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1. 1ST 'TEXTILE PARCEL' SPECIAL TRAIN FLAGGED OFF FROM SURAT IN GUJARAT TO BIHAR

The first 'textile parcel' special train having 25 new modified goods wagons customised to carry textile material left from here in Gujarat to Bihar with an aim to boost Surat's textile market through an economical, faster and safer mode of transport, Western Railway officials said. Minister of State for Railways and Textiles Darshana Jardosh flagged off the train from the Udhna New Goods Shed in Surat for Danapur near Patna and Ram Dayalu Nagar near Muzaffarpur in Bihar, the Western Railway (WR) said in a release. "Textile traffic has been loaded for the first time in customised NMG (new modified goods) wagons at the Udhna New Goods Shed. In this direction, the textile parcel special train, consisting of 25 NMG wagons, was run for the first time from the Udhna New Goods Shed carrying textile material to Patna and Muzaffarpur," said the release issued by WR chief public relations officer Sumit Thakur. "It will especially benefit the textile market of Surat area as it's economical, faster and safer. This has in-turn provided an opportunity for tapping the huge potential of the textile market and will cater to the transportation needs of textile industry godown hubs in and around the Surat city," the release said. Recently, the Western Railway's Mumbai division had for the first time transported textile material weighing 202.4 tonne from Chalthan near Surat to Shalimar in Kolkata, it said. The WR has made available four terminals in the Mumbai division - Surat, Udhna New Goods shed, Chalthan and Gangadhara -for handling such type of traffic for NMG wagons loading, it said. "The running of the NMG rake will be a great booster for increasing the share of textile traffic moving from Surat area to various parts of India," said the release. As per the Western Railway, regular meetings with transport and traders' associations have helped change the industry's perception towards rail as a service provider. Local MLAs and representatives of the Federation of Surat Textile Traders Association were present on the occasion along with senior WR officials.
(Source: The Economic Times)

2. BOOSTING EXPORTS: GOVT MULLS SOPS TO SOFTEN SHIPPING COST BLOW; TMA SCHEME TO BE REINTRODUCED

The crisis hits exporters at a time when they are striving to reap benefits of a resurgence in global demand for merchandise, and threatens the country's ambitious $400-billion export target for FY22. Worried about an over 300% jump in shipping costs in August from a year before, the government is exploring a range of options including incentivising the setting up of domestic shipping lines and temporary fiscal support to soften the blow to exporters. The crisis hits exporters at a time when they are striving to reap benefits of resurgence in global demand for merchandise, and threatens the country's ambitious $400-billion export target for FY22. Sources told FE that the government is weighing both short-term and long-term measures, and a final decision will be made soon. For immediate relief, it's considering demands to extend fiscal support to Covid hit exporters for the next 6-7 months to bolster their ability to honour supply commitments on time. For exporters of specified farm products, it's planning to re-introduce the Transport and Marketing Assistance (TMA) scheme for at least one more year. Under the TMA, which was valid for two years through March 2021, the government reimbursed exporters a certain portion of freight charges and offered assistance for the marketing of select agricultural produce. As for long-term measures, the government is weighing various ideas, including tax and other incentives, to woo large players to set up shipping lines in India. Since the state-run Shipping Corporation of India (SCI) caters for less than 5% of the $60-billion domestic market, it's not in a position to ensure orderly evolution of the shipping cost curve, exporters say. As such, the government has put the SCI on the block for sale. The Centre also wants to encourage domestic companies to ramp up the production of containers, an acute shortage of which has accentuated the current crisis. The crisis has caught the attention of the higher echelons of the government. Cabinet secretary Rajiv Gauba held a meeting of top officials and the Shipping Ministry convened another. Commerce Secretary BVR Subramanyam said. Commerce and industry Minister Piyush Goyal is expected to huddle with top government and trade officials again this week to zero in on viable solutions. To be sure, shipping costs have gone through the roof across the globe and India isn't an outlier. In fact, the costs in China have surged at a much faster pace than in India. The resurgence of Covid infections in the world's second-largest economy and consequent restrictions there have led to a delay in turnaround time for ships. Trade sources said Chinese suppliers are luring large ships with higher freight charges. However, given Beijing's massive covert subsidies, the competitiveness of its exporters remains intact. So, the Indian government, too, must find ways to cushion the blow to them, domestic exporters say. Importantly, the suppliers' delivery times index, which has a 15% weight in the manufacturing PMI, dropped again in August across Asia, indicating that supply woes are only exacerbating. Depleting inventories and input shortages could force firms to trim manufacturing and delay shipments. The crisis comes at a time when demands for merchandise from key western markets see a sudden spurt in the wake of an economic rebound there. After a Covid-induced 7% drop in FY21, the country's exports until August have now exceeded even the pre-pandemic level for six months in a row. Outbound shipments in the first five months of this fiscal rose to $164 billion, recording a jump of 67% year-on-year and 23% from the pre-Covid (same period in FY20) level. The Cabinet, in July, approved a Rs 1,624-crore scheme to promote the flagging of merchant ships in India by extending subsidy to domestic shipping companies in global tenders floated by ministries and central public sector enterprises. Although it's a good move for the medium-to-long term, it doesn't really extend succour to deal with short-term woes,

exporters reckon. As such, the scheme alone won't be adequate to address exporters' woes. Ajay Sahai, Director General and Chief Executive at apex exporters' body FIEO, also called for substantially raising the budgetary outlay for the TMA scheme for farm exporters and relaxing the eligibility criteria. The budgetary outlay for FY21 was only Rs 100 crore. This crimps the government's ability to undertake large-scale interventions. Also, many farm exporters are small businesses that supply in limited volumes. However, the government stipulates that, to be eligible for subsidy under the TMA scheme, an exporter needs to ship out at least a container full of goods.
(Source: Business Journal)

3. REMOVAL OF 1% CESS ON COTTON WELCOMED

Textile trade bodies have welcomed the announcement of the Tamil Nadu government on the withdrawal of one per cent cess on purchase of cotton and cotton waste. Chairman of Confederation of Indian Textile Industry T Rajkumar told reporters here that the scrapping of cess, which was a long-pending demand, would benefit cotton farmers and the industry across the cotton textile value chain. The Southern India Mills" Association lauded the decision on the revoking of the tax as it would benefit two lakh farmers and help increase cotton production from five lakh bales to 25 lakh bales by 2030. This would also encourage farmers to switch over to cotton crop from other cash crops and may benefit 10 lakh farmers in the long run, the trade body said. The removal of the cess would attract several private cotton traders and the Cotton Corporation of India to open depots in the State and sell the cotton on a daily basis to small spinning mills, the trade bodies said adding that this would reduce the working capital requirements and also the cost, time and transportation.
(Source: Outlook India)

4. ANDHRA PRADESH CM TO RELEASE INDUSTRIAL INCENTIVES AMOUNTING TO ₹1,124 CRORE

Chief Minister Y.S. Jagan Mohan Reddy will release financial incentives amounting to ₹1,124 crore to textile and spinning mills (₹684 crore) and MSMEs (₹440 crore) under the ReStart scheme. With this, the incentives disbursed to the MSME sector in the last two years reached nearly ₹2,087 crore, according to an official release. It said incentives were announced to the MSMEs as part of the Industrial Development Policy 2020-23, and that priority has been attached to hand-holding the MSMEs which make a substantial contribution to the Gross State Domestic Product (GSDP). The support to textile and spinning mills has been envisaged keeping in view their huge potential for employment generation and the leading position occupied by Andhra Pradesh (AP) in cotton production at the national level. Since the YSR Congress came to power, 68 large and mega industries have set up their units in AP and began commercial production with investments aggregating to ₹30,175 crore. Besides, 62 large and mega projects are under implementation with a total investment of ₹36,384 crore, according to the press release.
(Source: The Hindu)

5. HOW TO CLAIM REFUNDS MORE EFFICIENTLY UNDER THE DUTY DRAWBACK SCHEME

The Duty Drawback Scheme (DBK) is a key programme to help exporters offset some of the costs accrued during the export process, particularly in supply or value chain. The key benefit of the scheme is that it gives rebates on Customs and Central Excise chargeable on any imported or excisable materials used in the manufacture of goods meant for export. The scheme, administered by the Department of Revenue, has two primary components: All Industry Rate (AIR) and Brand Rate. One way to grant the duty drawback is to check the rates specified in the Schedule of All Industry Rate of Drawback, usually announced on June 1 or three months after the budget. If the product is not mentioned in the AIR schedule or the exporter claims it is inadequate, the exporter can claim duty drawback by applying for Brand Rate fixation.

How the scheme works

AIRs are notified by the government in the form of a drawback schedule based on the average quantity and value of inputs and duties (both Customs & Central Excise) borne by export products. The rates are essentially an average based on the assessment of average incidence. These AIRs are recommended by a drawback committee. The AIR may be fixed as a percentage of free on board (FOB) price of export products or as specific rates. FOB is used to indicate whether the seller or the buyer is liable for goods that are damaged or destroyed during shipping. All claims of duty drawback are filed with reference to the tariff items and description of goods given in the schedule. In the case of Brand Rate fixation, an exporter is eligible to apply either where the export product has not been listed in the duty drawback schedule or if the exporter considers that AIR of duty drawback does not fully neutralise the duties suffered by his export product. Exporters are fully compensated for customs, central excise duties and service tax actually incurred by them. To use the Brand Rate route, the entity concerned has to submit an application to the Directorate of Drawback within 30 days of the first shipment, with copies to the relevant authorities.The commissioner-drawback will fix the rate after verification. The documentation requirement is high here, as the manufacturer has to show the quantity of inputs and services used, along with evidence of payment of duties.

How to avail refunds under the scheme?

Despite the government having simplified the DBK procedure over the years, it still remains complicated for a novice exporter. First, an exporter has to file the shipping bill in an electronic data interchange (EDI) for the export. Here, the exporter has to keep in mind that the electronic shipping bill itself will be treated as the claim for drawback and there is no need to file separate drawback claims. All ports with EDI can process these claims except in respect of DBK claims relating to cases of re-export of imported goods under Section 74 of the Customs Act, 1962. Sribash Dasmohapatra, Executive Director, Plastics Export Promotion Council, talks about a typical standard operating procedure for claiming refunds under DBK: “In the EDI system, exporters are required to open their accounts with a bank that is either nominated by a customs house or has core banking facility to transfer funds through NEFT/ RTGS. This has to be done to enable direct credit of drawback amount to their accounts, obviating the need for issue of cheques. The exporters are required to indicate their account numbers in the declaration form called Annex B, along with the details of the bank through which the export proceeds are to be realised. After the realisation of payment, proof of realisation is to be submitted to the Customs authority.”

Key Points to Remember

Is the process seamless or cumbersome for a novice exporter? According to

Dasmohapatra, claiming a drawback is an easy process compared with other schemes. As an improper filing can lead to claim rejections, there are certain factors an exporter must keep in mind. Mentioning wrong bank details or not updating account details, for instance, can lead to an inadvertent delay of DBK. Similarly, mentioning the incorrect serial number of the drawback claim in the shipping bill will also lead to a delay in DBK. In sum, errors in filling may lead to delay in getting a DBK claim. So exporters must be careful if they want to get their refunds on time.

(Source: The Economic Times)

6. BGMEA AGAIN URGES INDIA TO EXPEDITE, FACILITATE TRADE AT LAND PORTS

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) recently again called on Indian High Commissioner in Dhaka Vikram K Doraiswami to expedite and facilitate trade through land ports, including Benapole, to reduce time and cost. It body urged easing travel procedures, including visa, and resuming flights, especially for businessmen from the country. BGMEA president Faruque Hassan made the request during a meeting with Doraiswami at the association's office in Dhaka. Both sides discussed existing issues in export-import, especially in the readymade garments and textile industry, and possible ways to address them, according to a BGMEA statement. They also discussed potential areas of further collaboration between Bangladesh and India to derive mutual trade benefits. BGMEA leaders also sought the cooperation of the Indian high commissioner in exchanging knowledge and expertise in the apparel and textile industry. Earlier this month, Hassan wrote a letter Doraiswami requesting New Delhi to expedite and facilitate export-import through the Bangaon-Benapole land port.

(Source: Fibre2Fashion.com)

7. FINANCE MINISTRY EXTENDS LAST DATE FOR AVAILING GST AMNESTY SCHEME TILL NOVEMBER 30

The Finance Ministry extended the last date to avail the GST amnesty scheme, under which taxpayers have to pay a reduced fee for delayed filing of monthly returns, by three months till November 30. The GST council, chaired by Finance Minister Nirmala Sitharaman and comprising state ministers, had in May decided to come out with an Amnesty Scheme to provide relief to taxpayers in late fee for pending returns. The late fee for non-furnishing of GSTR-3B for July 2017 to April 2021 has been capped at Rs 500 per return for those taxpayers who did not have any tax liability. For those with tax liability, a maximum Rs 1,000 per return late fees would be charged, provided such returns are filed by August 31, 2021. Following the council decision, the Ministry on June 1 notified reduced late fee for non-furnishing Form GSTR-3B for the tax periods from July, 2017 to April, 2021, provided the taxpayer filed the returns for these tax periods by August 31, 2021. "The last date to avail benefit of the late fee amnesty scheme, has now been extended from existing August 31, 2021 to November 30, 2021," the ministry said in a statement. Based on the multiple representations received, the government also extended the timelines for filing of application for revocation of cancellation of registration to September 30, 2021, where the due date of filing of application for revocation of cancellation of registration falls between March 1, 2020 to August 31, 2021. The filing of

Form GSTR-3B and Form GSTR-1/IFF by companies using electronic verification code (EVC), instead of Digital Signature certificate (DSC), has already been enabled for the period from April 27, 2021 to August 31, 2021. This has been further extended to October 31, 2021. "The extension of the closing date of late fee amnesty scheme and extension of time limit for filing of application for revocation of cancellation of registration will benefit a large number of taxpayers, specially small taxpayers, who could not file their returns in time due to various reasons, mainly because of difficulties caused by Covid-19 pandemic, and whose registrations were cancelled due to the same," the Ministry added.
(Source: The Economic Times)