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MODERATE UNION BUDGET 2016-17 FOR MAN-MADE FIBRE TEXTILE INDUSTRY

The Union Budget for 2016-17 was tabled by Government in the Parliament on 29th February, 2016. The Union Budget was not up to the expectations that the Indian Man-made Fibre (MMF) textile industry was waiting for. It is felt of not encouraging the Indian Man-made Fibre (MMF) Textiles industry as per wish list of the industry. The industry was waiting for a slew of announcements to unleash its potential growth both in production and exports, according to the Council (SRTEPC).

The Indian MMF textiles exports lacked competitiveness, especially due to high ED, hence it was expected that the Excise Duty (ED) would have been reduced in the Budget 2016-17 to 6 % from 12.5 %. In opposite, for certain products ED has been increased. This would not help the industry to compete with the competing countries in this segment.

Another important announcement of the Budget 2016-17 which is disappointing was the proposal to allow duty free import of specified fabrics [for manufacture of textile garments for export] of value equivalent to 1% of FOB value of exports in the preceding financial year being exempted subject to the specified conditions. It may be mentioned that the Indian Fabrics industry has already been severely stressed with closure of over 30% fabrics manufacturing units in Surat, Bhivandi, Ichalkaranji etc. due to import of fabrics over ₹ 8,500 crores from China alone. Government is yet to take any decision on imposition of levy to curb the imports of fabrics. The approval to import of specified fabrics of value equivalent to 1% of FOB value of exports will further aggravate the already fragile situation and adversely affect employment generation in the country.

The Union Budget's announcement regarding Make in India scheme by allocating ₹ 1804 crores for the Scheme for Investment Promotion and Amended Technology Upgradation Fund Scheme (ATUFS) is a positive step to reinvigorate the textile industry. This positive measure will help the textiles sector in expansion and implement of the modernization programmes.

The budget has also focused on the importance for infrastructure and rural employment and accordingly has increased funds for the infrastructural development of ₹ 2, 21,246 cr. and for MNREGA ₹ 38,500 cr. This would create demand including for textile products and will considerably help in overall development of the manufacturing sector in India and contribute to the Make in India initiative of the Government. This is also likely to boost rural consumption and domestic demand.

The announcement made in the Budget regarding continuation and expansion of the Duty Drawback Scheme by broadening its scope is also positive step which will encourage the MMF textiles exporting community.

However, the MMF textile industry is looking forward to the forthcoming National Textile Policy and the Foreign Trade Policy for more specific policy stimulus announcements which include growth and export friendly measures for reviving the Textile industry and particularly for the MMF textile sector.

KEY FEATURES OF UNION BUDGET 2016-17

Some of the salient Features of the Union Budget 2016-17 are as follows:

INFRASTRUCTURE AND INVESTMENT

86. The duty drawback scheme has been widened and deepened to include more products and countries. The Government will continue to take measures to support the export sector.

GOVERNANCE AND EASE OF DOING BUSINESS

99. A Task Force has been constituted for rationalisation of human resources in various Ministries. A comprehensive review and rationalisation of autonomous bodies is also underway.

102. To remove the difficulties and impediments to ease of doing business, a bill to be introduced to amend the Companies Act, 2013 in the current Budget Session of the Parliament. The Bill would

also improve the enabling environment for start-ups. The registration of companies will also be done in one day.

RELIEF TO SMALL TAX PAYERS

120. Presumptive taxation scheme under section 44AD of the Income Tax Act is available for small and medium enterprises (MSME) i.e., non corporate businesses with turnover or gross receipts has increased from Rupees one crore to Rupees two crores.

MEASURES TO BOOST GROWTH AND EMPLOYMENT GENERATION

124. Startups generate employment, bring innovation are expected to be key partners in Make in India programme. It is proposed to assist their propagation through 100% deduction of profits for 3 out of 5 years for startups set up during April 2016 to March 2019 with applicable MAT. Capital gains will not be taxed if invested in regulated/notified Fund of Funds and by individuals in notified startups, in which they hold majority shares.

INCENTIVISING DOMESTIC VALUE ADDITION TO HELP MAKE IN INDIA

136. It is proposed to make suitable changes in customs and excise duty rates on certain inputs, raw materials, intermediaries and components and certain other goods and simplify procedures, so as to reduce costs and improve competitiveness of domestic industry in sectors like Information technology hardware, capital goods, defence production, textiles, mineral fuels & mineral oils, chemicals & petrochemicals, paper, paperboard & newsprint, Maintenance repair and overhauling [MRO] of aircrafts and ship repair etc. Details of such changes are given in the Annexure.

ADDITIONAL RESOURCE MOBILIZATION FOR AGRICULTURE, RURAL ECONOMY AND CLEAN ENVIRONMENT

152. it is proposed to impose a Cess, called the **Krishi Kalyan Cess**, @ 0.5% on all taxable services, proceeds of which would be exclusively used for financing initiatives relating to improvement of agriculture and welfare of farmers. The Cess will come into force with effect from 1st June 2016. Input Tax credit of this cess will be available for payment of this cess.

155. It is proposed to change the excise duty on branded readymade garments and made up articles of textiles with a retail sale price of ₹ 1,000 and above from 'Nil without input tax credit or 6%/12.5% with input tax credit' to '2% without input tax credit or 12.5% with input tax credit'.

REDUCING LITIGATION AND PROVIDING CERTAINTY IN TAXATION

160. It is proposed that a limited period Compliance Window for domestic taxpayers to declare undisclosed income or income represented in the form of any asset and clear up their past tax transgressions by paying tax at 30%, and surcharge at 7.5% and penalty at 7.5%, which is a total of 45% of the undisclosed income. There will be no scrutiny or enquiry regarding income declared in these declarations under the Income Tax Act or the Wealth Tax Act and the declarants will have immunity from prosecution. Immunity from Benami Transaction (Prohibition) Act, 1988 is also proposed subject to certain conditions. The surcharge levied at 7.5% of undisclosed income will be called Krishi Kalyan surcharge to be used for agriculture and rural economy. We plan to open the window under this Income Disclosure Scheme from 1st June to 30th September, 2016 with an option to pay amount due within two months of declaration.

170. In order to remove backlog of cases we are creating 11 new benches of Customs, Excise and Service Tax Appellate Tribunal (CESTAT).

172. It is also proposed to amend the CENVAT Credit Rules, 2004, so as to improve credit flow, reduce the compliance burden and associated litigation, particularly those relating to apportionment of credit between exempted and non exempted final products/services. The amendments in these rules will also enable manufacturers with multiple manufacturing units to maintain a common warehouse for inputs and distribute inputs with credits to the individual manufacturing units.

(Contd. on Page 24)

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Dear Member,

The Union Budget for 2016-17 is growth oriented with its innovative initiatives including the ATUFS announcement. It was not encouraging to the Indian Man-made Fibre Textiles sector. The textile sector, especially the MMF Textiles was expecting a slew of budget proposals like steep reduction in excise duty and increase in customs duty on fabrics aimed at enhancing the competiveness and encouraging the domestic fabric sector respectively. Of late, the Indian fabrics segment has been reeling under stress due to heavy fabrics imports from competing countries. We were certain that our long standing demand for reduction of the excise duty from 12.5% to 6% would be considered, as the extension of excise duty up to yarn stage will benefit the spinning industry and boost Govt. revenue. We are hopeful that the concerned will address this issue.

To unleash the growth and exports potential, the Indian Textile industry need a big push policy stimulus. It is expected that the New National Textile Policy, to be announced soon, will take care of these key aspects, which is imperative to grab the new growth wave in terms of new products development, innovation etc. which could help reverse the continued slowdown in exports by capturing the emerging markets in these segments, despite the lull in the global market due the prolonged slump in major export destinations like EU and US, as demonstrated by our competitors like Bangladesh and Vietnam.

The Budget proposal to allow duty free import of specified fabrics [for manufacture of textile garments for export] of value equivalent to 1 per cent of FOB value of exports in the preceding financial year being exempted subject to the specified conditions will have adverse impact, if it is not calibrated and checked effectively. The Council has taken position that the import of fabric should be allowed under AAS scheme only for actual users, so as to eliminate import by trades, under invoicing and retail sale.

Council has also brought to the notice of the concerned in the Government that the domestic textile industry is passing through a very bad phase due to unabated cheap imports of fabrics from China. This has resulted in severe drop in consumption of fabric & yarns affecting domestic consumption and exports substantially. It is estimated that the value of imports of fabrics will be over ₹ 11,000 crores, which is not only affecting loss in terms of revenue viz. huge production opportunity and excise duty, despite having created capacity through innovative schemes like TUFS, but also resulted in 50 per cent closure of power looms in Surat, Bhiwandi, Malegaon and Ichalkarangee leading to huge unemployment of workers forcing some of them to commit suicide. As about 60 per cent of fabrics in India is weaved on power looms. We are hopeful that our earnest request will be considered by the Govt. and soon help save the textile industry in India.

The fall in India's merchandise exports has been continuing unabated for the fifteenth month, surpassing the 2008-09 global slowdown record of decline of nine months. India exported goods worth of US$ 238 bn. during the eleven-month period of FY 2016, which is 16.7 per cent lower than US$ 286 bn. during the same period in the previous year, indicating the need for downward revision of the target of US $ 300 bn. fixed recently.

The exports of Man-made fibre textiles during April-Feb. 2015-16 were US$ 4188.50 Mn. against US$ 4681.01 Mn. in the same period preceding year. recording a decline of 11 per cent. The negative growth persists *in all the four segments viz. Fabrics, Yarn, Made-ups and Fibre. Thus, the target set for MMF Textile exports during the year 2015-16 of US $ 5.9 Bn. will be difficult to achieve. On the production front there is a ray of hope, as during January 2016 the textiles sector shows a growth of 3.8 per cent, though during the period April - January the growth recorded is only 2.8 per cent, as per the index of industrial production (IIP) data.*

Council has successfully organized Indian Textile Exhibition (INTEXPO SRI LANKA); Co-located with Colombo International Yarn & Fabric Show (CIFS) held from 10-12 March, 2016. The Exhibition was inaugurated by Hon'ble Minister of Economic Development, Sri Lanka, Mr. Rishad Bathiudeen, in presence of Mr Kartik Pande, First Secretary, High Commission of India, Sri Lanka. Thirteen member companies of the Council enabled themselves to conclude fruitful business order with Sri Lankan buyers. I would like to extend sincere gratitude to the High Commission of India in Sri Lanka for their wholehearted support and guidance in organising the Exhibition successfully. Sri Lanka is the fifth top importer of the MMF textiles from India, thus the region needs to be tapped further with continued participation and visits. Council will be taking interest in repeating the shows in the neighboring countries in the coming years.

The Council is set to organize INTEXPO MOROCCO in Africa, Co-located with Morocco Style Fashion & Tex Fair in Morocco from 31st March to 3rd April 2016 with 28 Member Companies. Council has been focusing in the Africa region for expansion of MMF exports due to its increased demand for Indian products in recent years. During the year 2016-17, Council has planned to organize Exhibitions in Hong Kong, Uzbekistan, Indonesia, Burma, Mexico, Panama, Sudan and Ethiopia. I am confident that the members will take advantage of these opportunities to participate in large numbers in these activities to forge business with importers of these countries and expand export business.

The Council has kick started the preparations for organising of RBSM in Surat to be held from August 13-14, 2016. More than 100 member companies will be participating in the mega event. We will be inviting more than 100 foreign Buyers, apart from many Sourcing Agents from different Countries. This is an opportunity to showcase Indian Brands to the Global buyers and establish the strengths of the Indian Man-Made Fibre Textile sector. I am certain that large number of members will be using this as a platform for building the Brand India image in line with the 'Make in India' initiative of the Government of India.

With warm regards,

Yours sincerely,

ANIL RAJVANSHI
CHAIRMAN
The Synthetic & Rayon Textiles Export Promotion Council

PAKISTAN

Pakistan's textile producers will continue to benefit from European Union (EU) preferential tariffs, following the EU's decision not to suspend Pakistan's "generalized scheme of preferences plus" (GSP+), status despite concerns about its human rights record. The scheme has been beneficial to Pakistan's textile industry, textiles and clothing account for around 75% of Pakistan's exports to the EU. The GSP+ benefits allow 80% of Pakistani textile and clothing imports to enter the EU at preferential tariffs. Items include table and bed linen, as well as many fabric lines and clothing products. Countries enjoying GSP+ status must comply with 27 international conventions, covering human and labour rights, environmental protection and good governance. Pakistan gained GSP+ status in January 2014.

SOURCE: The CCF Group

TURKEY

The Turkey textile and ready-made clothing sectors are set to make up for their losses, which they experienced, since bilateral political relations were strained with Russia, by opening up to Iranian and African markets. With the signals of financial weakening in Russia, as importers did not purchase enough goods in the beginning of the new season, Turkish textile exporters have planned roadshows in Iran, Ghana, Nigeria, Morocco, Tunisia and Algeria in March. Lately Industrialists and Businessmen's Association (LASİAD) President said economic recession is being experienced not only in Russia but also in other countries such as Italy, France and the United Kingdom. The roadshows bring more advantages than fairs to the ready-made clothing sector. Eyüpkoca added that Pure London and Magic Show fashion events, which were recently held in the U.K. and the United States, respectively, were not efficient enough.

Source ; The Daily Subbah

JAPAN

Japan's economy shrunk more than expected in the final quarter of last year as consumer spending and exports slumped, adding to headaches for policymakers already wary of damage the financial market rout could inflict on a fragile recovery. Gross domestic product contracted by an annualised 1.4 per cent in October-December, bigger than a market forecast for a 1.2 per cent decline and matching a fall marked in the second quarter of last year, Cabinet office data showed on Monday. It followed a revised 1.3 per cent increase in the previous quarter. The data underscores the challenges premier Shinzo Abe faces in dragging the world's third-largest economy out of stagnation, as exports to emerging markets fail to gain enough momentum to make up for soft domestic demand.

SOURCE: The Financial Express

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Europe's Textile and Clothing Information Centre or CITH has said that the European Union's textile and clothing exporters gained an additional 3.6 per cent market share in third countries. On the imports side, the EU imports rose 9.6 per cent in value terms, due to sharp increases from Asian countries. But imports from the Mediterranean area (Turkey, Egypt, Morocco, and Tunisia) achieved a modest growth or even decreased over the period. The 2015 evolution impacted the overall trade balance of the EU-28 with a deficit widening by 14 per cent which included 29 per cent for textiles and 13 per cent for clothing.

Textiles' sales to the US, EU's top market, recorded a growth of 16 per cent, thanks to a favorable exchange rate. Moreover, among the EU top10 customers, moderate expansion was recorded by Hong Kong and China (7 per cent and 6 per cent respectively). On the contrary, exports to Russia fell 27 per cent and exports to Ukraine slipped 1 per cent on the back of depressed economy in those markets.

Textile imports from EU top 20 suppliers were all up, except from Egypt, Thailand and Australia. Among the main suppliers, the US witnessed the highest growth with 16 per cent, followed by China, Pakistan and Vietnam with 11 per cent. Clothing imports coming from most Asian countries recorded double digit growth rates. The top supplier, China, recorded a 6 per cent increase over 2014 with 30 billion of clothing articles sold to the EU market. In second place, Bangladesh recorded a 24 per cent increase in apparel sales to EU members over 2014. Strong imports' upturns were also observed from Cambodia (31 per cent), Vietnam (26 per cent), Hong Kong (25 per cent) and the US (26 per cent). With a 79 per cent increase, Myanmar is now ranking 17th in the top-20 EU's clothing suppliers.

SOURCE: Fibre2fashion

BANGALADESH

The Ready Made Garments (RMG) sector, the biggest earner of foreign currency for Bangladesh after the agricultural sector, may face an uncertainty in its exports to the US as a result of the signing of a bill opposing import of goods produced by forced Labour by US President Barack Obama. Although there was no official remark on whether Bangladeshi goods would be affected by the restrictions, the US government lists garment products from Bangladesh among goods that are produced by Child or forced Labour. According to the new law, shipments derived from slavery will be kept out of the country that closes a legal loophole that allowed import of such goods if US demand exceeded domestic production.

Meanwhile, BGMEA President Siddiqur Rahman said that there was no slavery, Child Labour, forced labour or abuse of RMG women workers in Bangladesh, claimed that such allegations of forced labour were totally absent in other industrial sectors.

SOURCE: Yarns&Fibers

VIETNAM

The Korea Trade-Investment Promotion Agency (KOTRA) inaugurated the Vietnam-Korea Free Trade Agreement (VKFTA) Support Centre in Ha Noi yesterday. The centre aims at disseminating areas related to the FTA as well as supporting businesses of the two countries to make use of the FTA, which came into effect on December 20, 2015, to boost commercial transaction and investment.

European Chamber of Commerce (EuroCharm) and the Vietnam Chamber of Commerce and Industry (VCCI), raised the fact that two-way trade increased tenfold from 4.1 billion USD in 2000 to 41.4 billion USD in 2015, making the EU one of the top trade partners of Vietnam. The union is also a big foreign direct investor in Vietnam with 2,162 valid projects worth USD 38.4 billion, the mutual support in Vietnam-EU trade and investment ties will help further bilateral cooperation after the signing of the EVFTA.

EU representatives suggested Vietnam to develop human resources via vocational training as well as increase productivity and improve capital distribution.

SOURCE: The Vietnam Net

BRAZIL

Brazil's economy contracted by 3.8 per cent in 2015 compared with the year before, according to data released today by the country's statistical office IBGE. Industrial output plummeted by 6.2 per cent while services declined 2.7 per cent. On the expenditure side, a separate way of measuring GDP, investment sank by 14.1 per cent while household consumption dropped four per cent. "The good news relatively is that the rate of decline is marginal, though the outlook for the economy remains bleak "The economy will remain very weak this year, due to the lagged effect of the tightening cycle, low confidence and elevated political uncertainty. Risks remain skewed to the downside thanks mainly to high inflation, tight credit conditions, and the rapid deterioration of the labor market." Brazil's economy has suffered in the wake of commodity price collapses, tight monetary policy and a political crisis. The country's currency, the real, has lost 30 per cent of its value over the past year.

Source: The Financial Express

MALAYSIA

Malaysia’s has membership in the Trans-Pacific Partnership (TPP) agreement based on its own term. International Trade and Industry Ministry (Miti) Minister said it did not allow foreign interference in its administration and policy-making process and assured that the agreement will safeguard Malaysia’s liberty and sovereignty, rubbishing claims that it was a form of Western colonialism. Malaysia, he said, will still be able to amend and draft law without any foreign power intervention. “Three most pertinent terms accepted were, firstly; land issues where state governments will still have the autonomy on deciding their terms on land in the state. “Further, Bumiputera policies should be uphold where they should be given priority in terms of licence and permit issuance. “And the subsidy programmes for Bumiputera should be continued without any restrictions.. It is added that Malaysia will also restrict any western values if found to be against religious teaching. This included pornography sites under the term agreed. As part of his tour across the country to help the public to understand TPPA better, Minister had met with some 600 staff at the ministry and delivered details of TPPA.

SOURCE: The New Straits Times Online

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Biologic a research team creates new form of performance fabric

In the Tangible Media Group within the MIT Media Lab, BioLogic a research team has created a completely new form of performance fabric that combines biomaterials research with textile design. BioLogic is growing living actuators and synthesizing responsive bio-skin in the era where, they declare, "bio is the new interface." They are imagining a world where actuators and sensors can be grown rather than manufactured, being derived from nature as opposed to engineered in factories. This is a new behavior of the ancient bacteria Bacillus subtilis natto: the expansion and contraction of the natto cells relative to atmospheric moisture. The team is capitalizing on this natural phenomenon by embedding the bacteria into fabric to ventilate garments. They harvest the animate natto cells in a bio lab and assemble them with a micron-resolution bio-printing system, transforming them into responsive fashion, a "second skin." The synthetic bio-skin reacts to body heat and sweat, causing flaps around heat zones to open, enabling sweat to evaporate and cool down the body through an organic material flux.

A garment can become an interface that can communicate with your body. The reason they started to explore this bacteria is that they knew that in the natural world there are a lot of smart materials that are naturally responsive. It's very sensitive to even tiny changes in the skin condition, so they thought an on-skin transformable textile would be a really interesting application."

The project has already piqued the interest of several fashion designers from Central Saint Martins and Parsons, who see a number of potential uses, including creating a garment for Korean women who fish and using this natural nanoactuator to explore other forms of clothing.

SOURCE: Yarns&Fibers

OECD for urgent policies to boost global economy

The world economy is likely to expand no faster in 2016 than in 2015, its slowest pace in five years with the exception of India. Trade and investment are weak. Sluggish demand is leading to low inflation and inadequate wage and employment growth, the Organisation for Economic Co-operation and Development (OECD) has said in its Interim Economic Outlook. It has called for urgent polices to reverse the trend. The downgrade in the global outlook since the previous Economic Outlook in November 2015 is broadly based, spread across both advanced and major emerging economies, with the largest impacts expected in the US, the euro zone and economies reliant on commodity exports, like Brazil and Canada.

According to OECD, the US will grow by 2 per cent this year and by 2.2 per cent in 2017, while the UK is projected to grow at 2.1 per cent in 2016 and 2 per cent in 2017. Canadian growth is projected at 1.4 per cent this year and 2.2 per cent in 2017, while Japan is projected to grow by 0.8 per cent in 2016 and 0.6 per cent in 2017. The euro area is projected to grow at a 1.4 per cent rate in 2016 and a 1.7 per cent pace in 2017. Germany is forecast to grow by 1.3 per cent in 2016 and 1.7 per cent in 2017, France by 1.2 per cent in 2016 and 1.5 per cent in 2017, while Italy will see a 1 per cent rate in 2016 and 1.4 per cent rate in 2017.

SOURCE: Fibre2fashion

Nanotechnology in Textiles

Nanoengineered functional textiles are going to revolutionize the clothing that you'll wear. The potential of nanotechnology in the development of new materials in the textile industry is considerable. On the one hand, existing functionality can be improved using nanotechnology and on the other, it could make possible the manufacture of textiles with entirely new properties or the combination of different functions in one textile material.

SOURCE: The Nanowerk

Man-made fibre yarn export value down by 11.9pc in January

100 man-made fibre yarns export from India was valued at US$16.82 million in January 2016, down 11.9 per cent YoY while volumes were at 6.4 million kg, edged down 0.5 per cent as compared to the same month last year. The total volume comprised 3.05 million kg of polyester yarn, 2.25 million kg of viscose yarn and 1.14 million kg of acrylic yarn. Polyester yarn exports were up 9.4 per cent in value while viscose yarn exports were up 3.9 per cent during the month. Acrylic yarn exports saw a drastic plunge of 44 per cent in January. Unit price realization was down US cents 45 a kg for polyester from a year ago and that of viscose yarn was unchanged. Acrylic yarn unit price realization was down US cents 74 a kg year on year basis.

Polyester spun yarns were exported to 45 countries in January with total volumes at 3.05 million kg, of which, 16.5 per cent was shipped by Turkey alone. Twelve new destinations were found for polyester yarn this

January, of which, Spain, United Kingdom, Uganda and Cote D'Ivoire were the major ones. Morocco, Italy and Brazil were the fastest growing markets for polyester yarns while ten countries did not import any polyester yarns during the month. Viscose yarn export was at 2.25 million kg and they were exported to 26 countries with Belgium at the top, followed by Iran. Both these markets accounted for 44 per cent of all viscose yarn exported in January 2016. Bangladesh, Italy, Turkey and Algeria were the fastest growing markets for viscose yarns while South Korea, Pakistan, Saudi Arabia, Turkmenistan and Mauritius were the new major markets. Japan, Guatemala, Russia and Vietnam were the major ones among the 9 countries that did not import any viscose yarns during the month.

SOURCE: Yarns&Fibers

Government extends duty drawback for Synthetic Textiles

In order to boost for textile export, the government has included blended cotton yarn (both grey and dyed) for the benefit of duty drawback. In a notification early this week, the Directorate General of Foreign Trade under the Ministry of Commerce and Industry, yarn (other than sewing thread) with less than 85 per cent of cotton and not for retail sale (grey and dyed) would attract duty drawback of three per cent (cap per unit of Rs 11.50) and 3.6 per cent (cap per unit of Rs 19.30), respectively, if the central value added tax (Cenvat) facility is not availed of by exporters.

Exports which have availed of the Cenvat facility on blended yarn (with less than 85 per cent cotton would get a duty drawback benefit of Rs 1.2 per cent (cap per unit of Rs 4.60) on grey and 1.2 per cent (cap per unit of Rs 6.40) on dyed. The Council had urged the government to include synthetic yarn under the duty drawback scheme, to boost its export.

SOURCE: The Business Standard

Service tax to be raised to 16% but with broader credit

The rate of service tax could go up to a flat 16% from an effective 14.5% now in the coming Budget, but the government would try to soften the resultant blow to businesses and consumers with a broadening of the credit base and an increase in the turnover threshold for the tax net, from ₹ 10 lakh at present to Rs 25 lakh. The rate hike, in step with the need to align the service tax with the proposed GST rate of 18-20%, would still yield significant additional revenue to the government. If the tax is hiked to 16%, it would mean a rate rise of over 3.5 percentage points in a short span of nine months. Since the tax’s launch in 1994, at a rate of 5% on a small set of services, the steepest rate hike previously was in 2003-04. On June 1 last year, the rate went up from 12.36% to a flat 14% (in the process, eduction and higher-eduction cesses were subsumed in the rate) and 0.5% Swatch Bharat cess was levied.

SOURCE: The Financial Express

Make in India week: Maharashtra woos investment in Textile sector

The Maharashtra government, which has already announced 14 textile parks in the state, on Sunday invited businessmen to invest in the sector. "We seek investment in textile parks in a big way. We have already announced 14 textile parks and one mega textile cluster in major cotton growing region in the state," Maharashtra Chief Minister Devendra Fadnavis said on the sidelines of Make in India (MII) Week here. The state also plans to set up 10 new mega textile hubs and new garment park at Solapur and Nagpur. Fadnavis assured the industry with more policy support and ease of doing business. "Global economic slowdown has given us an opportunity to increase our market share in the world market at 5% as compared to over 30% of China. We need to do everything in coming years," According to the CM, Maharashtra continued to remain an industrial powerhouse. "The state contributed 15% to the national GDP, has the highest exports, and highest FDI inflows with Make in India, (the) Make in Maharashtra initiative has also started.

SOURCE: DNA

India proposes informal forum to resolve RCEP issues

Keen on an expeditious conclusion of the biggest trade accord in Asia, India has proposed the creation of a forum for in formal resolution of prickly issues under the planned Regional Comprehensive Economic Partnership (RCEP). The forum will seek to informally resolve issues other than those related to tariffs so as to reduce long-drawn regulatory and legal disputes as the RCEP talks go ahead. "It is an informal mechanism so that issues don't get escalated to legal levels. The inspiration was `ad hoc discussions' mentioned in the TPP," said an official aware of the matter. The non-tariff measures refer to prohibitions, conditions or specific market requirements that restrict trade between countries. The proposal will be discussed at a meeting of the RCEP in Brunei from February 15 to 19.

RCEP is envisaged as a comprehensive free-trade agreement subsuming goods, services, investment, competition, economic and technical cooperation, dispute settlement and intellectual property rights between 10 countries under the Association of Southeast Asian Nations umbrella and their six free-trade agreement partners - Australia, China, India, Japan, Korea and New Zealand.

SOURCE: The Economic Times

SRTEPC; ASFI & AMFI demands excise duty reduction on Man-made fibres

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC), Association of Synthetic Fibre Industries and Association of Manmade Fibre Industries have demanded reduction in excise duty on manmade fibres in line with growing neighbouring economies China, Vietnam, Bangladesh and Thailand. Backed by Ministry of Textiles and Department of Chemicals & Petrochemicals, all textile bodies in India have demanded to reduce the much needed relief to this industry. Meanwhile, SRTEPC has welcomed the changes announced by the Centre in duty drawback scheme, which will help boost exports. The Centre has notified certain changes in the all industry rates of duty drawback effective from tomorrow. New entries in the drawback schedule have been created for cotton yarns mixed with Man Made Fibre (MMF) - both grey and dyed. It has also increased the drawback caps in the case of certain MMF fabrics. “We highly appreciate the step taken by Ministry of Finance,” SRTEPC Chairman Anil Rajvanshi said in a statement here. However, he pointed out that India’s exports of MMF textiles can increase to 10 billion dollar from the present 6 billion dollar if the excise duty on MMF is reduced.

Despite having two of world’s largest producers of manmade fibres in India, India’s exports of sports wears and leisure wears is not even 5% that of Vietnam. Further, some of the countries have got preferential access to export markets like the EU and USA, besides, discriminatory excise duties on manmade fibres, Indian manmade textiles are subjected to trade barriers in markets like China, Turkey and Canada. SRTEPC Chairman further asked the Union government to initiate dialogue with EU to fast track FTA wherein there is agreement between both sides to reduce tariff to zero for zero.

SOURCE: Tecoya Trend

Govt. to announce new Textile policy by April 2016 end

The government will announce the new textile policy, which is expected to be based broadly on the vision document prepared by the Ajay Shankar committee in July 2014, by the end of April. Textiles Minister Santosh Kumar Gangwar said that the long-awaited policy is “nearing finalisation” and that consultations with all stakeholders are in progress, according to an official statement. “We are mainly focusing on manufacturing of value-added products and export-oriented goods that will benefit the economy,” Gangwar said in Mumbai on the occasion of the 'Make in India' Week. The vision document by the Ajay Shankar committee had envisaged textile and garment exports worth US$300 billion by 2024-25, compared with just over US$41 billion in the last fiscal, and favoured a structural transformation whereby the country would ship out only finished products and not raw materials. The panel’s vision document also forecasts textile and garment sales in the domestic market to rise to US$350 billion by 2024-25, against roughly US$100 billion now. The textile and the labour ministries are working together on the rationalization of wages for contract workers.

SOURCE: The Financial Express

$45-Billion FDI commitments ‘after launch of Make in India’

Investment commitments worth US$45.68 billion have been made through Foreign Direct Investment (FDI) inflows after the launch of ‘Make in India’ initiative in September, 2014, the Commerce Ministry said. The investment commitments have been made in the period between October 2014 and December 2015, Commerce & Industry Minister Nirmala Sitharaman said in a written reply to the Rajya Sabha on Wednesday. The Minister also pointed out that a little over 90 per cent of the total FDI received during April-December 2016 came through automatic route, the government said.

According to the Department of Industrial Policy and Promotion (DIPP), the country has received US$29.44 billion foreign direct investment (FDI). She said government has put in place a liberal and transparent policy for FDI, wherein most of the sectors are open to FDI under the automatic route. “FDI equity inflow received through automatic route and approval route during the current financial year (up to December 2015) is 90.24 per cent and 9.76 per cent respectively,”.

SOURCE: The Hindu Business Line

INDEX OF INDUSTRIAL PRODUCTION (IIP) (APRIL-JANUARY 2015-16)

HIGHLIGHTS

- The Index of Industrial Production (IIP) registered a fall of 1.5% in January, 2016 over the index of January, 2015.
- The Cumulative overall growth of IIP registered an increase of 2.7% during April-January, 2015-16 over the corresponding period of the previous year.
- The Index of Industrial production for the month of January 2016 for Textiles sector grew by 3.8% as compared to January 2015. The cumulative growth in Textiles Sector during April-January 2015-16 over the corresponding period of 2014-15 has been 2.8%.
- The index of manufacturing sector has declined by 2.8% during the month of January 2016, while the cumulative growth during April-January 2015-16 over the corresponding period of the previous year stands at 2.5%.

The Statement below gives the Quick Estimates of growth rate of the Index of Industrial Production (IIP)at 2 digit level of National Industrial Classification (NIC-2004) for the period of April-January 2015-16, along with the cumulative growth rates over corresponding month/period of the previous year:

Industry code	Description	Percentage growth				
		April '15	Dec '15	Jan '16	Apr-Dec 2015-16	Apr-Jan 2015-16
17	Textiles	4.4	5.3	3.8	2.5	2.8
18	Wearing apparel	10.1	0.6	-1.7	8.7	7.5
15-36	Manufacturing	5.1	-2.4	-2.8	3.1	2.5
	General	4.1	-1.3	-1.5	3.1	2.7

Source: Ministry of Statistics & Programme Implementation (MOSPI) www.mospi.nic.in

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RBI and Central Bank of UAE sign MoU to consider Currency Swap Agreement

The Reserve Bank of India, in consultation with the Government of India, today signed a Memorandum of Understanding (MoU) with the Central Bank of the United Arab Emirates to consider entering into a bilateral Currency Swap Agreement subject to the concurrence of the respective Governments. Terms and conditions of the Agreement will be firmed up through technical level discussions between the two central banks.

The MoU to this effect was signed by Governor Dr. Raghuram G. Rajan on behalf of the Reserve Bank and Governor H.E. Mubarak Rashed Al Mansoori on behalf of the Central Bank of United Arab Emirates at the Reserve Bank headquarters in Mumbai.

The proposed agreement will further strengthen the close economic relationship and cooperation between India and the United Arab Emirates.

MINISTRY OF FINANCE

CBEC - CUSTOMS					
Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	37/2016-Cus (NT)	04.03.2016	Seeks to notify the India-ASEAN Trade in Goods Agreement (Safeguard Measure) Rules, 2016	The Central Government hereby makes the following rules called the India-ASEAN Trade in Goods Agreement (Safeguard Measures) Rules, 2016.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt37-2016.pdf
(2)	07/2016-Cus (ADD)	08.03.2016	Seeks to levy definitive anti-dumping duty on Polypropylene, originating in, or exported from Singapore, for a period of five years	Continuation of anti-dumping duty on imports of Polypropylene falling under tariff items 3902 10 00 or 3902 30 00, originating in or exported from Singapore. The anti-dumping duty imposed under this notification shall be effective for a period of five years (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-add2016/csadd07-2016
(3)	Circular 07/2016	07.03.2016	Issue of Indian Currency Note-Foreign going Vessel	It has been brought to notice of the Board that revised guidelines issued by RBI has not prescribed any restriction on denomination of Indian currency, carried by an Indian traveller or Captain of a Ship. In the light of the revised RBI guidelines, Board has decided to withdraw the restriction on denomination of Indian currency imposed vide earlier Circular No. 51/1999 dated 12.08.1999.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2016/circ07-2016cs
(4)	Circular 08/2016	08.03.2016	Dispensing of Customs Baggage Declaration Form for domestic passengers	In the meeting taken by Chairman, CBEC, on 19.12.2015 with Principal Commissioners/ Commissioners of major airports and other officers, it was decided in the said meeting that the Customs Declaration form which is prescribed for the domestic passengers travelling along with international passengers in the international flight flying in its domestic leg would be dispensed herewith.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2016/circ08-2016cs

CBEC – CENTRAL EXCISE					
Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	Circular No.1016/ 4/2016-CX	29.02.2016	Registration of two or more premises as one registrant in Central Excise	CBEC vide Circular No. 1016/4/2016-CX dated February 29, 2016 [F. No. 96/18/2016-CX.1] has clarified that if two or more premises of the same factory are located in a close area, these premises are within the jurisdiction of a Central Excise Range and the process undertaken there are interlinked and the units are not operating under any of the area based exemption notifications, the Commissioner of Central Excise, may, subject to proper accountal of the movement of goods from one premise to other and such other conditions and limitations, as may be prescribed, allow single registration.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-circulars/cx-circulars-2016/circ1016-2016cx.pdf

NOTICE

(2)	Circular No.1017/5/ 2016-CX	29.02.2016	Certificate evidencing payment of Central Excise duty	CBEC Circular No. 1017/5/2016-CX dated February 29, 2016 clarified that the benefit of Circular No.620/11/2002-CX dated 20.02.2002 (facility of issuing of Certificate as proof of payment of Central Excise duty was extended to Small Scale Industry) shall be extended to the entire industry as a matter of trade facilitation	http://www.cbec.gov.in/htdocs-cbec/excise/cx-circulars/cx-circulars-2016/circ1017-2016cx.pdf
(3)	Circular No.1018/6/ 2016-CX	29.02.2016	Withdrawal from prosecution in Central Excise cases older than 15 years involving duty less than rupees five lakhs	Circular No. 1018/6/2016-CX dated February 29, 2016 [F. No. 96/54/2014-CX.1] specified the situation regarding withdrawal from prosecution in Central Excise cases older than 15 years involving duty less than ₹ 25 lakhs.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-circulars/cx-circulars-2016/circ1018-2016cx.pdf
(4)	Circular No.1019/7/ 2016-CX	29.02.2016	Change in rate of interest on goods warehoused for export, when cleared to DTA	Board's Circular No. 581/18/2001-CX, dated 29-6-2001, specifies conditions, procedures, class of exporters and places under sub-rule (2) of rule 20 of Central Excise (No. 2), Rules, 2001 for Central Excise who can avail facility of export warehousing. Paragraph 10.3 in the said circular deals with liability of interest on goods, warehoused for export, when diverted for home-consumption.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-circulars/cx-circulars-2016/circ1019-2016cx.pdf

CBEC – SERVICE TAX

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	20/2016-Service Tax	08.03.2016	Consequent to the introduction of Swachh Bharat Cess, changes made in the ST-3 return form	CBEC vide Notification No. 20/2016-Service Tax dated March 08, 2016 has been amended Service Tax return Form ST-3 to incorporate details of Swachh Bharat Cess.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st20-2016.pdf

RESERVE BANK OF INDIA

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	RBI/2015-16/332 A.P. (DIR Series) Circular No.53	03.03. 2016	Grant of EDF Waiver for Export of Goods Free of Cost	Attention of Authorised Dealers is invited to **A.P. (DIR Series) Circular No. 94 dated April 26, 2003** in terms of which GR waiver to exporters for export of goods free of cost had been enabled. The facility had been extended to the Status Holders vide para 2.52.1 of Handbook of Procedures- Vol-I of Foreign Trade Policy 2004-2009, in terms of which Status Holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs 10 lakh or 2% of average annual export realization during preceding three licensing years, whichever is higher. Government of India vide amendment Notification No. 9/2015-2020 dated June 4, 2015, has notified that the Status Holders shall be entitled to export freely exportable items on free of cost basis for export promotion subject to an annual limit of Rs 10 lakh or 2% of average annual export realization during preceding three licensing years whichever is lower. AD Category – I banks may, therefore, consider	https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10297 & Mode=0

				requests from Status Holder exporters for grant of Export Declaration Form (EDF) waiver, for export of goods free of cost based on the revised norm.	
MUMBAI CUSTOMS					
Sr. No.	**Heading No.**	**Date**	**Subject**	**Description**	**Download the Link**
(1)	Public Notice No. 13/2015-16	18.02.2016	Simplification of Customs Procedure for Port Clearance	A Committee was set up by the Ministry of Shipping for simplification of Shipping Customs Procedure. Board has examined the recommendations of Committee in consultation with identified Chief Commissioners of Customs. The following decision is given in the Public Notice.	http://mumbaicustomszone1.gov.in/site/PublicNotice.aspx?id=1160&mode=view
JNCH CUSTOMS					
Sr. No.	**Heading No.**	**Date**	**Subject**	**Description**	**Download the Link**
(1)	Facility Notice No. 30/2016	19.02.2016	General guidelines for implementation of e-payment of refund/rebate-Reg.	In order to speed up the transfer of the refund directly to the beneficiary's bank account after sanction of the refund claim and thereby promoting ease of doing business, the following procedure for e-payment of refunds/rebate is hereby prescribed for implementation by all the concerned field formations (in both SAD refund and other than SAD refund cases)	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2016/facility-notice-no-30-2016
(2)	Public Notice No. 31/2016	19.02.2016	Processing of Shipping Bills EDI for Re-export under Section 69 of the Customs Act, 1962– reg.	This is for the information of general public and persons concerned that all Shipping bills for Re-export under Section 69of the Customs Act, 1962 will be filed and processed under EDI 1.5 System. However, in genuine cases, which are not processed under EDI 1.5 System due to some technical reason, the manual noting of Such Shipping Bills would only be allowed with prior approval of Additional/Joint Commissioner in charge of Docks.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2016/public-notice-no-312016
(3)	Public Notice No. 33/2016	24.02.2016	Monitoring of realisation of export proceeds for the Drawback EDI Shipping Bills – Submission of certificates/negative statements for the shipments having LEO dates from 1.4.2013 to 31.3.2014- reg.	Kind attention is invited to the Public Notice No. 91 of 2015 dated 3.12.2015 issued by this Custom House whereby the exporters were advised to submit the certificates/negative statements issued by the competent authorities in respect of their drawback EDI shipping bills having LEO dates from 1.4.2013 to 31.3.2014 by 27.1.2016. In this regard, the IEC-wise list of shipping bills pertaining to the period 1.4.2013 to 31.3.2014 pending for submission of the BRC certificates/ negative by the exporters is being uploaded alongwith this Public Notice.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2016/public-notice-no-33-2016
(4)	Facility Notice No. 34/2016	24.02.2016	Registration and Updation of AD (Authorised Dealer) Code in EDI 1.5– reg.	The Registration of AD Code (Authorised Dealer Code) in EDI1.5 System for the purpose of foreign currency remittance in the Exporter's bank account is done by EDI Section. Issuance and functioning of AD Code to Bank branch is governed by the regulations/guidelines and master circulars issued by RBI. The EDI Section is maintaining updated database of AD Codes issued by RBI to various Bank branches. This Database has been provided by ICEGATE for the purpose of verification of the AD Code received for registration/updations in EDI 1.5.	http://www.jawaharcustoms.gov.in/index.php/public-notices-for-2016/facility-notice-no-34-2015

(5)	Public Notice No. 39/ 2016	03.03.2016	Mobile app for lodging of public grievances-reg.	Attention to all the Members of the Trade is invited to the Mobile App for the Centralized Public Grievances Redress & Monitoring System (CPGRAMS). The Department of Administrative Reforms and Public Grievances (DARPG), the nodal agency to formulate policy guidelines for citizen-centric governance in the country and to redress grievances of citizens, has been making endeavours to bring excellence in public service delivery and to redress grievances of citizens in a meaningful manner by effectively coordinating with different Ministries and Departments of the Government and trying to eliminate the causes of grievances. In this direction, a further step has been taken by providing access to citizens through mobile phones. The Mobile App will not only allow the people to lodge their grievances, but can also track the status of the redress of their grievances.	http://www. jawaharcustoms. gov.in/index.php/ public-notices- for-2016/public- notice-no-39-2016
(6)	Facility Notice No. 41/ 2016	03.03.2016	Ease of Doing Business: Creation of Dedicated Drawback Facilitation Counter for resolution of Queries at JNCH-regarding. (Annexure Top 200)	Facility Notice No.70/2015 dated 15.09.2015 issued by Principal Commissioner of Customs JNCH, NS-II had requested all exporters/Members of the trade organisation/brokers concerned to come forward for clearance of DBK claims which were pending for non compliance of queries which were to be complied by the exporters. As an endeavour to aid the exporters in resolving pending queries a listof 200 exporters was published on the website of JNCH whose claims were pending disbursal due to non submission/non compliance with the documents raised in the queries. However, the response received is not on expected lines & rather lukewarm. Due to inadequate response from the exporters the pending Drawback claims could not be processed. In order to liquidate the pendency of Drawback claims on priority basis list of 200 exporters has been published again on the website of JNCH and a Dedicated Facilitation Counter is also being set up on 1stFloor of JNCH, Customs House, Nhava Sheva from 03.03.2016.	http://www. jawaharcustoms. gov.in/index.php/ public-notices/ facility-notice- no-412016

SAHAR AIR CARGO CUSTOMS

Sr. No.	Heading No.	Date	Subject	Description	Download the Link
(1)	Public Notice No. 39/2015	07.03.2016	Procedure to be followed in re-export of imported goods under Section 69 of the Customs Act, 1962-reg.	Attention to the trade and others is drawn to the procedures to be followed in re-export of imported goods under Section 69 of the Customs Act, 1962, the trade has represented that in the cases of export of warehoused goods under Section 69 of the Customs Act, 1962, whenever there is involvement of two Custom Houses/two Commissionerates, lengthy procedures of documentation are being followed requiring to obtain numerous signatures of the concerned Customs officers of Import Bond Section, concerned Groups where such commodity is handled and officers of Export Department of the Customs House.	http://accmumbai. gov.in/aircargo/ miscellaneous/ public_notices/2016/ PN-39-of-2015-16. pdf

NOTICE

Relevant Budgetory Notifications
[All Notifications issued vide dated 1st March,2016]

CUSTOMS – TARIFF NOTIFICATIONS			
Sr. No.	Notification No.	Description	Download the Link
(1)	12/2016-Customs	Seeks to further amend Notification No. 12/2012-Customs, dated 17.03.2012 so as to carry out Budgetary changes. Details are contained in Joint Secretary (TRU – I) DO letter dated 29.02.2016.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-tarr2016/cs12-2016.pdf
(2)	13/2016-Customs	Seeks to further amend Notification No. 171/93-Customs, dated 16.09.1993 so as to increase the value limit for bona fide gifts imported by post or as air freight from ₹ Ten thousand to ₹ Twenty thousand.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-tarr2016/cs13-2016.pdf

CUSTOMS – NON-TARIFF NOTIFICATIONS			
Sr. No.	Notification No.	Description	Download the Link
(1)	30/2016-Customs (NT)	Seeks to notify Baggage Rules, 2016.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt30-2016.pdf
(2)	31/2016-Customs (NT)	Seeks to further amend Customs Baggage Declaration (Amendment) Regulations, 2016.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt31-2016.pdf
(3)	32/2016-Customs (NT)	Seeks to notify the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods), Rules 2016.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt32-2016.pdf
(4)	33/2016-Customs (NT)	Seeks to fix the rate of interest under section 28AA of the Customs Act, 1962 and supersede notification No. 17/2011-Cus (N.T) dated 01.03.2011.	http://www.cbec.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2016/cs-nt2016/csnt33-2016.pdf

CENTRAL EXCISE – TARIFF NOTIFICATIONS			
Sr. No.	Notification No.	Description	Download the Link
(1)	7/2016-Central Excise	Seeks to amend Notification No.7/2012-Central Excise dated 17.03.2012 so as to carry out Budgetary changes	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-tarr2016/ce07-2016.pdf
(2)	9/2016-Central Excise	Seeks to amend Notification No.1/2011-Central Excise dated 01.03.2011 so as to carry out Budgetary changes	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-tarr2016/ce09-2016.pdf
(3)	15/2016-Central Excise	Seeks to amend Notification No. 30/2004-Central Excise dated 09.07.2004 so as to carry out Budgetary changes.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-tarr2016/ce15-2016.pdf

CENTRAL EXCISE – NON-TARIFF NOTIFICATIONS			
Sr. No.	Notification No.	Description	Download the Link
(1)	8/2016-Central Excise (NT)	Seeks to further amend Central Excise Rules, 2002	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent08-2016.pdf

NOTICE

(2)	11/2016-Central Excise (NT)	Seeks to further amend Notification No. 20/2001-Central Excise (N.T.), dated 30.04.2001 so as to amend the tariff values prescribed for articles of apparel and clothing accessories not knitted or crocheted.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent11-2016.pdf
(3)	13/2016-Central Excise (NT)	Seeks to further amend the CENVAT Credit Rules, 2004.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent13-2016.pdf
(4)	14/2016-Central Excise (NT)	Seeks to amend Notification No. 27/2012-Central Excise (N.T) so as to prescribe the time limit for filing application for refund of CENVAT Credit under Rule 5 of the CENVAT Credit Rules, 2004, in case of export of services.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent14-2016.pdf
(5)	15/2016-Central Excise (NT)	Seeks to prescribe the rate of interest at fifteen per cent per annum for the purposes of section 11AA of the Central Excise Act, 1944.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent15-2016.pdf
(6)	16/2016-Central Excise (NT)	Seeks to amend Notification No. 42/2001 - Central Excise (N.T.) dated 26.06.2001 so as to make further amendments in notification No. 42/2001- CE (NT), dated 26th June 2001.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent16-2016.pdf
(7)	17/2016-Central Excise (NT)	Seeks to amend Notification No. 31/2007-Central Excise (N.T.), dated the 02.08.2007 so as to make further amendments in notification No. 42/2001- CE (NT), dated 26th June 2001.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent17-2016.pdf
(8)	18/2016-Central Excise (NT)	Seeks to amend Notification No. 19/2004-Central Excise (N.T.), dated the 06.09.2004 so as to carry out Budgetary changes.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent18-2016.pdf
(9)	19/2016-Central Excise (NT)	Seeks to amend Notification No. 36/2001-Central Excise (N.T.), dated 26.06.2001 so as to carry out Budgetary changes.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent19-2016.pdf
(10)	20/2016-Central Excise (NT)	Seeks to notify new Central Excise (Removal of Goods at Concessional rate of Duty for Manufacture of Excisable Goods), 2016.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent20-2016.pdf
(11)	21/2016-Central Excise (NT)	Seeks amend Notification No. 21/2004-Central Excise (N.T) dated 06.09.2004 so as to carry out Budgetary changes.	http://www.cbec.gov.in/htdocs-cbec/excise/cx-act/notifications/notfns-2016/cx-nt2016/cent21-2016.pdf

SERVICE TAX – NOTIFICATIONS

Sr. No.	Notification No.	Description	Download the Link
(1)	8/2016-ST 016	Seeks to amend notification No. 26/2012-Service Tax, dated 20th June 2012, so as to make necessary amendments in the specified entries prescribing taxable portion and the conditions for availing the exemption therein.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st08-2016.pdf
(2)	9/2016-ST	Seeks to amend notification No. 25/2012-Service Tax, dated 20th June 2012, so as to amend certain existing entries granting exemption on specified services and inserting new entries for granting exemption from service tax on specified services.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st09-2016.pdf

(3)	10/2016-ST	Seeks to amend Point of Taxation Rules, 2011 so as to insert clarificatory Explanations.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st10-2016.pdf
(4)	13/2016-ST	Seeks to prescribe interest rate under section 75 of the Finance Act, 1994.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st13-2016.pdf
(5)	14/2016-ST	Seeks to prescribe interest rate under section 73B of the Finance Act, 1994.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st14-2016.pdf
(6)	15/2016-ST	Seeks to bring into effect provisions of clause (h) of section 107 of the Finance Act, 2015.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st15-2016.pdf
(7)	16/2016-ST	Seeks to bring into effect certain provisions of notification No. 07/2015-ST dated 1st March, 2015.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st16-2016.pdf
(8)	17/2016-ST	Seeks to bring into effect certain provisions of notification No. 05/2015-ST dated 1st March, 2015.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st17-2016.pdf
(9)	18/2016-ST	Seeks to amend notification No. 30/2012-Service Tax dated 20th June, 2012, so as to prescribe, the extent of service tax payable by the service provider and any other person liable for paying service tax other than the service provider.	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st18-2016.pdf
(10)	19/2016-ST	Seeks to amend Service Tax Rules	http://www.cbec.gov.in/htdocs-servicetax/st-notifications/st-notifications-2016/st19-2016.pdf

NEW IMPORT REGULATION BY EGYPT

The Ministry of Trade and Industry, Egypt Decree No. 43 of the Year 2016, issued on 16/1/2016 regarding the Amendment of the Rules Organizing the Registration of the Factories Qualified to Export Products Thereof to the Arab Republic of Egypt, makes it mandatory that exporting factories/companies (of selected textile products including others) from other countries including India to Egypt need to comply with the following:

- Register in the General Organization for Export and Import Control (GOIC), Egypt.
- Abide by the quality control system, issued by an entity recognized by the International Laboratory Accreditation Cooperation (ILAC) or the International Accreditation Forum (IAF), or an Egyptian or foreign governmental entity approved by the Minister concerned with foreign trade.

For details in this regard, please visit the website of the Council www.srtepc.org/

AMENDED TECHNOLOGY UPGRADATION FUND SCHEME (A-TUFS) – RESOLUTION DATED 13TH JANUARY, 2016

Introduction : A new Scheme "Amended Technology Upgradation Fund Scheme (ATUFS)" has been introduced in place of the existing Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS), for technology upgradation of the textiles industry, which will provide one-time capital subsidy for investments in employment- and technology-intensive segments of the textile sector.

Aims at : Giving a boost to "Make in India" in the textiles sector.

Effective Date : This Scheme will be effective from the date of issue of the Resolution i.e. from 13.01.2016 for a period of seven years upto 31.03.2022.

Categories of the Scheme : The New Scheme will be classified into two broad categories; one for apparel, garment and technical textiles, wherein 15 per cent subsidy will be provided over five years on capital investment not exceeding ₹ 30 crore. The second category, comprising all the other sub-sectors, will get 10 per cent subsidy, subject to a ceiling of ₹ 20 crore.

Targets at : It targets at providing more employment generation and export by encouraging the apparel and garment industry. It also targets at encouraging better quality in processing industry and check the need for import of fabrics by the garment sector.

Budget provision : ₹ 17,822 crore has been approved under the Budget Provision, of which ₹ 12,671 crore is for committed liabilities under the ongoing scheme [RR-TUFS], and ₹ 5,151 crore is for new cases under ATUFS.

TXC to step up : Eligible cases now pending with the Office of Textile Commissioner (TXC) will be provided assistance under the ongoing scheme and the new scheme given prospective effect.

The TXC is also being reorganised and its offices shall be set up in each State. TXC officers will be closely associated with entrepreneurs for setting up units under the new scheme, verifying assets created jointly with the bankers and maintaining close liaison with State government agencies.

Implemention of the Scheme : The scheme would be executed and monitored online under iTUFS, launched in April, 2015.

Guidelines of the Scheme : On 29th February, 2016 the Ministry has laid down certain Guidelines of ATUFS relating to the financial and operational parameters and implementation mechanism for ATUFS during its implementation period from 13.01.2016 to 31.03.2022.

Technology Upgradation Fund Scheme (TUFS) over the years

Introduced in 1999	**1999 – 2015**	**2012-2017 Scheme amended as Restructured-TUFS (i.e. R-TUFS)**
Objective To facilitate new and appropriate technology for making the textile industry globally competitive and to reduce the capital cost for the textile industry	**Assistance Provided** ₹ 21,347 crore	**Assistance Provided** ₹ 11,952 crore
	Investments generated ₹ 2,71,480 crore,	**Investment expected** ₹ 1,51,000 crore
	Created job opportunities 48 lakh people.	

- To download the Guidelines on the ATUFS follow the link http://txcindia.gov.in/html/Guidelines_of_ATUFS_.pdf
- To download the Guidelines on the Amended RR-TUFS follow the link http://txcindia.gov.in/html/Amendment_in_guidelines_of_RRTUFS_0.pdf

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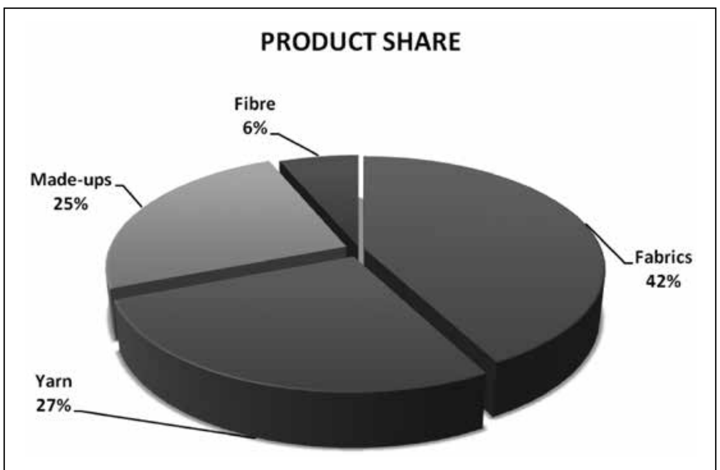
EXPORTS OF INDIAN MAN-MADE FIBRE TEXTILES DURING APRIL – FEBRUARY 2015-16

Exports of Man-made fibre (MMF) textiles from India have witnessed eleventh consecutive month of decline during the current financial year 2015-16.

Exports during April-February 2015-16 were US$ 4188.59 Million against US$ 4681.02 Million during the same period of the previous year witnessing a decline of nearly 11%. (SOURCE: Port Data)

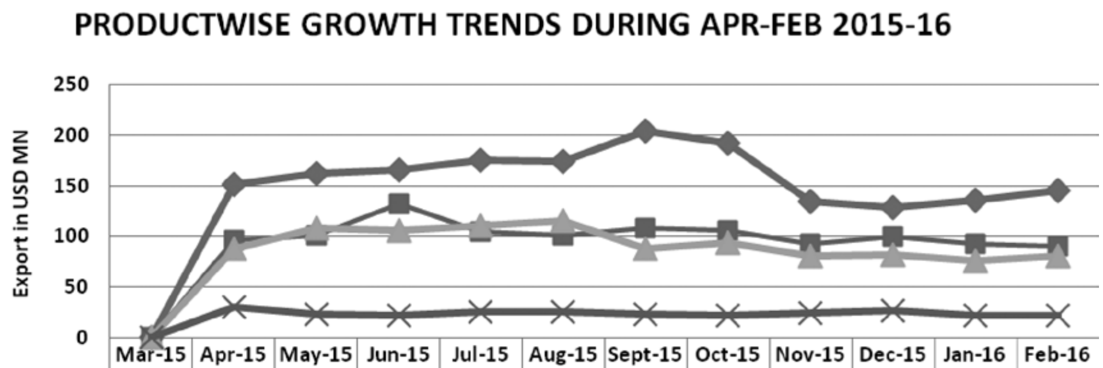
Value in US$ Mn

	April-February 2015-16	April-February 2014-15	Grw/decline (%)
Fabrics	1768.65	1883.93	-6.12
Yarn	1124.18	1300.40	-13.55
Made-ups	1030.15	1155.73	-10.87
Fibre	265.61	340.97	-22.10
Total	**4188.59**	**4681.02**	**-10.52**

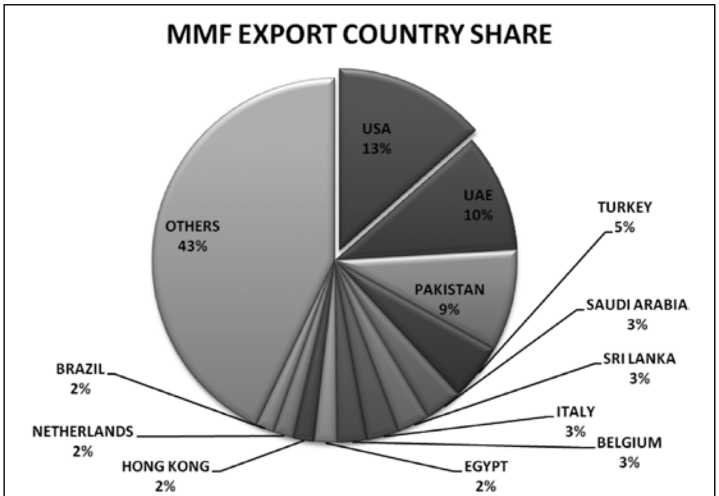


HIGHLIGHTS

- All the four segments witnessed decline in export like fibre (-22.10%), yarn (-13.55%), made-ups (-10.87%) and fabrics (-6.12%).
- Exports of Fabrics dominated with 42% share followed by Yarn 27%, Made-ups 25% and Fibre 6% in the Indian MMF textile exports.
- Share of the value added segments like fabrics and Made-ups were 67% in total exports.
- In the fabrics segment Polyester Filament Fabrics (US$ 495.42 Mn) remained the top exported product in India's MMF textile exports followed by Synthetic Filament Fabrics (US$ 448.40 Mn) and Polyester Viscose Fabrics (US$ 305.75 Mn) during the period.
- In case of MMF yarn exports, Polyester Filament Yarn was the leading item with exports worth US$ 552.04 Mn followed by Polyester Cotton Yarn (US$ 125.12 Mn) and Polyester Viscose Yarn (US$ 112.17 Mn).
- In Made-ups, Bulk Containers was the leading item with exports worth US$ 253.01 Mn followed by Muffler and Shawls/Scarves worth US$ 157.07 Mn and US$ 112.36 Mn respectively.
- Main Made-ups with positive growth are Tulles (115%), Muffler (33%), Curtain (24%) and Sacks and Bags (12%).
- Viscose Staple Fibre (US$ 127.16 Mn) was the leading item in the MMF category followed by Polyester Staple Fibre (US$ 101.15 Mn) and Acrylic Staple Fibre (US$ 16.63 Mn).
- Exports of Viscose Blended Fabrics which accounted for share of nearly 1% in the Indian MMF fabrics exports, have witnessed excellent growth of 99%.



	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sept-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Fabrics	0	151.25	162.22	165.62	175.03	173.68	203.92	192.04	134.87	128.39	135.77	145.86
Yarn	0	95.84	100.80	132.30	104.31	101.49	107.84	106.30	92.27	99.99	92.40	90.66
Made-ups	0	88.35	107.89	106.34	111.20	115.41	87.32	93.86	80.91	82.29	75.89	80.66
Fibre	0	30.29	23.07	21.44	26.04	25.62	22.85	21.91	24.48	26.61	21.86	21.43



HIGHLIGHTS

- UAE was the leading market for Indian MMF textiles during April-February 2015-16 with 13% share in total exports followed by USA 10%, Pakistan 9% and Turkey 5%.
- Neighbouring country Pakistan has emerged as the 3rd largest market for India's MMF textile export with a share of 9% during April-February 2015-16.
- Other major markets during April-February 2015-16 were Saudi Arabia, Sri Lanka, Italy, and Belgium with share of 3% each in the Indian MMF Textiles exports.
- Leading markets with positive growth are Germany (23%), Saudi Arabia (5%), USA (1.87%) and UAE (0.07%).
- From the Euro Zone, Italy has emerged as the leading market for our exports during April-February 2015-16 with exports US$ 120.16 Mn.
- UAE and USA were the leading market for Indian MMF Fabrics and USA was also leading market for Indian MMF Made-ups during the period.
- Nigeria with a share of 0.40% in the Indian MMF Made-ups export has grown by 126.68% during April–February 2015-16.
- Major markets for Indian MMF yarn were Turkey and USA. However, exports to USA showed a growth of 3% while exports to Turkey declined nearly 20% during April-February 2015-16.
- Brazil emerged as the 3rd largest market for Indian MMF Yarn exports but has witnessed a decline of 37% during April–February 2015-16 as compared to the same period of last year.
- Exports to USA have been increased in Yarn (3%) and Made-ups (9%) during the period.

PRODUCT-WISE EXPORT PERFORMANCE APRIL–FEBRUARY 2015-16

Value in USD Mn

Products	April-Feb 2015-16	April-Feb 2014-15	Net Change	% Change
FABRICS (Woven+non-woven+knitted)				
Polyester Filament	495.42	608.80	-113.38	-18.62
Synthetic Filament	448.40	452.93	-4.53	-1.00
Polyester Viscose	305.75	304.42	1.33	0.44
Polyester Blended*	190.08	150.55	39.53	26.26
Synthetic Non Specified	89.42	98.71	-9.29	-9.41
Synthetic Cotton	43.64	43.66	-0.02	-0.05
Polyester Wool	41.91	44.03	-2.12	-4.81
Polyester Cotton	32.52	34.40	-1.88	-5.47
Polyester Spun	22.66	34.76	-12.10	-34.81
Synthetic Blended	17.31	23.34	-6.03	-25.84
Nylon Filament	15.38	23.73	-8.35	-35.19
Viscose Blended **	12.63	6.34	6.29	99.21
Other Fabrics	53.55	58.26	-4.71	-8.08
Total Fabrics	**1768.67**	**1883.93**	**-4.71**	**-8.08**

* Polyester blended fabrics covered under HS Codes 551512, 551521 and 551591.

** Viscose Blended fabrics covered under HS Codes 55162200, 5516300, 55169200, 55169110, 55162110, 55162120, 55169300, 55162400, 55169400, 55169120.

YARN

Polyester Filament	552.04	618.52	-66.48	-10.75
Polyester Cotton	125.12	175.47	-50.35	-28.69
Polyester Viscose	112.17	133.51	-21.34	-15.98
Polyester Spun	88.02	87.49	0.53	0.61
Viscose Spun	66.47	64.82	1.65	2.55
Viscose Filament	48.54	50.69	-2.15	-4.24
Acrylic Spun	28.87	41.85	-12.98	-31.02
Synthetic Spun	26.71	34.33	-7.62	-22.20
Polyester Wool	19.82	22.07	-2.25	-10.19
Synthetic Non Specified	12.47	10.23	2.24	21.90
Acrylic Cotton	9.01	9.17	-0.16	-1.74
Artificial Spun	7.34	19.92	-12.58	-63.15
Nylon Filament	6.99	9.7	-2.71	-27.94
Other Yarn	20.63	22.65	-2.02	-8.92
Total Yarn	**1124.2**	**1300.42**	**-176.22**	**-13.55**

Products	April-Feb 2015-16	April-Feb 2014-15	Net Change	% Change
MADE-UPS				
Bulk Containers	253.01	333.04	-80.03	-24.03
Muffler	157.07	118.37	38.70	32.69
Shawls/Scarves	112.36	198.88	-86.52	-43.50
Motifs	61.45	65.71	-4.26	-6.48
Fishing Net	37.09	36.69	0.40	1.09
Blanket	32.46	40.06	-7.60	-18.97
Bed Linen	22.65	26.32	-3.67	-13.94
Bedsheet	17.92	23.44	-5.52	-23.55
Sacks and Bags	17.65	15.76	1.89	11.99
Rope	14.93	19.83	-4.90	-24.71
Dress Material	12.06	32.37	-20.31	-62.74
Braids	10.45	10.43	0.02	0.19
Dish-cloths/Dusters	8.62	9.88	-1.26	-12.75
Curtains	8.49	6.84	1.65	24.12
Tulles	6.93	3.23	3.70	114.55
Life Jacket	6.16	10.01	-3.85	-38.46
Other Made-ups	250.85	204.91	45.94	22.42
Total Made-ups	**1030.15**	**1155.77**	**-125.62**	**-10.87**

FIBRE

Viscose Staple	127.16	122.45	4.71	3.85
Polyester Staple	101.15	160.1	-58.95	-36.82
Acrylic Staple	16.63	35.65	-19.02	-53.35
Other Fibre	20.65	22.75	-2.10	-9.23
Total Fibre	**265.59**	**340.95**	**-75.36**	**-22.10**

* Flexible Intermediate Bulk Container (HS Code 63053200)/big bag/bulk bag or Super Sack is a standardized container in large dimensions for storing and transporting dry, flowable products, for example sand, fertilizers , and granules of plastics, most often made of thick woven polyethylene or polypropylene, either coated or uncoated.

** Other Made-ups include Tents, Sails, Rags, Embroidery (without visible ground) & Accessories.

LEADING MARKETS

Value in USD Mn

Sl No.	Country	April-Feb 2015-16	April-Feb 2014-15	Net Change	%Grw/ Decline
1	UAE	565.73	555.34	10.39	1.87
2	USA	443.34	443.02	0.32	0.07
3	PAKISTAN	374.84	437.25	-62.41	-14.27

Sl No.	Country	April-Feb 2015-16	April-Feb 2014-15	Net Change	%Grw/ Decline
4	TURKEY	212.38	259.03	-46.65	-18.01
5	SAUDI ARABIA	138.52	131.64	6.88	5.23
6	SRI LANKA	121.51	143.52	-22.01	-15.34
7	ITALY	120.16	174.94	-54.78	-31.31
8	BELGIUM	110.72	137.66	-26.94	-19.57
9	EGYPT	82.62	81.98	0.64	0.78
10	HONG KONG	76.80	80.48	-3.68	-4.57
11	NETHERLANDS	75.30	83.44	-8.14	-9.76
12	BRAZIL	69.38	106.80	-37.42	-35.04
13	SPAIN	69.13	88.95	-19.82	-22.28
14	KOREA, DEM	60.26	73.98	-13.72	-18.55
15	GERMANY	50.88	41.27	9.61	23.29
16	FRANCE	46.49	51.81	-5.32	-10.27
17	BENIN	45.86	76.42	-30.56	-39.99
18	BANGLADESH	45.26	51.18	-5.92	-11.57
19	JAPAN	45.17	54.30	-9.13	-16.81
20	VIETNAM, DEM	45.28	52.60	-7.32	-13.92

MAJOR MARKETS FOR MMF FABRICS

Value in USD Mn

Country	April-Feb 2015-16	April-Feb 2014-15	Net Change	%Grw/ Decline
USA	395.44	378.09	17.35	4.59%
UAE	255.39	285.79	-30.4	-10.64%
SRI LANKA	113.56	107.01	6.55	6.12%
PAKISTAN	108.96	117.51	-8.55	-7.28%
HONG KONG	64.26	67.38	-3.12	-4.63%
SAUDI ARABIA	59.1	75.91	-16.81	-22.14%
VIETNAM, DEM	37.99	45.37	-7.38	-16.27%
EGYPT	37.54	34.74	2.8	8.06%
BANGLADESH	30	33.27	-3.27	-9.83%
SPAIN	29.91	31.46	-1.55	-4.93%
KOREA, DEM	28.29	36.51	-8.22	-22.51%
ITALY	27.68	30.61	-2.93	-9.57%

MAJOR MARKETS FOR MMF YARN

Value in USD Mn

	April-Feb 2015-16	April-Feb 2014-15	Net Change	%Grw/ Decline
TURKEY	190.82	237.29	-46.47	-19.58
UNITED STATES	116.05	112.59	3.46	3.07
BRAZIL	60.77	95.92	-35.15	-36.65
BELGIUM	50.03	56.96	-6.93	-12.17
PAKISTAN	49	56.26	-7.26	-12.90
EGYPT	36.93	38.38	-1.45	-3.78
PERU	27.83	36.71	-8.88	-24.19
KOREA,REP	27.15	26.02	1.13	4.34
NETHERLANDS	25.07	26.61	-1.54	-5.79
GUADELOUPE	24.52	29.02	-4.50	-15.51
KOREA, DEM	22.23	28.74	-6.51	-22.65
MOLDOVA,REP	21.98	27.39	-5.41	-19.75
COSTA RICA	21.78	38.29	-16.51	-43.12
UAE	19.57	31.2	-11.63	-37.28
ITALY	18.83	18.39	0.44	2.39
SRI LANKA	16	16.74	-0.74	-4.42
SAUDI ARABIA	15.49	15.71	-0.22	-1.40

MAJOR MARKETS FOR MMF MADE-UPS

Value in USD Mn

Country	April-Feb 2015-16	April-Feb 2014-15	Net Change	%Grw/ Decline
USA	192.75	176.81	15.94	9.02
SAUDI ARABIA	152.33	159.79	-7.46	-4.67
ITALY	62.35	71.56	-9.21	-12.87
UAE	40.97	66.91	-25.94	-38.77
SPAIN	34.88	51.10	-16.22	-31.74
BENIN	34.59	59.61	-25.02	-41.97
CROATIA	34.06	48.43	-14.37	-29.67
NETHERLANDS	32.82	34.78	-1.96	-5.64
FRANCE	29.32	27.34	1.98	7.24
GERMANY	27.63	19.16	8.47	44.21
BELGIUM	22.91	32.56	-9.65	-29.64
AUSTRALIA	19.25	21.14	-1.89	-8.94
NIGERIA	16.82	7.42	9.40	126.68
UNITED KINGDOM	15.72	17.42	-1.70	-9.76

Moderate Union Budget 2016-17 for Man-made fibre Textile Industry

(Continued from Page 2)

SIMPLIFICATION AND RATIONALIZATION OF TAXATION

174. To reduce multiplicity of taxes, associated cascading and to reduce cost of collection, it is proposed to abolish 13 cesses, levied by various Ministries in which revenue collection is less than ₹ 50 crore in a year.

179. It is proposed to amend the Customs Act to provide for deferred payment of customs duties for importers and exporters with proven track record.

Annex No. I to Part A

(vii) With a view to promote Make in India and following the practices in advanced countries, foreign investors will be accorded Residency Status subject to certain conditions. Currently, these investors are granted business visa only up to 5 years at a time.

(viii) In order to ensure effective implementation of Bilateral Investment Treaties signed by India with other countries, it is proposed to introduce a Centre State Investment Agreement. This will ensure fulfilment of the obligations of the State Governments under these Treaties. States which opt to sign these Agreements will be seen as more attractive destinations by foreign investors.

Annex No. III-B to Part A

ALLOCATIONS OF IMPORTANT SCHEMES

₹ In crore

Sl No	Name of the Scheme	BE 2016-17
21	Make in India: Scheme for Investment Promotion and Amended Technology Upgradation Fund Scheme	1804

DIRECT TAX

1. Measures to boost the Financial Sector

4. Measures to Phase Out Deductions

4.1 It proposed to phase out the following deductions available in the Income-tax Act:

(i) Section 10AA of the Income-tax Act : Deduction for units established in SEZ

It is proposed to amend section 10AA of the Income-tax Act to provide for a sunset date of 31.03.2020 for commencement of activity of manufacture or production of any article or thing or providing services by a unit located in a Special Economic Zone for availing the deduction under said section.

(ii) Depreciation

It is proposed to amend Rule 5 of Income-tax Rules, 1962 to restrict the highest rate of depreciation under the Income-tax Act to 40% for all the assets (whether old or new) falling in the relevant block of assets with effect from 01.4.2017.

(ix) Section 80-IAB of the Income-tax Act : Deduction for development of Special Economic Zone

It is proposed to amend section 80IAB of the Income-tax Act so as to provide that no deduction shall be available under this section where the development of Special Economic Zone begins on or after 1st April, 2017.

6. Measures for promoting Economic Growth

6.3 It is proposed to provide that the plant & machinery acquired and installed for transmission activity would also be eligible for additional depreciation under section 32(1)(iia) of the Income-tax Act.

6.4 It is proposed to amend sub-section (1A) of section 32AC of the Income-tax Act to provide that the acquisition of the plant & machinery of the specified value has to be made in the previous year. However, installation may be made by 31.03.2017 in order to avail the benefit of additional depreciation of 15%.

INDIRECT TAX

The Table below summarises the changes in Customs, Central Excise and Service Tax rate structures and law and procedure.

Sl.No.	Changes	Existing	Proposed
VI	Incentivizing domestic value addition, 'Make in India'		
5.	Capital Goods		
	Tariff rate of BCD being increased on goods falling under 211 specified tariff lines in Chapter 84, 85 and 90. Out of which:	7.5%	10%
	(i) The effective rate of BCD on goods falling under 115 specified tariff lines in being maintained at 7.5%.	7.5%	7.5%
	(ii) (ii) The effective rate of BCD on goods falling under remaining 96 tariff lines is being increased to 10%.	7.5%	10%
9	**Textiles**		
i.	**Basic Customs Duty on specified fibres and yarns being reduced.**	5%	2.5%
ii.	**Basic customs duty on import of specified fabrics [for manufacture of textile garments for export] of value equivalent to 1% of FOB value of exports in the preceding financial year being exempted subject to the specified conditions.**	Applicable Rate	Nil
17.	Miscellaneous		
ii.	Concessional BCD on Pulp of wood for manufacture of sanitary pads, napkins & tampons being provided.	5%	2.5%
iii.	Concessional BCD on Super Absorbent Polymer when used for manufacture of sanitary pads, napkins & tampons being extended.	7.5%	5%
19.	**Textiles**		

i.	**Excise duty on branded readymade garments and made up articles of textiles of retail sale price of `1000 or more being changed.**	**Nil (without ITC) or 6%/12.5% (with ITC)**	**2% (without ITC) or 12.5% (with ITC)**
ii.	**The Tariff value for excise /CVD purposes on readymade garments and made up articles of textiles being changed.**	**30% of retail sale price**	**60% of retail sale price**
iii.	**Excise duty on PSF / PFY, manufactured from plastic scrap or plastic waste including waste PET bottles, being changed.**	**2% (without ITC) or 6% (with ITC)**	**2% (without ITC) or 12.5% (with ITC)**
23	**Service tax**		
i.	a) Services provided by Indian Shipping lines by way of transportation of goods by a vessel to outside India being zero rated with effect from 1st March, 2016; and b) Service tax on services provided by them by way of transportation of goods by a vessel from outside India up to the customs station in India being imposed, with effect from 1st June, 2016.	No Credit Nil	Input Tax credit allowed 14%
iii.	Service tax on the services provided by way of skill/ vocational training by training partners under Deen Dayal Upadhyay Grameen Kaushalya Yojana being exempted, with effect from 01.04.2016.	14%	Nil
VI	**Ease of Doing Business**		
1.	13 cesses levied by other Ministries/Departments and administered by the Department of Revenue, where the revenue collection from each of them is less than `50 crore in a year being abolished.		
2.	Interest rates on delayed payment of duty/tax across all indirect taxes being rationalized at 15%, except in case of service tax collected but not deposited to the exchequer, in which case the rate of interest will be 24% from the date on which the service tax payment became due. For assesses with taxable value during preceding year/years covered by the notice is less than ` 60 Lakh, the rate of interest on delayed payment of service tax will be 12%. This will come into effect from date of enforcement of Finance Bill, 2016.	Customs 18% Excise 18% Service tax 18% 24% 30%	Customs Excise Service tax 15%. 24% in case of tax collected but not deposited
VII	Clean Environment Initiatives		
3.	Credit of input services on transport of goods in containers by rail at a reduced abatement rate of 60% being allowed, with effect from 01.04.2016.	4.2% Without credit	5.6% With input service credit
XII	**OTHER LEGISLATIVE AMENDMENTS**		
	THE CUSTOMS ACT, 1962		
	Warehousing provisions are being simplified so as to move from physical control to record based control in most of cases. Several other consequential changes are also being made.		
	Section 25 of the Customs Act, 1962 being amended 80 also omit the requirement of publishing and offering for sale on the date of its issue, by the Directorate of Publicity and Public Relations of CBEC, of notification issued for publication in the official gazette		

	Sections 28, 47, 51 and 156 of the Customs Act, 1962 being amended so as provide for deferred payment of customs duties to certain class of importers and exporters and to increase the limitation period from one year to two year in cases not involving fraud, suppression of facts, wilful mis-statement, etc.
	New section 58A being inserted to provide for a new class of warehouses which require continued physical control and will be licensed for storing revenue sensitive goods. New section 58B being inserted so as to regulate the process of cancellation of licences which is a necessary concomitant of licencing.
	MISCELLANEOUS
	Various notifications pertaining to Advance Licence and Duty Free Import Authorization Schemes being amended to retrospectively correct the reference to “section 8” of the Customs Tariff Act, 1975 in such notifications to “section 8B” so as to clearly provide that exemption from safeguard duty under section 8B is available under these notifications on imports under Advance Licence and Duty Free Import Authorization Schemes.

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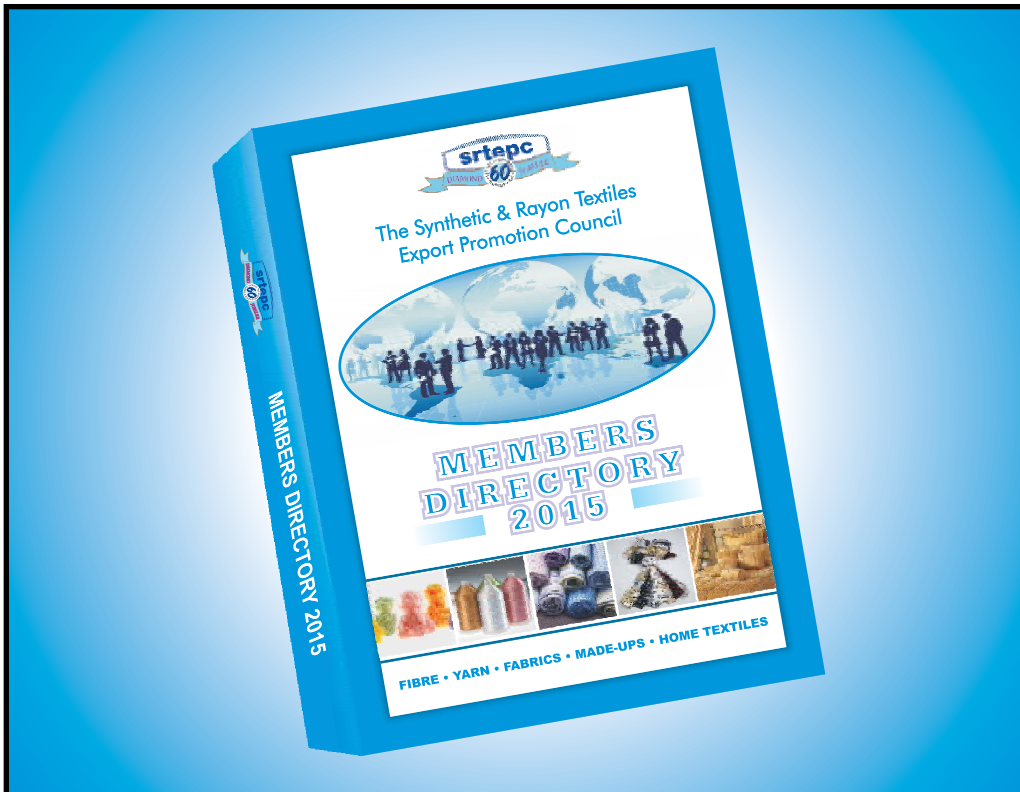

SRTEPC Members Directory

The Synthetic & Rayon Textiles Export Promotion Council in commemoration of its 60 years service to the industry, presents the **1st edition** of **Members Directory** with over **3400 entries** covering the complete details of **manufacturers/exporters of MMF textiles** and **blended textile items** including **Fibre, Yarn, Fabrics, Made-ups, Home textiles,** etc.

The publication will serve as a useful reference book and sourcing guide for the industry, importers, buying Houses and Agents of textile products. The cost of the Members Directory is as follows:

Printed Copy – Rs.1,000/ - US$50/- (Including delivery Charges)

ther information and request for supply of Directory may be sent to
Shri Anand Haldankar, Joint Director, E mail: *anand@srtepc.in*
Ms. Barbara Mendes, Sr. Executive, E mail: *barbaram@srtepc.in,srtepc@srtepc.in*

srtepc DIAMOND 60 JUBILEE

Your link to Overseas Buyers of Synthetic & Rayon Textiles

The Synthetic & Rayon Textiles Export Promotion Council

Resham Bhavan, 78 Veer Nariman Road, Mumbai 400 020,India
Phone : 0091-22-22048797/8690 **Fax :** 0091-22-22048358,
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Resham Bhavan, 78, Veer Nariman Road, Mumbai - 400 020.