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The Synthetic & Rayon Textiles  
Export Promotion Council

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## SRTEPC Meeting with Drawback Committee seeking suggestions and views on the All Industry Rates of Duty Drawback under GST in Surat

The Drawback Committee Members Shri Gautam Ray and Shri Y.G.Parande along with Shri Anand Kumar Jha, Under Secretary



**Members of the Drawback Committee interacting with Shri Sri Narain Aggarwal, Chairman, SRTEPC and other Regional SRTEPC Members present at the Drawback Meeting. Seen on the dais from l to r : Shri Aggarwal, Shri Dhiraj Raichand Shah, Shri Y.G. Parande, Member, Drawback Committee, Shri Gautam Ray, Member, Drawback Committee, Shri Anand Kumar Jha, Under Secretary (Drawback) and Officers from GST Commissionerate, Surat**

(Drawback) visited the factory premises of some of our members based in Surat to take stock of the situation of textile manufacturers for appropriate revision of the existing duty drawback rates. Officers from GST Commissionerate, Surat too accompanied the Drawback Committee.

The Chairman of the Council, Shri Sri Narain Aggarwal welcomed the guests. Shri Dhiraj Raichand Shah of M/s. Fairdeal Filaments Ltd., Surat and Shri Bhalesh R. Mehta of M/s. Rachna Art Prints, Surat Pvt. Ltd. were also present to welcome the dignitaries.

The Drawback Committee visited the factory premises of M/s. AB Industries, Pandesara, M/s. Preet Polyester, Udhana, M/s. Eagle Silk Mills Pvt. Ltd., Udhana, M/s. Shreeji Prints Pvt.Ltd.,

Pandesara, M/s. Siddharth Industries, Pandesara and M/s. Maruti Knit Tex, Ichhapore and tried to understand the problems the MMF Textile Industry were facing. The concerned exporters informed the Drawback Committee that the Duty Drawbacks have been lowered from seven percent to two percent which is quite inadequate as some of the taxes are not subsumed under GST and therefore the cost of exports have gone up and become uncompetitive.

During the visit of the Drawback Committee members to one of the factory premises it was brought to the notice of the Committee that the Fabric Processors were facing difficulty regarding refund of unutilized ITC on account of inverted duty structure. It was informed that the Government has denied refund to the Processing Houses under the Textile sector which added to the various problems to the industry. They reiterated that the processing of textiles is done on the fabrics received from others. The process house carries out

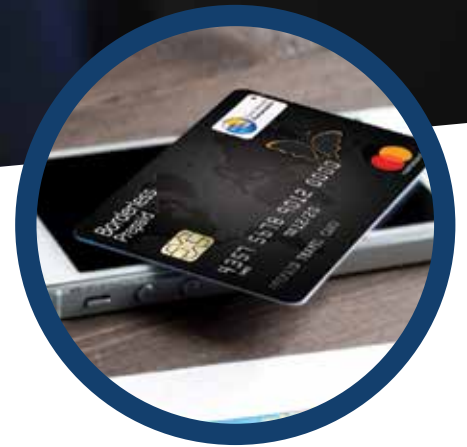
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**Shri Gautam Ray, Drawback Committee Member replying to the queries raised by the member exporters**



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Dear Member,

It is indeed encouraging to note that exports of MMF textile have been picking up momentum and showing signs of growth. The latest data of the Ministry of Commerce shows that for the financial year April-March 2017-18 exports of MMF textiles registered a growth of almost 3% to touch US\$6023.98 million as compared to the previous year which means that the growth has doubled as against 2016-17. This is definitely an indication that good times are here for the Indian MMF textile sector. Segment-wise yarn and made-ups have performed well and shown a positive growth, although exports of fabrics and fibre has dropped the dip has been slight. Friends, however, we have to put in our concerted effort and show excellent results in the months to come.

I would like to inform the members that the members of the Drawback Committee comprising Shri Gautam Ray and Shri Y.G.Parande along with Shri Anand Kumar Jha, Under Secretary (Drawback) visited Surat on 11th June 2018. The members toured the factory premises of some of our members based in Surat to review the situation of textile manufacturers for appropriate revision of the existing duty drawback rates. Officers from GST Commissionerate, Surat also accompanied the Drawback Committee. The concerned exporters informed the Drawback Committee that the Duty Drawbacks have been lowered from seven percent to two percent which is quite inadequate as some of the taxes are not subsumed under GST and therefore the cost of exports have gone up and become uncompetitive. The Drawback Committee was apprised about overall blockage of working capital across the textile industry post GST and to add to it the reduction of Duty Drawback rates to two percent has discouraged the exporting community. The Council made an appeal to the concerned authorities justifying the need to enhance the Duty Drawback rates. The members of the Drawback Committee were briefed about the various factors that were affecting the exports of MMF textiles and appealed for revision of the Duty Drawback rates upwards 6-7% for fabrics and made ups and which would in turn help in generation of more employment, growth in production and exports and foreign exchange earnings. I and some of the members of the Regional Committee had a had a brief meeting with the members of the Drawback Committee wherein we gave them a detailed update on the points discussed earlier. I am hopeful that the members of the Drawback Committee have understood our problems and will take a decision which will be beneficial to us.

I am glad to inform you that the preparations for SOURCE INDIA 2018 are going on full swing. SOURCE INDIA 2018, the mega event of the Council, is being held during 21-23 September 2018 at Surat. The Council proposes to invite around 200 buyers from more than 40 leading



countries based in Asia, Africa, Middle East & Gulf, Latin America, CIS Countries and Europe. Plans are afoot to organize Fashion Shows, Theme Pavilion, Seminars/Workshops, etc. on the sidelines of the event to add value to the program. I look forward to your wholehearted support and active participation in the event to make it a success.

Let me once again remind all the members who have not yet renewed their membership for the year 2018-19 to do so at the earliest to enable us continue our services to them. I count on your continued support for strengthening Council's membership by encouraging new members to join the Council to avail our facilities.

Yours sincerely,

**SRI NARAIN AGGARWAL**

**CHAIRMAN**

The Synthetic & Rayon Textiles Export Promotion Council

## Pakistan

### Textiles and clothing exports up 8.13% during the first ten months of 2017-18

Textile and garment exports from Pakistan increased by 8.13 per cent year-on-year in dollar terms in the first ten months of fiscal 2017-18. During July-April 2017-18, Pakistan earned US\$11.131 billion from textile and apparel exports compared to US\$10.295 billion in the same period of previous fiscal.

Category-wise, knitwear exports rose 14.65 per cent year-on-year to US\$2.201 billion during the ten-month period, while exports of non-knit readymade garments were up by 11.96 per cent to US\$2.122 billion.

On the import side, synthetic fibre imports were up 13.10 per cent year-on-year to US\$443.229 million, whereas imports of synthetic and artificial silk increased slightly by 1.58 per cent to US\$538.973 million.

Meanwhile, the value of textile machinery imports by Pakistan rose 2.14 per cent year-on-year to US\$469.874 million during the period under review.

In fiscal 2016-17 that ended on June 30, the value of textile and garment exports made by Pakistan increased by 0.04 per cent to US\$12.452 billion compared to exports valued at US\$12.447 billion in 2015-16.

Source : Fibre2fashion

## Sri Lanka

### Imports of textiles increase by 32.5% in February

Sri Lanka's imports of textile and textile articles increased by 32.5 per cent in the February 2018. During the month, Sri Lanka's expenditure on textile imports stood at US\$247.3 million compared to imports valued at US\$186.6 million in the corresponding month of 2017.

Sri Lanka's cumulative textile imports in January-February 2018 is US\$492.5 million. The expenditure on imports of textiles and textile articles had increased by 0.7 per cent to US\$2.724 billion. Clothing and accessories imports were valued at US\$369 million, up 0.9 per cent.

Meanwhile, Sri Lanka's earnings from textiles and garments exports increased by 2.8 per cent year-on-year to US\$407 million in February 2018. Despite the reduction of garment exports to the US by 3.8 per cent, earnings from garments exported to the EU increased by 10.6 per cent while earnings from non-traditional markets such as India, Japan, Hong Kong and Australia rose by 1.5 per cent.

Cumulative exports for January-February 2018 totaled US\$841.8 million, up 2.4 per cent year-on-year. Garments constituted the bulk of these exports accounting for US\$790.8 million.

In 2017, Sri Lanka earned US\$5.031 billion in textiles and apparel exports, registering a growth of 3 per cent year-on-year. Of this, clothing exports alone accounted for US\$4.739 billion. On the other hand, imports increased by 0.7 per cent to US\$2.724 billion.

Source : Fibre2fashion

## Bangladesh

### Garment exports up 9.77% during July-May 2017-18

Readymade garment exports from Bangladesh increased by 9.77 per cent in the first eleven months of current fiscal 2017-18 to US\$28.128 billion compared to exports of US\$25.624 billion in the corresponding months of the previous year. The percentage increase in garment exports during July-May 2017-18 was higher than 6.66 per cent growth in overall exports from Bangladesh during the same period.

Category-wise, knitwear exports rose 11.48 per cent to US\$13.940 billion in the first eleven months of fiscal 2017-18, as against exports of US\$12.504 billion during the corresponding period of the previous fiscal, as per the data. Germany was the largest importer accounting for US\$2.953 billion of all knitwear exported from Bangladesh, followed by the United Kingdom with imports of goods valued at US\$1.763 billion.

Likewise, exports of woven apparel increased 8.15 per cent to US\$14.188 billion during the period under review, compared to exports of US\$13.119 billion during July-May 2016-17. The US was the largest importer with US\$3.652 billion worth of woven clothing supplied by Bangladesh. Germany and the United Kingdom procured woven apparel valued at US\$2.174 billion and US\$1.716 billion, respectively.

Woven and knitted apparel and clothing accessories' exports together accounted for 83.39 per cent of US\$33.728 billion worth of total exports made by Bangladesh during the eleven-month period.

If the present trend continues, the South Asian country is likely to achieve its set target of US\$30.160 billion in garment export earnings this fiscal.

Source : Fibre2fashion

### Corporate tax rate on RMG to be raised to 15%

The recent Bangladesh budget has proposed raising the corporate tax rate on manufacturers and exporters of readymade garments (RMG) to 15 per cent from 12 per cent. If any such taxpayer is a

public limited company, then the rate will be 12.5 per cent. Any factory holding green building certification will enjoy tax rate of 12 per cent, according to the budget proposals.

A 5 per cent value-added tax (VAT) on branded garment outlets has also been proposed instead of 4 per cent. Besides, a 5 percent VAT will also be applicable on sale of non-branded garments in the local market.

The Exporters Association of Bangladesh (EAB) has, however, demanded reduction in the proposed corporate tax for the RMG industry by 5 per cent and to fix it at 10 per cent. It also wants the government to cut the tax at source at 0.25 per cent instead of the existing 0.70 per cent for at least five years, according to Bangladesh media reports.

The proposed tax at source of 1.0 per cent for the RMG industries, instead of the existing 0.70 per cent, to be made effective from July 1 this year would make the usual operations of the export-oriented RMG industries stagnant and thus reduce the capacity of the industries.

The Fashion Entrepreneurs Association of Bangladesh (FEAB) has opposed the proposal to increase VAT on the apparel items of local brands in the proposed budget as the step would pose a serious threat to the local apparel industry that engages marginalised people.

FEAB said local buyers would turn off in the face of increased VAT rate and imported apparel products would occupy the market.

Source : Fibre2fashion

## USA

### Textiles and clothing imports rise 5.23% during the first four months of 2018

The import of textiles and apparel by the United States increased by 5.23 per cent to US\$33.664 billion in the first four months of 2018, compared to imports valued at US\$31.992 billion in January-April 2017. With 36.41 per cent share, China was the largest supplier of textiles and clothing to the US during the four-month period, followed by Vietnam with 11.54 per cent.

Apparel constituted the bulk of the textiles and garments imports made by the US in January-April 2018, and were valued at US\$25.155 billion, while non-apparel imports accounted for the remaining US\$8.509 billion.

Segment-wise, among the top ten apparel suppliers to the US, exports from Cambodia showed double-digit growth of 15.73 per cent year-on-year. On the other hand, imports from Indonesia and Sri Lanka registered a decline of 1.89 per cent and 6.66 per cent

respectively, compared to the same period of the previous year.

In the non-apparel category, among the top ten suppliers, imports from Vietnam, Turkey, Italy and China shot up by 61.24 per cent, 25.37 per cent, 20.56 per cent and 20.23 per cent year-on-year to US\$226.417 million, US\$365.197 million, US\$194.783 million and US\$3.649 billion, respectively. However, imports from Taiwan fell by 0.87 per cent.

Of the total US textile and apparel imports of US\$33.664 billion during the period under review, cotton products were worth US\$15.030 billion, while man-made fibre products accounted for US\$16.904 billion, followed by US\$927.763 million of wool products and US\$801.514 million of products from silk and vegetable fibres.

In 2017, the US textile and apparel imports had increased by 1.25 per cent year-on-year to US\$105.968 billion, with apparel alone accounting for US\$80.269 billion.

Source : Fibre2fashion

## EU

### Imports of textile products up 3% in 2017

The textile products, including yarn, fibre, fabric, and home textile, imported by the European Union countries from all over the world in 2017 increased by 3%, compared to the previous year, and amounted to EUR 18.3 billion. Over EUR 1 billion worth of textiles were imported from four countries. The share of these four countries in imports constituted 61.3%.

The most important textiles supplier of the European Union is China. It exported textile products worth EUR 5.5 billion, followed by Turkey in 2017. The EU's imports of textile products from Turkey last year increased by 0.7%, compared to the previous year, and were valued at EUR 3.3 billion. The third largest textiles supplier of the EU is India.

Approximately EUR 1.3 billion worth of textile products were imported in 2017. The fourth largest textiles supplier of the EU is South Korea, where textile imports of EUR 1 billion 58 million were imported in 2017.

China's clothing exports to the European Union ranked first, at about 34%. The EU imported apparel worth EUR 31.4 billion from China in 2017 according to the European Statistical Office (Eurostat). Bangladesh ranked second, with around EUR 15.8 billion (17%), Turkey ranked third, with EUR 10.8 billion (11.7%). India ranked fourth, with EUR 6.2 billion, while Pakistan came fifth, with EUR 4.4 billion.

The share of EU clothing imports made in 10 countries is 89%.



There are three countries exporting over EUR 10 billion worth of products to the EU. These are China, Bangladesh, and Turkey. The share of these three countries in total clothing exports to the EU is 62.6%.

Imports of apparel and textile products to the European Union member countries, with a population exceeding 510 million, reached EUR 110.9 billion in 2017. Of these, EUR 92.6 billion were apparel products and EUR 18.3 billion were imports of textile products.

The country where the EU imports from the most is China. Of the approximately EUR 110.9 billion imported in 2017, EUR 37 billion worth of products came from China, which is 33.3% of all of the EU's apparel and textile imports.

Source : Yarnsandfibers

### **Additional duties on textile products from the US**

The European Commission's College of Commissioners has endorsed the decision to impose additional duties on the full list of US products notified to the World Trade Organisation (WTO), as part of the EU's response to the US tariffs on steel and aluminium products. The list of US products includes t-shirts, trousers, shorts and cotton bed linen.

Following the decision to apply additional duties to selected imports from the US, the Commission expects to conclude the relevant procedure in coordination with Member States before the end of June so that the new duties start applying in July.

As per the list of products notified to the WTO, a 25 per cent additional duty is proposed to be imposed on t-shirts, singlets and other vests of cotton, knitted or crocheted; t-shirts, singlets and other vests of wool or fine animal hair or man-made fibres, knitted or crocheted; t-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. of wool, fine animal hair, cotton or man-made fibres); men's or boys' trousers and breeches of cotton denim

(excl. knitted or crocheted, industrial and occupational, bib and brace overalls and underpants); men's or boys' shorts of cotton (excl. knitted or crocheted, swimwear and underpants); men's or boys' trousers and breeches of synthetic fibres, industrial and occupational (excl. knitted or crocheted and bib and brace overalls); women's or girls' cotton denim trousers and breeches (excl. industrial and occupational, bib and brace overalls and panties); women's or girls' cotton shorts (excl. knitted or crocheted, panties and swimwear); and bedlinen of cotton (excl. printed, knitted or crocheted).

Source : Fibre2fashion

## **World**

### **PTA prices up**

Asian PTA prices, CFR China was up US\$10 a ton in the third week of May 2018 while CFR Southeast Asia marker also rose US\$10 a ton on the week. In China, offers for bonded goods inched up US\$10 a ton and discussions for nearby month cargoes were heard US\$5 less than the offer prices.

Purified terephthalic acid prices in Asia edged up that week despite slightly weak paraxylene cost. Since the processing margins have been recovered a bit and plants undertook maintenance, the upward trend of PTA market will now depend on the upstream energy market.

PTA plants' average run rate in China fell to 75% that week due to the turnaround schedule of a PTA unit.

Meanwhile, South Korea's PTA producer Hanwha General Chem declared force majeure after plant outage.

European PTA market fell short on supply in the week due to production issues in North Europe.

In US, prices in the PTA market was relatively stable in the week.

Source : Yarns and Fibers

## **Attention: Members**

### **INDIAN TRADE CLASSIFICATION (HS) CODES FOR MAN-MADE FIBRE TEXTILES**

A detailed ITC HS Code Book for Indian Man-made Fibre Textiles is available with the Council. The Book contains Chapter-wise (54 to 63) HS Codes for the following Products.

- ❖ Fabrics
- ❖ Yarns
- ❖ Made-ups
- ❖ Fibre

The Book is available for ₹ 115 (including Service Tax), which can be obtained from the Head office or Regional Offices of the Council at Delhi and Surat on payment by cash or on the receipt of Demand Draft (in favour of "The Synthetic & Rayon Textiles Export Promotion Council, Mumbai) for the requisite amount. Please add ₹ 50/- for mailing charges, if you require the Book through courier.



## **Textile industry attracts investments up to ₹ 27,000/- crore**

After the announcement of the special textile package last year, the textile sector has attracted investments to the tune of ₹ 27,000 crore, said the Hon'ble Union Minister of Textiles Smt. Smriti Irani. The industry is also expected to get more investment from domestic and international markets in the future. The ₹ 6,000-crore textile package includes tax and production incentives.

The Textile Commissioner's office record has shown that investments worth ₹ 27,000 crore have been infused into the textile sector and the government's intervention will bring more funds into the sector, said Smt. Irani

It is learnt that the textile industry and the government are working together on a day-to-day basis. The turnaround time for goods after production is something that the government as well as the industry has to work on. She said that a logistics department has been created as part of the commerce ministry to help reduce turnaround time.

Smt. Irani also plans to meet the Hon'ble Union Minister of Commerce & Industry Shri Suresh Prabhu to discuss the issues faced by the textile industry as well as the WTO challenge.

The Textile Industry representatives have asked the Union Minister to discuss Free Trade Agreement (FTA) possibilities with the Commerce Ministry to increase exports as a number of India's competitors are enjoying duty-free trade with FTAs.

The package for textile and apparel sector was introduced in June last year.

Source : Fibre2fashion

## **CBIC comes up with 'interim solution' for quick clearance of ₹ 14,000 crore GST refunds to exporters**

With Rs 14,000 crore GST refunds of exporters stuck in limbo, the Central Board of Indirect Taxes and Customs (CBIC) has laid down procedures for revenue officers to fast-track clearances of pending refunds.

In a circular to principal chief commissioners and director generals, the Central Board of Indirect Taxes and Customs (CBIC) said that exporters who are awaiting refunds have committed mistake while filing GSTR-1 and 3B. Besides, there are certain cases where they have "short paid" Integrated GST (IGST) vis-a-vis their liability declared in GSTR-1.

In view of the above, procedure is being prescribed to overcome the problem of refund blockage. This would be an interim solution

subject to undertakings/ submission of CA certificates by the exporters and post refund audit scrutiny.

Because of the mismatch in summary sales return GSTR-3B and final returns GSTR-1, GST Network (GSTN), the company handling the IT backbone for new indirect tax regime, could not transmit records to Customs EDI system and consequently IGST refunds could not be processed. Goods and Services Tax (GST), which subsumed over a dozen local taxes, was rolled out from July 1, 2017.

The CBIC, through a separate notification, has also clarified that exporters of exempted or non-GST goods do not need to submit LUT or bond for exports and such exporters will also be eligible for claiming refund of unutilised GST credit.

So far, the government has sanctioned more than Rs 30,000 crore as GST Refund. This includes an amount of Rs 16,000 crore of IGST and Rs 14,000 crore of ITC (input tax credit).

In the circular to field offices, the CBIC said cases where the exporters have "inadvertently mis-declared" IGST paid on export supplies as IGST paid on inter-state domestic outward supplies while filing GSTR-3B, the Customs policy wing will now send to GSTN a list of exporters whose cumulative IGST amount paid in GSTR-3B for July-March is greater than or equal to the cumulative IGST amount indicated in GSTR-1.

The GSTN will then send emails to these exporters informing them about transmission of records to Customs EDI system.

In cases where the refund claim is higher than the IGST paid on exports, the customs department will share the list of such exporters with GSTN which will in turn inform the taxpayers about this and ask them to make IGST payment.

The CBIC has further stated that the exporters would have to make the payment of IGST equal to the short payment in GSTR-3B of subsequent months so as to ensure that the total IGST refund being claimed in the Shipping Bill/GSTR-1 is paid.

The customs department will compile the list of exporters, who have claimed refund after making required payment or IGST towards short-paid amount, which will be sent to the GSTN.

On receipt, if the list of exporters from Customs policy wing, GSTN shall transmit the records of those exporters to Customs EDI (electronic data interchange) system.

Once the exporter receives the refund, he has to submit to the customs office a certificate from Chartered Accountant saying there

is no discrepancy between the IGST amount refunded and the IGST amount paid on exports between July 2017 to March 2018.

Non-submission of CA certificate shall affect the future IGST refunds of the exporter.

The CBIC further said that the exporters will be subject to a “post refund audit” under the GST law.

Beginning 31st May, the CBIC is conducting second phase of ‘special refund fortnight’ to fast track clearances of exporters’ refund.

In the first phase of refund fortnight observed between March 15 to March 30, the CBIC had cleared refunds totalling Rs 17,616 crore.

This comprised Rs 9,604 crore of Integrated GST refunds, Rs 5,510 crore ITC refund by the Centre and Rs 2,502 crore ITC refund by states.

Source : The Economic Times

### **Rupee-Rial payment mechanism to be revived**

To get around the sanctions imposed on Iran by the US last month, India and the Islamic Republic are discussing a possible re-activation of the Rupee-Rial payment mechanism established six years ago to deal with the Western sanctions that were subsequently lifted in 2015.

It is learnt that the Iranian Foreign Minister and his team, including Deputy Minister of Industry, Mine & Trade, who were in New Delhi recently, met senior officials in the Commerce Ministry, where the two sides discussed ways to increase bilateral trade and weighed the advantages of reviving the near-dormant Rupee-Rial payment mechanism operated through India’s UCO Bank.

Iran seems to be open to the idea of reviving the UCO Bank account by pouring more money into it, but the important thing to be agreed upon is whether Iran would want to pool all the oil money into the account or a portion of it. These are the nitti-gritties that need to be ironed out.

Under the barter-like arrangement made in 2012, following the nuclear sanctions against Iran by a number of Western economies including the US, UK, France and Germany, about 45 per cent of the oil payments to Tehran was made in rupees through UCO Bank.

The rupee received by Iran in its account in the UCO Bank was used by the country to make payments for imports of various products from India. This encouraged India’s exporters to explore the Iranian market more thoroughly and find buyer for a diverse category of

products as Iran was interested in buying more to use up its rupee balance.

Iran is India’s third largest supplier of oil. India’s export to Iran in 2017-18 was at \$3.37 billion while its imports were at \$11.11 billion.

Source : The Business Line

### **US to be approached for renewal of GSP**

India will ask the United States for a fast renewal of the generalised system of preferences (GSP) scheme, which allows market access at zero or low duties for about 3,500 Indian products, including textiles and chemicals. The US Trade Representative’s (USTR) office did not renew the scheme for India in April, saying it wanted to hold an eligibility review.

The Hon’ble Union Minister of Commerce & Industry Shri Suresh Prabhu will visit Washington in June and is expected to point out that GSP extension should not be tied up with India’s policy on pricing of medical devices or the dairy industry as the United States had been unilaterally offering the concession to help labour intensive sectors.

Though the US Congress had voted to extend the GSP scheme through 2020, it was not done so for India, Indonesia and Kazakhstan. Petitions were filed by the US dairy and medical device industries highlighting trade barriers in India and requesting a review of India’s GSP benefits.

The United States is reportedly unhappy with recent caps imposed by India on medical products such as stents and Shri Prabhu may discuss that issue separately during his visit.

Source : Fibre2fashion

### **Government trebles its corpus for MSMEs**

The Government has effected a major overhaul of its credit guarantee scheme to make adequate loans available to micro and small enterprises easily by more than tripling its corpus to Rs 8,000 crore and allowing non-banking financial companies (NBFCs), along with banks, to avail of official guarantees to extend credit to such units, MSME.

The corpus of the credit guarantee fund has been raised substantially from Rs 2,500 crore at the behest of the Hon’ble Prime Minister Shri Narendra Modi. It is learnt that the government has also decided to raise its guarantee level to 75% of such loans, against 50% earlier, as it intends to enable smoother credit flow

to such units, keeping in minds their financial constraints and massive employment generation potential. With higher guarantee coverage, banks will feel more comfortable to sanction loans to such enterprises.

The NBFCs that seek guarantees to offer loans to micro and small enterprises will have to lower their interest rates to reasonable levels, as, with government backing, these become very secure loans. Also, while these loans have been collateral-free, the government now wants to allow banks to seek some collateral from the borrowers, in case they feel the absolute need for it in certain cases. However, since 85% of the loan is already secured (75% government guarantee and 10% margin money), the need for such collateral will be very minimal and that, too, will be limited to very few cases. It is believed that this move is aimed at ensuring even higher credit flow to micro and small enterprises.

It has been decided to undertake some structural changes to this crucial guarantee fund. Earlier, guarantee for credit flow of around Rs 19,000-Rs 20,000 crore a year was given under it. Now that the guarantee corpus is raised substantially, the credit flow may go beyond Rs 40,000-50,000 crore.

The Credit Guarantee Fund Trust for Micro and Small Enterprises will operationalise this scheme. The total loans extended under such guarantees so far have touched Rs 1,40,000 crore, of which the outstanding amount is around Rs 72,000-75,000 crore.

Source : Financial Express

### **USA leading export market for India**

The US has emerged as the top export destination for India, with US\$ 47.9 billion worth of shipments last fiscal, followed by UAE and Hong Kong.

“USA was India’s top export market during April-March 2018 with exports reaching US\$ 47.9 billion, followed by UAE (US\$28.1 billion) and Hong Kong (US\$14.7 billion).

In 2016-17, the country’s shipments to the US stood at US\$42.2 billion. The other key destinations include China, Singapore, UK, Germany, Bangladesh, Vietnam and Nepal.

The top ten exporting products last fiscal included textiles among others products.

According to trade experts, the US is the main export destination for exporters as it accounts for about 16 per cent of India’s total merchandise shipments.

In 2017-18, India’s Merchandise exports recorded a growth of about 10 per cent to US\$303 billion. Higher growth in outbound shipments helps create employment opportunities, earn foreign exchange and boost economic activities.

Source : The Business Standard

### **Group to study SEZ policy**

The government has constituted a group, headed by Bharat Forge Chairman Shri Baba Kalyani, to study the special economic zones (SEZ) policy of India.

The group will evaluate the SEZ policy, suggest measures to cater to the needs of exporters in the present economic scenario and make the policy WTO (World Trade Organisation) compatible, suggest course correction in policy, make comparative analysis of the SEZ scheme and dovetail the policy with other similar schemes. It would submit its recommendation in three month. The SEZ Act, 2005, supported by SEZ rules, came into effect on February 10, 2006.

The members of the group include Sricity SEZ MD Shri Ravindra Sannareddy, Group President of K Raheja Group Shri Neel Raheja, Tata Steel SEZ MD Shri Arun Misra, Mahindra Life Space Developer MD Ms. Anita Arjundas and Principal Secretaries (Industries) of Gujarat, Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu and Karnataka. The move assumes significance as the US has approached the WTO’s dispute settlement mechanism against India’s export support schemes including SEZ.

The US has alleged that India appears to be providing subsidies through various export promotion programmes, special economic zones and duty-free imports for the exporters’ programme. It has further alleged that these incentives were harming their companies. SEZs have emerged as major export hubs in the country as the government provides several incentives including tax benefits and single window clearance system.

The developers and units of these zones enjoy certain fiscal and non-fiscal incentives such as no licence requirement for import; full freedom for subcontracting; and no routine examination by customs authorities of export/import cargo. They also enjoy direct and indirect tax benefits.

Exports from special economic zones grew by about 15 per cent to Rs 5.52 lakh crore in 2017-18.

Source : The Financial Express

## FREQUENTLY ASKED QUESTIONS ON 'SINGLE WINDOW'

As you are aware, the Single Window Project is a part of the “Ease of Doing Business” initiative to facilitate the Trading across Borders in India. The Single Window system is a crucial implementation of trade facilitation measure for goods clearance at the country's points of entry and exit. Efficiency in the import and export procedures saves large sums of money for the importers and exporters in reduced trade-related costs and delays.

Given- below are the Frequently Asked Questions regarding various data elements in the new integrated BE Declaration-

### Bill of Entry – Main Table

#### Q1. Is it mandatory to declare AD (Authorised Dealer) Code in Bill of Entry (BE) Declaration?

- Yes, it is mandatory to declare AD (Authorised Dealer) Code of the branch responsible for outward remittance in BE Main Table.

#### Q2. What is AD Code ?

- A unique seven digit code assigned by the Reserve Bank of India to every Authorised branch of banks dealing with foreign exchange.

#### Q3. Do I need to register my AD Code prior to Bill of Entry (BE) declaration, in the same way as I am required to do in exports?

- No need for prior registration unlike in Exports.
- A valid AD Code is declared at the time of BE Filing.

#### Q4. What should I declare in the field pertaining to Unique Consignment Reference (UCR) No. and Unique Consignment Reference (UCR) Code?

- UCR details shall be notified shortly. At present, these fields may be left blank.

#### Q5. What does payment method code refer to?

- It is added to indicate how payment would be made. This is in the context of budgetary changes regarding payment of duty which will be introduced soon.
- Presently, it would be a mandatory field having default value as 'T' indicating transaction-wise payment.

### Bill of Entry – Invoice Level

#### Q6. What does Terms place refer to?

- As per INCOTERMS, Terms of Invoice is always associated to a named place. The same is being captured here. The named place as per Invoice terms should be declared here in free text.

#### Q7. What does Third party Name and address refer to?

- RBI Circular 70/2013 dated 8.11.2013 provides for making payments to a third party provided that the same is mentioned in the Bill of Entry. The same is provided in invoice details.

#### Q8. Why is Third party Country field only 2 characters in length?

- The above RBI circular provides that the third party payment should be made only to Financial Action Task Force (FATF) compliant country.
- To monitor the same, the Address field is provided to capture the Country code to verify compliance to the above guidelines.

#### Q9. What do I declare in the fields related to Authorized Economic Operator (AEO) ?

- The data values to be declared in this field would be notified later. Presently, may be provided blank in the message file.

#### Q10. Is it mandatory to fill position 87 related to “whether buyer and seller are related?” ?

- Yes. It is a mandatory field to declare “Y” or “N” based on relationship between buyer and seller.

## Bill of Entry – Item Level

### Q11. What is the change in 'Enduse of the item' data field ?

- Earlier, this data field was a mandatory free text field.
- It is now converted into a coded field. It would only accept codes to be entered in Enduse.
- Only the Code needs to be entered. The text should not be entered alongwith the code.

### Q12. Why is "Enduse" field changed from free text to Coded values ?

- When free text was provided, most importers were not declaring it in a form which can be used for any qualitative decision making. Most Participating Government Agencies (PGAs) require codified end-use or purpose of import. End use having gained more importance with integration of PGAs, it is made as coded field, to make it useful for taking qualitative decision on facilitating PGA reference. Only list of values can be populated in the data field.

### Q13. What is the significance of the other flags which are added in the Retail Sale Price (RSP) Applicability column?

- A few more flags (i.e. Q,T,D) are also added in the RSP applicability column to enable importers to declare the reason for non-applicability of the RSP based CVD. This would enable space for self declaration and may reduce forwarding to assessment for verification of RSP declaration.

### Q14. What should I declare in position 81 of items table with field name as "customs notn exempting CVD flag" ?

- Flag "C" would be accepted here.

### Q15. What is the significance of flag "C" in the above referred field (Position 81 of items table) ?

- As per clarification provided in Board Circular No.41/2013 dt. 21.10.2013, an importer has the option to avail Basic Customs Duty (BCD) and Countervailing duty (CVD) benefits through two different customs notifications and also in partial manner. Earlier CVD notification field (position 27) was always assumed to be Central Excise Notfn.
- Thus to avail CVD benefit using Customs Notfn, Flag "C" is to be declared to differentiate that Notification No. declared in position 27 refers to a Customs Notification and not Excise one. This will enable importers to claim 2 exemption notifications on the System, instead of resorting to a manual clearance.

### Q16. What is the difference between Manufacturer Country, Source Country & Transit Country ?

- The country could be the same in most of the cases, but not in all cases.
  - Manufacturing country refers to the country where the product is manufactured.
  - Source country is the one where the essential good is sourced.
  - Transit country is one where the goods have transited before reaching India. Source country and Transit country are defined in the context of PGA requirement.

### Q17. What if the goods have not transited any other country after manufacture?

- Manufacturing country may be declared as Transit country.

### Q18. What is the difference between the manufacturer country and Country of Origin ?

- Country of origin is determined more by rules of origin defined in Trade Agreements.
- Country of origin may be the source country, if the value addition rules are not met with.
- Hence, for PGA requirements to trace manufacturer, the manufacturer country may be different from Country of origin.

### Q19. What should I declare in Manufacturer type and Manufacturer code ?

- Some PGAs are in the process of building a database of manufacturers, to whom they will assign codes.
- This is being done for risk management, control and testing purposes. Its utility would be notified later. It may be provided

blank as of now.

## Bill of Entry – High Sea Sales

### Q20. What is preceding level in High Sea Sales (HSS)?

- It is a flag to indicate the transaction hierarchy of multiple transactions involved in HSS.
- If there is only one HSS involved, the Preceding Level would be 0.

### Q21. How to enter the details in HSS tables, if there are two transactions involved in the High sea sales.

- The details of the person who has sold the same to the present importer is to be provided with preceding level as 0.
- The details of original importer who has sold the same to the person referred above is to be given with preceding level as 1.
- Similarly, if there are three transactions involved in HSS, those many details would be there, with as many preceding levels.

## Bill of Entry – SBEDUTY Table

### Q22. What do I fill up in the additional tables provided in the SBEDUTY table?

- Few additional columns have been added here to make it a generic table for claiming exemption/levy for any kind of new taxation being introduced. Its utility would be notified later. Presently its additional columns may be provided blank.

## Bill of Entry – Commercial Tax Type

### Q23. What does flag 'E' in column signify?

- Flag E indicates the Central Excise Regn No. to be indicated in Commercial Tax Regn No (Position 9). As you are aware, Customs (Imported Goods at Concessional rate of Duty for manufacture of excisable goods) Rules, 2016 mandates declaration of Central Excise Regn no. during BE filing as mandatory.

## Bill of Entry – Swift Info Type

### Q24. Kindly explain the fields INFO\_TYPE, INFO\_QUALIFIER, INFO\_CODE, INFO\_MSR briefly?

- The Info\_Type refers to the broad category of the Information to be provided for PGA and other requirements. It could be Identification, Product Name, Characteristics or Category. It is coded as IDT, PNM, CHR, CTG respectively.
- The Info\_qualifier refers to the information which is sought under each broad category. The information could be Breed, Scientific name or Storage Temperature. Each information is coded into qualifier. For E.g. qualifier for above information are BRD, SCI, STT respectively.
- The value or answer for the above information sought in the form of qualifier is to be provided either as Pre defined codes, as free text or as unit measure. If the same is a code, it is to be provided in INFO\_CODE column; if the same is text - in INFO\_TEXT; its measure in INFO\_MSR.
- The information sought is presently mutually exclusive. The value would be in only one of the three ways, not in more than one fields.
- The qualifier and its description is provided in the SW directories published in ICEGATE website. The Agency wise guidelines are also provided to help cross mapping of existing forms with the new fields.
- Only Codes needs to be filled with INFO\_TYPE, INFO\_QUALIFIER and INFO\_CODE. Text should not be entered.

### Q25. Do we enter total shelf life (in days) or residual shelf life(in days) and why is residual shelf life(in %) given in the explanation? Where is it to be entered?

- Field 14 is best before date and is to be given as available in the product. The shelf life, residual life would be internally calculated. Those columns are not available in the final declaration format.

## Bill of Entry – Swift Control

**Q26. What is Control?**

- “Control” is the term used for any inspection, checking, examination, testing, scanning, screening or verification by regulatory authorities.
- This table is used to record the date, place, and result of control of goods.

**Q27. Where are Control Code and Control Result Code published ?**

- The Control Code and control Result codes are in the same directory ctrl\_cd.
- The codes with flag ‘C’ are control codes and one with Flag ‘R’ are Control result codes.

**Q28. For Field 10 ‘Control location’ what is to be entered?**

- In case of documents, place of issue and
- in case of examination, inspection etc, place of such event.

**Q29. Will the new tables have multiple entries?**

- Yes, new tables can have multiple entries against each item.

**Bill of Entry – Statements****Q30. What will appear in Declaration type, declaration number, statement type and Statement Code ?**

- The Declaration type and Declaration number may be left blank.
- The Statement type may be UTG, DEC or REM (i.e. Undertaking, Declaration or Remark). The statement code needs to be given only for UTG or DEC. Only Code needs to be provided.
- Statement Text needs to be provided only in the context of REM, which is free text.

Source: <http://www.jawaharcustoms.gov.in/pdf/single-window/single-window-integrated-declaration-faq.pdf>

[https://www.icegate.gov.in/Single\\_window.html](https://www.icegate.gov.in/Single_window.html)

**ATTENTION : MEMBERS****Renewal of Membership for the year 2018-19**

Kindly refer to the Council’s letter No. Secy/Mem/2037 dated 21st March 2018 and the Subscription memo along with the Circular in this regard.

As already informed, non-payment of Membership Subscription will lead to discontinuation of Membership as well as cancellation of the Registration-cum-Membership Certificate (RCMC) issued to you.

In view of the above, members who have not yet sent the renewal fee are requested to send the Membership Subscription Fee for the year 2018-19 at the earliest.

The annual membership fee is as follows :

For SSI Units : Rs. 8,201/- (including GST charge @ 18%)

For others : Rs. 12,331/- (including GST charge @ 18%)

We would also like to inform members that the Council has made arrangements for online renewal of membership as well as online issuance of RCMC w.e.f. 1st April 2018. Members may renew their membership online through Council’s website [www.srtepc.in](http://www.srtepc.in). Please note that your company IEC code is your user code and you click on ‘forgot password’, you will receive your login details on your registered e-mail id, which will enable you to access your RCMC account online.

## FREQUENTLY ASKED QUESTIONS

### Micro, Small and Medium Enterprises

*(contd. from the last edition of MAY-2018 Newsletter)*

- **Is there a guideline for facilitating timely and adequate credit flow during 'Life Cycle' of MSEs?**

Yes, guidelines on 'Streamlining flow of credit to Micro and Small Enterprises (MSEs) for facilitating timely and adequate credit flow during their 'Life Cycle' were issued to Scheduled Commercial Banks (SCBs) vide our circular FIDD.MSME & NFS. BC.No.60/06.02.31/2015-16 dated August 25, 2015.

- **What are the salient features of the guidelines on 'Streamlining flow of credit to Micro and Small Enterprises (MSEs) for facilitating timely and adequate credit flow during their 'Life Cycle'?**

In terms of the captioned guidelines, banks have been advised to review and tune their existing lending policies to the MSE sector by incorporating therein the following provisions so as to facilitate timely and adequate availability of credit to viable MSE borrowers especially during the need of funds in unforeseen circumstances:

- (i) To extend standby credit facility in case of term loans
- (ii) Additional working capital to meet with emergent needs of MSE units
- (iii) Mid-term review of the regular working capital limits, where banks are convinced that changes in the demand pattern of MSE borrowers require increasing the existing credit limits of the MSEs, every year based on the actual sales of the previous year.
- (iv) Timelines for Credit Decisions

- **What is Trade Receivables Discounting System (TReDS)?**

The objective of TReDS is to create Electronic Bill Factoring Exchanges which could electronically accept and settle bills so that MSMEs could encash their receivables without delay. This will not only give them greater access to finance but will also put greater discipline on corporates to pay their dues on time. For more details you may refer to RBI guidelines for setting up and operating TReDS on [https://www.rbi.org.in/Scripts/FS\\_PressRelease.aspx?prid=32664&fn=9](https://www.rbi.org.in/Scripts/FS_PressRelease.aspx?prid=32664&fn=9).

- **What is the Certified Credit Counsellors (CCC) Scheme?**

In terms of para 48 of First Bi-monthly Monetary Policy Statement, 2016-17, Reserve Bank has laid down a framework for accreditation of credit counsellors which was shared with SIDBI for laying down operational guidelines. Accordingly, the scheme was launched by SIDBI in July 2017. As per the scheme, Certified Credit Counsellors are institutions or individuals registered with SIDBI who shall assist MSMEs in preparing project reports in a professional manner which would, in turn, help banks make more informed credit decisions.

Source: Reserve Bank of India



## **CHINA INTERNATIONAL IMPORT EXPOSITION, SHANGHAI, CHINA**

**November 5-10, 2018**

The India Trade Promotion Organisation (ITPO) proposes to participate as a Country Pavilion in the first “China International Import Exposition (CIIE) from November 5-10, 2018. The Department of Commerce has directed ITPO to set up a Country Pavilion in an area of 160 sq. mtrs. with the support of EPCs/Trade Bodies/Government Organisations. The Fair will showcase products from various sectors among which textiles is also one of them.

The Exhibition will provide Indian exporters an opportunity to showcase their products and will also open avenues for holding business meetings with Chinese industrialists, buyers, various Chambers of Commerce/Associations/Federations, business delegates in the Country Pavilion under a single roof.

The participation fees for the Exhibition will be informed shortly.

Members interested to participate may kindly inform Shri Ashok Kumar, Sr. Manager India Trade Promotion Organisation, Pragati Maidan, New Delhi-110001, Phone No. 011-23371688, ashokkumar@itpo.gov.in with an intimation to the Council.

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## **TAIPEI INNOVATIVE TEXTILE APPLICATION SHOW, TAIWAN**

**16-18 October 2018**

The Federation of Indian Chambers of Commerce & Industry (FICCI) along with the Ministry of Commerce & Industry is setting up “India Pavilion” at the 22nd edition of Taipei Innovative Textile Application Show in Taiwan from 16 to 18 October 2018.

The participation fee for a booth of 9 sq. mtrs. with basic furniture is Rs.75,000/- + 18% GST. Kindly note that the Import Export Codes are mandatory for the companies booking the stands/space.

Interested members may kindly contact Shri Aayush Jain, Assistant Director, FICCI E-mail : aayush.jain@ficci.com with intimation to the Council.

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## **‘INDIA PAVILION’ AT APPAREL TEXTILE SOURCING CANADA**

**20th-22nd August 2018**

The Federation of Chamber of Commerce & Industry (FICCI) jointly with Ministry of Commerce & Industry, Apparel Export Promotion Council (APEC) and Wool and Woollen Export Promotion Council (WWEPC) is organizing ‘**INDIA PAVILION**’ at the third edition of **APPAREL TEXTILE SOURCING CANADA- TORONTO AUGUST 20-22, 2018**. Apparel Textile Sourcing Canada a major international trade show in Canada that brings Canadian buyers and sourcing professionals to access to their future suppliers of textiles from all over the world. The participation fee for a 9 sq. mtr. built up stall along with the basic props and furniture will be Rs.1.50 lakh.

For further details of participation members may kindly contact Mr. Aayush Jain, Assistant Director, FICCI, M: +91-8527871666 E-mail : aayush.jain@ficci.com with a copy forwarded to us for follow-ups, if required.

## Index of Industrial Production (IIP)

(April-March 2017-18)

### HIGHLIGHTS

- The Index of Industrial Production (IIP) in the month of April 2018 was higher by 4.9% over the index of April 2017.
- The cumulative overall growth of IIP during April-March 2017-18 registered a growth of 4.3% as compared to the same period of the previous year.
- The Index of Industrial Production for the month of April 2018 for the Textiles Sector declined by 1.6 % as compared to April 2017. There has been a cumulative fall of 0.4% in Textiles Sector during April-March 2017-18 over the corresponding period of 2016-17.
- The Index of Industrial Production for wearing apparel for April 2018 dropped by 13.4% and a fall of 10.9% during the period April-March 2017-18 over the corresponding period of the previous year.
- The Index of overall Industrial Production for the manufacturing sector has increased by 5.2% during the month of April 2018 while there was a cumulative growth of 4.5% during the period of April-March 2017-18 over the corresponding period of the previous year.

The Statement below gives the Quick Estimates of growth rate of the Index of Industrial Production (IIP) at 2 digit level of the National Industrial Classification (NIC-2008) for the period of April-March 2017-18, along with the cumulative growth rates over corresponding period of the previous year:

Industry code	Description	Percentage growth				
		April 2017	March 2018	April 2018	Apr-March 2017-18	Apr-March 2016-17
13	Textiles	2.1	- 2.0	- 1.6	- 0.4	-1.6
14	Wearing apparel	0.8	- 18.6	- 13.4	- 10.9	17.1
10-32	Manufacturing	2.6	4.4	5.2	4.5	4.9
	General	3.1	4.4	4.9	4.3	5.0

Source : Ministry of Statistics & Programme (MOSPI) [www.mospi.nic.in](http://www.mospi.nic.in)

INFO SRTEPC - ADVERTISEMENT TARIFF					
Advertisement		One issue (₹)	Three issues (₹)	Six issues (₹)	Twelve issues (₹)
1	Inside Half Page (B/W)	4000	11000	21000	40000
2	Inside Full Page (B&W)	8000	22000	42000	80000
3	Front Inside Page (Colour)	10000	27500	50000	90000
4	Back Inside Page (Colour)	15000	42500	80000	150000
5	Back Cover Page (Colour)	20000	55000	105000	200000
6	Inside Four Pages (Colour)	25000	70000	135000	260000

Technical Specifications: Full page area: 11" L x 8.5" W (Max); Half page area: 5.5" L x 8.5" W (Max)

## **SOURCE INDIA 2010 – a Trend setter for RBSM's**

SOURCE INDIA the exclusive Reverse Buyer Seller Meet which was conceptualized by The Synthetic & Rayon Textiles Export Promotion Council way back in 2010 has since become a trendsetter. The maiden SOURCE INDIA was hosted by the Council on 28th & 29th January 2010 at the Hotel Grand Hyatt, Mumbai. Organizing participation by overseas visitors for Reverse Buyer Seller Meets became a trailblazer and



paved way for the SOURCE INDIA 2016, which was a grand success. As the Chief Guest at Source India 2016 Hon'ble Union Minister of Textiles, Smt. Smriti Zubin Irani experienced first hand the benefits to the Indian Textile Industry which culminated in the organization of TEXTILES INDIA 2017. However, the SOURCE INDIA 2010 which was the very first event still remains an inspiration to us.

Seventy six member exporters of the Council had put a display of their latest range of man-made fibre textiles including fabrics, yarn, fibre, home textiles, embroidered fabrics, technical textiles, etc. at the two-day Meet. The Meet evoked good response attracting over 1440 visitors.

The Council had invited top buyers and opinion leaders who make a real difference in the trade scenario from targeted countries in Middle East and Africa like Algeria, Bahrain, Egypt, Ethiopia, Jordan, Kuwait, Morocco, Oman, Qatar, Tunisia, Saudi Arabia, Tanzania and UAE. Buyers from Sri Lanka & Bangladesh were also present at SOURCE INDIA. Senior representatives and the purchasing teams of leading Buying Houses/Apparel Manufacturing companies and retail brands of India also visited SOURCE INDIA.

Shri A. B. Joshi, the then Textile Commissioner was the Chief Guest who inaugurated SOURCE INDIA 2010 by lighting the ceremonial lamp in the presence of Shri P. K. Dash, Jt. Secretary, MoC who was the Special Guest of Honour. The then Chairman Shri Ganesh Kumar Gupta, the then Vice Chairman Shri Vinod Kumar Ladia, immediate past Chairman & Convenor of the event, Shri Sanjeev Saran, former Chairmen, members of the Committee of Administration, dignitaries, senior officials, representatives of the companies, media and others graced the event with their august presence.

Around 150 buyers from over 18 countries from Middle-East Asia, North Africa and South Asia were the Council's sponsored guests for its first ever RBSM. The overseas buyers were impressed with the array of products on display at the event.

Fashion Shows staged under the aegis of SOURCE INDIA 2010 VIZ. 'Dawn to Dusk', 'Evening Glitz' and 'Casual Finesse', generated tremendous buyer inquiries for both the designers and fabric sponsoring companies. Designers like Archana Kochhar, Nachiket Barve, Manesha Agarwal, Riddhi/Siddhi Mapxencar, Anuj Sharma, Deepti Toor, Arjun Agarwal, Abhishel Dutta, Babita Malkani, Nisha Sagar and Anand Gupta were just some of the many other designers who presented their collections under the Fashion Director of Marc Robinson at SOURCE INDIA .

The event was also widely publicized through advertisements, telemarketing, brochures, etc. in publications in Middle East and Africa as well as in India.

A Press Conference was held on 8th January 2010 prior to the event to brief the media about the event. The press conference was widely covered by publications both in India and abroad.

Continued on page 39



### Perspective of the increasing significance of Man-made Fibre Textiles

By D.Jayaraman, Head-Spinning Division, South India Textile Research Association (SITRA)

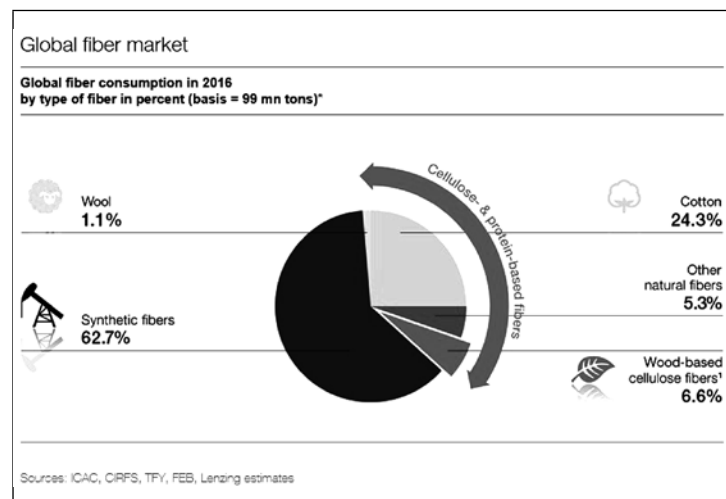
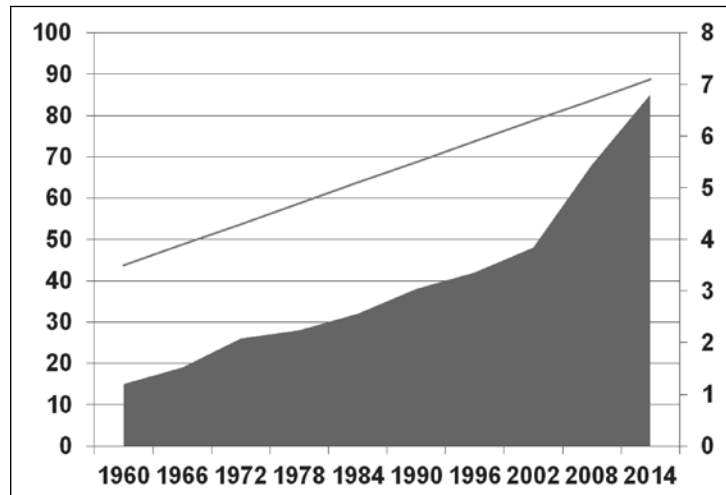
The debate on Natural v/s Man-made will continue to exist. The Rest of the world has moved on and is consuming nearly 70% of Man-made Fibre & its blends as compared to the reverse ration here in India. It is necessary for Indian manufacturers to take critical decisions on their future and the future of the India Textiles Industry given the perspective of the increasing significance of Man-made Fibre Textiles.

Since the majority of the industry deals in natural fibres, mainly cotton, especially in the southern part of our country, the pertinent topics that they should consider are:

- Fibre consumption - Current Status & future projection
- Can we afford to grow more cotton?
- Attributes of modern synthetic fibres
- Changes required in current cotton manufacturing set up to process synthetics
- Cost of manufacturing – cotton vs synthetics
- Advantages of synthetics – post spinning, weaving, knitting, processing, eco-friendliness

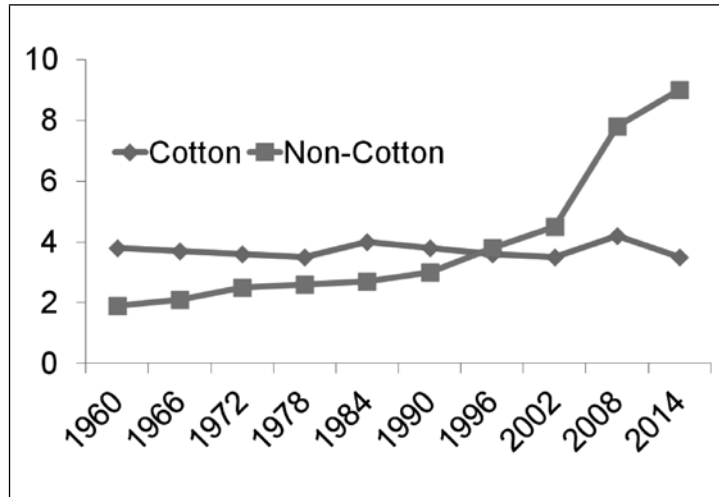
### WORLD CONSUMPTION OF TEXTILE FIBRES AND POPULATION

Million Tons  
Billion People (LINE)



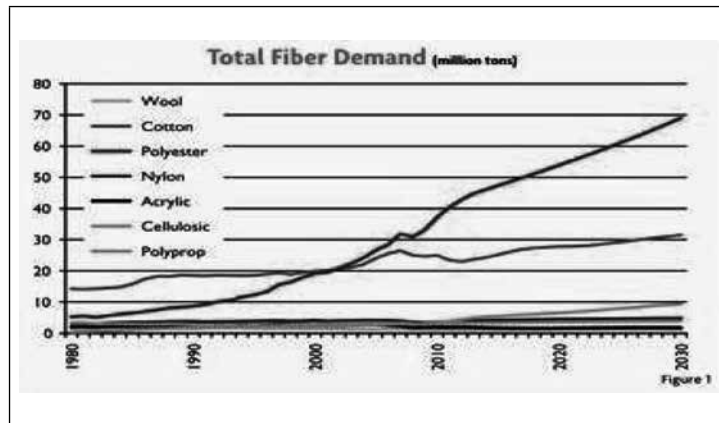
## MARKET SHARE OF COTTON IN WORLD TEXTILE FIBRE CONSUMPTION

PERCENTAGE



## WORLD COTTON AND NON COTTON TEXTILE FIBRE CONSUMPTION PER CAPITA

Kg/Capita



## PROJECTION OF DEMAND

What the above graphs and statistics reveal is the history of fiber demand in millions of tons, and demonstrates the dominant role that polyester has had in fiber demand growth. The graph also shows the continuing dominance of polyester going forward, as calculated by England-based PCI Fibres in its forecast out to 2030. Polyester demand passed that of cotton in 2002, and has continued to grow at a significantly faster rate than all other fiber types.

## GLOBAL FORECAST

“Consumer demand ultimately drives production and mill consumption”.

It was determined that in 2014 the world final consumer demand for all fibers averages 11.4 kilograms per capita (kg/capita). Volumes vary widely from North America at a high of 37 kg/capita; to Africa, the Middle East and India at 5 kg/capita.

In taking the data forward as a forecast to 2030, it is necessary to look at global demographics where there is a significant shift taking place in the relatively near future.

Continued on page 24



## **LE MERITE EXPORTS LTD, MUMBAI**

### **Beginning & initial success**

There have been the traditional business houses in every industry, especially Textiles in India, since our Country had the heritage and the workmanship and range required for the industry. As is wont in any industry, the companies that could adapt grew in size, while those that could not fell by the wayside.

Mumbai, then Bombay, was known as the 'Manchester' of the East, however, in the 1980's and 1990's the strike in the Textile Industry robbed the city of its crowning jewel and many mills and consequently employees had to suffer the consequences.

Today is the age of disruption. Technology abounds what we do and how we do it. The intellectual business has thrived and consequently given rise to many start ups which hold sway. Even in the traditional industries such as textiles, new entrepreneurs with fresh ideas and the ability to take risks commensurate with the demands of the modern world have made a name for themselves; one of them has been Le Merite Exports Limited.

Established 14 years back in 2004 by Chairman Shri U.S. Lath, Le Merite Exports Limited started its operations of exporting of Cotton & Synthetic yarns. LMEL grew rapidly and within a period of 9 years, the company achieved US\$ 60 million of export sales in year 2013-14. The astounding success ensured that LMEL got recognised as a "Government recognised 3 star export house".

### **Expansion, New Development & Brand building**

Shri Abhishek Lath, M.D. joined the company after earning his spurs with a Masters in Business Administration (M.B.A.). His initiatives and efforts ensured that the company expanded its operations in manufacture of fabrics in 2014. The new division was established for manufacturing of finish fabrics for distribution under its own brand for Men's wear. Le Merite has become a registered brand name for LMEL & the company distributes its more than 100 different types of ready to stitch fabrics under the umbrella brand. Company has in its stable 2 more registered brands and is in the process to register and build a few of them in international market also.

Today the company has a very modest top line of INR 120 Million for its fabric division, however, the company has put in place an infrastructure for high growth, especially in the domestic market. With 45 distributors, spread across the country LMEL's products reaches the customers through a network of more than 10,000 retailers.

The company also distributes high quality 100% Giza Cotton, Fine cotton, Cotton spandex, yarn dyed, dobby, prints & 100% linen fabrics. Most of the fabrics are cut pack in the retail form in double fold &/ or in pieces. After the job manufacturing of greige & finish, the complete value added process is done in company's own manufacturing unit in Kalher. The company has kept pace with times by investing in digital printing technology & more than 200 new prints are developed every month to cater to the Indian consumers. LMEL also maintains a large stock to ensure that the distribution system is not affected by the vagaries of the business.

### **Future planning**

LMEL with its reach & its top quality offering is considered to be one of the top ten OTC (Over the Counter) brands across India for Men's Shirting fabrics. The company plans to stretch its arm to appoint



more than 100 distributors in India and thereby considerably expand its distribution infrastructure. LMEL also has plans to open offices for distribution of finish fabrics in Europe, USA, Canada & Latin America.

### **Credentials & Awards**

LMEL is an ISO Certified, Oeko-Tex Certified, Gots Certified (Organic Cotton), BCI registered & exports a yearly volume of 20,000 tons of yarns. The company has offices in Bangladesh, China, Egypt, HK & exclusive agent offices in many other countries. Le Merite has won several awards for its export performance over the years. Gold Plaque from TEXPROCIL for highest exports in Ne 50 & above count. It has won the Gold Trophy from FIEO for exports during the year 2013-14. LMEL have been at the forefront of receiving awards from SRTEPC over the years. The Council has consistently recognised their performances as the company has won the Third highest merchant export trophy from SRTEPC for every year from 2011 to 2017 (6 years) besides several other certificates.

### **Management**

The success story of LMEL is based on its dynamic & qualified management. Mr. U.S Lath (Chairman) of the company have vast experience in the field of textiles. Graduated in commerce, he started dealing in yarns & manufacturing of fabrics since 1975 for more than 4 decades.

Mr. Abhishek Lath (M.D) of the company have completed is Masters in business administration in finance in year 2004. He also have several managerial & certificate courses including Brand building from IIM, Ahmedabad. His qualification have also extended to textile courses from Textile committee, BTRA etc. He is been the integral part of building the company right from scratch& taking it to several parts of the world.

# **SHREE BALAJI WOOLLEN MILLS**

**KABRI ROAD, NEAR POWER SUB-STATION  
PANIPAT-132103, HARYANA. INDIA**

**AN SA 8000:2014, ISO 9001:2015, 14001:2015 AND WOOLMARK  
BLEND CERTIFIED COMPANY**

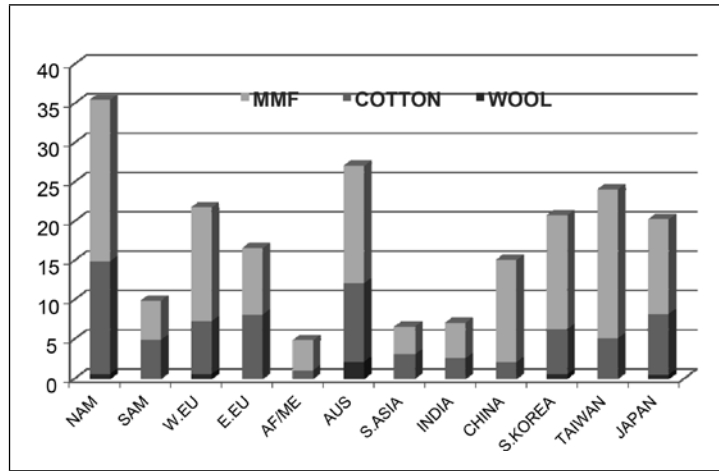
**MANUFACTURERS AND EXPORTERS OF WOOLLEN YARN, POLAR  
SYNTHETIC FLEECE FABRICS, POLAR SYNTHETIC FLEECE BLANKETS  
AND POLYESTER KNITTED FABRICS**

**GAURHAV GOEL (PARTNER) 91 86072 00037, 91 86074 00044**

**E-mail: skgoel19@gmail.com**

Continued from page 21

**GLOBAL CONSUMER DEMAND (kg/capita)**



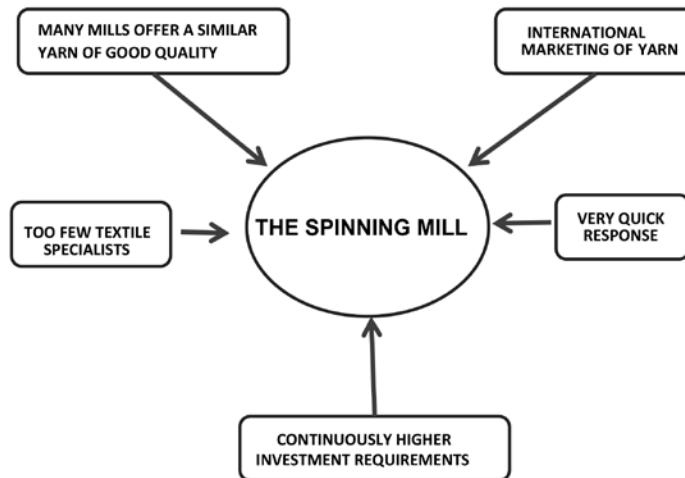
**CALL FOR SHIFT TO MMF**

- World population is estimated to reach 8.3 billion by 2030. i.e., 1.2 billion more people to clothe by 2030. But where will the extra cotton fiber come from? And then there is a competition from food crops.
- Agricultural land is losing soil fertility due to erosion, nutrient depletion and chemical pollution.
- To grow more cotton, yields must increase. More intensive farming means more fertilizers, more water, and genetically modified cotton. But then there is a big cost to the environment.
- Cotton production based on irrigation requires 25 to 35 times more water compared to polyester fibers. Can the planet spare the amount of water needed?
- Already one third of the world population faces water shortage and by 2030 the above is expected to be two third.
- When the fiber consumption keeps rising then cotton’s share will fall and share of synthetics will increase. Are we ready for the shift?

**Facts and Advantages of Polyester v/s Cotton**

- For every kg of Cotton garment, 457 gm of Fertilizers and 16 gm of Pesticide is being used.
- The Water requirement per kg of garment is 22000 liters for cotton as against 17 liters for polyester.
- The Carbon di-oxide emission is 3 kg with cotton as against 2.3 kg for polyester.
- Sulphur-di-oxide which causes Acid rain. The sulphur-di-oxide emission is 5 gms with cotton as against 0.2 gms with polyester.
- Wet processing of polyester results in reduced effluents and pollution when compared to cotton.

**CURRENT STATE OF AFFAIRS OF THE SPINNING MILLS**





## ADVANTAGES IN CONVERTING COTTON PROCESS TO MAN MADE FIBRE PROCESS

- Extended market availability and fashion trends
- Higher labour and machine productivity in the existing set up
- Lower manufacturing cost compared to cotton
- Consistent raw material price when compared to cotton
- Fibre quality availability for different spinning systems and market requirement

## VARIANTS OF POLYESTER FIBRE THAT CAN BE PRODUCED AS AN ALTERNATIVE TO COTTON

Polymer Modified	- Dope dyed, Optical White, Flame Retardant, Antimicrobial, Cationic dyeable and Low Melt PSF
Fibre cross section	- Circular, Trilobal, Hollow, Micro, Special shapes
Tenacity	- Normal Tenacity, High Tenacity, Super High Tenacity
Shrinkage	- High Shrinkage, Low shrinkage, Normal Shrinkage
Crimps	- Number of Crimps, Crimp Amplitude and Crimp Stability can be altered.
Special fibres	- cotton like look & finish, silk like finish, Green (Recycled fibres)

## FUTURE OF SPINNING LIES IN THE PRODUCTION OF FIBRE BLENDS

A number of factors contribute to the use of fibre blends including:

- Economy, by using a cheaper fibre component in the blend
- Durability, replacing a fragile fibre by a more robust component
- Improved physical properties, using the performance characteristics provided by each component
- Production of multi coloured effects
- Achieving an attractive appearance and tactile properties
- Achieving a balance of economy and physical properties
- Making a contribution to fabric engineering by selection of the blend components.

## COLOUR EFFECTS ACHIEVED BY BLENDING

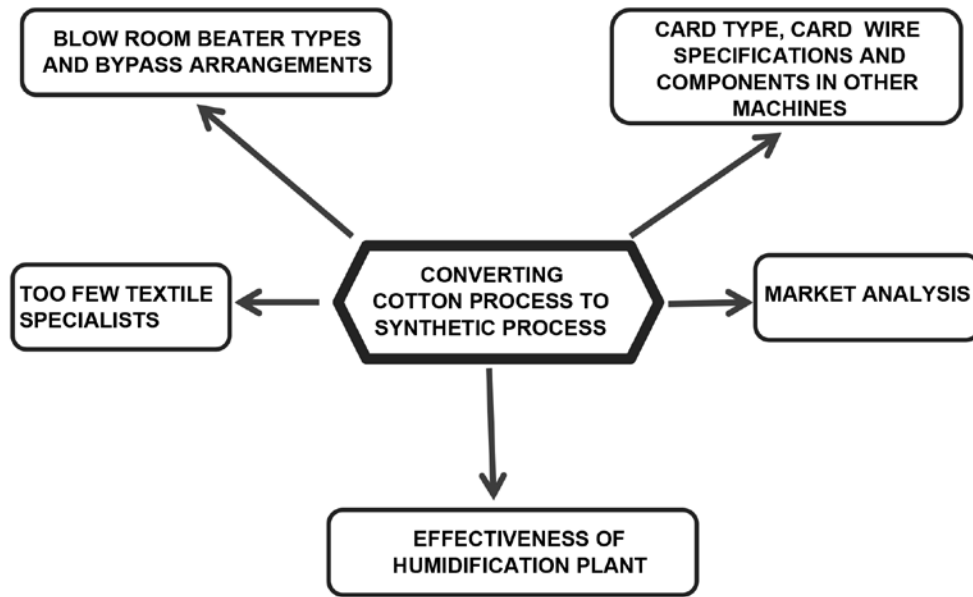
Four types of coloured effect can be achieved in blends:

- Solid effects in which the fibres are dyed as closely as possible to the same colour (hue)
- Reserve effects in which components are left undyed
- Shadow effects in which components are dyed to the same hue and brightness but the depth on one Fibre is only a fraction of the others
- Contrast effects, usually the maximum contrast in hue on different components.

## REDUCTION IN CONVERSION COST IN COMPARISON WITH COTTON COUNTS

Yarn type	% reduction in conv. cost	Reduction in Rs/kg/count
VSF	6% to 8%	₹ 0.11 to Re 0.15
PSF	19% to 23%	₹ 0.36 to Re 0.54
PV	16% to 18%	₹ 0.31 to Re 0.42

**CHALLENGES**



**SUPPORT OF SITRA FOR THE INDUSTRY**

Spinning Mills can avail the expertise of SITRA for the transition from cotton processing to man-made fibre processing

- For evaluating and optimising the technological process parameters to achieve quality and productivity requirements
- Benchmark machine and labour productivity levels
- Cost control measures including on energy

In Order to maximize profitability, SITRA can support the Industry by offering facilities of its Pilot Mill for Product Development, Process Comparison, In House Research facilities for process improvement etc. SITRA can offer in Depth Maintenance audit, in Depth Quality Audit, Training of Technical personnel in Spinning, thereby ensuring a smooth hand holding for Cotton manufacturers in making the shift to synthetics.

**SRTEPC MEMBERS DIRECTORY**

The Synthetic & Rayon Textiles Export Promotion Council in commemoration of its 60 years service to the industry, presents the 1<sup>st</sup> edition of Members Directory with over 3400 entries covering the details of manufacturers/exporters of MMF textiles and blended textile items including Fibre, Yarn, Fabrics, Made-ups, Home textiles, etc. Directory also includes information on members contact details, Authorized representatives, products, export destinations, 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)

For further information and request for supply of Directory may be sent to Mrs Barbara Mendes, Sr. Executive

E-mail : [barbaram@srtepc.in](mailto:barbaram@srtepc.in).

**MINISTRY OF COMMERCE & INDUSTRY**

**DGFT**

S.No.	Heading No.	Date	Subject	Description	Download the Link
(1)	Corrigendum to Public Notice 09/2015-2020	14.06.2018	Correction in the Public Notice No.09/2015-2020	The word Appendices in the Subject and Paragraph 1 may be read as ANF.	<a href="http://dgft.gov.in/Exim/2000/PN/PN18/Corrigendum%20to%20PN%2009%20eng.pdf">http://dgft.gov.in/Exim/2000/PN/PN18/Corrigendum%20to%20PN%2009%20eng.pdf</a>
(2)	Public Notice No. 12/2015-2020	28.05.2018	Enlistment under Appendix 2E - Agencies Authorized to issue Certificate of Origin - (Non-Preferential).	DGFT authorizes agencies to issue Certificate of Origin (Non- Preferential)	<a href="http://dgft.gov.in/Exim/2000/PN/PN18/PN%2012%20eng.pdf">http://dgft.gov.in/Exim/2000/PN/PN18/PN%2012%20eng.pdf</a>
(3)	Public Notice No. 10/2015-2020	22.05.2018	Maintenance of Annual Average Export Obligation	A new paragraph 5.19A relating to Maintenance of Annual Average Export Obligation is inserted After para 5.19 of HBP 2015- 2020.	<a href="http://dgft.gov.in/Exim/2000/PN/PN18/PN%2010%20eng.pdf">http://dgft.gov.in/Exim/2000/PN/PN18/PN%2010%20eng.pdf</a>
(4)	Policy Circular No.7/2018-19	23.05.2018	Clarification on the term 'Duty' under Sl.No.3 of Appendix-3A of Foreign Trade Policy 2015-20.	The term 'Duty' used in respect of the items listed in Appendix-3A is to be read as " Basic Customs Duties" only and not "all Customs duties (including BCD = SAD/ IGST)".	<a href="http://dgft.gov.in/Exim/2000/CIR/CIR18/Policy%20Circular%2007%20dated%2023%20May%202018.pdf">http://dgft.gov.in/Exim/2000/CIR/CIR18/Policy%20Circular%2007%20dated%2023%20May%202018.pdf</a>
(5)	Trade Notice No.17/2018-19	07.06.2018	EODC Camp in RAs during 11.6.2018 to 22.6.2018.	RAs would organize EODC camp from 11 <sup>th</sup> June, 2018 to 22 <sup>nd</sup> June, 2018 to facilitate expeditious disposal of EODC applications for Advance and EPCG authorisations.	<a href="http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%2017.pdf">http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%2017.pdf</a>
(6)	Trade Notice No.15/2018-19	04.06.2018	Doing away with the requirement of Digital Signature Certificate (DSC) for online/digital payment through miscellaneous applications (e-MPS)	DGFT RAs can access e-MPS through login id/ password but exporters were required to have a DSC (IEC embedded) to make payment. The date for mandatory digital payment through e-MPS was extended to 01.06.2018.	<a href="http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%2015.pdf">http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%2015.pdf</a>
(7)	Trade Notice No.11/2018-19	18.05.2018	Extension of date for mandatory digital payment through e-MPS	The date for mandatory digital payment through e-MPS is extended to 01.06.2018.	<a href="http://dgft.gov.in/Exim/2000/TN/TN18/trade%20notice%2011.pdf">http://dgft.gov.in/Exim/2000/TN/TN18/trade%20notice%2011.pdf</a>
(8)	Trade Notice No.08/2018-19	15.05.2018	Public Notice No.33 dated 23.10.2017 applied to all scrips under Chapter 3 FTP.	Public Notice 33 dated 23 <sup>rd</sup> October, 2017 applies to all scrips issued under Chapter 3 of FTP irrespective of the FTP period.	<a href="http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%208.pdf">http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%208.pdf</a>

**MINISTRY OF FINANCE**

**CBEC – CUSTOMS**

S. No	Heading No.	Date	Subject	Description	Download the Link
(1)	Notification No. 51/2018-Cus (NT)	08.06.2018	Notification under Section 7 notifying Surat airport as Customs airport.	In the said notification, in the Table, against serial number 6 relating to the State of Gujarat, after item (b) and the entries relating thereto, in columns (3) and (4), the following item and the entries shall be inserted,	<a href="http://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-nt2018/csnt51-2018.pdf">http://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-nt2018/csnt51-2018.pdf</a>
(2)	Notification No. 49/2018-Cus (NT)	07.06.2018	Exchange rates notification No.49/2018 dated 08.06.2018	CBEC notifies the exchange rate of conversion of each of the foreign currencies into Indian currency or vice versa relating to import and export of goods. w.e.f. 08.06.2018.	<a href="http://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-nt2018/csnt49-2018.pdf">http://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-nt2018/csnt49-2018.pdf</a>
(3)	Notification No. 48/2018-Cus (NT)	04.06.2018	Exports by Post Regulations, 2018.	These Regulations shall apply to export of goods by any person, holding a valid Import- Export Code issued by the DGFT, in furtherance of business from any foreign post office notified under sub- section (e) of section 7 of the Customs Act, 1962.	<a href="http://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-nt2018/csnt48-2018.pdf">http://www.cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfn-2018/cs-nt2018/csnt48-2018.pdf</a>



(4)	Circular No. 15/2018	05.06.2018	Refund of IGST on export of Goods-Extension of date in SB005 alternate mechanism cases and Clarification in other cases	Attention is invited to CBIC Circular Nos. 05/2018-Customs dated 23.02.2018 & 08/2018-Customs dated 23.03.2018 wherein an alternative mechanism with officer interface to resolve invoice mismatches was provided for the shipping bills filed till 28.02.2018.	<a href="http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ15-2018cs.pdf">http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ15-2018cs.pdf</a>
(5)	Circular No. 13/2018	30.05.2018	Revised instruction for stuffing and sealing of reefer containers- reg.	Board has decided to allow factory stuffing and sealing of reefer containers with perishable/ temperature sensitive export goods in the presence of Customs officials.	<a href="http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ13-2018cs.pdfs">http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ13-2018cs.pdfs</a>
(6)	Circular No. 12/2018	29.05.2018	Sanction of pending IGST refund claims where the records have not been transmitted from GSTN to DG Systems	Procedure is being prescribed to overcome the problem of refund blockage.	<a href="http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ12-2018cs.pdf">http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ12-2018cs.pdf</a>
(7)	Circular No. 11/2018	17.05.2018	Forwarding of samples for testing to the Outside Laboratories	The procedure for forwarding the samples to the laboratories is prescribed.	<a href="http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ11-2018cs.pdf">http://www.cbic.gov.in/hdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ11-2018cs.pdf</a>

### MUMBAI CUSTOMS

S. No	Heading No.	Date	Subject	Description	Download the Link
(1)	Public Notice No. 88/2018	07.06.2018	Refund of IGST on export of Goods-Extension of date in SB005 alternate mechanism cases and clarification in other cases	CBIC had requested Directorate of Systems to develop a correction tool, on lines of one developed for SB005, for sanction of refund in cases where PAN provided in Shipping Bill is same as PAN of GSTR 1. DG Systems have developed this utility which would facilitate processing of IGST refund claims stuck due to SB003 error similar to SB005 error.	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/public_notice_88_igst.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/public_notice_88_igst.pdf</a>
(2)	Public Notice No. 81/2018	01.06.2018	ROSL disbursement Fortnight in ICD Mulund from 31st May 2018	A dedicated cell with e-mail icd_mulund@yahoo.com and phone no. 022-25636749 has been formed.	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/ROSL_Public_Notice.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/ROSL_Public_Notice.pdf</a>
(3)	Public Notice No. 80/2018	31.05.2018	Sanction of pending IGST refund claims where the records have not been transmitted from the GSTN to DG Systems	A procedure is being prescribed to overcome the problem of refund blockage.	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/Public_Notice_80-2018.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/Public_Notice_80-2018.pdf</a>
(4)	Public Notice No. 78/2018	15.05.2018	Exports Refunds Fortnight in New Customs House from 31.05.2018 to 14.06.2018	Mumbai port, is observing "IGST Exports Refunds Fortnight" beginning from 31st May 2018 to 14th June 2018.	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/pn.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/pn.pdf</a>
(5)	Public Notice No. 73/2018	15.05.2018	Formation of "Brand Rate Cell" in ICD Mulund for fixation of Brand Rate of Drawback under the Customs, Central Excise Duties & Service Tax Drawback Rules, 2017 in GST scenario.	A new Brand Rate Cell has been formed in the ICD Mulund under jurisdiction of Principal Commissioner of Customs, Zone- New Customs House, Mumbai.	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/Formation_of_Brand_Rate_Cell.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/Formation_of_Brand_Rate_Cell.pdf</a>
(6)	Trade Notice No. 82/2018	05.06.2018	Action Plan for reduction in use of Plastic containers for forwarding samples	Members of Trade must make use of following items for the above purpose. 1) Paper pouches having lining of aluminum. 2) Paper pouches having lining of biodegradable polymer. 3) Use of metallic containers, 4) Use of glass bottles..	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/ilovepdf.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/ilovepdf.pdf</a>
(7)	Office Order No. 09/2018	May 2018	IGST Exports Refunds Facilitation Center shall be functional from 31.05.2018 to 14.05.2018	The facilitation center shall be functional from May 31, 2018 to June 14, 2018. The center will be located within the premises of New Custom House at 3 <sup>rd</sup> floor, Drawback section Mumbai – 01.	<a href="http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/New_Doc_2018-05-30_1.pdf">http://www.mumbaicustomszone1.gov.in/writereaddata/images/publicnotice/New_Doc_2018-05-30_1.pdf</a>

SAHAR AIR CARGO CUSTOMS					
S. No	Heading No.	Date	Subject	Description	Download the Link
(1)	Public Notice no. 74/2018	15.06.2018	Procedure of surrender of Drawback amount	The matter has been examined and it has been decided to replace the existing process.	<a href="http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2018/New%20Doc%202018-06-12.pdf">http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2018/New%20Doc%202018-06-12.pdf</a>
(2)	Public Notice no. 72/2018	06.06.2018	IGST refund simplification of Process- Elimination of Errors	Attention is invited to the Board's Circulars on the given subject. These Circulars/ DG (System)'s advisories address the various issues being faced by the exporters in getting the IGST refund expeditiously.	<a href="http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2018/NewDoc2018-06-05(72).pdf">http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2018/NewDoc2018-06-05(72).pdf</a>
(3)	Public Notice no. 69/2018	31.05.2018	Sanction of Pending IGST refund claims where the records have not been transmitted from GSTN to DG Systems-	CBIC has prescribed following procedures to overcome the problem of refund blockage. This would be an interim solution subject to undertakings/ submission of CA certificates by the exporters and post refund audit scrutiny.	<a href="http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2018/NewDoc2018-05-30.pdf">http://accmumbai.gov.in/aircargo/miscellaneous/public_notices/2018/NewDoc2018-05-30.pdf</a>

JAWAHARLAL NEHRU CUSTOM HOUSE					
S. No	Heading No.	Date	Subject	Description	Download the Link
(1)	Public Notice no. 98/2018	13.06.2018	ICES Application migration to Solaris	The filing of declarations (Bill of Entry, Shipping Bill, Import General Manifest and Export General Manifest) would be halted at 20:00 hours on 16.06.2018.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_098.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_098.pdf</a>
(2)	Public Notice no. 94/2018	07.06.2018	Procedure to be followed for EGM error SB006 related to ICDS	Exporters are advised to ensure that copy of Master BL must also be emailed /provided, in case of LCL consignments.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_094.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_094.pdf</a>
(3)	Public Notice no. 93/2018	31.05.2018	Pilot implementation of paperless processing under SWIFT — Uploading of supporting documents	It has been decided that implementation of the above referred Public Notices is postponed from 01.06.2018 to 15.06.2018.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_093.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_093.pdf</a>
(4)	Public Notice no. 92/2018	31.05.2018	Compilation of various Public Notices issued in relation to DPD Procedure	Attention of members of Trade coming under the jurisdiction of JNCH, is invited to various Public Notices issued from to DPD procedure.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_092.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_092.pdf</a>
(5)	Public Notice no. 90/2018	30.05.2018	Sanction of pending IGST refund claims where the records have not been transmitted from the GSTN to DG Systems and other pending claims	JNCH shall be conducting an IGST refund clearance fortnight from 31st May, 2018 to 14th June, 2018.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_090.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_090.pdf</a>
(6)	Public Notice no. 89/2018	29.05.2018	Pilot implementation of paperless processing under SWIFT — Uploading of supporting documents	It is clarified that for uploading any additional document as a result of query raised by assessing officer or out of charge officer, there is no need to obtain signature of the officer for uploading the same in system as amendment..	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_089.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_089.pdf</a>
(7)	Public Notice no. 88/2018	29.05.2018	Clarification on the term 'Duty' under Sl.No.3 of Appendix-3A of Foreign Trade Policy 2015-2020.	The term 'Duty' used in respect of the items listed in Appendix-3A is to be read as " Basic Customs Duties" only and not "all Customs duties (including BCD = SAD/ IGST)".	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_088.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_088.pdf</a>
(8)	Public Notice no. 87/2018	24.05.2018	Discontinuation of Scanning of Import Dockets at DMS	The DMS coupons (worth Rs. 16/-) is no more required to be purchased and affixed to the Import Dockets.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_087.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_087.pdf</a>
(9)	Public Notice no. 85/2018	23.05.2018	Clarification regarding legislative changes relating to Customs Act, 1962 and issuance of Bill of Entry Regulations, 2018	Attention of all stakeholders is invited to Notification No. 36/2018 -Customs (N.T.) dated 11.05.2018 issued by Central Board of Customs & Indirect Taxes (CBIC) through which the Board has introduced the (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_085.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_085.pdf</a>

(10)	Public Notice no. 82/2018	16.05.2018	Modification in the procedure of the Container Movement Permission.	All concerned are hereby directed to strictly comply with the instructions failing which, bond will be enforced to recover the Customs Duty along with applicable interest under Section 142 read with Section 143 of the Customs Act, 1962.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_082.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_082.pdf</a>
(11)	Public Notice no. 81/2018	16.05.2018	Increase in the validity period of Chapter 3 Scrips	Members of trade, exporters, importers are advised to avail benefit of said provisions/relaxations.	<a href="http://jawaharcustoms.gov.in/pdf/PN-2018/PN_081.pdf">http://jawaharcustoms.gov.in/pdf/PN-2018/PN_081.pdf</a>
(12)	Public Notice no. 80/2018	16.05.2018	Public Notice No. 80/2018	The list of EPCG Authorisations is issued from various offices of Jt. DGFT & registered at JNCH, which are pending due to non-receipt of Export Obligation Discharge Certificate/ Redemption Letter issued by Jt. DGFT.	<a href="http://www.jawaharcustoms.gov.in/pdf/PN-2018/PN_080.pdf">http://www.jawaharcustoms.gov.in/pdf/PN-2018/PN_080.pdf</a>

### RESERVE BANK OF INDIA

S. No	Heading No.	Date	Subject	Description	Download the Link
(1)	RBI/2017-18/186	06.06.2018	Encouraging formalization of MSME sector	It has been decided to temporarily allow banks and NBFCs to classify their exposure, as per the 180 days past due criterion, to all MSMEs, including those not registered under GST, as a 'standard' asset, subject to the given conditions.	<a href="https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOT1186D6EA2E5B750F42ED9B97AC409D092014.PDF">https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NOT1186D6EA2E5B750F42ED9B97AC409D092014.PDF</a>

## GST RELATED NOTIFICATIONS

### CENTRAL TAX NOTIFICATIONS

(<https://cbec-gst.gov.in/central-tax-notifications.html>)

Notification No. & Date	Subject
26/2018-Central Tax ,dt. 13-06-2018	Amendments (Fifth Amendment, 2018) to the CGST Rules, 2017
25/2018-Central Tax ,dt. 31-05-2018	Seeks to extend the due date for filing of FORM GSTR-6 for the months from July, 2017 till June, 2018.
24/2018-Central Tax ,dt. 28-05-2018	Seeks to notify NACIN as the authority for conducting the examination for GST Practitioners under rule 83 (3) of the CGST Rules, 2017.
23/2018-Central Tax ,dt. 18-05-2018	Seeks to extend the due date for filing of FORM GSTR-3B for the month of April, 2018.

### UNION TERRITORY TAX NOTIFICATIONS

(<http://www.cbic.gov.in/htdocs-cbec/gst/union-territory-tax-notfns-2017>)

Notification No. & Date	Subject
11/2018-Union Territory Tax,dt. 21-05-2018	Notifications regarding E-way bill in Union Territories (without legislature)
10/2018-Union Territory Tax,dt. 21-05-2018	Notifications regarding E-way bill in Union Territories (without legislature)

### CIRCULARS/ ORDERS

(<http://www.cbic.gov.in/htdocs-cbec/gst/cgst-circ-idx-2017>)

Circular No.	Date	Subject
48/22/2018- GST	14.06.2018	Circulars clarifying issues related to SEZ and refund of unutilized ITC for job workers
47/2018	08-06-2018	Clarifications of certain issues under GST
45/2018	30-05-2018	Clarification on refund related issues
3/1/2018-IGST	25-05-2018	Applicability of Integrated Goods and Services Tax (integrated tax) on goods supplied while being deposited in a customs bonded warehouse-reg.

## EXPORTS OF INDIAN MAN-MADE FIBRE TEXTILES DURING APRIL – MARCH 2017-18

Exports of Indian MMF textiles during April-March 2017-18 were US\$ 6023.98 million against US\$ 5853.49 million during the same period of the previous year showing a growth of nearly 2.91% (Source: MOC).

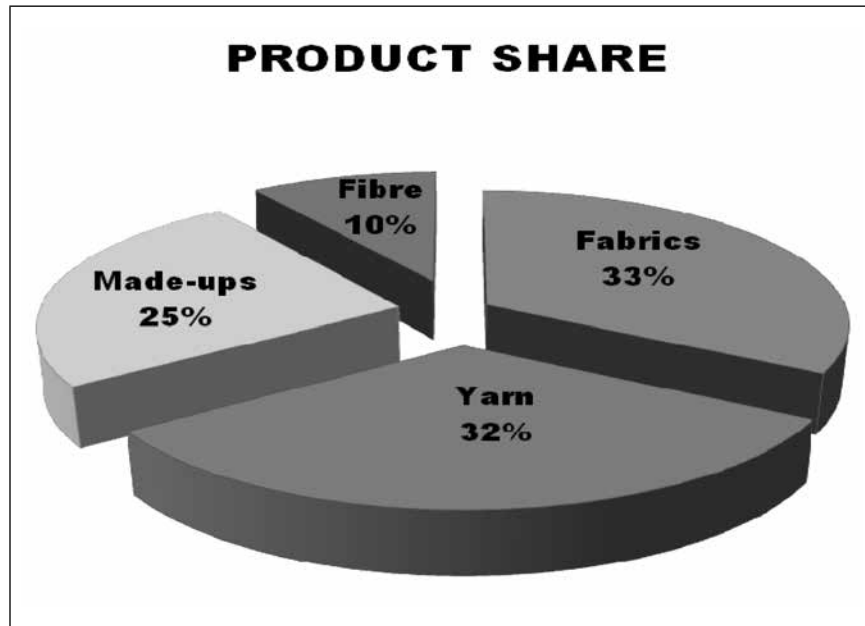
Product	Unit	in Quantity (000)		% Change Apr-Mar 2017-18	In Value USD Mn		% Change Apr-Mar 2017-18
		Apr-Mar 2017-18	Apr-Mar 2016-17		Apr-Mar 2017-18	Apr-Mar 2016-17	
Fabrics	Kgs	79190	70061	13.03	1995.74	2018.67	-1.14
	Sqm	1639626	1648629	-0.55			
Yarn	Kgs.	1003842	1025457	-2.11	1950.81	1796.11	8.61
Made-ups	Kgs.	694774	674890	2.95	1490.62	1441.59	3.40
	Nos.	103856	140507	-26.08			
	Sqm	174	90	92.92			
Fibre	Kgs.	382864	412316	-7.14	586.81	597.12	-1.73
<b>Total</b>					<b>6023.98</b>	<b>5853.49</b>	<b>2.91</b>

### HIGHLIGHTS

- Indian MMF textiles exports grew nearly 3% during April-March 2017-18 as compared to the same period of the previous year.
- Yarn and Made-ups segments have witnessed encouraging growth during April-March 2017-18; Viz, yarn by 8.61% and Made-ups by 3.40% whereas export of fibre and Fabrics declined by 1.73% and 1.14% respectively.
- Exports of Fabrics dominated with 33% share followed by Yarn 32%, Made-ups 25% and Fibre 10% in the Indian MMF textile exports.
- Share of the value added segments like fabrics and Made-ups have increased to 58% of total exports.
- In the fabrics segment Synthetic Filament Fabrics (US\$ 550.71 Mn) remained the top exported product in India's MMF textile exports followed by Polyester Filament Fabrics (US\$ 452.07 Mn) and Polyester Viscose Fabrics (US\$ 322.51 Mn) during April-March 2017-18.
- In case of MMF yarn exports, Polyester Filament Yarn was the leading item with exports worth US\$ 1125.45 Mn followed by Polyester Cotton Yarn (US\$ 172.44 Mn) and Polyester Spun Yarn (US\$ 162.62 Mn).
- In Made-ups, exports of Bulk Containers was the leading item with exports worth US\$ 602.75 Mn followed by Shawls/Scarves and Muffler worth US\$ 111.05 Mn and US\$ 111.03 Mn respectively.
- Viscose Staple Fibre (US\$ 269.89 Mn) was the leading item in the MMF category followed by Polyester Staple Fibre (US\$ 262.62 Mn) and Acrylic Staple Fibre (US\$ 31.12 Mn).
- USA and Turkey were the leading markets for Indian MMF textiles during April-March 2017-18 with 10% share each in total exports.
- Neighbouring country Pakistan has emerged as the 9th largest market for India's MMF textile export with a share of 2% during April-March 2017-18.
- Leading markets with positive growth are Brazil (28.28%), Egypt (9.35%), Italy (6.92%), Germany (5.39%) and Belgium (2.54%)
- UAE and USA were the leading markets for Indian MMF Fabrics and USA was also the leading market for Indian MMF Made-ups during the period.

### PRODUCT SHARE

During April-March 2017-18, exports of Fabrics dominated in the total exports with 33% share, followed by Yarn 32%, Made-ups 25% and Fibre 10%.



## FABRICS

Exports of Synthetic Filament fabrics and Polyester Filament Fabrics dominated with a share of 28% and 23% respectively. The major items of exports in this segment were Saree, Shirtings, Suiting, Narrow woven Fabrics, Tyre cord fabrics, Parachute Fabrics and Umbrella Cloth. It is heartening to note that exports of fabrics like Nylon Filament fabrics has registered significant growth of 42.28%.

Value in US\$ Mn

Fabrics(Woven+non-woven+knitted)	2017-18	2016-17	Net Change	% Change
Synthetic Filament	550.71	474.21	76.50	16.13
Polyester Filament	452.07	483.15	-31.08	-6.43
Polyester Viscose	322.51	331.28	-8.77	-2.65
Polyester Blended	127.22	189.52	-62.30	-32.87
Viscose Spun	81.88	84.37	-2.49	-2.95
Synthetic Cotton	46.44	46.85	-0.41	-0.88
Polyester Wool	44.79	46.98	-2.19	-4.66
Viscose Blended	42.06	49.58	-7.52	-15.17
Polyester Cotton	40.21	42.30	-2.09	-4.94
Nylon Filament	22.75	15.99	6.76	42.28
Polyester Spun	20.00	44.11	-24.11	-54.66
Other Fabrics	245.10	210.34	34.76	16.53
<b>Fabrics Total</b>	<b>1995.74</b>	<b>2018.68</b>	<b>-22.94</b>	<b>-1.14</b>

\*Synthetic Filament: HS Codes 54077200, 54072090, 56031200, 54077400, 54079400, 54079200

## YARN

In the yarn segment, there is a growth of nearly 9% during 2017-18. Polyester Filament yarn continues to be the main export items with exports of USD 1125.45 Mn. followed by Polyester Cotton Yarn at USD 172.44 Mn, Polyester Spun yarn USD 162.62 Mn. Exports of Nylon Filament yarn had witnessed significant growth of 90%.



Value in US\$ Mn

YARN	2017-18	2016-17	Net Change	% Change
Polyester Filament	1125.45	1016.25	109.20	10.75
Polyester Cotton	172.44	165.54	6.90	4.17
Polyester Spun	162.62	148.55	14.07	9.47
Polyester Viscose	144.96	118.81	26.15	22.01
Viscose Spun	75.01	103.83	-28.82	-27.76
Viscose Filament	52.61	49.52	3.09	6.24
Acrylic Spun	45.91	48.61	-2.70	-5.55
Synthetic Spun	39.42	37.34	2.08	5.57
Polyester Wool	27.38	22.22	5.16	23.22
Nylon Filament	19.46	10.24	9.22	90.04
Viscose Cotton	11.51	12.45	-0.94	-7.55
Other Yarn	74.04	62.75	11.29	17.99
<b>Yarn Total</b>	<b>1950.81</b>	<b>1796.11</b>	<b>154.70</b>	<b>8.61</b>

### MADE-UPS

Export of Indian MMF Made-ups witnessed a growth of nearly 3.40% during 2017-18 as compared to the previous year. In Made-ups, exports of Bulk Containers was the leading item with exports worth US\$ 602.75 Mn followed by Shawls/Scarves and Muffler worth US\$ 111.05 Mn and US\$ 111.03 Mn respectively. USA was the leading market for Indian MMF Made-up during 2016-17.

MADE-UPS	2017-18	2016-17	Net Change	% Change
Bulk Containers	602.75	460.39	142.36	30.92
Shawls/Scarves	111.05	145.53	-34.48	-23.69
Muffler	111.03	202.16	-91.13	-45.08
Motifs	81.67	81.95	-0.28	-0.34
Fishing Net	53.21	49.06	4.15	8.46
Blanket	33.49	33.21	0.28	0.84
Rope	25.25	38.15	-12.90	-33.81
Bed Linen	21.69	20.69	1.00	4.83
Bedsheet	19.79	15.15	4.64	30.63
Dress Material	19.03	14.83	4.20	28.32
Sacks and Bags	17.03	11.18	5.85	52.33
Furnishing Articles	12.98	10.22	2.76	27.01
Life Jacket	12.82	11.64	1.18	10.14
Other Made-up	368.83	347.43	21.40	6.16
<b>Made-ups Total</b>	<b>1490.62</b>	<b>1441.59</b>	<b>49.03</b>	<b>3.40</b>

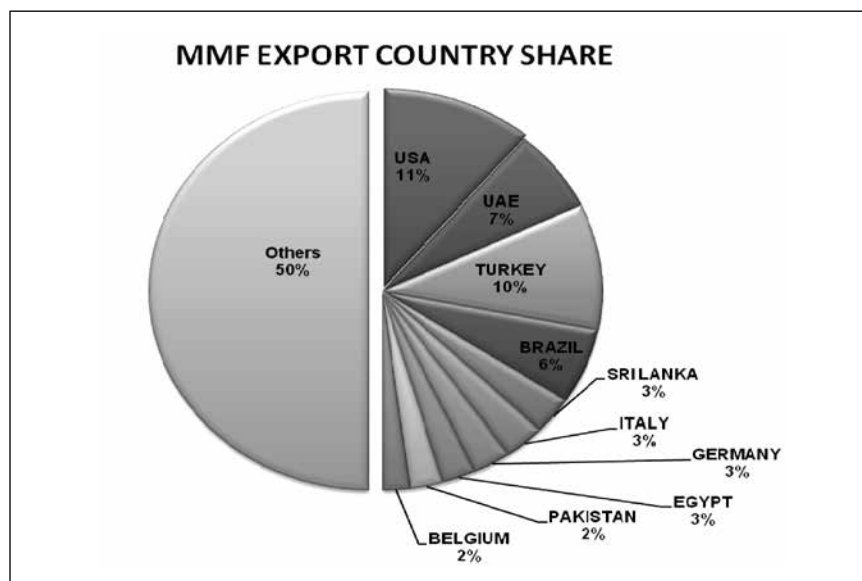
## FIBRE

Exports of Indian MMF Fibre declined by nearly 1.73% during 2017-18 as compared to the previous year. However, Viscose Staple Fibre (US\$ 269.89 Mn) was the main fibre in total exports followed by Polyester Staple fibre (US\$ 262.62Mn) and Acrylic Staple fibre (US\$ 31.12 Mn).

Value in US\$ Mn

FIBRE	2017-18	2016-17	Net Change	% Change
Viscose Staple	269.89	312.12	-42.23	-13.53
Polyester Staple	262.62	222.83	39.79	17.86
Acrylic staple	31.12	26.24	4.88	18.60
Other Fibre	23.18	35.93	-12.75	-35.49
<b>Total Fibre</b>	<b>586.81</b>	<b>597.12</b>	<b>-10.31</b>	<b>-1.73</b>

## LEADING MARKETS



## LEADING MARKETS

Value in US\$ Mn

Sr. No.	Markets	2017-18	2016-17	Net Change	%Grw/ Decline
1	USA	627.76	570.05	57.71	10.12
2	TURKEY	576.21	462.70	113.51	24.53
3	UAE	377.45	577.01	-199.56	-34.59
4	BRAZIL	348.09	271.35	76.74	28.28
5	SRI LANKA	170.45	169.84	0.61	0.36
6	ITALY	166.08	155.33	10.75	6.92
7	GERMANY	156.43	148.43	8.00	5.39
8	EGYPT	140.10	128.12	11.98	9.35
9	PAKISTAN	135.79	125.63	10.16	8.09
10	BELGIUM	113.12	110.32	2.80	2.54

### MAJOR MARKETS FOR MMF FABRICS

Value in US\$ Mn

Markets	2017-18	2016-17	Net Change	%Grw/ Decline
UAE	211.94	334.79	-122.85	-36.69
USA	164.34	161.15	3.19	1.98
SRI LANKA	139.64	134.04	5.60	4.18
PAKISTAN	62.94	66.15	-3.21	-4.85
EGYPT	37.80	34.02	3.78	11.11
ITALY	25.19	23.85	1.34	5.62
BELGIUM	20.09	20.58	-0.49	-2.38
GERMANY	14.58	14.57	0.01	0.07
TURKEY	13.45	8.16	5.29	64.83
BRAZIL	7.07	4.32	2.75	63.66

### MAJOR MARKETS FOR MMF YARN

Value in US\$ Mn

Markets	2017-18	2016-17	Net Change	%Grw/ Decline
TURKEY	487.99	373.81	114.18	30.54
BRAZIL	322.27	256.05	66.22	25.86
EGYPT	85.30	78.03	7.27	9.32
USA	65.79	62.01	3.78	6.10
BELGIUM	44.48	47.05	-2.57	-5.46
PAKISTAN	31.45	29.90	1.55	5.18
ITALY	25.68	26.10	-0.42	-1.61
GERMANY	23.58	21.16	2.42	11.44
SRI LANKA	21.23	22.52	-1.29	-5.73
UAE	17.57	13.70	3.87	28.25

### MAJOR MARKETS FOR MMF MADE-UPS

Value in US\$ Mn

Country	2017-18	2016-17	Net Change	%Grw/ Decline
USA	259.67	261.45	-1.78	-0.68
UAE	195.93	225.22	-29.29	-13.01
GERMANY	107.30	96.17	11.13	11.57
ITALY	73.58	89.08	-15.50	-17.40
NETHERLANDS	42.74	45.37	-2.63	-5.80
SAUDI ARABIA	30.85	32.09	-1.24	-3.86
BELGIUM	28.04	25.88	2.16	8.35
SRI LANKA	9.57	12.09	-2.52	-20.84
TURKEY	10.00	8.91	1.09	12.23
PAKISTAN	3.54	4.00	-0.46	-11.50
BRAZIL	6.67	3.58	3.09	86.31
EGYPT	6.75	3.57	3.18	89.08

### MAJOR MARKETS FOR MMF FIBRE

Value in USD Mn

Markets	2017-18	2016-17	Net Change	%Grw/ Decline
USA	88.97	85.96	3.01	3.50
TURKEY	65.59	71.83	-6.24	-8.69
ITALY	20.86	16.48	4.38	26.58
BELGIUM	19.23	16.87	2.36	13.99
PAKISTAN	16.43	25.65	-9.22	-35.95
GERMANY	13.77	16.73	-2.96	-17.69
EGYPT	12.62	12.53	0.09	0.72
BRAZIL	12.56	7.40	5.16	69.73
UAE	0.98	4.08	-3.10	-75.98
SRI LANKA	0.06	1.18	-1.12	-94.92

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Continued from page 1

## SRTEPC Meeting with Drawback Committee seeking suggestions and views on the All Industry Rates of Duty Drawback under GST in Surat



**Shri Gautam Ray, Drawback Committee Member replying to the queries raised by the member exporters**

various processes such as dyeing, printing, finishing, polishing etc and complete process is done on the goods received from others. Thus it qualifies essentially for the service and that too on the Job Work basis. Thus textile processing by an Independent Process House is essentially a service under CGST Act 2017 and provisions related to service shall apply to it. The Drawback Committee took note of the serious situation and informed that they would be taking up the matter with the Finance Ministry for a clarification.

After meeting the entrepreneurs in Udhana, Pandesara and Ichhapore, the Drawback Committee wanted to know how much GST was being paid by them, how much credit they had received and how much is the accumulated ITC. The Committee requested the concerned members for the GST Ledger Account of the respective firms truly certified by the Chartered Accountant for the period 1<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2018.

The Drawback Committee was made aware of the fact that under Post GST regime there has been an overall blockage of working capital across the textile industry and to add to the woes the reduction of Duty Drawback rates to two percent discouraged the exporting community. The Council made an appeal to the concerned authorities justifying the need to enhance the Duty Drawback rates. The Committee was informed that the 12% GST on spun textured fully drawn warp & knit yarns and 5% GST on fabrics with no Input Tax Credit (ITC) refund mechanism have created huge accumulation of unutilized ITC. This has left the

huge embedded tax of which needs to be compensated to weavers in terms of Duty Drawback. Whereas various unadjusted duties/taxes such as Taxes on Fuel, Transmission charges, Electricity Duty, Cross subsidy on electricity bills, Water Cess, Green tax, local body taxes, road taxes, labour cess etc. needs to be rebated. Therefore, accordingly Chairman, SRTEPC suggested revision of the Duty Drawback rates upwards 6-7% for fabrics and made ups and which would help in generation of more employment, growth in production and exports and foreign exchange earnings.

After meeting the respective member-exporters; the Chairman and some of the local COA members of the Council had a brief meeting with the members of the Drawback Committee and briefed them in detail about the above the above points.

### Action points suggested by the Drawback Committee:

- (1) Send the GST Ledger Account of the respective firms visited and duly certified by the Chartered Accountant for the period 1<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2018. Also wants the data of the members in Surat who pay taxes at the State level and Central level.
- (2) Suggested Council to make a representation to the Ministry for taking up the issue of denial of refund of unutilized ITC on account of inverted duty structure to Independent Process Houses of the Textile Sector.
- (3) Requested Proposal on Drawback Calculations of MMF Textile Industry from the period 1<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2018 along with documentary evidence justifying for enhancement in the Drawback Rates.

The visit was concluded with a vote of thanks to the Drawback Committee members by the Chairman of the Council.



**A view of the Drawback Committee Meeting when in progress**

## SRTEPC Organises First-of-its kind Half Day Workshop on “Export Risks Management & Insurance Solutions”

To take a decision to export, there are several critical factors that an exporter needs to take into consideration and evaluate. These factors are critical because they are not within the control of either the exporter or importer. There are different entities engaged in the export activity. There are elements of dependence on nature while exporting the consignment. Above all, this is critical because the payment of the shipment depends on the due delivery of the goods under the already specified terms and conditions. They are critical because apart from assessing the market potential of the target countries, there is also a need for an exporter to evaluate the different types of risks associated with exporting to particular territories. In this context many exporters keep provision for in-house risk management systems which can deal with the levels of corporate risks associated with both the domestic and export markets.

Exports involve issues relating to overseas buyers & market assessment, international competition, regulations & political conditions in the importing countries, risks of default & insolvency of buyers, logistics & marine risks, exchange risks fluctuations, etc. Moreover, various supply side options available to the importers have made the export business more volatile and complicated. Therefore, every export order has to be dealt with utmost precaution and care. There are several companies/agencies providing such services to exporters from a long time, however, the dynamic situations in export and changing rules and regulations coupled with involvement of services of various stakeholders, it demands latest updates and effective strategies to handle and tackle the risks in export. Therefore, the providers of such services need to be updated with information, systems and manpower.

To cater to these needs of the Member-exporters, the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) organised a Half Day Workshop on Exports Risks Management & Insurance Solutions in its Head Office in Mumbai on 15th June, 2018. The Workshop deliberated and threw light on the issues relating to risks involved in export business and suggested suitable strategies.

The Workshop was divided into two separate Sessions which were addressed by respective subject experts. Session one was on Receivables Management & Credit Risk Insurance within which the major issues discussed were such as Various Risks in Export: Marine & Property Risks, Export Market & Country Risks, Regulations Risk, Political Risks, Commercial/ Buyer Risks, Pricing Risks, Exchange Risks, Exports & Domestic credit insurance, Credit insurance products, procedures & benefits, etc. Session two

was on Marine, Property, Liability & other Risks Insurance within which the major issues discussed were such as Marine Insurance products & procedures, Property Insurance products & procedures, Liability Insurance products & procedures, and Employee Benefits Insurance, etc.

Concerned representatives of Sixteen Member-companies of SRTEPC participated actively in the Workshop and interacted during discussions. Most of the participating companies have had either issues on export risk and insurance or not familiar with the subject.

During the Workshop it was highlighted that with suitable credit and other export risks insurance strategies, not only the probable financial loss can be protected but also the new export markets may be explored and developed. In order to understand risks and implement risk management strategies, the above mentioned sections outline the areas of export risks that need to be assessed so that a system can be put into place to mitigate against them. Not understanding risks or implementing suitable mechanisms to minimise corporate risk could have a detrimental effect on the overall performance and profitability of the exporting company - in the worst case scenario it may affect the liquidation of the company.

Commenting on the efforts taken by SRTEPC in organising such workshop on Receivables Management & Credit Risk Insurance one of the Member-exporters provided his Feedback “These workshops are not organised in other parts of the country. If it is done more people could participate and benefit”. The SRTEPC welcomes the Feedback wholeheartedly and it is committed to offer best services to all its Member-exporters on pen India basis.



Session during the Workshop on “Export Risks Management & Insurance Solutions” in progress

# GLIMPSES FROM THE PAST

## SOURCE INDIA 2010



## SRTEPC'S Services to Indian Exporters



- Introduces Exporters to appropriate Overseas Buyers
- Provides up-to-date information and identifies potential markets for them
- Organises Export Promotion Programmes like Trade Fairs/Exhibitions, Buyer-Seller Meets in various overseas markets.
- Organising Reverse Buyer Seller Meets every year by which the overseas buyers are brought to India to discuss business with members
- Provides Grant for Market Access Initiative subsidy towards airfare for participation in promotional programmes like Exhibition/Fairs abroad (Member of the Council for the last year one year is a must)
- Conducts Workshops, Seminars to keep exporters abreast of latest development in policy/procedural matters, international trends, marketing strategies, government schemes, etc.
- Assist the exporters on Import-Export Policy and Procedures
- Resolve their problems about shipping and transport
- Maintain liaison with the Government authorities to convey the requirements of the industry and trade and help to bring about appropriate policy changes.
- Facilitates free display of samples at Council's Trade Centre in Mumbai and Surat frequented by overseas buyers and Trade Delegations
- Resolves problems of members connected with DGFT, Customs/Central Excise, GST, ROSL, Duty Drawback, Banking, ECGC, etc.
- Provides information on the trends for product development and adaptation to suit the overseas market requirements
- Issues export turnover certificates and certificate of origin.
- Visa facilitation to visit specified markets to discuss business with their target customers.
- Publication of Newsletter and regular circulars/letters to keep them aware of the activities of the Council and trade information.
- Collection and dissemination of Industry / Trade statistics to help members make their export strategy for export.
- Dissemination of information on foreign markets/emerging trends and trade enquiries
- Make them aware about different Anti Dumping duties as applicable in respective markets. From time to time also inform them about Sunset Reviews and give them timely information on questionnaire to be filled in, etc.
- Forex updates on WhatsApp.

If undelivered, return to:

The Synthetic & Rayon Textiles Export Promotion Council  
Resham Bhavan, 78, Veer Nariman Road, Mumbai - 400 020.