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TEXPROCIL @ Study on Alternate Schemes

"TEXPROCIL Study on Alternate Schemes" was presented to Shri Suresh Prabhu, Hon'ble Minister of Commerce and Industry & Civil Aviation (Centre) by TEXPROCIL Vice Chairman, Shri Manoj Patodia (3rd from left) along with Dr. Siddhartha Rajagopal, Executive Director (3rd from right) and WTO experts Dr. Harsh Vardhan Singh & Shri Jayanta Dasgupta of M/s. Ikdhvaj Advisers on 19th December at New Delhi.

CHAIRMAN'S MESSAGE

Dear Friends,

As we near the end of 2018, it is time to take stock of the year gone by and look at the future with a lot of hope as the

country picks up economic growth and we move towards increasing the size of our manufacturing economy from the current level of US\$ 310 to US\$ 1 trillion by the year 2025.

Towards \$1 Trillion Manufacturing Economy

Official sources have estimated India's manufacturing economy at around \$310 billion in 2017-18. The Department of Industrial Policy and Promotion has embarked on an ambitious plan to formulate a roadmap for achieving \$1 trillion manufacturing economy by 2025. Growth needs to gather momentum from the present level of 7% to at least 12% per annum if we are to reach the magical figure of US\$ 1 trillion. While it appears to be a tall order it is not impossible to achieve it. To discuss the various

issues and draw up a road map the CII, New Delhi organised a CII - DIPP National Forum on the theme "Towards \$1 Trillion Manufacturing Economy" on 17 -18 December, 2018. Stalwarts from the textile and clothing industry and trade along with the Executive Director of the Council attended the forum and deliberated on various issues constraining the textile sector.

On the export front, cotton textiles have shown a growth of around 20% during the period April-November, 2018. If we sustain this level of growth we can scale new heights and achieve our export target of US\$ 12.65 billion for the fiscal year 2018-2019.

Thus, the key questions before us as the new year dawns is how maintain the export momentum and increase our market share in overall global trade in textiles & clothing, apart from attracting investments, creating jobs in the manufacturing sector, scaling up production levels and identifying new markets and products to achieve the much needed quantum jump in our exports.

Strategy for Textile Exports & Job Creation

As per recent announcements, the country's textiles sector, which currently employs over 45 million people, will require 17 million additional workforce by 2022. A statement released by the Ministry of Textiles states that in the last four years, 8.58 lakh persons have been trained in partnership with 58 government and industry partners to meet the sector's need for a skilled workforce. Considerable efforts are also being put in to ease the process and procedures for "doing business" with the hope of attracting investments.

The Ministry of Textiles has also embarked on a renewed strategy to boost exports focusing on diversification of markets, positioning India in value chain and promoting collaborative exports. Towards diversification of textiles exports, 12 markets viz. Vietnam, Indonesia, South Korea, Australia, Egypt, Turkey, Saudi Arabia, Russia, Brazil, Chile, Columbia and Peru have been identified.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

The Ministry also plans to pursue strategic engagement with Bangladesh and Sri Lanka on the Fabric-Forward Policy in close collaboration with our Council.

Trade Promotion

As part of our ongoing export promotional efforts, the Council participated in Irantex 2018 held in Tehran, Iran from December 2 to 5, 2018. 15 companies participated in Irantex 2018 through the Council. The Council's booth served as an information centre to a large number of buyers visiting the fair. Iran is a good market for yarn, fabrics, madeups and technical textiles. Despite the bright prospects for cotton textile exports offered by this market, there exist trade related issues like the payment mechanism, which if put in place will lead to a further trade growth between the two countries.

GST Update

One of the key achievements of 2018 has been the stabilisation of the GST regime and the Government's sensitiveness in addressing the need to simplify the procedures.

Towards this end, the Government has extended the deadline to file the annual returns for FY 2017-18 under Goods and Services Tax (GST) to March 31, 2019, which earlier was December 31, 2018. All taxpayers registered under the GST act between July 2017 to March 2018, have to submit the annual return in form GSTR 9 (for the regular taxpayer) or GSTR 9A (for composite taxpayers).

Collating all the information required for filing GST annual returns in one place is a very time-consuming task. We would request all our members to start with the process of reconciliation and GST audit, if applicable, at the

earliest. It is important that the GST returns must be error free to avoid any consequences of incorrect annual return. In this regard, members may get in touch with the Council for the necessary guidance.

Many of our members have represented that they had taken higher Drawback rates erroneously along with the Input Tax Credit immediately after the implementation of GST from July 1, 2017. While they have refunded the differential Drawback amounts to the Customs Authorities and have become eligible for Input Tax Credit, they have still not received the IGST refunds on such exports. The Council has taken up this matter with the CBIC and we hope it will get resolved very soon. Exporters have also represented that they are unable to file their applications on the GST portal in Form RFD-01A for refund of unutilized Input Tax Credit, once they withdraw their applications along with the deficiency memo to reply to the queries raised. The Council has taken up this issue with CBIC and GSTN and is doing the necessary follow ups.

Study on Alternate Scheme

As you are aware, the Government is in the process of putting in place alternate schemes to promote exports which will improve the competitiveness of the products in the export markets. The Council has already commissioned Ikdhvaj Advisers LLP to undertake a study in this regard and the Study Report was awaiting release.

In this regard, the Council's Vice Chairman, Shri Manoj Patodia along with the Executive Director and WTO experts Dr. Harsh Vardhan Singh & Shri Jayanta Dasgupta of

M/s. Ikdhvaj Advisers presented the report on Alternate Schemes to Shri Suresh Prabhu, the Hon'ble Minister of Commerce and Industry & Civil Aviation on 19 the December at New Delhi. They also met Dr. Anup Wadhawan, Commerce Secretary and presented the report to him. The Commerce Secretary stated that he will convene a meeting of all the concerned officials shortly and discuss the matter.

Friends, the Government at both the level of the Ministry of Textiles and Commerce is well aware of the problems being faced by the exporters. In fact in a recent announcement, Hon'ble Union Minister of Commerce, Shri Suresh Prabhu has stated, that the Ministry of Commerce is preparing an incentive package for labour intensive sectors with a view to promote shipments and address issues of exporters. The Hon'ble Minister has acknowledged that there have been challenges for the export sector over a period of time, such as issues related to credit availability. The package would focus on labour intensive sectors such as leather, textile and marine products as they would help in creating jobs.

The package would also include steps to enhance credit flow to the export sector along with the need to reduce transaction costs.

Looking Ahead

Friends, a New Year beckons and we look forward to higher levels of export performance. The Ministry of Textiles and Commerce are assiduously working towards giving a specific direction to export growth by identifying new markets and working out new schemes to replace the old ones.

JOIN US... NOW!

& avail of our
Membership Benefits

To know more, please write to us on email:

info@texprocil.org



COVER STORY

TEXPROCIL's participation in
textiles exhibition in Iran

The Council participated in IRANTEX 2018 held in Tehran, Iran from December 2 to 5, 2018. 15 Companies participated in IRANTEX through the Council. IRANTEX is a well-established and renowned Textiles exhibition which covers Yarn, Fabrics, Madeups and textiles machinery. This year, there were exhibitors from China, India, Italy, Germany, Turkey etc. at the fair.

On the first day of the fair, a Minister, Dr. Maleki, who is a Member of Industries Commission of Parliament, Iran and Mrs. Nasrolazadeh, Textile Advisor to the Ministry of Industries visited the fair. They visited the Council's booth. Shri A. Ravi Kumar, Joint Director, TEXPROCIL briefed the Minister about the Council, its role and the Cotton textiles trade between India and Iran. He also briefed the Minister regarding the payment mechanism. The Minister said, the Government of Iran is working with the Indian Government to put in place a mechanism at the earliest.



Dr Maleki, Member of Industries Commission of Parliament, Iran (2nd from left) & Mrs. Nasrolazadeh, Textile Advisor to Ministry of Industries (extreme right) being welcomed to Texprocil Pavilion by Shri A. Ravikumar, Joint Director, TEXPROCIL (2nd from right) during Irantex 2018.

A good number of buyers visited the fair on all 4 days. The Council's booth also received a large number of enquiries.

All the 15 Companies had expressed satisfaction with their participation in the fair. All of them have reported to have got good business orders. Most of the

CHAIRMAN'S
MESSAGE

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TEXPROCIL E-NEWSLETTER

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We are also hopeful that GST regime will be further simplified and in this connection the Hon'ble Finance Minister has announced that the Country would eventually move to a single standard rate of GST and the standard rate could be between 12%-18%. This is good news for all businesses!

Along with this, if some of the issues raised by the Council on GST are also addressed Industry would feel encouraged to move ahead with confidence.

We also hope that other issues like pending claims under TUFs/ATUFs are also cleared expeditiously and the Hank Yarn obligation is reduced from the present level of 40% to at least 20 % in the coming year.

Another structural change which will go a long way in addressing credit issues would be to change the basis of definition of SME's from investment to turnover. We understand that the MSME Act needs to be amended and we hope that the Government will do so at

the earliest available opportunity. This will enable a large number of firms to avail credit at easier terms and stimulate investments and growth.

Along with the structural changes in policy we should also scale up our design capabilities, provide specific assistance to companies to build brands, and undertake studies to identify future areas of growth in terms of products which are being traded in world markets but in which India has negligible/ modest presence. Having identified such products we should give ourselves a span of three years in which to attain global presence in these items.

Friends, the challenges are many, so are the opportunities.

Let's all work together in the NEW YEAR to make things happen and scale new heights.

**Wishing all of you
"A Very Happy New Year"!!**

**Dr. K. V. Srinivasan
Chairman**

:: TEXPROCIL ::

COVER STORY contd. from Pg. 3

TEXPROCIL's participation in textiles exhibition in Iran

companies have conveyed that they will be interested in participating in the next edition of IRANTEX.

On interacting with the Iranians at the fair and at the Council's booth, it appears that the people of Iran are not concerned or worried about the US sanction on Iran. They say they are used to this kind of sanction. In fact, unlike the earlier US sanction, this time EU is not supporting the sanction and therefore, the negative impact of the sanction will be insignificant according to many Iranians.

There is good scope to export Cotton Yarn, Fabrics, Home Textiles and technical textiles from India to Iran. The Iranian buyers are very keen to buy from India. They want to move away from China and start buying more from India.



TEXPROCIL Information booth received a good number of enquiries

There is an elite class of people and upper middle class in Iran who buy high quality products especially home textiles. High standard of living is increasing demand for technical Textiles products. However, while potential to export to Iran is huge, there are some challenges. The most important challenge currently is the payment mechanism for exports to Iran. If the payment mechanism is put in place more trade will take place between the two countries.

Iran is an important country for diversification of exports into new markets. The Council will continue its focus on Iran as a market and would make all efforts to increase exports of cotton textiles to this important market.

:: TEXPROCIL ::

Indian Companies participating in textiles exhibition in Iran



News in Pictures

TEXPROCIL Delegation meets Ministry Officials in New Delhi



TEXPROCIL Vice Chairman, Shri Manoj Patodia, (extreme left) greeting Dr. Anup Wadhawan, Secretary, Commerce (Centre) (extreme right) along with the Council's Executive Director, Dr. Siddhartha Rajagopal (extreme right), at a meeting held in New Delhi on 19th December to present him TEXPROCIL Report on 'Alternate Schemes for Exports'.



TEXPROCIL Vice Chairman, Shri Manoj Patodia, (extreme right) greeting Shri Raghavendra Singh, Secretary, Ministry of Textiles (3rd from Right) along with the Council's Executive Director, Dr. Siddhartha Rajagopal (2nd from Right), at a meeting held in New Delhi on 19th December to present him TEXPROCIL Report on 'Alternate Schemes for Exports'.



TEXPROCIL delegation including Vice Chairman, Shri Manoj Patodia, (extreme right), Shri Ujwal Lahoti, Immediate Past Chairman (2nd from Right) along with the Council's Executive Director, Dr. Siddhartha Rajagopal (extreme left) in a meeting with Shri Raghavendra Singh, Secretary, Ministry of Textiles (Centre), in New Delhi on 19th December.



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

TRADE PROMOTION

TEXPROCIL Presentation before Andhra Pradesh Government

The Council was invited by the Andhra Pradesh Government to make a presentation on 'Export Promotion & Trade opportunities' for the state. Shri A. Ravi Kumar, Joint Director, TEXPROCIL made a presentation before the Secretary (Industries), Shri Solomon, IAS and his team at the Andhra Pradesh Government Secretariat at Amravati, Vijayawada on November 21, 2018. Shri Sudhakar Choudhury, member of the Committee of Administration of the Council was also present at the presentation meeting.

TEXPROCIL presentation covered the trend of exports of Textiles & Clothing and Cotton textiles in leading export markets. The presentation highlighted the challenges being faced by textile exports in the form of high import duties in the main export markets as against zero duty on imports from competing nations. The presentation also covered in detail the import duty structure for textiles & clothing and GST Rules & Procedures related to exports. Other areas covered in the presentation were Export promotion schemes such as Advance Authorization, DFIA, EPCG, Duty, 100% Export oriented Schemes and MEIS schemes.

The Secretary (Industries) had a discussion on textiles related schemes such as the A-TUF scheme, ROSL scheme and the facility for duty free imports of trimmings & embellishments against exports of Garments & Made ups and the provision for duty free imports for export production. The Secretary also sought information on various trade defense measures such as Anti-dumping & Safeguard duties.



Shri Sudhakar Choudhury, TEXPROCIL COA Member (Left) & Shri Solomon, IAS, Secretary (Industries)(extreme right) along with Shri A. Ravikumar, Joint Director, TEXPROCIL (Centre) during TEXPROCIL presentation for Andhra Pradesh Government.

Shri A. Ravi Kumar briefed the Secretary that some of the export benefits such as MEIS, EPCG and 100% EOU schemes may have to be discontinued due to questions raised by the US supported by the EU and other Countries regarding the WTO compatibility of these schemes. He also informed the Secretary that TEXPROCIL has engaged a consulting firm IKDHVAJ to carry out a study and to suggest Alternate Schemes for Exports which would be WTO compatible. The Secretary (Industries) suggested for more such presentation meetings between the Andhra Pradesh Government and the Council on various trade related & taxation issues from time to time in future.

:: TEXPROCIL ::

**TEXPROCIL
invites participation at**

**16th International
Istanbul Yarn Fair
to be held in Turkey from
February 28 to March 2, 2019**

**PREVIEW IN DAEGU 2019
to be held in South Korea from
March 6 to 8, 2019**

For participation in the above events
please get in touch with the Council
on email: ravikumar@texprocil.org

SEASON'S GREETINGS

&

BEST WISHES

FOR

HAPPY NEW YEAR

2019

TEAM TEXPROCIL

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="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 <i>(use additional sheet if required)</i>						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"/>
<i>Others (Pls. Specify):</i>						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"/>
<i>Others (Pls. Specify):</i>						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"/>
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? <i>(use additional sheet if required)</i>						Suggestions:			

*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)