

# TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

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**PRESS RELEASE**

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## **TEXPROCIL WELCOMES ANNUAL SUPPLEMENT 2008**

### **Statement by Shri Prem Malik, Chairman-Texprocil on the Annual Supplement 2008 to the Foreign Trade Policy 2004-2009**

Shri Prem Malik, Chairman –The Cotton Textiles Export Promotion Council (Texprocil) welcomed the Annual Supplement 2008 to the Foreign Trade Policy, 2004-2009 announced by Shri Kamal Nath, Hon'ble Minister of Commerce & Industry today. He thanked the Hon'ble Minister for considering favourably extension of DEPB Scheme upto May 2009, interest subvention on packing credit by one more year for sectors affected by Rupee appreciation.

The measures notified include reduction in import duty on imports of Capital goods under EPCG Scheme from the present level of 5% to 3% will go long way for modernization of textile industry and increase the production capacities. The facility extended to Premier Trading Houses for calculation of the average export obligations based on average of last 5 years export, instead of the present 3 years will give some relief to the exporters in the level of average export obligation, Shri Prem Malik stated.

Increasing the list of countries under Focus Market Scheme and granting Duty Credit Scrip on exports to those countries will facilitate the exporters to increase the exports to those markets. The other measures notified for facilitating exports viz. payment of interest on delayed TED and CST refund claims will also give some relief to the exporters, he added.

Chairman mentioned that the procedural simplifications viz. payment of Excise Duty by EOUs on monthly basis instead of the present system of paying duty on consignment basis, reduction/enhancement in CIF value or duty saved amount beyond 10% under EPCG Scheme by Regional Licencing Authorities and reduction in fees for applications under various Schemes will result in reduction in transaction costs.

The matter relating to formulating a mechanism to neutralize the State/Local levies which works out to 6% of FOB value to exporters is not however addressed in the supplement. Shri Malik appealed to the Authorities to resolve this issue on priority basis so that exporters export goods and not taxes from India. He also appealed to exempt export related services from the payment Service Tax as the system of refunding Service Tax on export related services to exporters is resulting in granting Drawback at the rate when Cenvat facility has been availed and not at the rate when Cenvat facility has not been availed.

**Mumbai**

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