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TEXPROCIL Enewsletter



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CHAIRMAN'S MESSAGE



Dear Friends,

While discussions on recovery are an ongoing feature of the present times, available data suggests that the process remains

on a low trajectory.

An economic report for the month of July released by the Ministry of Finance notes that “the increase in Covid cases and the subsequent intermittent lockdowns make the recovery prospects fragile....” Further, the report adds that “the future economic recovery of India is crucially linked to how the Covid - 19 infection curve evolves across the states of India”.

Infact, the report also points out that 40% of confirmed cases of COVID-19 are concentrated in the top two growth driving States in India i.e. Maharashtra & Tamil Nadu.

Even the announcements on 6th August, made by the RBI Governor observed that economic activity had started to recover, but a surge in

infection has forced the imposition of lockdowns. With the prospects of India's economic growth to contract in the first half of fiscal beginning April 2020, the resolutions of Monetary Policy Committee (MPC) of RBI emphasised that regulatory response has to be dynamic, proactive and balanced during the coronavirus pandemic.

From here, then, three things become critical: demand recovery, regularisation of the working capital cycle, and sustained improvement of cash flows and liquidity.

Coming to EXIM TRADE, it means receipt of new orders, ease of doing business and stability in policies.

Receipt of new orders

The current position with regard to developments in major markets was analysed by the Council at a Webinar organised on July 31 for the benefit of the members. It was noted that in all the major markets India had suffered declines in exports during the Covid period

(April - June) on an average by 35% to 40%. Infact in leading markets like China (-74%), Germany (-38%), U.K. (-64%), USA (-46%), the declines were higher as shown in parenthesis.

Ease of doing Business

Ease of doing business is a vital component of EXIM TRADE. The Government's focus on this aspect is highly desirable and worthy of appreciation. Infact constant focus on this aspect has enabled India to improve it's position 16 places and be ranked at 63rd position in the World Bank index measuring Ease of Doing Business in this year.

Some of these facets were highlighted during the CII organised online meeting on the 'Ease of Doing Business' held on 30th July attended by the Council.

As per the feedback from the trade, the EDI system for duty drawback, EXIM cargo clearance at customs and ports, online issuance of certificates of origin, GST refunds & filing of returns are all working well.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

Yet, there are a number of areas, including allowing error correction if discrepancies found during GST filing or in the EDI shipping bills and an early introduction of online Export Obligation Discharge Certificate (EODC) and Duty Free Import Authorization (DFIA), which need urgent attention as we strive to achieve an industry size of US\$ 350 billion by 2025.

TUF Scheme

The procedures under the TUF Scheme also need to be reviewed and necessary simplifications should be done. Some of these issues were highlighted in a recent meeting of the TAMC under A-TUFS held on 29th July under the Chairpersonship of the newly appointed Textile Commissioner.

While the Hon'ble Minister of Textiles along with the Secretary, Ministry of Textiles are doing their best to sort out the various issues, there is an urgent need to focus on procedural simplification such as dispensing with the requirements of putting a serial number on the machinery and the invoices, getting attestation of documentation by Indian Embassies / Consulates overseas, insisting on registration of the names of the suppliers in the approved list of suppliers etc. which are causing unnecessary delays in disbursements.

The TUF Scheme which has attracted over Rs. 4 lakh Crores of investment

and has enabled the Indian Textile & Clothing industry to enhance its global competitiveness by attracting investments in modern technology should be given a new lease of life by removing the cumbersome protocols being followed by the Joint Inspection Teams (JITs). Also the disbursement pending under the TUF Scheme despite envisaged investments made need to be expedited.

All the above issues have been taken up by the Council with the relevant authorities and we hope to get a solution. In the meantime, members may also intimate the Council about the procedural difficulties faced while undertaking exports or imports.

Stability in Policies

Friends, in a sudden move which caught many exporters off guard, the Directorate General of Foreign Trade (DGFT), on 23rd July, halted the e-filing for Merchandise Exports from India Scheme (MEIS) for exports made from April 1, this year, citing lack of funds. This abrupt move has hurt the cash flow of the exporters as many of them have factored in the MEIS and other export incentives in their prices.

The Council has made representations to the concerned department and is awaiting a decision.

It is hoped that the issue is resolved at the earliest and the MEIS Scheme

is resumed as it is likely to lead to a further decline in our exports in an already demand constricted trading environment.

Further, there is an urgent need to ensure that the policies remain stable for the period they are announced and no ad-hoc changes detrimental to trade interests are made.

Way Forward

Going forward, we believe that any gains coming the way of the textile sector will depend on the strategy of the Government as to how the country's manufacturing and supply chain assets can be leveraged in the long term. If the policy reforms help in cutting down the competition and improving capacities then industry can be assured of success.

The policy makers should also be able to distinguish between what constitutes "removal of disabilities", or is a "trade incentive" or is "refund of duties and taxes".

India is at a critical juncture today and as we move forward, let COVID-19 be a wake-up call to unlock the country's textile prowess and empower MSMEs on the basis of a judicious policy mix promoting competitiveness and self-reliance built on the strong edifice of stable policies.

Dr. K. V. Srinivasan
Chairman

:: TEXPROCIL ::



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To know more, please write to us on email:

info@texprocil.org

COVER STORY

Ease of Doing Business – Need of the Hour



India's Gallop in Ease of Doing Business

Rank
142
2014

2020

Rank
63

TEXPROCIL participated in the CII organised National Digital Conference on “Ease of Doing Business” for Atmanirbhar Bharat on 30th July, 2020. Ease of doing business is extremely vital to EXIM TRADE. The Government’s constant focus on this aspect has enabled India to improve its position 16 places and be ranked at 63rd position in the World Bank index measuring Ease of Doing Business in this year. The meeting discussed the various facets on improving ease of doing business in India and helped raise important issues in the Conference.

Ease of Doing Business

One of the factors that plays a crucial role in “Ease of Doing Business” is the EDI system which includes data transmission and online application systems. At the outset, as an EPC, based on feedbacks from our members, the EDI system for Duty Drawback, Export & Import cargo clearances at the Customs,

GST refunds and GST Returns filing are all working very well. It is commendable that despite a large number of GST Registered units and the massive scale of data handling, the GST Portal is working very efficiently with hardly any breakdown. These systems have definitely led to an enhancement in the Ease of Doing Business for the exporters and importers.

entered. The recipient is able to see his purchase details in Form GSTR 2A. However, if the recipient sees a mistake, there is no facility in the system for correction. For instance, in a particular month there are 5 Invoices, but the supplier has entered only 4 Invoices. The recipient can see 4 Invoices on GSTR 2A instead of 5. But he cannot make the corrections.

Pending Issues & Suggestions for Improvement

While all possible efforts are being undertaken to improve ‘Ease of Doing Business’, some of the areas still require attention by all concerned and the suggestions made for improvement need due consideration as indicated below.

It is being suggested that in GSTR 1 Form, the system should allow the recipient to make the corrections, if required, which can be seen by supplier.

3. EDI Shipping Bills

EDI Shipping Bills cannot be amended after the EP copy is released. Mistakes committed by the exporters on the Shipping Bills, therefore, cannot be corrected. As a result many GST Refunds are pending. For instance, if the Invoice No. is 115 which is correctly mentioned in the GSTR 1 but wrongly mentioned as say 112 on the Shipping Bills, the mistake in such case cannot be rectified. However, mistakes in Invoice Number made in GSTR 1 can be amended while filing the Return for the next month through Table 9A. But no correction can be made on the

1. Stability of the Policy

Abrupt withdrawal or modification of existing Policy provisions and procedures should be avoided especially in the case of export benefits as it creates uncertainty among the exporters. Stability of the Policy enables the exporters to take a long term perspective while negotiating export orders.

2. Filing of Returns

Presently, when a supplier files the monthly Returns in Form GSTR 1, all supply details are



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(For private circulation only)

COVER STORY**Ease of Doing Business – Need of the Hour**

EDI shipping bill. In such cases the GSTN validation cannot take place due to Invoice number mismatch resulting into error SB005. And the refund of IGST is not granted to the exporter.

In such cases, a system may be put in place under which exporters can approach the Customs with a request to amend the mistake on the shipping bills with supporting documents. The Customs should be provided with a facility to correct the mistake in its system without amending the EDI shipping bill and send the correct details to the GSTN so that the GSTN validation can take place and the exporter can the IGST refund legitimately due to him.

4. Immediate Release of Refunds

To release IGST refunds immediately after shipment and the filing of EGM by the Shipping lines pending GSTN validation as in the case of Duty Drawback. This will improve the working capital position of the exporters.

5. ITC Refunds

Exporters face delay in the processing of Applications for Refund of un-utilized ITC on exports under LUT by the concerned GST Commissionerates.

CBIC has laid down guidelines with prescribed time frames to be adhered to by the GST Commissionerates while processing the refund applications vide Circular No. 17/17/2017-GST dated 15.11.2017. It is suggested that CBIC should instruct the GST Commissionerates to stick to the timelines while processing the refund applications.

6. Data transmission delays

While the Data transmission system between the ICEGATE and DGFT is, by and large, working very well, there are some cases where the exporters while applying online for benefits like MEIS, RoSCTL etc. the relevant EDI shipping bills does not appear on the system. As a result, exporters are unable to apply online till the shipping bills appear on the DGFT website.

The system of data transmission from the Customs to DGFT may be further improved. Also there has to be a system under which if some of the Shipping bills are not transmitted to DGFT, the Customs should come to know this so that the necessary transmission can be done.

7. Processing MEIS Claims

To claim MEIS, exporters are required to mention “Y” on the relevant Shipping Bills. However, there are many cases where exporters have erroneously mentioned “N” on the Shipping Bills instead of “Y”. Therefore, they are unable to claim the benefit of MEIS.

Although, DGFT had given a one-time condonation for such error, there are still a large number of cases where exporters are unable to file their applications online for MEIS as they have mentioned “Y” on the shipping bills.

It may be pointed out that all other details such as the relevant HS codes, MEIS codes are mentioned on the Shipping bills and therefore, the exporters are eligible for the MEIS benefit. It is, therefore, inappropriate to deny the benefits legitimately available to the exporters on technical grounds. The whole situation need to be viewed realistically and sympathetically.

Error committed by exporters by mentioning “N” on the shipping bills maybe condoned so that they can apply for MEIS. Alternatively, we would request you to please allow exporters to file their applications manually in such cases.

8. Online Facilitation

DGFT had issued Public Notice No.55 (RE-2013/2009-2014), dated 14th March, 2014 for the Introduction of Online Export Obligation Discharge Certificate (EODC) / Redemption for Advance Authorization (AA) and Duty Free Import Authorization (DFIA). However, this is yet to be implemented.

It is proposed that to take necessary steps to implement this online facility for EODC/ Redemption of Advance Authorization and DFIA.

9. Pending TUF Claims

There are many claims pending under the TUF scheme. The procedures under the TUF scheme need to be reviewed and necessary simplifications should be done. For instances, the requirement to put serial number on the machinery and the Invoices, to get the names of the suppliers listed in the approved list of suppliers etc. should be dispensed with. Only the machinery along with the technology must be approve under the scheme.



Avail of more detailed information on

EXIM POLICY @ TEXPROCIL

Please Contact: GREIVANCE REDRESSAL CELL email: ravikumar@texprocil.org

**PRESS
RELEASE****Cotton textile exports to China crash by 74% in Q1**

In a sign of troubled trade relations with China, India's export of cotton textile products to China has seen a whopping 74% decline to touch \$90 million during April-June quarter this year.

China's share in India's total exports of cotton textile products has also halved to 6.9% during the quarter as against 14% in the corresponding quarter last fiscal.

During Q1 last year, India's export of cotton textiles to China stood at \$346 million, according to data available with The Cotton Textiles Export Promotion Council (TEXPROCIL).

"Recently, Indian and Chinese governments carried out reciprocal measures like detailed shipment inspection at ports, delaying clearing of goods, thereby also contributing to decline in exports," K V Srinivasan, Managing Director, Premier Mills Pvt Ltd told DH.

Substitution of textile imports from China as well as contemplation of anti-dumping duties on certain Chinese products may have an impact on exports of Indian cotton textiles, he said.

China is the leading importer of raw cotton and cotton yarn from India and also the largest exporter in the world. "Exports to China during the first quarter declined drastically as compared to the corresponding quarter the previous year," Kirti Shah, Managing Director, textiles World said.

Overall, cotton textile exports during the first quarter declined 47% to \$1.29 billion against \$2.42 billion in the same quarter last year.

One of the main reasons for the decline was supply chain disruptions. "Delays in documentation especially Certificates of Origin in countries like China, Vietnam, Thailand and Malaysia also delayed deliveries, hitting exports," Siddhartha Rajagopal, Executive Director, TEXPROCIL said. Delays at ports owing to Covid protocols quarantine also led to the decline, he said.

(Source: Deccan Herald News Services, Bengaluru, Published on AUG 03 2020)

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COVER STORY**Ease of Doing Business – Need of the Hour****10. Export of Masks**

Export of Masks have been allowed by the Government gradually in phases. Export of Non-medical / Non- Surgical masks made of woven and knitted fabrics of Cotton, Wool, Silk, Polyester, Viscose, Nylon & blends have been allowed. Recently, Government has allowed export of 2/3 Ply Surgical Masks with a quantitative limit of 4 crore units per month. However, exports will be allowed against an Export Licence for which exporters have to apply on a monthly basis. Exporters have already started pointing out difficulty being faced by them in applying online on the DGFT website.

The Government should take necessary steps to ensure the smooth functioning of the online application system so that exporters do not miss the deadline for filing applications due to technical glitches.

Redressal of Industry Issues

- (1) To include T & C sector as a priority sector under the RODTEP. To cover the entire value chain of textiles i.e. Yarn, Fabrics, Madeups and Garments under the RODTEP scheme.
- (2) To allocate funds for release of claim sunder the RoSCTL scheme for Made ups and Garments.
- (3) To allocate funds for the MEIS which has been blocked presently for exports w.e.f April 1, 2020.
- (4) To put in place online application module for ROSL on the DGFT website.

Above measures will improve the working capital and cash flow for the exporters who are struggling hard to survive and sustain in exports

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TRADE FACILITATION

Appeal To Participate in 'IND-TEXPO 2020' VIRTUAL EXHIBITION

Sub : APPEAL TO PARTICIPATE IN 'IND-TEXPO 2020' - Virtual Exhibition

Dear Member,

As you are aware, TEXPROCIL has launched the virtual edition of 'Ind-Texpo', an online exhibition and trade platform from 14th - 18th September 2020. The virtual platform will help Indian textile suppliers generate business leads and the B2B meetings will assist in virtual interaction with potential buyers across the globe.

As can be seen in the accompanying chart, 'IND-TEXPO 2020' - Virtual Exhibition offers distinct advantages over other virtual fairs been announced. In terms of the various parameters compared IND-TEXPO is seen "cost-effective" along with its value-added features.

The Council appeals all its Members to take a note of the same and enrol for the fair to avail of the various participation benefits.

Regards,
IND-TEXPO TEAM
::TEXPROCIL::

COMPARISON OF FEATURES

(Virtual Ind-Texpo vs Virtual Home Textile Market Week)

	HOME TEXTILES WEEK <i>A Virtual (V) Home Fashion Market</i>	IND-TEXPO 2020 <i>A Virtual B2B Exhibition of Textiles in India</i> Source Interact Network
Dates of Show	14-17 September 2020	14-18 September 2020
Participation	Kiosk US\$ 3,200 (INR 2,40,000) Small US\$ 6,000 (INR 4,50,000) Medium US\$ 8,500 (INR 6,37,500) Large US\$ 12,000 (INR 9,00,000) Custom US\$ 20,000 (INR 15,00,000)	Basic INR 25,000 Premium INR 30,000
Logins	Single	Multi options available
Total links available i.e. links to brochures, videos of products, company info etc.	Kiosk - 2 links Small - 4 links Medium - 6 links Large - 8 links Custom - about 12 to 15 links	Unlimited for products, brochures, videos etc.
Meeting Scheduler / Chat options / Video call	Available	Available
Matchmaking before event	Not available. Participants need to fix their own meetings and invite buyers to visit their virtual booth.	Artificial Intelligence inbuilt in system allows for advanced matchmaking with registered importers. In addition, exhibitors targeting importers of home textiles in USA can invite them to the Ind-Texpo virtual platform.
Video Call platform	Zoom Call	Secure GDPR platform (As per EU norms)
Dedicated B2B Meeting slots	Can be done online only during Market Week dates	Pre-Scheduled and dedicated time slots during exhibition dates
Live Platform After Show	Available	Available
Search facility for buyers	Online browsing on event website	Available prior to event
Virtual platform	Active only on Market Week Dates	Active prior to exhibition dates
Show directory listing	US\$ 1,200	Free

To Exhibit at IND-TEXPO 2020, REGISTER NOW ! www.ind-texpo.com | Email: mrunal@texprocil.org



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Please Contact:
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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 <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="checkbox"/>	Generating additional business	<input type="checkbox"/>
<i>Others (Pls. Specify):</i>							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"/>
<i>Others (Pls. Specify):</i>							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"/>
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.

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

(A) Renewal of Membership - Annual Subscription Fees

For Renewal of Membership, an Annual Membership fee is to be paid.

Details of Annual Renewal Subscription Fees are 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/-

(B) Payment of Renewal Subscription Fees

Payment of Renewal Subscription fee for the year 2019-2020 and 2020-21 can be made online.

Bank details for online payment are as follows:

Account Name	The Cotton Textiles Export Promotion Council
Bank	Bank of Baroda
Branch	Opera House Branch, Mumbai-400004
Account No.	04090200000927
IFSC Code	BARB00PERAH (Fifth character is zero)

After payment, send the details of online payment by Email in the following format on the following email ID : smita@texprocil.org.

Company Name	
Registration No.	
GST No.	
UTR No.	
Date of Transaction	
Name of Bank	
Amount of Transfer	

Also send a scanned copy of Bank Payment Advice by email on the Email ID : smita@texprocil.org

Immediately after receiving the Payment details, the membership will be renewed.

(C) Renewal of RCMC that has expired

We are glad to inform you that the Council has put in place an online system for renewal of Registration-Cum-Membership Certificate (RCMC). Renewal of RCMCs can be made online and after processing, the Renewed RCMC will be available to you online. The Original renewed RCMCs will be sent to you once our office opens and starts functioning after the lockdown.

Steps to be followed:

Upload self-attested scanned copies of the following documents online on TEXPROCIL's website (www.texprocil.org) through Member login and send a renewal request by Email on the Email ID smita@texprocil.org (In case the RCMC has expired) :

- [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 DIR-12 or Board Resolution for those who have resigned or newly appointed.
- [5] Copy of old RCMC
- [6] Copy of GST Registration Certificate (if not submitted earlier)
- [7] Payment advice of Annual Subscription for the year 2020-2021

Or

Alternatively, send self-attested scanned copies of the above documents by Email on the Email ID smita@texprocil.org

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