



प्रधान मंत्री कार्यालय
Prime Minister's Office

नई दिल्ली- 110011
New Delhi- 110011

Sub:Petition of SHRI RAJU CHANDRAN
3/49, SION EAST
MUMBAI CITY
MUMBAI CITY
MAHARASHTRA

A letter/gist of oral representation dated 26/11/2016 received in this office from SHRI RAJU CHANDRAN is forwarded herewith for action as appropriate. Reply may be sent to the Petitioner and a copy of the same may be uploaded on the portal.

[Brahmu Ram]
Section Officer

SECRETARY,MINISTRY OF TEXTILES

PMO ID No.:PMOPG/D/2016/0370387 Dated: 09/12/2016

Copy for information to :
SHRI RAJU CHANDRAN
3/49, SION EAST
MUMBAI CITY
MUMBAI CITY
MAHARASHTRA

Note:- Status of the grievance can be tracked through internet at <http://pgportal.gov.in/ViewStatus.aspx> by entering registration no. PMOPG/D/2016/0370387

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INDIA GOVERNMENT SERVICE

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प्रधान मंत्री कार्यालय
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PRIME MINISTER'S OFFICE
NEW DELHI - 110 011



प्रधान मंत्री कार्यालय
Prime Minister's Office

नई दिल्ली- 110011
New Delhi- 110011

Sub:Petition of SHRI RAJU CHANDRAN
TEXTILE INDIA PROGRESS
3/49 - SION EAST
MUMBAI CITY
MAHARASHTRA-400022

A letter/gist of oral representation dated 18/03/2016 received in this office from SHRI RAJU CHANDRAN is forwarded herewith for action as appropriate. Reply may be sent to the Petitioner and a copy of the same may be uploaded on the portal.

[V.B.Hariharan]
Section Officer

SECRETARY,DEPARTMENT OF REVENUE

PMO ID No.:PMOPG/D/2016/0082544 Dated: 31/03/2016

Copy for information to :
SHRI RAJU CHANDRAN
TEXTILE INDIA PROGRESS
3/49 - SION EAST
MUMBAI CITY
MAHARASHTRA-400022

Note:- Status of the grievance can be tracked through internet at <http://pgportal.gov.in/ViewStatus.aspx> by entering registration no. PMOPG/D/2016/0082544

No.15/3/2016-EP
Government of India
Ministry of Textiles

Udyog Bhavan, New Delhi,
25th April, 2016

To,

Shri Raju Chandran,
Managing Editor,
Textile India Progress Magazine,
"Asheervad", Flat No.3,
Ground Floor, Plot No.49, Sion (East)
Mumbai - 400 022.

Sub: Representation made by Shri Raju Chandra to Hon'ble Prime Minister.
Sir,

I am directed to refer to your letter dated 9.9.2015, 2.1.2016, 7.1.2016 and 18.3.2016 received through PMO. Ministry of Textiles had requested Ministry of Finance to consider the proposal for rationalization of duty on MMF, which is part of your pre-budget memorandum for the Union Budget 2016-17.

2. Out of the other proposals sent by Ministry of Textiles, Ministry of Finance has considered following proposals favourably:-

- i) The excise duty on branded readymade garments and made up articles of textiles with a retail sale price of Rs. 1,000 and above has been changed from 'Nil without CENVAT credit or 6%/12.5% with CENVAT credit' to '2% without CENVAT credit or 12.5% with CENVAT credit', respectively.
- ii) Basic Custom Duty has been exempted on import of fabrics under Chapter 50, 52,54,55 of value equivalent to 1% of FOB value of exports in the preceding year for the manufacturing of textile for exports.
- iii) Basic Custom Duty on following specialty fibres and yarns is being reduced from 5% to 2.5%:

HS Code	Product
5402 19 90	Nylon 66 filament
5402 52 00	Polyester yarn-Anti Static Filament
5503 11 00	Aramid Flame Retardant Fiber
5503 11 00	Para- aramid Fiber
5503 19 00	Nylon staple fibre
5503 19 00	Nylon Anti Static staple fibre
5503 30 00	Mod Acrylic fibre
5504 10 00	Flame retardant viscose rayon fibre

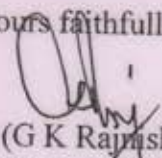
- iv) Provisions related to excise duty on recycled polyester : The excise duty on Polyester staple fibre and polyester filament yarn manufactured from plastic scrap or plastic waste including waste PET has been changed from '2% without CENVAT credit or 6% with CENVAT credit' to '2% without CENVAT credit or 12.5% with CENVAT credit', respectively. This would Eliminate the differential duty structure between virgin and recycled PSF/ PFY will provide a level playing field for the manufactures of virgin PSF/ PFY which are currently under-utilizing their capacities. Some recycled PSF/PFY manufacturers will adopt 'without CENVAT' chain where the excise has left unchanged at 2%.

2. Other Provisions that will directly impact textile sector

- i) **Tax incentive under Section 80JJAA for employment generation:** The existing provisions of Section 80JJAA provides deduction of 30% of additional wages paid to new regular workmen in a factory for 3 years employed for at least 300 days in a previous year provided there is an increase of at least 10% in total number of workmen. Textile and apparel is a labour intensive industry where wages form a substantial part of cost of manufacturing The proposed flexibility from FY 2017-18 will enable a large number of textile and apparel manufactures to take extra deduction and hence improve cost competitiveness. The reduction in number of days from 300 to 240 will be specifically beneficial for garment industry which is of seasonal nature.
- ii) **Section 44AD limit increase from Rs. 1 crore to Rs. 2 crores:** Presumptive taxation scheme under section 44AD of the Income Tax Act available for small and medium enterprises with turnover or gross receipts not exceeding Rs. 1 crore has been enhanced to Rs. 2 crores. Most of the textile industry is unorganized and has players of small and medium size. Increase in threshold from Rs. 1 crore to Rs. 2 crores will free thousands of additional Small and Medium size textile units from the burden of maintaining detailed books of account and getting audit done.
- iii) **Reduction in Corporate Income Tax for small enterprises:** The corporate income tax rate for the next financial year of relatively small enterprises i.e. companies with turnover not exceeding Rs. 5 crores (in the financial year ending March 2015) has been lowered to 29%, plus surcharge and cess. The textile sector comprises of mostly small and medium units. The benefit of this tax reduction will reduce the tax burden on thousands of small scale textile sector enterprises across the manufacturing clusters in India
- iv) **Service Tax exemption on DDUGKY skill development scheme:** Service tax is exempted on services provided under Deen Dayal Upadhyay Grameen Kaushalya Yojana (DDU GKY) and services provided by Assessing Bodies empaneled by Ministry of Skill Development & Entrepreneurship. Textile sector will be one of the major beneficiary as thousands of trainees in various textile industry trades are being trained under DDUGKY. Exemption of service tax on this scheme will attract more Training Providers and Assessment Agencies which will foster healthy competition and ensure faster scaling-up of training.
- v) **Higher drawback provision from 1.7.2012 onwards under notification No. 41/2012 subject to passing of Finance Bill):** The benefit of notification no. 41/2012 - Service Tax where a higher drawback rate of 0.21% instead of 0.18% will be available

with effect from 1.7.2012. Additional 0.03% drawback on service tax on garment exports from a retrospective date of 1.7.2012 will increase the competitiveness of garment exports from India.

Yours faithfully,


(G K Rajnish)

Under Secretary to the Govt. of India

Tel: 23063837, Fax: 23061973

E-Mail: usexp-tex@nic.in, teptj1@nic.in

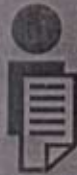
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The Prime Minister's Office - w.r.t. the following ID Notes:

1. No.PMOPG/D/2015/0217043 dtd. 15.9.2015
2. No.PMOPG/D/2016/0005880 dtd. 07.01.2016
3. No.PMOPG/D/2016/0027236 dtd. 03.02.2016
4. No.PMO ID No.4386064/PMO/2016-ES-2

(G K Rajnish)

Under Secretary to the Govt. of India



सूचना का
अधिकार



वस्त्र मंत्रालय
उद्योग भवन,
नई दिल्ली-110107
MINISTRY OF TEXTILES
UDYOG BHAWAN,
NEW DELHI-110107

No-15/3/27/6

भारत सरकार सेवार्थ
ON INDIA GOVERNMENT SERVICE

By Speed Post

To,

Shri Raju Chandan
Managing Editor,
Textile India Progress Magazine
Asherwad, Flat No. 3
Ground Floor, Plot No. 49,
Sion (East), Mumbai-400022

15

Duty drawback benefit extended for home textile

DILIP KUMAR JHA
Mumbai, 8 December

In a boost to the home textile segment, the government has extended a five per cent duty drawback benefit to the made-ups (including towels, bed-sheets, curtains, decorative cotton products, etc) sector.

In June, the government had announced a ₹6,000-crore package for the textile sector, aimed to generate 10 million jobs in the next three years. The made-ups sector was left out and the government was urged, led by the Cotton Textile Export Promotion Council (Texprocil), to rectify this. And, on Wednesday, the Cabinet approved the inclusion of made-ups in the apparel package, in a time-bound manner.

Extension of the package would benefit companies in the segment — Welspun, Trident, Century Textiles, Indo Count, GHCL.

"This is a positive move by the government and a relief to exporters of made-ups, passing through a difficult phase as their products face duty disadvantage in the main market, the European Union, as compared to products from competing countries on account of preferential tariffs given to some of those," said Ujwal Lahoti, chairman, Texprocil.

The package includes similar measures given to apparel. Such as additional 10 per

cent subsidy under the Technology Upgradation Fund Scheme, additional contribution under the Pradhan Mantri Rozgar Protsahan Yojana and Rebate of State Levies. The made-ups segment generates jobs for women and in rural areas, and the government has recognised this potential while announcing the measures.

"Beside employment, it will boost exports. Made-ups manufacturers use locally made fabrics and thus the package is likely to boost the entire supply chain, up to yarn," said B K Goenka, chairman, Welspun Group and co-head of the textile committee at the Confederation of Indian Industry.

R K Dalmia, senior president, Century Textiles & Industries, agreed, saying it would benefit the entire made-ups segment and help it compete in export markets.

Permissible overtime has also been increased up to 100 hours a quarter and employees' provident fund contribution has been made optional for those earning less than ₹15,000 a month.

Reacting to the government decision, the share price of Century Textile jumped by 4.7 per cent, to close on Thursday at ₹21.25. Trident's stock moved up by 2.7 per cent, to close at ₹56.80. Other stocks in this segment saw a marginal rise.

PRICE CHART

	BSE price in ₹	
	Dec 8	% chg*
Century Textiles	821.25	4.74
Trident	56.80	2.71
Indo Count	162.60	2.36
GHCL	243.95	0.87
Welspun India	68.85	0.22

*% change over previous day's close

Compiled by IS Business Bureau

Cabinet approves sops to boost 'made-ups' sector

OUR BUREAU

New Delhi, December 7

The Union Cabinet has approved a package of incentives for the 'made-ups' sector to increase exports and create additional direct and indirect employment of up to 11 lakh over the next three years.

The measures include extending additional subsidy under the technology upgradation fund scheme, enhancing employers' contribution in the Provident Fund scheme, increasing duty-drawback on exports and simplification of labour laws.

Made-ups are articles manufactured or stitched from any type of cloth, other than a garment such as bed-sheets, cushion covers, lamp-shades etc.

As per the package approved by the Cabinet on Wednesday, made-ups will be provided production incentive through enhanced Technology Upgradation Fund Scheme (TUPS) subsidy of additional 10 per cent similar to what is provided to garments based on the additional production and

employment after a period of three years, according to an official release.

The Pradhan Mantri Paridhan Rozgar Pratsahan Yojana Scheme, currently only for the apparel sector, will now be available also for the made-ups sector for providing additional 3.67 per cent share of employer's contribution in addition to 8.33 per cent already covered under the scheme for all new employees enrolling in EPFO for the first three years of their employment as a special incentive.

The Rebate of State Levies (ROSL) Scheme, which is available for the apparel sector, will be extended to the made-ups sector for enhanced duty drawback (scheme for reimbursement of inputs used in exports) on exports.

Labour laws have also been simplified for the made-ups sector. Permissible overtime has been increased to 100 hours per quarter while EPF has been made optional for employees earning less than ₹15,000 a month.

'Less demand to hit textile exports'

New Delhi, December 8



Smriti Irani

The Government on Thursday admitted it may be "hard to achieve" the \$48-billion target for textiles and garment exports for 2016-17, mainly because of less demand in major markets such as the US, EU and China. The overall exports of textiles and garments from India during 2015-16 was \$40 billion, falling way short of the \$47.5-billion target. Asked whether the target would be "hard to achieve" due to less demand from China, US and EU, Union Textiles Minister Smriti Irani replied in the affirmative. **pti**

The Government on Thursday admitted it may be "hard to achieve" the \$48-billion target for textiles and garment exports for 2016-17, mainly because of less demand in major markets