HEPC
HANDLOOM EXPORT PROMOTION COUNCIL

*Handloom Export Promotion Council*

# INDIAN

**Handwoven and Hometextiles Sourcing**

15, 16 & 17 December 2020 | South America

T E S T I M O N I A L S

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## Vol. No.5

## IN THIS ISSUE

*Dear Members,*

Due to this COVID19 pandemic and the travel restrictions imposed by the global countries, virtual trade show is the right way to reach the global buyers with cost friendlier option. HEPC has successfully organised the Indian Homewoven & Hometextiles Sourcing (IHHS) South America from 15-17 December 2020 on the virtual platform. The event was organised with active participation and support from Embassy of India in Chile. Around 20 member exporters from all over India participated in the event. IHHS-South America was officially inaugurated by H.E.Ms.Anita Nayar, Ambassador, Embassy of India, Santiago, Chile on 15.12.2020 through a video message. Overall, 20 exhibitors had 250 virtual visitors and had over 60 prefixed meetings & the event had generated trade enquiries worth Rs.2.76 cr.

Under the potential US boycott of cotton form Xinjiang region has put the manufacturers of cotton textile product which are sourced from Xinjiang region are in risk of facing order cancellation by the US buyers. The US ban on import of cotton and cotton products made with cotton from China's Xinjiang region citing forced labour is prompting the Indian textile Industry to gear up but highly fluctuating cotton yarn price and the increased freight charges are again a worrying factor for the industry to capture the market vacated by the China.

A new scheme, RoDTEP (Remission of Duties and Taxes on Exported Products) has been launched by the government for exporters. The scheme provides for rebate of Central, State and Local duties/taxes/ levies which are not refunded under any other duty remission schemes. RoDTEP Credit Ledger can be used by the Importer/ Exporter/CHA only after creating a successful credit ledger account at ICEGATE. The steps for the creation of RoDTEP credit ledger has been sent to member exporters through mail and the notification is also given in the newsletter. The RoDTEP rates would be notified shortly by the Department of Commerce, based on the recommendation of a Committee chaired by Dr. G.K. Pillai, former Commerce and Home Secretary. The notified rates, irrespective of the date of notification, shall apply with effect from 1 January, 2021 to all eligible exports of goods. I hope the industry will be benefited from the new scheme.

*With warm regards,*

T.V. Chandrasekaran
Chairman

# Indian Handwoven and Hometextiles Sourcing, South America ( Virtual Buyer Seller Meet )

The travel restrictions induced by the Covid-19 pandemic, has resulted in cancellation / postponement of physical events around the world. This has adversely impacted the marketing activities of manufacturers and exporters in reaching out to the existing customers with new products and also in establishing new business linkages. HEPC has initiated activities in providing opportunities for its member exporters though a series virtual events proposed across different regions around the world to help the exporters to sustain their marketing activities and also tap the new market opportunities.

In this context, HEPC has successfully organised the Indian Handwoven & Hometextiles Sourcing (IHHS) South America from 15-17 December 2020 on the virtual platform.

The event was organised with active participation and support from Embassy of India in Chile. Besides, council was also in contacts with Indian Missions in the region particularly in Peru, Bolivia, Brazil, Columbia, etc.in mobilising trade visitors for the event

The Virtual event was organised in a 3D platform with the following features

- User-friendly 3D immersive virtual experience with unlimited product , video uploads
- Sorting by product category
- Presentations
- Personalized meeting schedules
- Live 1:1 Audio & Video chat
- Artificial Intelligence-Driven Matchmaking
- Secured data

Various publicity measures such as Exclusive event website: www.ihhsfair.com , social media advertisements mailers with flyers and promotional video circulated to all Indian missions abroad, Chamber of Commerce, Associations related to Textile Trade, in South America were undertaken during the event.

HEPC after detailed discussion with the Indian Mission officials in Santiago, Chile, finalized TradeChile, for arrangement of pre-fixed virtual meetings with between potential buyers from Chile and Exhibitors. This arrangement with TradeChile had contributed for the success of the event apart from the registrations received through the online platform. Around 20 member exporters from all over India participated in the event.

Exhibitors were imparted training on the virtual platform and were thoroughly explained about the various tools and features of the virtual platform and were guided for their on boarding onto the virtual platform and virtual meeting . Professional language interpreters were engaged by HEPC facilitating live translation of virtual interaction between exhibitor and the visitor on a prefixed meeting schedule

**Inauguration**

IHHS-South America was officialy inaugurated by H.E. Ms. Anita Nayar, Ambassador, Embassy of India Santiago, Chile on 15-12-2020 through a video message.
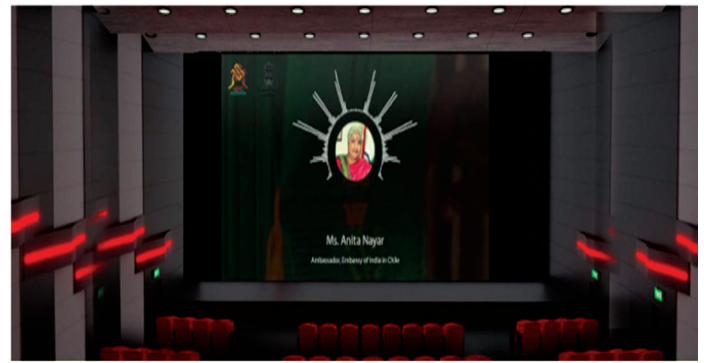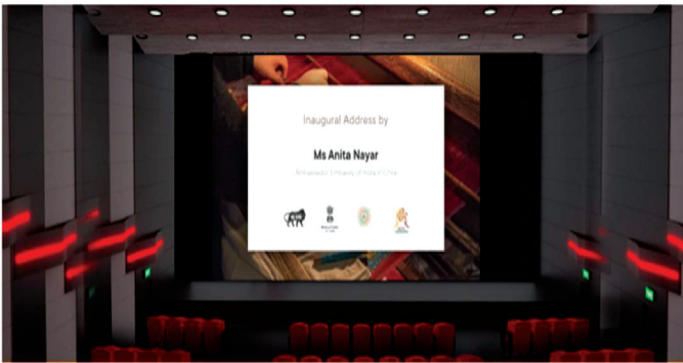



Shri T.V. Chandrasekaran, Chairman, HEPC delivered the welcome address.




Council has received 63 registrations. Overall, 20 exhibitors had 250 virtual visitors and over 60 prefixed meetings. Trade enquiries worth Rs.2.76 crore was generated during the 3 days virtual event. Exhibitors are constantly in touch with the buyers to convert the enquiries into orders.

# IS DEATH OF PHYSICAL SHOPS OVER EXAGGERATED?

*The death of physical shops was inevitable, and not a result of the short-term COVID-19 pandemic, which has only hastened the end.*

Much has been written on this subject recently, especially in London, where the writer lives. The chronicle of closures of shops and bankruptcies of previous stars of the high street has been endless. In 2019, Oasis and Warehouse were sold to an online retailer and all their shops closed.Here are some of the major fatalities in the United Kingdom in 2020:

• March, Laura Ashley in administration
• April, Debenhams in administration for the second time in 12 months
• April, Cath Kidson permanently closes all shops
• June, Monsoon, Accessorize in administration
• June, T M Lewin permanently closes all its shirt shops
• August, New Look announces company voluntary arrangement (CVA) to avoid shutting all600 shops
• November, Edinburgh Woollen Mill collapses
• December, Peacocks and Bonmarche in administration
• December, Arcadia (Topshop, Burton, Dorothy Perkins et al) put into administration
• December, Debenhams collapses for the third time
• December, House of Fraser (Sports Direct) makes a second reduced offer for Debenhams

In the United States, there is a similar story with closures or bankruptcy (Chapter 11) by Macy's,Nieman Marcus, Victoria's Secret and many other titans of the high street. In Europe, the story is similar but less extreme, with two major players, H&M and Zara, announcing store closures for 2021.

Of course this is not just COVID-19. The problem of too many shops chasing too few customers has been going on for years. In 2000, the world apparel market at retail prices was estimated at $680 billion. Of that, shops and markets accounted for 93 per cent. Mail order was 7 per cent,online was 0.1 per cent and selling on social media did not exist, according to Forrester data. Today, online probably accounts for 15-20 per cent of all retail and serves consumers all over the world, as per estimates by Malcolm Newbery Consulting. A UK-based online retailer Legend sells 47 per cent in the domestic market and 53 per cent to consumers in more than 50 countries. The consumer is now anywhere, no longer restricted to buying locally on the high street.

As long ago as 2012, the writer pointed out that there were far too many shops for the number of adults in the United Kingdom. That means too many square metres chasing too few customers.In the 1980s, an Austrian colleague Kart Heinz Elsasser had declared the UK high street to be"the most boring High Street in Europe". The reason, he said, was because it was populated by mass market, own label multiple chains in which every branch looked the same and sold the same merchandise. But nemesis was very slow in coming to the high street, partly because the chains were obsessed with their stores, and actually continued opening more.

This long-term problem is partly one of technological change, not just of retailers' hubris.

• In the 1930s, Hungarian journalist Laszlo Biro and his brother Gyorgy invented the ball pointpen. It killed the fountain pen nib and ink industries.

• In the 70s, Casio in Japan produced the first electronic pocket calculator sold for under $10.That spelt the end for mechanical calculators and the scientific slide rule. Does anyoneeven remember those gadgets?

The important lesson from this is that technology enables less developed countries to jump over development stages. They move from a pencil or writing in the sand directly to the ball point pen.They move from mental arithmetic directly to a Casio or Sharp pocket calculator. But of course,the biggest technology change to affect retail was the Internet. In 1990, Tim Berners-Leecreated the first World Wide Web server and browser. It opened for commercial use in 1991. The year 1994 witnessed other advances, such as online banking and the opening of an online pizza shop by Pizza Hut. In 1995, Amazon expanded its online shopping, and eBay appeared in 1996.

Online shops mushroomed and clothing companies like boo.com expanded exponentially. They were valued by the stock market at amazing share prices, but never made a profit. Front ends and advertising were glitzy and very expensive. Back end fulfilment was sadly wanting. The carhit the wall in 2000, when the value of online stocks on the NASDAQ fell from 4,700 points to1,000 in two years.

Fortunately for retail, the second generation of online operators were better. They had afunctioning back end, working to fulfil delivery. Many of them were old fashioned mail order catalogues; Otto in Germany, and Next in UK are good examples. But to them were added a new industry based on the Internet, the pure play retailer (online only). Readers know them well;Amazon, Alibaba, Zalando, Asos. The two online groups (multi-channel and pure play) comprise15-20 per cent of the market that now buys online. That is why the death of physical shops hasnot been over exaggerated.

The pandemic, of course, has merely accelerated that process. It has not created it. Consumers buy online because

• Shops have been closed by governments
• Consumers are stuck at home in lockdowns
• They refuse to travel on public transport fearing virus transmission

These enforced behavioural changes also alter purchasing attitudes permanently. Why should anyone shop on the physical high street, when they can do it from home safely during the pandemic and conveniently after it is over? There is also a whole generation of consumers that has grown into adults and can handle everything on their smartphones.

In fact, the only salvation for physical shop retailers would appear to be to turn a chore into an experience. This is unlikely to work for mundane shopping; either the groceries, or for the basics (socks, underwear and hosiery). It could work for the creation of a fashion event, something like a fashion show that is only available in store, with food and drinks, a light show, live music and dancing. The better department stores are experimenting with this. Otherwise, there is nothing to see ahead except further store closures.

And even the experience approach can only work in a limited way in bigger towns with larger populations. The chances are that in 2021 physical retail sales will be 30 per cent lower than the2019 pre-COVID level. That will by itself increase the online share from 20 per cent to more than 30 per cent. Shops and markets will fall to 65 per cent of a total market that hopefully will have recovered to its 2019 level or to at least 90 per cent of it. But that means a further shuttering of high street shops for ever. Expect more physical retail gloom and doom in the pages of the apparel industry media over the next year.

# XINJIANG FALLOUT: OPPORTUNITY RISK FOR INDIA

The Indian cotton textile industry is facing a historic opportunity following the boycott of cotton and other goods produced in China's XUAR by Western countries. It is imperative that both the private sector and the government act quick and cohesively to cash in on the favourable prospects.

With reams of available evidence of the Chinese government's use of forced labour of Uyghurs in the production of cotton and other goods in the Xinjiang Uyghur Autonomous Region (XUAR), major Western countries are now beginning to push back against China on this issue, with US President Donald Trump taking the lead. Other countries such as the United Kingdom and those in the European Union (EU) are also starting to get in on the act, albeit much slower than the United States. International apparel brands and retailers based in the United States and the EU have read the writing on the wall and know what is coming: import bans on anything containing cotton from the XUAR and possibly wider Chinese cotton supply chain, as well as potential criminal prosecution of business executives for being complicit in using Uyghur forced labour.

Consequently, brands and retailers are already stopping the sourcing of both inputs and finished goods from the XUAR to protect themselves from reputational and legal liabilities. But removing the 'taint' of forced labour is difficult, considering the highly opaque nature of the cotton supply chain in China, coupled with the fact that the Chinese government has placed Uyghur workers in factories elsewhere in China outside the XUAR. As more than fourfifths of all Chinese cotton comes from the XUAR, it is now clearly moving to a situation that the only way a brand can ensure it is completely free of the Uyghur forced labour taint is by ending all sourcing of cotton textiles and apparel from China.



This exodus has already begun. For the first nine months of this year, Chinese cotton apparel imports to the US market were down by 53 per cent compared to the same period in 2019. Other countries' shipments also declined but by much less: Vietnam by 10 per cent, Bangladesh by 13 per cent, India by 28 per cent. Clearly, it is not just the covid-19 pandemic that is causing China to lose market share, but the Uyghur forced labour issue is also playing a major role in pushing the cotton supply chain out of China.

This is, therefore, a massive opportunity for the Indian cotton textile industry, which has several key advantages to capitalise on the situation. India has always had robust end-to-end expertise and capabilities across the cotton textile supply chain and is also one of the largest producers of cotton in the world. Moreover, a fully integrated local supply chain will satisfy rules-of-origin requirements in various trade programmes incentivising manufacturers to source most of their inputs locally. Domestic suppliers have already started reporting higher order volumes in recent months and buyers are planning to expedite the outflow of sourcing from China to India. Assuming an enabling policy and regulatory environment, the industry should not face too many challenges in rapidly scaling up to meet the new demand.

However, the circumstances, while presenting an opportunity, also raise the risk facing the industry. The spotlight on Chinese atrocities in cotton supply chains in the XUAR has also increased scrutiny of labour practices in cotton supply chains in other countries, including India.

A number of media and civil society organisations have documented several instances of labour rights violations, including forced and child labour, in both cotton farming and textile sectors in India. According to some experts, the estimated number of child labourers in cotton farming in India can go up to millions; any help their parents on

smallholder family farms to reduce costs.

Cotton, textiles and apparel from India are all goods that the US government lists as being produced with child or forced labour.

Therefore, the risk that Indian suppliers will likely face in the coming months is that if global buyers end sourcing from China due to labour rights concerns, they will also be very reluctant to shift that sourcing to India for the same reason. Even if Indian cotton textile suppliers are able to build scale and capacity comparable to China, that will still not be enough to capture much of the market as buyers will be very wary unless the labour compliance situation improves.

Of course, there are a number of steps that can be taken to improve the situation, at both the farm and factory level. Many of these changes are already taking place on the ground but need to be accelerated. A few such steps are suggested below:

Governments (Central and state) must completely map the supply chain by collecting data down to individual farms and enterprise. Telangana is already working on such an initiative.

- Capacity-building among farmer producer organisations (FPOs)must be accelerated to help farmers lower input costs while obtaining better prices. FPOs are also now being on boarded onto commodity exchanges like the MCX. The goal is to enhance smallholder farmers' income so that they do not need to have their children work in the fields.

- State governments, with the help of the Centre, need to invest in hiring and training labour inspectors and reduce corruption in the labour inspectorate. Violations must strictly be punished to encourage compliance. States also need to dedicate resources to data collection and monitoring on workers.

- Factories and industry organisations should work with buyers and fellow suppliers to help cotton farmers adopt sustainable and organic farming practices. According to the Better Cotton Initiative, India is the largest producer of organic cotton in the world. A number of brand foundations,such as the Primark Foundation and the Laudes Foundation, are currently supporting tens of thousands of cotton farmers across India adopt sustainable and responsible farming practices. Such initiatives must be rapidly expanded.

- Suppliers need to ensure that they are regularly audited and certified for their labour practices. Industry organisations must encourage their members to be certified and provide necessary support wherever possible. This will be a key differentiating factor between the Chinese and Indian suppliers as there is a clear consensus that regular auditing and certifications simply do not work in identifying Uyghur forced labour.

- Indigenous cotton must be branded and promoted globally. In fact, the Central government has just launched Kasturi, India's first national cotton brand that some experts believe can be sold at a 5 per cent premium.More brands and variants should be launched.

The Indian cotton textile industry is facing a historic opportunity, but that can easily be lost if the moment is not seized. It is imperative that both the private sector and the government work together otherwise the country will miss the bus again.

*Source :* **FF** | **fibre2fashion.com**
WORLD OF GARMENT · TEXTILE · FASHION

# Advisory for RoDTEP (Remission of Duties and Taxes on Exported Products) Incentive Scheme

A new scheme, RoDTEP (Remission of Duties and Taxes on Exported Products) has been launched by the government for exporters. The scheme provides for rebate of Central, State and Local duties/taxes/ levies which are not refunded under any other duty remission schemes. The broad provisions are as under:

I.      To avail the scheme exporter shall make a claim for RoDTEP in the shipping bill by making a declaration.

II.     Once EGM is filed, claim will be processed by Customs.

III.    Once processed a scroll with all individual Shipping Bills for admissible amount would be generated and made available in the users account at ICEGATE,

IV.     User can create RoDTEP credit ledger account under Credit Ledger tab. This can be done by IECs who have registered on ICEGATE with a DSC.

V.      Exporter can log in into his account and generate scrip after selecting the relevant shipping bills.

2       As of now the users can log into their ICEGATE account and create the RoDEP Credit Ledger Account, as scrip generation provision will be made functional on the issuance corresponding notification by the department and availability of the budget. Implementation of scheme in Custom Automated System has been developed. Details attached as Annexure A.

3       This advisory is a complete step-by-step guide for the user to create a RoDTEP credit ledger account, generate scrips and transfer the scrips to any other IEC.

**A) RoDTEP (Credit Ledger) Account Creation:**

RoDTEP Credit Ledgercan be used by the Importer/Exporter/CHA only after creating a successful credit ledger account at ICEGATE.Below are the steps to create a RoDTEP Credit Ledger Account with ICEGATE.

**Step 1)** User can select the option of RoDTEP (credit ledger) account creation by clicking on the "RoDTEP" tab under the "Our Services" section of https://www.icegate.gov.in/as indicated below.
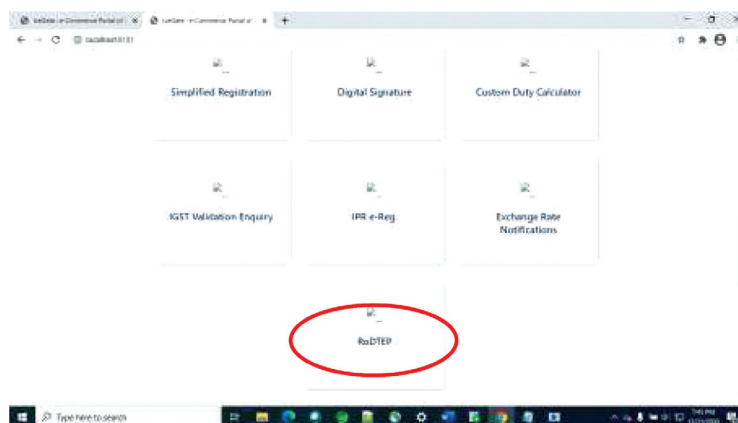
**Step 2)** User will be directed to the login page. After log in using valid credentials, user will be able to see the Credit Ledger option on the left panel as shown below. If user is not registered they can get themselves registered as per advisory through this link:

https://icegate.gov.in/Download/JavaSetupForDSC.pdf
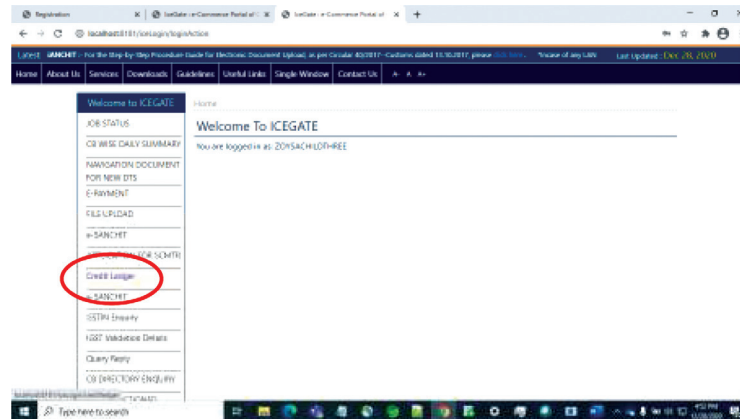


**Step 3)** Since the user has not created a credit ledger account initially, the following page will be displayed. The user can select the scheme name from the drop-down as RoDTEP.
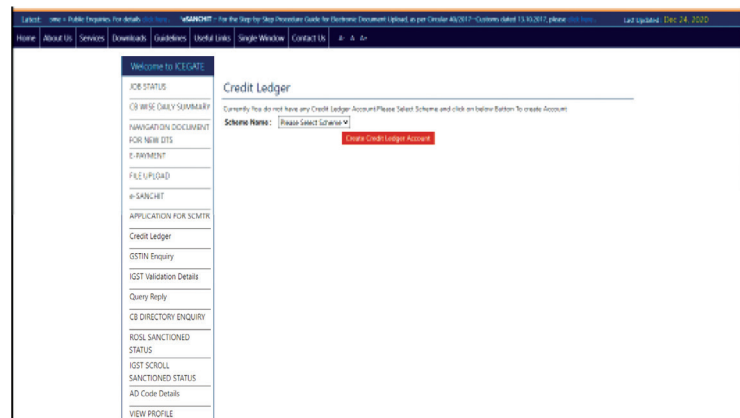


**Step 4)** After Credit Ledger account creation is done by the user, a grid view with the following details will be displayed to the user.

User can perform various operations mentioned as follows from this Home Page:

• Scroll Details

• Scrip Details

• Transaction Details

• Transfer Scrip

• Approve Scrip Transfer
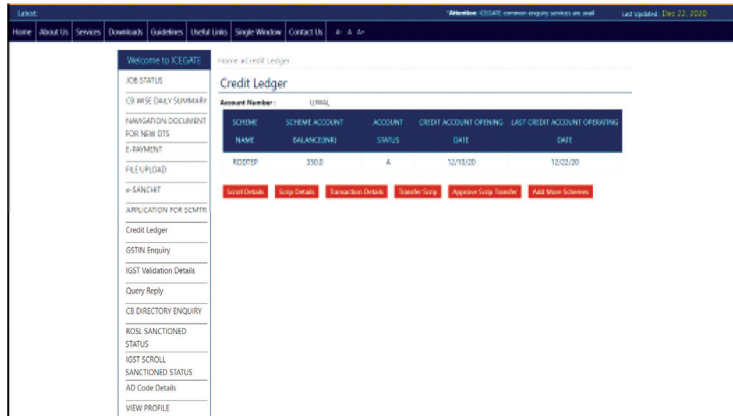
**B) Scrip Management Module:**

1) Scrip Generation

**Step 1)** From the credit ledger Home Page as shown below, user has to select Scroll Details Tab

for scrip generation.
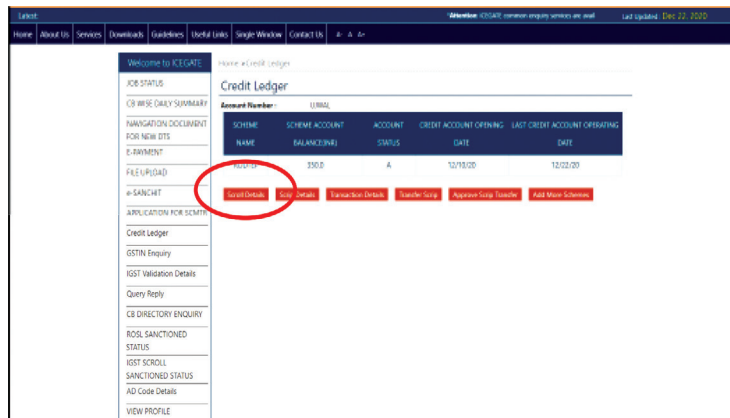


**Step 2)** User is provided with the feature of selecting Shipping bills/scrolls for which the scrips are to be generated. User has to select RoDTEP under scheme name and location as mentioned below:
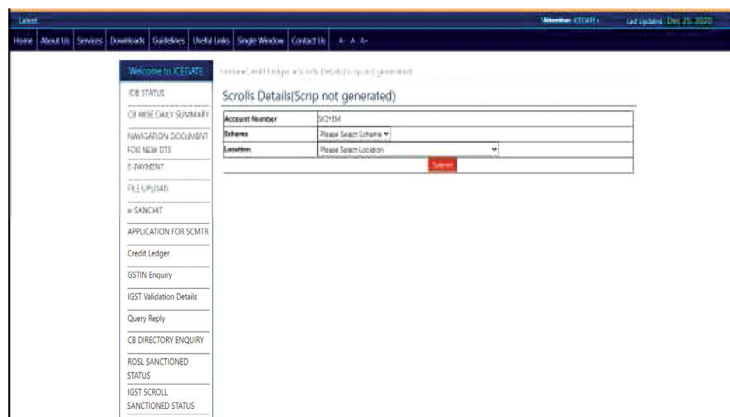
**Step 3)** An error message will be displayed if the scheme (mandatory) is not selected.
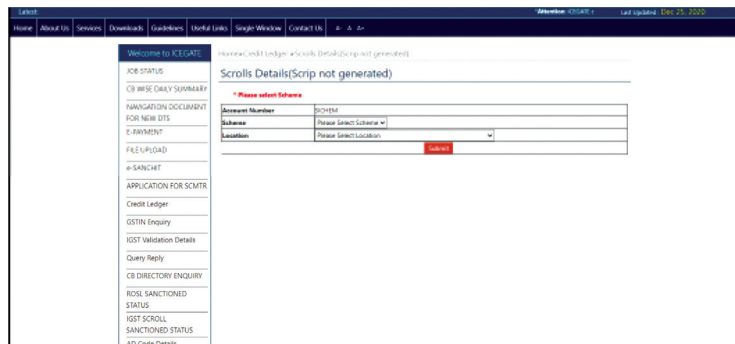


**Step 4)** User can view and select the shipping bills and can generate the scrip.
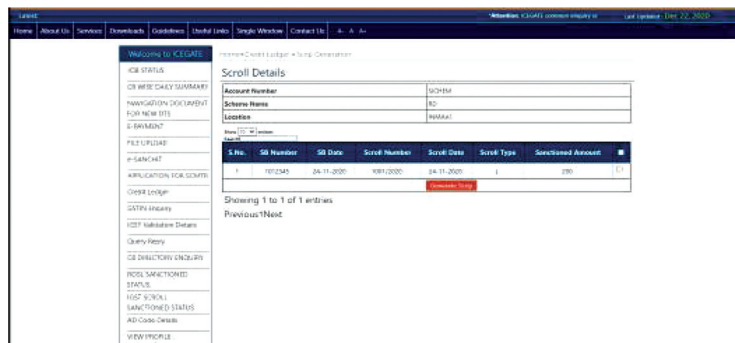


**Step 5)** Scrip will be generated for the selected shipping bill /scroll. After successful Scrip Creation the following message will be displayed on the screen.
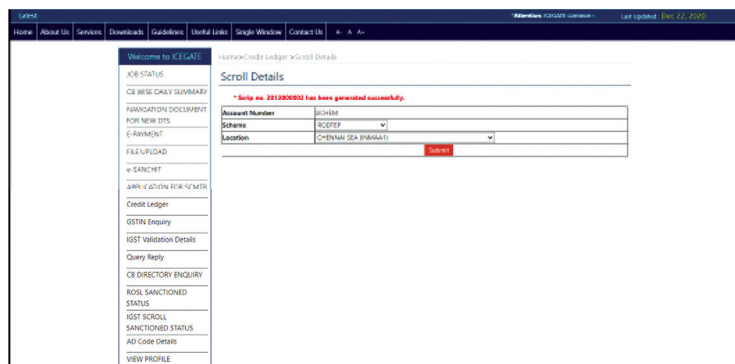


**2) Viewing Scrip details:**

**Step 1)** In the credit Ledger home page, user can select on the Scrip Details Tab to view the scrip details which has been generated.
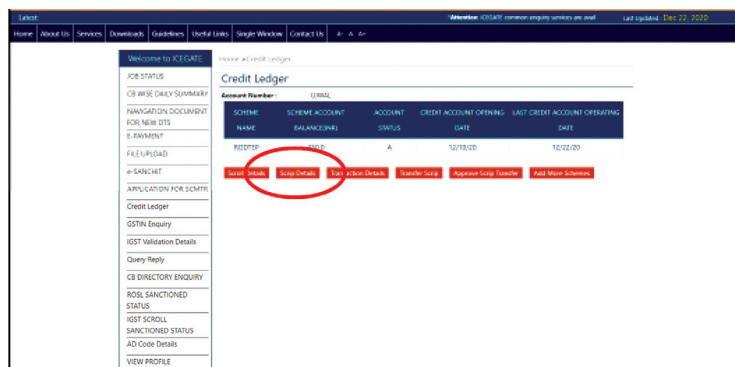
**Step 2)** A unique Scrip Number will be generated and tagged to every user. A credit entry will be made in the credit Ledger for that user. User can view scrip details after selecting from the following options in the scrip status drop down:

1. Active- Scrip which is still in active state

2. Utilize- Scrip which is utilized by the user

3. Transferred- Scrip for which the transfer request is approved by the transferee to whom the user has initiated transfer

4. Transfer Pending- Scrip which is transferred by the user to another IEC holder but the latter has not approved the transfer request.

5. Expired- Scrip which is expired

6. Transfer Rejected- Scrip which is rejected by the transferor (who has initiated the scrip transfer request) or the transferee (to whom scrip transfer request is sent)

7. All- All scrips generated



**Step 3)** Once the mandatory fields are selected, thedata can be viewed in grid.User should be able to view the last 10 entriesby default from the credit ledger. The user can click on next or previous link in case of more than [10] entries.The description of the data is given below:

1. Scroll Number: Unique scroll number

2. Scrip Number: Unique scrip number

3. Scrip Issue Date: Date on which scrip is generated

4. Scrip Expiry Date: Date on which the scrip will expire

5. Scrip Issued Amount: Amount for which the scrip is issued.

6. Scrip Balance Amount: Total balance after the scrip has been utilized.

7. Scrip Transfer Date: Date on which the transfer has been approved by the IEC to whom the scrip is transferred. This will be blank if transfer is not initiated.

8. Scrip Status: based on what scrip status user has previously selected as explained in the previous step (step 2)



**3) Transaction Details:**

**Step 1)** In the credit Ledger Home Page, User can view the Transaction Details by clicking the tab as shown below:



**Step 2)** User should be able to view the transactions basis multiple search criteria like start date, end date and transaction type.The Transaction Type field has a drop down with the following options to select. User can select the appropriate field:

1. Issued: To view the scrips been generated. The transaction status will be Complete for this transaction type.

2. Utilized: To view the scrips which are utilized. The transaction status will be Complete for this transaction type.

3. Transferred: To view the scrips which are transferred to another IEC holder. The transaction status will be Complete for this transaction type.

4. Transfer Pending: To view the scrips for which the approval for transfer is pending. The transaction status will be Pending for this transaction type.

5. All: To view all types of scrips.
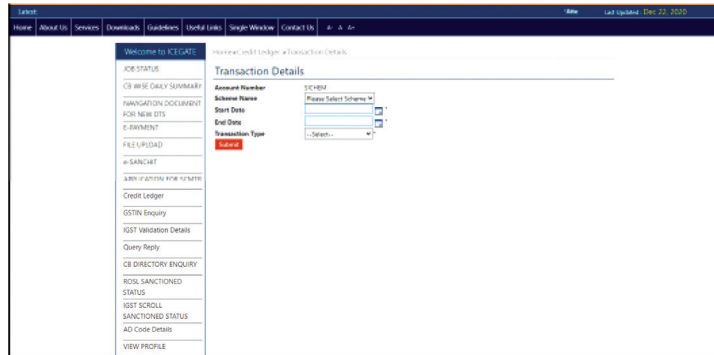
**Step 3)** After selecting the appropriate fields, data will be displayed in a grid format as shown below:
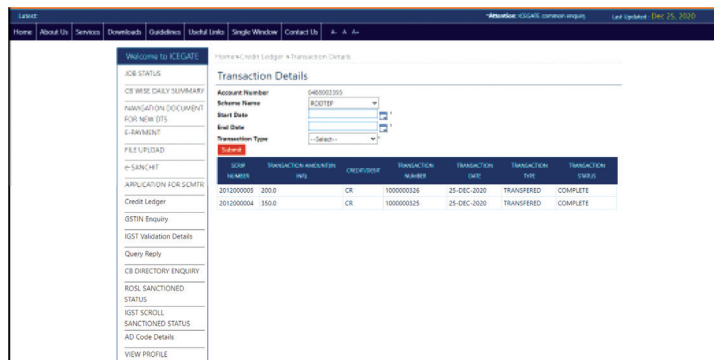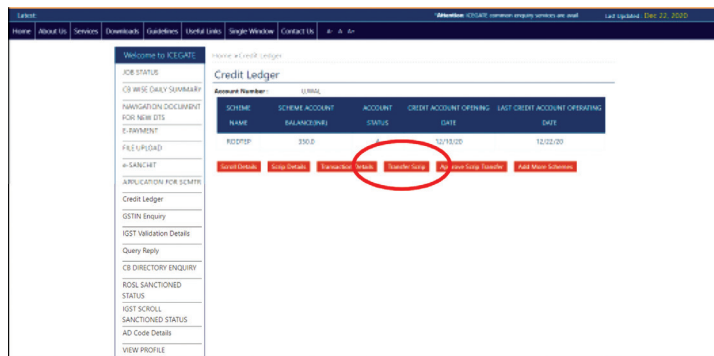


### 4) Scrip Transfer:

Any user who has created a credit ledger account can transfer a scrip to another user. The user to which the scrip is to be transferred also needs to have a valid credit ledger account.

Below are the steps for scrip transfer:

**Step 1)** From the credit ledger Home page, user can select the "Transfer scrip" tab to transfer a particular scrip to any other user.



**Step 2)** The user can select the appropriate scrip to be transferred from the generated scrips. The list of the generated scrips is available in the drop-down menu along the "Scrip Available" Option.

**Step 3)** After appropriate scrip selection, user can view scrip amount and enter IEC of the user to which the scrip is to be transferred. These details, of the IEC holder to whom the user wants to make transfer, can be entered in the textbox alongside "Enter Transferee" option.



**Step 4)** OTP is generatedand sent to the user who has initiated the transfer on the registered mobile number and email ID.It has to be entered by that user to transfer the scrip successfully. This OTP is valid for a window of 15 minutes only.



**Step 5)** If the user has entered wrongOTP to transfer the scrip, an error message to select a valid OTP will be generated on the screen as shown below.
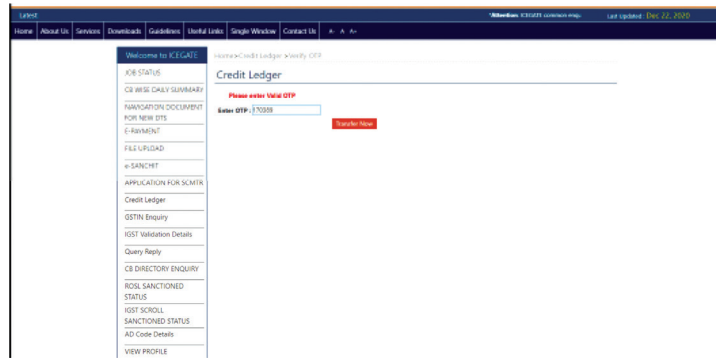
**Step 6)** After successfully transferring the request, Scrip will be viewed in a grid on the same page. User who has initiated the transfer scrip requestcan cancelthe request at this stage using the cancel button as shown below.



## 5) Approve Scrip Transfer Request

**Step 1)** A approval request is sent to the IEC for whom transfer request has been initiated by the user. This IEC holder who has to approve the request needs to login, select credit ledger tab from the left panel. He will have to create a Credit ledger account if not already created as mentioned in the 3 step process of Part A (RoDTEP (Credit Ledger) Account Creation) of this module.
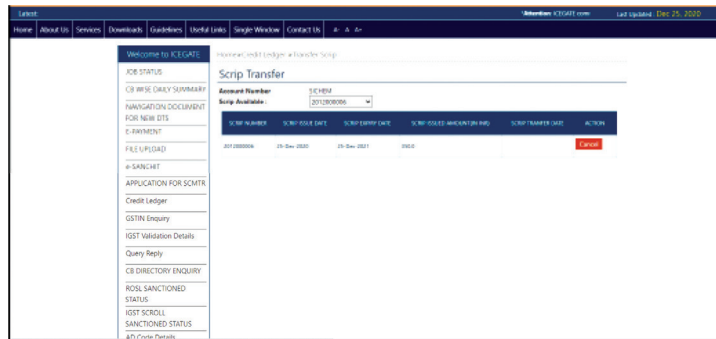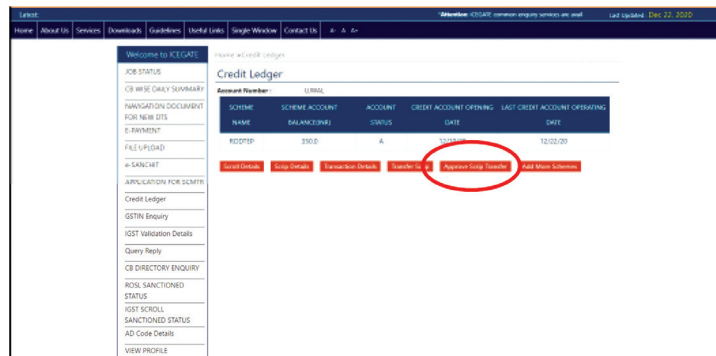
**Step 2)**From the credit ledger Home page, the user to whom a scrip is transferred can approve/cancel the transfer scrip request by clicking on the "Approve Scrip" tab as shown below:



**Step 3)** User can view all scrips,which are transfered to him.User can cancel the request as well by clicking on the cancel button, if does not wish to accept the scrip.
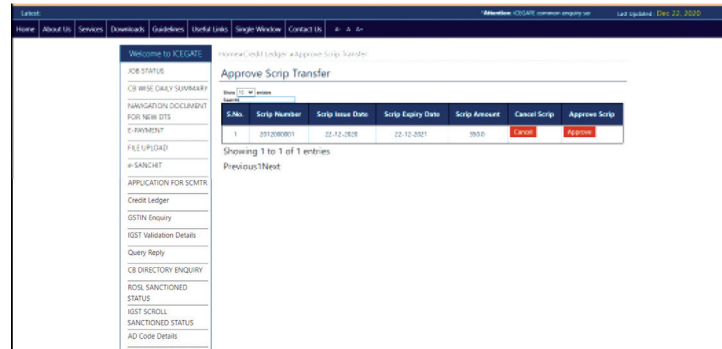
**Step 4)** The transferee wants to approve the transfer scrip request after clicking the approve button, Transfree has to fill a valid OTP.After clicking the Approve button, the transferee is directed to fill OTP as shown below.This OTP is generated and sent to the transferee over registered Mobile number and email I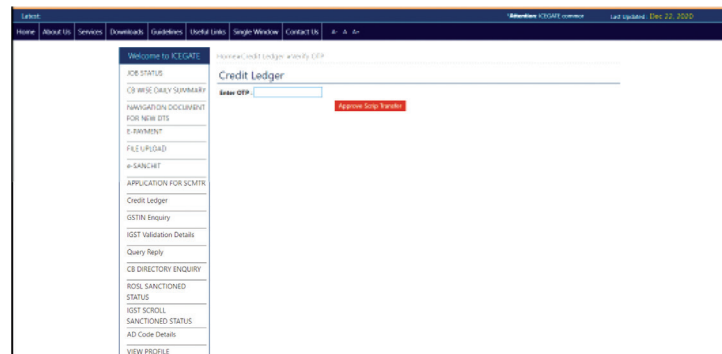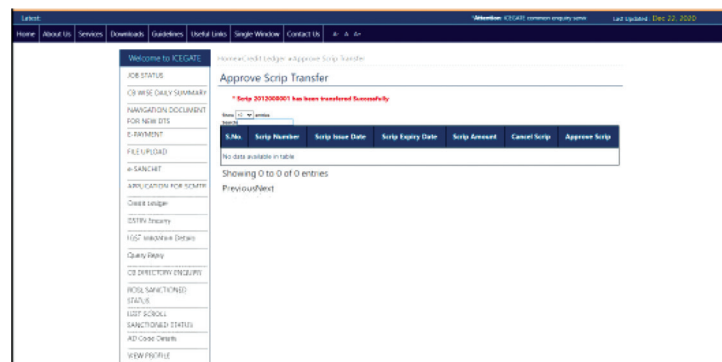D and is valid only for 15 minutes. Incase the user fails to enter a valid OTP in 15 minutes, the user is redirected to generate a new OTP.



**Step 5)** TheScrip will be transffered to Transfree after successful OTP validation. Message is also generated and displayed on the screen as shown below.



**Annexure A:**

Implementation of RoDTEP Scheme in Customs Automated System – Declarations in Shipping Bill and further processing Kind reference is drawn to the press note dated 31.12.2020 (copy enclosed) issued by CBIC on the new RoDTEP scheme being operationalized from 01.01.2021. Necessary changes in the System have also been made to accept and process RoDTEP claims. Below is a detailed explanation on the provisions enabled in System in relation to the new scheme:

## I. Claim in the Shipping Bill:

a. W.e.f. 01.01.2021, it is mandatory for the exporters to indicate in their Shipping Bill whether or not they intend to claim RoDTEP on the export items. This claim is mandatory for the items (RITC codes) notified under the new scheme. Since the final list of RITC codes eligible for RoDTEP scheme and the corresponding rates are yet to be notified by the Government, this declaration has been made mandatory for all items in the Shipping Bill starting 01.01.2021.

b. Unlike Drawback, there is no separate serial numbers based on a schedule for claiming RoDTEP. RoDTEP rates will be notified as per the RITC Code and therefore, there will be no need to declare any separate code or schedule serial number for RoDTEP.

c. The exporter will have to make following declarations is the SW_INFO_TYPE Table of the Shipping Bill for each item:

INFO TYPE = DTY
INFO QFR = RDT
INFO CODE = RODTEPY - If RoDTEP is availed
RODTEPN - if not availed.
INFO MSR = Quantity of the items in Statistical UQC as per the Customs Tariff Act for that item RITC
INFO UQC = UQC for the Quantity indicated in INFO_MSR
Additionally, for every item where RODTEPY is claimed in INFO CODE, a declaration has to be submitted in the Statement Table of the Shipping Bill as below.
STATEMENT TYPE = DEC
STATEMENT CODE = RD001

Submission of the above statement code for RoDTEP availed items would indicate that the exporter has made the necessary declaration as enclosed in Annexure B, while claiming RoDTEP benefit.

d. It may be noted that if RODTEPY is not specifically claimed in the Shipping Bill, no RoDTEP would accrue to the exporter. Even though the items and rates are not notified the Government for RoDTEP yet, the exporters must indicate their intent for claim at the time of Shipping Bill filing itself. Once the rates are notified, System would automatically calculate the RoDTEP amounts for all the items where RODTEPY was claimed. No changes in the claim will be allowed after the filing of the EGM.

e. There are some checks built in the System to disallow RoDTEP benefit where the benefit of certain other schemes like Advance Authorization, EOU, Jobbing etc. has been availed. While some checks have been built in within the System at the time of filing the Shipping Bill, it is assumed that if the exporter (or the authorized Customs Broker) has submitted the statement as mentioned in para 2(b) with the Shipping Bill, the claim to RoDTEP has been made with the undertaking that no undue benefit would be availed.

## II. Processing of the Claim:

a. Based on the declarations as per Para I above, System will be processed the eligible RoDTEP.

b. The Shipping Bills with RoDTEP and/or Drawback claim will now be routed for officer intervention based on Risk based targeting by RMS. All the Shipping Bills will be sent to RMS after the EGM is filed. Based on the input by RMS, Shipping Bills will either come to officer for processing of RoDTEP/DBK benefits or will directly be facilitated to the scroll queue without any officer intervention.

c. Once the Shipping Bill is processed for DBK and/or RoDTEP either by the officer or as per facilitation by RMS, it will move to the respective scroll queues. In case a suspension is placed on any exporter/Shipping Bill for Drawback, the same will also be applicable for the purpose of scrolling out of RoDTEP benefits.

### III. Generation of Scroll:

a. Options have been made available in System for officers to generate RoDTEP scrolls. However, till the final rates are notified by the Government, these options will remain disabled in System.

b. Once the scroll is generated, the respective amounts would be available with the exporter as credits on the ICEGATE portal.

### IV. Claiming of Credits and Generation of Credit Scrips:

a. Once the RoDTEP scroll is generated, the credits allowed will be available within their ICEGATE login of the exporter to claim and covert into a credit scrips. In case the exporters have not registered on ICEGATE already with their digital signatures, they may refer to this advisory (v1.2_Advisory_Registration_APPROVED.pdf (ice-gate.gov.in)) and complete registration in order to avail the benefits of RoDTEP.

b. The exporter will be able to club the credits allowed for any number of Shipping Bills at a port and generate a credit scrip for the same on ICEGATE portal. Scrips once generated will reflect in the exporter's ledger and will be available for utilization in paying eligible duties during imports or for transfer to any other entity having IEC and a valid ICEGATE registration.

A detailed advisory for the benefit of the exporter on the scrip generation, ledger maintenance and transfer facilities will be published soon on ICEGATE. These facilities will be made available once the final RoDTEP rates are notified and scroll generation is enabled.

### V. Utilization of Scrips in Imports:

a. These scrips can be used for the payment of import duties as would be notified by CBIC.

b. The owner of the scrip (either the original exporter beneficiary or any other IEC to whom the scrip was transferred on ICEGATE portal) will be able to use the scrip in the Bills of Entry the same way as any other duty credit scrips issued by DGFT, by giving the details in the license table of the Bill of Entry. The scheme code to be used for these scrips would be "RD" along with the applicable Notification Number.

c. An option to suspend any RoDTEP scrip will also be made available with the Customs officer once the scroll generation is enabled. If a scrip is under suspension, its utilization or transfer will not be allowed by System.

### Annexure B

### DECLARATION TO BE FILED AS PART OF SHIPPING BILL OR BILL OF EXPORT FOR EXPORT OF GOODS UNDER RoDTEP SCHEME

"I/We, in regard to my/our claim under RoDTEP scheme made in this Shipping Bill or Bill of Export, hereby declare that:

1. I/ We undertake to abide by the provisions, including conditions, restrictions, exclusions and time-limits as provided under RoDTEP scheme, and relevant notifications, regulations, etc., as amended from time to time.

2. Any claim made in this shipping bill or bill of export is not with respect to any duties or taxes or levies which are exempted or remitted or credited under any other mechanism outside RoDTEP.

3. I/We undertake to preserve and make available relevant documents relating to the exported goods for the purposes of audit in the manner and for the time period prescribed in the Customs Audit Regulations, 2018."

*Source : ICEGATE -01.01.2021*

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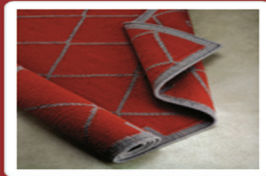
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