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 it’s 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 it’s 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.
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 ::
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.

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Made-ups Exports (HS 63)</th>
<th>India’s Exports</th>
<th>India’s share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>US$ 55 bn.</td>
<td>US$ 4.0 bn.</td>
<td>7.3 %</td>
</tr>
<tr>
<td>2013</td>
<td>US$ 61 bn.</td>
<td>US$ 4.7 bn.</td>
<td>7.7 %</td>
</tr>
<tr>
<td>2014</td>
<td>US$ 64 bn.</td>
<td>US$ 4.6 bn.</td>
<td>7.2 %</td>
</tr>
<tr>
<td>2015</td>
<td>US$ 61 bn.</td>
<td>US$ 4.6 bn.</td>
<td>8.0 %</td>
</tr>
</tbody>
</table>

Source - MOC
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 GREIVANCE REDRESSAL CELL email: ravikumar@texprocil.org
TEXPROCIL E-NEWSLETTER, JANUARY 07, 2016  PAGE 5.

TEXPROCIL OFFICIALS LED BY SHRI SIDDHAR'THA 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 HEREFORTH 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 i.e. 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- under-cutting 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 downstream 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.
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 ::
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

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Person &amp; Designation</td>
<td>:</td>
</tr>
<tr>
<td>TEXPROCIL Membership (RCMC) No.</td>
<td>:</td>
</tr>
<tr>
<td>Email Address &amp; Website</td>
<td>:</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Membership Rate</th>
<th>Trade Development Rate</th>
<th>Trade Promotion Rate</th>
<th>Trade Services Rate</th>
<th>Trade Intelligence Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure for New Membership</td>
<td>Publication: E-Newsletter</td>
<td>Intl. Fairs &amp; Events</td>
<td>Certificate of Origin</td>
<td>Interactive Website</td>
<td></td>
</tr>
<tr>
<td>Membership Renewal</td>
<td>E-serve</td>
<td>Seminars &amp; Workshops</td>
<td>Grievance Redressal Services</td>
<td>E-News Clippings</td>
<td></td>
</tr>
<tr>
<td>RCMC Amendment</td>
<td>Circulation Trade Enquiries Award</td>
<td>MDA/MAI Schemes</td>
<td>Information on Exim policy/Amendment DBK</td>
<td>Information Disseminated</td>
<td></td>
</tr>
</tbody>
</table>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)

   YES | NO

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 | Generating additional business
Others (Pls. Specify): | Making new Contacts (Trade Enquiries)
                   | Any Others

4) How is your company benefitting from the Export Facilitation services being provided by the Council?

Information on Export Policy / Procedures | Responses to various EXIM queries
Others (Pls. Specify): | Redressal of Trade related grievances
                   | Any Others

5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)

   YES | NO

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
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:

<table>
<thead>
<tr>
<th>Period</th>
<th>Membership Fees Slab</th>
<th>Discount Slab</th>
<th>Discounted Fees Slab</th>
<th>Benefit to Exporters Slab</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RTE</td>
<td>Member</td>
<td>RTE</td>
<td>Member</td>
</tr>
<tr>
<td>For 3 years</td>
<td>15,000</td>
<td>30,000</td>
<td>10%</td>
<td>13,500</td>
</tr>
<tr>
<td>For 5 years</td>
<td>25,000</td>
<td>50,000</td>
<td>15%</td>
<td>21,250</td>
</tr>
</tbody>
</table>

[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. [IE Code] 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:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>2015-2016 (Rs. FOB Value)</th>
<th>2014-2015 (Rs. FOB Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cotton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cotton Yarn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cotton Fabrics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Cotton Made-ups</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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)