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TEXPROCIL Trade Delegation to China



Indian delegation led by Shri Ujwal Lahoti, Chairman (5th from Left), along with the Council officials Dr. Siddhartha Rajagopal, Executive Director, (3rd from Right) & Shri N Ravindranathan, Director (extreme left), and the participating members exporters of the Council are seen with China National Textile and Apparel Council (CNTAC) officials at InterTextile Home Fair, Shanghai on 27th August 2018.

CHAIRMAN'S MESSAGE



Dear Friends,

This issue of the Newsletter is a combined issue focussing on the events during the period August 1 to August 31, 2018.

The unsettling trade situation between the United States, the world's leading cotton exporter, and China, one of the world's leading users, is expected to place India's cotton and textile sector in a better situation. Some of these effects can perhaps be seen in the export data for the period April-July 2018 wherein cotton textiles have shown a growth of 30.44 per cent. Whether this buoyancy in exports is maintained in the coming months remains to be seen even as reports in the market place suggest that demand for Indian cotton textile goods is intensifying.

Considering the need to step up exports in the wake of widening trade deficit, a meeting was convened

by the Ministry of Commerce & Industry in New Delhi on 27th August, 2018 which was chaired by Shri Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry.

Simultaneous efforts were made to understand the evolving Chinese market in view of the tariff escalation by USA. In this regard the Council organised a Trade Delegation to China from 22nd to 28th August, 2018.

At home, the Council continued to adhere to the exporters concerns arising out of GST, implementation of E-Way Bill, EXIM issues in Coimbatore in cooperation with SIMA. Further the emerging opportunities under the Indo-Korea CEPA were explained to the exporters based in the textile cluster of Karur.

Meeting convened by Commerce & Industry Minister

In a meeting convened by the Ministry of Commerce & Industry

in New Delhi on 27.8.2018 which was chaired by Shri Suresh Prabhu, Hon'ble Union Minister of Commerce & Industry, the Council took up various issues related to the exports of Cotton textiles.

The Council's proposals for covering Cotton Yarn under MEIS and 3% Interest Equalization Scheme and to increase the MEIS rates for fabrics from 2% to 4% were discussed with the Hon'ble Minister. Also, a request was made to the Hon'ble Minister to introduce a payment mechanism for exports to Iran in the context of the US sanction on that Country, engage in a dialogue with China to reduce import duty on Indian fabrics to 5% and to take up the issue of Additional duty of 20% imposed by Turkey on Indian fabrics.

A comprehensive Note consisting of all the suggestions were handed over to the Hon'ble Minister. We hope favourable consideration and will follow up with the Hon'ble Minister in the coming weeks.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

Trade Delegation to China

To understand the recent developments in the Chinese textile and apparel sector in view trade war between China & USA and to explore possibilities of increasing export of Indian yarn, fabrics and home textiles to China, a trade delegation comprising of seven exporters of yarn and fabrics visited China from 22 to 28 August 2018.

The delegation visited textile clusters in Haimen, Tongzhou, Nantong & Shanghai and met with some of the manufactures of leading bedding product brands. During the B2B meetings, visits to individual companies' offices and factory visits, there was a keen interest to source Indian high quality cotton yarn for conversion into value added bedlinen and sell in domestic market as well as for export.

On 28th August 2018, we met H.E. Shri Gautam Bambawale, Ambassador of India to China in Beijing and explained possibility of increasing export of fabrics from India to China manifold, provided, level playing field is worked out in tariff structure at par with Pakistan and Vietnam. The Ambassador assured us that the issue will be take up with the Chinese authority at appropriate forums.

GST Reforms

With regard to the refund of accumulated Input Tax Credit on account of inverted duty structure, CBIC has issued a clarification on many of the areas related to this facility. However, the main issue related to the "lapse of all accumulated Input Tax Credit as on 31.7.2018" remain unresolved. The Council has represented to the GST Policy Wing under CBIC to allow the accumulated Input Tax Credit balance as on 31.7.2018 for discharge of GST liability on goods both for domestic sales as well as for exports instead to making the ITC null and void.

The Council has highlighted the fact that the exporters have actually paid the GST to the Government and it is grossly unfair to make the ITC lapse as it will add to the costs for the exporters. We hope that the Government will come out with a solution to this problem very soon.

It is a matter of serious concern that there are a large number of applications for refund of un-utilized Input Tax Credit on exports under Bond / LUT that remain pending for payments even after the final acknowledgments have been issued by the concerned GST Commissionerates. The Council has taken up this issue with the Department of Revenue and we hope this problem will be addressed at the earliest.

It has also been noticed that, in recent times, there has been inordinate delays in the release of Duty Drawback claims by JNPT Customs. We are given to understand that the delay is due to a change in the system of payment of Duty Drawback amounts at JNPT customs and the problem will get resolved very soon. The Council has taken up this matter with the Department of Revenue.

Interactive Meeting with exporters in Coimbatore

SIMA in association with TEXPROCIL organized an interactive meeting with the exporters in Coimbatore at its Conference Hall on August 10, 2018. The objective of the meeting was to update the participants regarding the changes that have taken place in the GST Laws and address issues faced by the exporters with regard to the refund of IGST and un-utilized Input Tax Credits on exports. Other issues like refund of accumulated Input Tax Credit on account of inverted duty structure, transitional credits, filing of Returns, issues related to GSTR-3B were also discussed in the meeting.

Seminar in Karur on Exports to South Korea

The Council organised a seminar in collaboration with Karur Exporters' Association at its premises in Karur, Tamil Nadu on August 11, 2018. Shri A. Ravi Kumar, Joint Director, TEXPROCIL made a presentation on "Potential to Export Textiles to South Korea". The objective of the seminar was to highlight the increasing opportunities to export Indian cotton textiles in the wake of zero duty on fabrics and made ups (including home textiles) exported from India to South Korea under Indo-Korea CEPA. Also there is an increasing awareness amongst the South Korean buyers about the capacity of the Indian textiles sector to supply high quality products as per their requirements. The seminar was well attended by the exporters from Karur which is an important centre for home textiles.

Way forward

Friends, as the current global trade tensions play out, we in the Indian cotton sector should look out for opportunities which are bound to come our way as we have the raw material, labour and investment climate to increase our export growth manifold. We should also work towards setting up economically feasible projects that can attract both domestic and export markets.

Enhancing the product offerings, strengthening the downstream processing and developing value-added textile sectors such as contract and technical textiles could offer near- to long-term benefits for India's textile industry.

Ujwal R Lahoti
Chairman

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COVER STORY

Visit of Texprocil Trade Delegation to China



TEXPROCIL trade delegation visits Berno Home Textile Company at Nantong, China on 25th Aug 2018. Berno have over 300 stores across China and keen to import more yarn from India.

To understand the recent developments in the Chinese textile and apparel sector in view trade war between China & USA and to explore possibilities of increasing export of Indian yarn, fabrics and home textiles to China, a trade delegation comprising of seven exporters of yarn and fabrics visited China from 22 to 28 August 2018.

The delegation visited textile clusters in Haimen, Tongzhou, Nantong & Shanghai and met with some of the manufactures of leading bedding product brands.

During the B2B meetings, visits to Individual companies' offices and factory visits, there was a keen interest to source Indian high quality cotton yarn for conversion into value added bedlinen and sell in domestic market as well as for export.

Chinese companies such as, Jinagsu Hongliu Bedsheet Company; Gold Sun; South Bedding; Berno; Heniemo Home Collection were looking for sourcing 32s & 40s cotton yarns for weaving and also wider width grey fabrics upto 120 inches of 200 to 300 thread count for printing.

Even though Nantong, Haimen and Tongzhou are large conversion and whole sale centres for printed bedlinen, most of the printing activity is spread over other parts of China, in particular Zhejiang, Jiangsu, Fujian and Guangzhou.

Municipal government at Haimen and Tongzhou have suggested that Indian companies need to set up offices in Nantong area to get

orders for grey fabrics for their printing in Jiangsu and Zhejiang provinces and bring the finished fabrics to Nantong.

The China National Textile & Apparel Council has extended extensive cooperation in hospitality during the visit of the delegation. Most of the companies that the delegation met during the visit are not visitors to Yarn and Fabric Fairs in Shanghai and hence it was meaningful to meet them at their locations. With consistent followup with the companies with whom B2B meetings were arranged, all the delegates were hopeful of getting large volumes of orders for supplying Indian Yarns and Fabrics.

On 28th August 2018, we met His Excellency Shri Gautam Bambawale, Ambassador of India to China in Beijing and explained possibility of increasing export of fabrics from India to China manifold, provided, level playing field is worked out in tariff structure at par with Pakistan and Vietnam. The Ambassador assured us that the issue will be take up with the Chinese authority at appropriate forums.

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PICTURE STORY

Visit of Texprocil Trade Delegation to China



Shri Ujwal Lahoti, Chairman, Texprocil makes a presentation highlighting advantages of sourcing Indian Textiles at Global Yarn Trade Summit & Expo Qingdao-China on 17th August 2018.



TEXPROCIL delegation meets Mr Xu Bohua, President of Huatex Furnishing and discuss possibilities of supplying Indian high quality yarns for their jacquard looms for manufacturing high end furnishings.



TEXPROCIL trade delegation meets with Ms NI, President of Heniemo Home Collection Co Ltd and discuss advantages of Indian Yarns for their home products manufacturing.



TEXPROCIL delegation in a Business meeting at Gold Sun Home Textile Company, Nantong, China discussing possibility of their sourcing fabrics from India and also cooperation in Designing concepts.



B2B meeting between Indian textile exporters & Home Textile companies in Haimen, Jiangsu province, China with an objective to increase export of fabrics from India for conversion in China.



Trade delegation from TEXPROCIL under the leadership of Mr Ujwal Lahoti, Chairman visits Jiangsu Hongliu Bedsheet Company & discusses with Mr Huang Juan Jun, Chairman of the Company about mutual business opportunities.

SPECIAL FEATURE

“Potential to Export Textiles to South Korea” TEXPROCIL SEMINAR IN KARUR



Karur Exporters' Association had conducted a Seminar at its premises in Karur, Tamil Nadu on August 11, 2018. Shri Nachimuthu, President of the Karur Exporters' Association, Shri B. Kumar, Past Chairman, HEPC and Shri Siva Kannan, member of Committee of Administration of TEXPROCIL were present at the seminar. Shri A. Ravi Kumar, Joint Director, TEXPROCIL made a presentation on “Potential to Export Textiles to South Korea” at the seminar which was well attended by the exporters from Karur which is an important centre for home textiles.

HIGHLIGHTS OF TEXPROCIL PRESENTATION

- There is growing awareness among South Korean buyers about the capability of the Indian textiles sector so supply high quality products.
- South Korea is an evolved retail market consisting of departmental stores, supermarkets, hypermarkets and convenience stores.
- India can supply wide width fabrics for Home textiles.
- The popular colours of Home textiles preferred by the consumers in South Korea are Pink, Blue, Gray, and Peach.
- 60% of Home textiles requirements are manufactured in South Korea. 40% of Home textiles requirements are imported. 90% of imports are from China.
- To succeed in the South Korean market the focus should be on premium quality.
- There are many online sales companies in South Korea which are looking for low priced products to high end products. Most of the products sold online are low priced produced sourced from China.
- The South Koreans are looking forward to shift their focus from China to India as a sourcing destination.

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TRADE FACILITATION

Interactive Meeting with exporters in Coimbatore



SIMA in association with TEXPROCIL organized an interactive meeting with the exporters in Coimbatore at its conference hall on August 10, 2018. The meeting was well attended by the exporters from the Southern region including senior executives & managers from some large and reputed exporting companies. Shri A. Ravi Kumar, Joint Director, TEXPROCIL conducted the meeting.

The objective of the meeting was to update the participants regarding the changes that has taken place in the GST Laws & Procedures till date related to exports and also the recent amendments in the Foreign Trade Policy in addition to the recently introduced E-Way Bill system. Areas such as issues faced by the exporters with regard to the refund of IGST and un-utilized Input Tax Credits on exports, refund of accumulated Input Tax Credit on account of inverted duty structure, transitional credits, filing of Returns, issues related to GSTR-3B were discussed in the meeting.

Shri A. Ravi Kumar gave the necessary guidance to the participants on how to avoid errors in the GSTR-1 and on the Shipping bills and also how to rectify the errors, if any so that they can get the refund of IGST on exports without delay. He also explained to them the formula to calculate the refund amount of accumulated Input Tax Credit and

the Un-utilized Input tax Credit on exports besides the entire process being followed by the Customs, ICEGATE and GSTN in granting the refunds on exports.

Shri A. Ravi Kumar informed the participants that Government is in the process of introducing an alternate scheme in place of MEIS which will be WTO compatible. On the Foreign Trade Policy, he explained the procedures related to domestic procurements against EPCG and Advance Authorization Schemes and by an 100% EOU under GST. He also explained the refund procedures to be followed on such supplies which are categorized as Deemed Exports.

The participants had raised many queries on various issues. All the queries were suitably clarified.

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TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,

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 1 to 5. in order to serve you still better.*
 1= Excellent, 2=Good, 3 = Satisfactory, 4 = Needs Improvement, 5 = 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="checkbox"/>	Publication: E-Newsletter	<input type="checkbox"/>	Intl. Fairs & Events	<input type="checkbox"/>	Certificate of Origin	<input type="checkbox"/>	Interactive Website	<input type="checkbox"/>
Membership Renewal	<input type="checkbox"/>	E-serve	<input type="checkbox"/>	Seminars & Workshops	<input type="checkbox"/>	Grievance Redressal Services	<input type="checkbox"/>	E-News Clippings	<input type="checkbox"/>
RCMC Amendment	<input type="checkbox"/>	Circulation Trade Enquiries/ Award	<input type="checkbox"/>	MDA/MAI Schemes	<input type="checkbox"/>	Information on Exim policy/ Amendment DBK	<input type="checkbox"/>	Information Disseminated	<input type="checkbox"/>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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="checkbox"/>	Generating additional business	<input type="checkbox"/>
Others (Pls. Specify):	Making new Contacts (Trade Enquiries)	<input type="checkbox"/>	Any Others	<input type="checkbox"/>

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

5) Have you recommended TEXPROCIL Membership to other companies? Tick (✓)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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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 Annual Renewal Subscription for the financial year 2018-2019 for existing members has become due for payment from 1st April, 2018, as follows:

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right)	11000/-	1980/-	12980/-
Registered Textile Exporter	6000/-	1080/-	7080/-

Note: GST Invoice will be issued on receipt of payment.

For New Registration Fee Structure is as follows:-

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right) (including Rs.6000/- as Entrance Fee)	17000/-	3060/-	20060/-
Registered Textile Exporter (including Rs.3000/- as Entrance Fee)	9000/-	1620/-	10620/-

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 2016-2017 & 2017-2018 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 2016-2017 & 2017-2018 as follows:

Sr. No.	Description	2017-2018 (Rs. FOB Value)	2016-2017 (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 or before 31.03.2018:

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 or DIR-12 or Board Resolution for those who have resigned and newly appointed.

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