards 73.75 levels. For the day we expect ICE cotton to trade sideways to bearish and every rise in the price would be treated as a sell recommendation. From the technical perspective we expect ICE future to trade in the range of 74.20 to 75.30 cents per pound.

Coming to domestic market the spot market is partly open and close across the country due to regional festival so the spot price continues to hold a steady tone. However, domestic future price has taken strong cues from the international market. The April future ended the session on Tuesday lower at Rs. 20,960 down by Rs. 240 per bale from the previous close. We believe since the domestic spot and future price is trading at a larger premium over the global price is highly prone to correct onto the downward trend. For the day the trading range would be Rs. 21100 to Rs. 20800 per bale and recommend selling from higher levels.

/Unquote/

For a detailed report / queries, you may contact:

Mr Aurobinda Prasad

Vice President

Kotak Commodities Services Pvt. Ltd

E.: aurobinda.gayan@kotakcommodities.com

T.: +91-22-66528894/7506938641

Regards,

Siddhartha Rajagopal**Executive Director****:: 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"/>
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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.

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

**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)