Dear Friends,

India’s manufacturing industry is showing signs of revival as the INDEX of INDUSTRIAL PRODUCTION (IIP) grew by 3.6% during the period April- March 2018-2019 as factories raise their output on the back of some signs of improving consumer demand, both within India and from overseas customers.

For the Textiles & Clothing Sector, the IIP for the corresponding period showed an increase of 4.2% during the previous fiscal year. Amongst the sectors the IIP for “manufacture of wearing apparel” showed a healthy growth of 10.8% in the previous fiscal year and 3.1% in April of this year. Coupled with a positive growth of around 4.4% in exports in April this year, the Apparel Sector should set the pace for industrial recovery & growth during the current fiscal year.

100 Days Agenda

India has resoundingly re-elected the Government under the leadership of Hon’ble Prime Minister Shri Narendra Modi. Clearly, the government mandate will be to continue with the unfinished agenda of reforms it has been pursuing over the past five years that includes — reforming the banking sector, sharpening the roll-out of GST and investing in building core infrastructure.

India’s exports that have been hovering at around $300 billion since 2011-12, grew by 9% to US $331 billion during 2018-19. Textile & Clothing exports have also been in the range of around US$ 40 billion during the last few years, there is a need to make significant breakthroughs to scale higher levels of export growth in line with that being achieved / promised by our immediate competitors like, Bangladesh, Vietnam & even China, Indonesia.

One of the major concerns is to make credit for export finance available at competitive rates, ease costs by at least refunding the Central/ State Levies and “embedded” taxes, bridge the liquidity gap as the banks have become extremely cautious and are taking enormous time besides asking for voluminous documents.

With job creation a key concern for the new government, we can expect renewed focus on labour reforms with special emphasis on increasing female labour force participation.

The government also has the unfinished agenda to bring India into the top 50 in the World Bank’s Ease of Doing Business rankings. It has succeeded in raising India to 77, quite a feat considering that it was 140 when the government assumed power in 2014. Other key areas like higher levels of foreign direct investment, technology transfer, and impetus for growth of micro, small, and medium enterprises will also receive special attention.

Meeting with Hon’ble Minister of Textiles

We met the Hon’ble Minister of Textiles Smt. Smriti Zubin Irani on June 7 at New Delhi and complimented her on her historic win in the recent elections. We also requested her to fast track some of our pending issues like extension of ROSCIL auto Fabrics and Yarns, extend 3% interest equalisation schemes to Cotton Yarn, resolve some procedural issues in the
CHAIRMAN’S MESSAGE
CONTINUED FROM PAGE 1

Foreign Trade Policy, address the issue of cross-subsidies in power generation and refund of electricity duties.

Many other export related issues were also flagged with her. The Hon’ble Minister was fully aware of the pending issues and agreed to take them up with the concerned ministries.

We also met the DGFT and apprised him of some of the pending issues including the need to announce an alternative scheme in place of MEIS which is likely to be phased out. We also brought out the anomalies relating to payment of IGST with regard to 100% EOU’s. The DGFT agreed to take up these issues on a priority basis.

A gist of the issues flagged by the Council is also published in this Newsletter. Members are requested to send in their issues also to the Council so that we can take them up with the Government.

Budget 2019
Finance Minister Smt. Nirmala Sitharaman will present the first budget of the Modi 2.0 government on July 5. The government has sought inputs from the Council/ Citizens on the Union Budget 2019-20 with a view to make the Budget making exercise more participative and inclusive. The comments have been sought on government’s ‘mygov.in’ portal by June 20.

The Budget will have to address slowing economy, financial sector troubles like rising NPAs and liquidity crisis in NBFCs, job creation, private investments, exports revival, agrarian crisis and raise public investment without compromising on fiscal prudence.

TEXPROCIL Seminar on Japan
On its part, TEXPROCIL in association with Japan India Industry Promotion Association (JIIPA) organized a Seminar by Japanese designers on 3rd June, 2015 at the Council’s Head Office in Mumbai. The Seminar was organized with a view to providing detailed information on demand and fashion trends in Japanese market and business practices to our members. Quality, which is very integral to exports of various types of products to Japan was also highlighted.

All specifications related to major technical parameters were discussed at the Seminar. Color and fabric forecasts were also discussed to help Indian exporters understand Japan’s changing styles, provide detailed information on demand and fashion trends in Japan and also advise on market entry strategies. Basic methods of display in exhibitions, particularly in Japan, were also discussed especially in the light of participation at the forthcoming India Trend Fair in Tokyo Japan from 24-26 July 2019.

We should get over our apprehensions regarding “Quality Issues” with Japan and strive to gain the confidence of the Importers by showing due diligence and commitment in our export efforts.

SLCP LAUNCH IN MUMBAI
The Council facilitated organizing the launch event of the Social and Labor Convergence Program (SLCP), on June 5, 2019 in Mumbai. The SLCP is an initiative led by the world’s leading manufacturers, brands, retailers, industry groups, (inter)governmental organizations, service providers and civil society organizations. It has developed a Convergence Assessment Framework (CAF), aiming to improve working conditions in global supply chains by eliminating the need for multiple social compliance audits.

In October 2015, 33 parties announced their commitment to the rationale and principles of this joint program: collaboratively building the tools and verification methodology, as well as the intention to replace proprietary tools with the Converged Assessment Framework. Since then to date, the number of signatories has increased from 33 to 199 from buyers and sellers, retail chains and departmental stores.

Last year SLCP launched operations in mainland China and Sri Lanka with around 200 facilities participating in the process. This year they are starting operations in India, Taiwan, Mexico, Spain, Turkey and the United States with an estimated 1,250 facilities. The India operations were launched in Bangalore, Tirupur, Delhi cities with the Mumbai launch being hosted by TEXPROCIL.

Way forward
Friends, as the new Government at the Centre assumes office all of us look forward to benefitting from stability in policies and continuity of leadership, India and the world are going through challenging times due to trade barriers, unforeseen developments and falling economic growth.

There fore, there is greater need for undertaking focused efforts to maintain our position and grow in world trade. This requires refining our export strategies and calls for a greater engagement and synergy among all stakeholders including the Government so that all round improvements can be made in our export basket.

We welcome the new Government with a lot of hope and look forward to rigorously joining in the all out efforts to promote investments and generate jobs in our sector.

Dr. K. V. Srinivasan
Chairman
:: TEXPROCIL ::

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The Hon’ble Minister assured full support from the Government in solving the issues of the industry to lift exports and increase employment in the sector. TEXPROCIL delegates highlighted the problems facing the industry and suggested steps that need to be taken for the betterment of the industry.

The Council has made several representations to the Government on the various issues affecting exports of Cotton textiles. In this regard the Council has made a detailed summary of these issues based on inputs received from the members.

Presented below is the gist of various issues highlighted in the summary of representations to the Government.

**RoSCTL Scheme**
- To cover “Cotton Fabrics” under the Scheme
- To cover “Cotton Yarn” under the Scheme
- To treat “Quilts” (HS Code 9404) as Made ups and include them under the Scheme
- To treat “Cotton Shopping Bags” (HS Code 42022220) as Made ups and include them under the Scheme

**Foreign Trade Policy 2015-20 Related Issues**

**I] 100% Export Oriented Unit Scheme**
- a) To exempt domestic procurements of goods & services by an 100% EOU under GST

**II] Merchandise Exports from India Scheme (MEIS)**
- a) To increase MEIS rates for Cotton Fabrics covered under Chapter 52 and 60
- b) To cover exports of Cotton Yarn under MEIS
- c) To condone the error of mentioning “N” instead of “Y” made by exporters to claim MEIS while filing the Shipping Bills.
- d) To allow utilization of Duty Credit scrips for the payment of IGST, CGST and SGST.
- e) Continuation of the MEIS till an alternate scheme is put in place

**III] 3% Interest Equalization Scheme**
- a) To cover exports of Cotton Yarn under 3% Interest Equalization Scheme
IV] Duty Exemption & Remission Schemes

a) To Speed up fixation of SION for Technical Textiles
b) To allow transferability of Advance Authorization as well as Inputs imported duty free under the scheme after the fulfillment of the prescribed export obligation.
c) To reduce the minimum Value Addition to operate under the scheme from 15% to 5%.
d) To ensure speedy Redemption / cancellation of Bond / BG under the Advance Authorization Scheme

V] Export Promotion Capital Goods Scheme (EPCG Scheme)

a) To dispense with the requirement of maintaining the average export performance
b) To introduce alternative way of submission of the detail of “EPCG authorizations already held by Applicant” instead of online entry of same while submitting online application for EPCG
c) To simplify procedures related to the Transfer of Capital goods from one manufacturing unit to another manufacturing unit of the same company under EPCG scheme
d) Online application/filing for EODC / EPCG Authorizations

VI] Chapter 2 of the FTP 2015-20

a) To dispense with the requirement of obtaining certificates from the Indian Mission abroad for RBI Write-off on export proceeds realization.

Banking Related Issues

a) To consider problems faced by the exporters due to failure on the part of banks to update Shipping bills under the EDPMMS (Export Data Processing and Monitoring System) of RBI.
b) To ensure that those exporters who have submitted Negative Certificates with the Customs are not put in the Alert List.
c) To reduce additional cost deducted by Remitting bank on payments under the ACU system.
d) Requested RBI to issue a clarification regarding treatment of margin money under Running Packing Credit Account w.r.t OCC account.

Procedural Issues

a) To re-instate the earlier system of legalization of export documents by the Ministry of External Affairs, Chandigarh for the benefit of exporters from Punjab region.
b) Updation of EDI System (Electronic Data Interchange) are not carried out during working hours.
c) To allow System amendment of EDI Shipping Bills after the generation of EP copy of shipping bills.
d) To reduce Railway Freight on Export Containers from ICDs to the Gateway ports.
e) To take steps to remove the Influence of Local Transporter Unions in some states
f) To ensure adequate Container Availability at ICD’s
g) To pay Interest to the exporters in these cases where scrolls have been generated under the Drawback scheme, but there is a delay in payment of the Drawback amounts.
h) To prescribe limits of Weight variation for the clearance of imported consignments

GST Related Issues

a) To allow refund of Cenvat credits on Capital goods under “Transitional Credits on exports under LUT
b) To follow the time limits prescribed by the CBEC for the GST Commissionerates while processing applications for Refund of unutilized ITC on exports under LUT
c) To allow Refund of ITC on Capital Goods on exports under LUT
d) To Include Input Services as Part of Net ITC for the purpose of computation of Refund on account of Inverted Duty Structure
e) To allow exports under IGST refund by the merchant exporters who have purchased export goods at concessional rate of GST
f) To Amend Notification 20/2018-Central Tax (Rate) dated July 26, 2018 according to which the accumulated input tax credit lying unutilized on account of inverted tax structure as on July 31, 2018 would lapse.
g) To allow correction in GSTR-1 and Grant the Manual filing of Refund Claim in those cases where exporters have committed a mistake in GSTR 3B in declaring supplies to SEZ units under Zero rated supplies instead of declaring separately.
h) To issue a clarification on whether an exporter can export under Central Excise Rebate claims and higher rate of Duty Drawback while availing Cenvat credit on Capital Goods (contd... Pg.6)

Avail of more detailed information on EXIM POLICY atTEXPROCIL GREIVANCE REDRESSAL CELL
email: ravikumar@texprocil.org
Avail Market Access Initiative (MAI) Subsidy to Exhibit in Colombo

TEXPROCIL India Pavilion under MAI Scheme

5th Edition

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Contact: Ajay Kumar @ +91 9323360992 | Marian F @ +91 8007525035 | E-mail: intexfair@worldexindia.com
TEXPROCIL facilitates India launch of the Social and Labor Convergence Program

Dr. Christian Schindler, Director General, International Textile Manufacturers Federation (ITMF) provided valuable insights to the audience regarding the benefits SLCP would bring to their companies. Other international speakers included Ms. Sharon Hesp, from SLCP - Netherlands and Mr. Madison Wilcox from ITC, Geneva.

The speakers helped facilities and their business partners build their understanding of the SLCP process. They also shared their future roadmap which included 2019 operations plans, and ways and means planned in near future for promoting SLCP adoption.

Event Proceedings
Participation was open to representatives from facilities, vendors and brands that operate in the home textile industry. With a focus on understanding the SLCP, and how to implement it within own companies, the launch event attracted a mix of decision makers and teams for CSR/sustainability/compliance.

The SLCP team conducted a quiz, group discussions and a workshop to develop a thorough understanding of the concept which saw an active participation from the attendees.

The event concluded with the vote of thanks proposed by Dr. Siddhartha Rajagopal, Executive Director, TEXPROCIL.

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COVERAGE STORY

contd. from Pg. 4

i) Transitional arrangement – All Industry Rates of Duty Drawback - 1.7.2017 to 30.9.2017 – after the implementation of GST – request for refund of IGST.

Shipping Related Issues

a) To reduce charges being charged by Shipping lines in contravention to guidelines given by DG, Shipping.

b) To follow guidelines prescribed by CBEC for the movement of import cargos from Port to CFS and Direct Port Delivery

c) To implement the system of issuing Electronic Delivery orders by the Shipping Lines

d) To implement 24x7 Customs clearance operations at all ports.

e) To reduce Container Detention Charges on import consignments by the shipping lines.

Tariff concessions vis-à-vis Non-Tariff barriers faced by exporters in export market

a) To enter into dialogue with the Turkish Government for the removal of Additional Duty of 20% imposed by Turkey on textiles fabrics imported from India

b) To enter into dialogue with China for reduction in the Tariffs on import of cotton textiles from India in to China

TEXPROCIL invites all our Members to send in their complaints / suggestions to the Council on the various export related issues faced by them so that the same can be taken up with the Government.

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Avail of more detailed information on EXIM POLICY @ TEXPROCIL

GREIVANCE REDRESSAL CELL | email: ravikumar@texprocil.org
The Seminar was organised with a view of providing aspiring local exporters to Japan with detailed information on demand and fashion trends in Japanese market and business practices. Color and fabric forecasts were also discussed to help Indian exporters understand Japan's changing styles, provide detailed information on demand and fashion trends in Japan and also advise on market entry strategies.

Basic methods of display in exhibitions, particularly in Japan, were also discussed especially in the light of participation at the forthcoming India Trend Fair in Tokyo Japan from 24-26 July 2019. Quality, which is very integral to exports of various types of products to Japan was also highlighted. All specifications related to some major technical parameters were also discussed.

The first speaker was Ms Mayumi Amumura. She is a fashion designer as well as interior design consultant. She has worked for many companies as a designer creating designs with concepts featuring ethnic traditions around the world. She elaborated on the different categories of Japanese lifestyles and the various choice options of a design and textile. She also gave a comparative color spectrum for textiles that align with a particular design.

Ms. Amumura gave an exhaustive presentation on the style, patterns, color and trends within the apparel as well as the home textile sectors. She spoke in detail on the various types of department stores in Japan from the lower end to the higher end and also gave a general idea on the products sold and their position within the lifestyle segment matrix.

The second speaker was Mr Baba Munetoshi. Mr Baba graduated from Chuo University. He has introduced several international brands in the Japanese market. Some of the well-known brands include the British brand Mulberry, New Zealand brand Untouched World and French brand Repetto. He currently works as a Brand Consultant for the fashion industry. He is an expert on market entry strategies and spoke elaborately on methods to display in an exhibition of Japan and how to succeed. He also showed images on the various methods of exhibition display. He spoke on how exhibitors need to prepare for an exhibition i.e. right from planning many months before to the final execution of the stall. He also mentioned that while exhibiting each participant should highlight the strength of his company's product and that should be evident from the design of the stall. In order to break the uniform look across the stall in a pavilion, the exporters need to take efforts in displaying their merchandise in a sleek and fashionable manner as Japanese buyers need to see the unique selling proposition in each stall.

The next speaker was Mr Varun Goud from Nissenken Laboratories in Jaipur. Their head office is based in Japan with other quality labs all over the world.

Mr Varun highlighted the fact that the exporters need to change their mindset towards quality especially in relation to exports to Japan. He mentioned that India can manufacture products with quality that matches with what the average Japanese buyer needs. The one most important thing which all Japanese buyers require is consistency in quality throughout all the shipments to Japan. This is where Nissenken Labs can help the exporters with their knowledge of the standards expected (as the standards are written in Japanese).

The final speaker for the day was Mr Prashant Ghodghate, Secretary General of JIIPA. He gave an overview of the India Trend Fair (ITF) and the details of participating in the Fair. He also emphasised that the team at JIIPA will help all exporters in pre event and post event formalities as well as follow-up so that early negotiations turn into valuable business. He also ensured the visit of some of the big names in Japanese textile industry to the ITF.

The seminar ended with a Q&A session and feedback from the participants suggested that the Council should organise more of such seminars in future as they found it informative.

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Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org
The Annual Renewal Subscription for the financial year 2019-2020 for existing members has become due for payment from 1st April, 2019, as follows:

<table>
<thead>
<tr>
<th>Type of Membership</th>
<th>Amount (Rs.)</th>
<th>GST @ 18%</th>
<th>Total Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member (with Voting Right)</td>
<td>11000/-</td>
<td>1980/-</td>
<td>12980/-</td>
</tr>
<tr>
<td>Registered Textile Exporter</td>
<td>6000/-</td>
<td>1080/-</td>
<td>7080/-</td>
</tr>
</tbody>
</table>

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

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 2017-2018 & 2018-2019 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:**

<table>
<thead>
<tr>
<th>CHARTERED ACCOUNTANT CERTIFICATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(on C.A.’s Letter Head)</td>
</tr>
<tr>
<td>TO WHOMSOEVER IT MAY CONCERN</td>
</tr>
</tbody>
</table>

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 2017-2018 & 2018-2019 as follows:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>2018-2019 (Rs. FOB Value)</th>
<th>2017-2018 (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)

Note to Members & RTEs whose RCMC has expired on or before 31.03.2019:
Please apply immediately for renewal of RCMC with the following documents (self-attested copies) on mail or upload them online through member login from TEXPROCIL’s website:
1. Copy of Importer-Exporter Code (IEC) of the company
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 DIR-12 or Board Resolution for those who have resigned and newly appointed.

Members may obtain RCMC & Renewal documents online through member login on TEXPROCIL’s website. The procedure is as follows:
- Go to the Membership Login Menu and click on ‘Enter Now’ at Membership Management Program
- Since you are already registered member of the Council, you need to choose Registered Member at Member login page between New Member and Registered Member.
- Once you click on Registered Member, you should type your email id registered with the Council for the login purpose as User Name and type company’s Importer Exporter Code (IEC) code as password.
- You can view all the details of your company and can get RCMC, renewal documents etc. by clicking on ‘Company Details’.
- You can also upload your export returns online.

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