

## **Synthetic and Rayon Textile Export Promotion Council, Mumbai.**

### **Annexure.**

#### **1. Benefits of being SRTEPC members:**

- Introduce exporters to overseas markets and daily updates on FOREX rates.
- Provide global market updates, business trends and trade enquiries.
- Organize trade fairs, B2B meetings in various international markets at subsidized rates.
- RBSM – Invites leading buyers from overseas to source from Indian manufacturers.
- Eligible Members avail Air fare reimbursement under MAI scheme.
- Organizes seminars on GST, policy matters, Government schemes & business trends.
- Provide regular updates on foreign trade policy and assist on procedural & logistics issues, Issues Certificate of Origin, Export Turnover Certificate, Export Performance / Import Certificate, GST Certificate, Visa recommendation letters, Letters for carrying samples abroad etc.
- Members are advised on DGFT, Customs, GST, ROSL, ROSCTL, MEIS, Duty Drawback, RBI, ECGC & TUF related issues etc.
- Overseas markets information, trade enquiries, Global trade developments, ADD - Tariff and non Tariff barriers etc.
- Council closely works with various Indian Government departments to advocate Indian MMF industry issues & initiate policy changes as required.

#### **2. The Council has requested the Government to bring about an early resolution of the serious problems faced by our members underlined below and sought their cooperation and support in these matters –**

- Export orders being cancelled by importers which were already en route to destinations/at ports that exporters had to bring back to their warehouses
- Removal of demurrage / detention charges both on imports and exports.
- Most of the overseas buyers are further negotiating on prices that was already negotiated and agreed upon and some are even deferring payment terms due to appreciation of the US Dollar.
- Exporters are unable to ship their consignments due to their inability to prepare necessary paper work/documentation, transportation of the goods to the port, etc.
- Difficulty in transportation of the raw materials to the factories and finished goods to the ports for exports.
- Restriction of movement of the employees, CHA, officials of EPCs, Testing documentation such as Testing reports, Certificate of Origin, etc. that are essential for export shipments..
- Release of the Bill of Lading of their latest shipments because offices of the shipping lines are closed.

- Indian banks have to send export documents to foreign banks, but courier companies are not taking the documents due to which importers are unable to get the consignments released and make payments.

### **3. The Council recommended to the Govt. for Immediate Measures which are detailed below:**

- Special Export incentive of 3% on fibre & yarn, 4% on fabric, 5% on made-ups for at least 6 months or till the impact of coronavirus subsides and global markets stabilize
- Include entire MMF textile value chain viz., fibres, yarns, fabrics, made-ups, etc. under RoSCTL and MEIS benefits. These entire MMF textile value chain is needed to be covered under the RoDTEP Scheme also.
- Extend one-year moratorium with immediate effect till March 31, 2021 for repayment of principal and interest amounts to the banks and NBFCs.
- Allow the textile industry to resume functioning of the units at least with 50% of the essential working staff.
- Include documentation/ paper work, Certificate of Origin, Testing Reports, etc. also in the “Essential Services” category and issue e-passes to the employees, CHA, officials of EPCs, Testing Agencies/organisations, etc. who are associated with paper-work and documentation such as Testing reports, Certificate of Origin, etc. that are essential for export shipments.
- Compensate the full expenses incurred by the exporters due to cancellation and deferred export orders and remove demurrage charges both on imports and exports.
- Release all pending dues under Drawback, MEIS, GST, IGST, ROSL, RoSCTL, TUFs on an urgent basis or extend soft loan equivalent to Government dues pending in the books of individual textile units that could be adjusted soon as the Government clears the dues.
- Remove the names of genuine exporters from the list of Risky exporters.
- Waive the interest charges for a period of six months on all loans.
- Ministry of Finance to help and intervene through RBI in hedging the export payment for a period of at least 180 days.
- Extend ECGC support to address the cancelled and deferred orders.
- Extend support to the industry for payment of salaries and wages to the workers during the lock-down period similar to that of the supports provided by the Government of Bangladesh to its textile units.
- Extension of due date of LCs by Rollover or Providing Fund Based Credit for March & April 2020.
- Special arrangements to be made for couriers necessary export documents both international and National like LC, Agreements, etc. to the importers bank, to the companies authorized banks on a case -by- case basis.
- At the Customs RMS parameters may be tweaked appropriately to reduce the number of containers getting opened for physical examination which in turn will reduce the requirement of too many CHA, CFS and customs staff, who are otherwise required.
- CBIC/JNPT/Mundra customs should authorise shipping lines to allow loading of export containers basis verification of LEO against specific shipping bill in the ICEGATE after CHA gives in writing through e-mail, confirming the

shipping bill number, date and LEO status without insisting on shipping bill print with LEO.

- In Nhava Sheva port, Customs may also allow container RFID seal verification directly at each terminal gate and allow customs LEO at each terminal gate itself. This will reduce the requirement of the number of CHA staff to carry out urgent customs clearance at three different designated parking plazas for GTI, NSICT (DP world), JNPT port terminal.
- The period of export payment realization should be increased from 270 days to 365 days and in case of delay in payments beyond the due date, no penal rate of interests should be charged by the banks.
- Reduce the freight charges to the pre-coronavirus level and ensure availability of containers for export shipments.
- State Governments to permit the units run with prescribed pre-conditions.
- Allow options to all companies to restructure loans for one year without any additional charges by Banks for provisioning etc.
- RBI should relax NPA norms for 6 months, so that no default will be eligible for being termed as an NPA account.
- Defer payment of ESI contributions to tide over the crisis, since government is prepared to pay 3 months PF contributions.

**4. For Longer Term Measures the Council proposed the following:**

- Enhance working capital limit and advances for exports on a case to case basis without any collateral.
- Provide 30% additional working capital at 7.25% interest for both exports and domestic production without any collateral and margin money to meet the working capital needs, pay salaries and wages to the employees and meet the standing charges.
- Enhance Interest Equalization Scheme (IES) benefit for exports of entire MMF textile value chain viz., fibres, yarns, fabrics, made-ups, etc. to 5% and extend 3% interest subvention for working capital.

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