



## **REPORT ON ONE DAY WORKSHOP ON “BUILD YOUR UNDERSTANDING ON LATEST FOREIGN TRADE POLICY AND PROCEDURE TO CLAIM SERVICE TAX REFUND” AT CHENNAI ON 05<sup>TH</sup> FEBRUARY, 2016.**

### **Background**

Tamil Nadu has a rich history of culture and tradition that has evolved over centuries. Perhaps the most profused flowering of the Tamil culture is in the handicrafts of Tamil Nadu. Flights of fancy are tempered by tradition. Imagination and creativity find expression in the skill of loving, caring, disciplined hands. The crafts of Tamil Nadu speak with subtle beauty. They add grace and beauty to lifestyles the world over.

More popularly known among connoisseurs of art as Poompuhar, for the last 25 years, By ceaselessly promoting the various ethnic art forms, simultaneously preserving antique artifacts from Chola and Pandya dynasties by reproducing their replicas, Poompuhar has become a world-known destination for pilgrims of art in search of fine handiworks of India, such as life-like, Stone Sculptures, Celestial figures in Bronze, Brass lamps, Rosewood Carvings, Sandalwood Carvings, country wood Carvings, Tanjore Art Plates, Tanjore Picture Paintings and much, and much more.

Embroidery of Tamil Nadu has its international market in India where women drape themselves(during ceremonial occasions)in the embroidered cloth from this region. This has ornamentation of tikris and beads which make them look attractive.

In view of above, Export Promotion Council for Handicrafts has successfully organized a one day seminar on **“Build your Understanding on latest Foreign Trade Policy and Procedure to claim Service Tax refund” at Chennai on 05<sup>th</sup> February, 2016.** The above seminar was sponsored by the Office of the Development Commissioner (Handicrafts) Ministry of Textiles, Government of India vide sanction order no. K-12012/4/27/2015/R&D dated 25-06-2015.

### **Objective of the Program**

The basic purpose of the above workshop was to impart the required specialized training to exporters, manufacturers, Craft persons and other who are engaged in the handicrafts industry for success in export markets. Mostly the handicrafts exporters are belong to micro, small and medium level exporters and craft persons engaged have no source of obtaining the

procedures of claiming Duty Drawback & Service tax Refund and also not aware of latest Foreign trade policy, the training was conducted to educate them and make aware with the Latest FTP and procedures for claiming their benefits was very much essential.

## Aim of the Program

The seminar was aimed to educate the craftpersons/artisans, national awardees, NGO's/SHG's, entrepreneurs and manufacturers based in Chennai, Tamil Nadu also to Encouraging more entrepreneurs to help them Export of handicrafts products from the district, Helping them to understand How to Export from India, Creating awareness among entrepreneur on policy, procedure and scheme, Help them under take maximum benefits in day to business operation, Identification of markets for export of handicrafts, research and survey of markets abroad, identify prevailing policies and suggest measures, and Creation of manpower for export marketing and awareness of exports of cottage sector produce.

## About the workshop



Present on the occasion were **Mr P. Mallikarjunaiah**, Regional Director, Southern Region, Office of Development Commissioner (Handicrafts), **Mr. K. L. Ramesh**, Regional Convenor – Sothern Region, EPCH, **Mr. P. Subramanian**, Former COA Member, EPCH **Prof. K. R. Nath**, Faculty on

Latest Foreign trade Policy, **Mr R. Kiran Gaikwad**, Faculty on Procedure for claiming Service tax refund, and **Mr. D. V. Sreenatha**, Assistant Director, Marketing & Service Extension Centre, Office of the Development Commissioner (Handicrafts), Chennai.

The seminar was well attended with **57 participants** (43 artisans those who were registered with the office of the Development Commissioner (Handicrafts) and 14 NGOs/SHGs and exporters). The Attendance sheets are enclosed herewith.



**Participants during a Session**



Sri. K. L. Ramesh, Regional Convenor-SR, EPCH in his welcome address, informed the participants that Export Promotion Council for Handicrafts (EPCH), a nodal agency for promotion and export of handicrafts products from India to the world market and project India's image in abroad as a reliable supplier of high quality of handicrafts goods & services keeping in view of international standards and specification.

He said, EPCH has been performing multifarious activities to ensure the overall growth of handicrafts. These activities cover areas like developing

awareness amongst producers and exporters for increasing exports, and create awareness to provide the benefits available with various schemes of Government to the exporting community etc.

In this direction, from time to time, EPCH organizes various kinds of workshops and seminars making the member exporters aware about latest Foreign Trade Policy, benefits schemes, designs prevalent in the world market, technology upgradation for making new designs to adhere to with the standards and procedures as per International requirement etc. The Endeavour of EPCH has been to improve excellence in manufacturing of products.



Mr. P. Subramanian, Former COA Member, EPCH in his Inaugural Remarks, highlighted the overall pros and cons of the handicrafts industry and shared his rich experiences with the participants. He shared his thoughts about how the methodology has been changed in the arena of export field when compared to the old days and narrated the simplicity of the procedures and documentation in export business.



Mr P. Mallikarjuna, Regional Director, Souther Region, Office of Development Commissioner (Handicrafts) briefed the participants about the DC (Handicrafts) activities and its various schemes available for artisans. he said DC (Handicrafts) is responsible for formulating and implementing Government Policy with the main objective of promoting India's handicrafts exports and conserve the traditional & cultural heritage of crafts in India. he said the seminar is conducted to focus on mentoring the first generation entrepreneurs in the field of international trade. The basic objective of the seminar is to handholding of the artisans, craftpersons to aware them about latest foreign trade policy, schemes and benefits.

He extends his kind support to the participants to invite them to his office for any kind of help regarding exports and also appreciated the efforts of our Council to congratulate and request to organize such informative seminars in near future at various craft clusters of Southern India.



Prof. K. R. Nath, Faculty on "**Latest Foreign Trade Policy**", spoke on the objective of doing exports. He informed the Basic of exports, procedures, documentation, Foreign Trade Policy, MEIS Scheme and benefits available for handicrafts exporters. He guided the artisans on the norms to follow in establishing a new export oriented business and the prerequisites such as Registration of a firm, opening of a current account in any Nationalized banks, PAN number, IE Code, RCMC with the Council and the documentation involved. He also informed exporters

about the recent schemes of the Foreign Trade Policy 2015-2020, i.e., MEIS etc. He informed that Duties & Taxes cannot be exported and Government refund the same to exporters so that the exporters can place a competitive price in the market. He said drawback schedule indicates rates for export products, which reviewed periodically by Government. He informed the participants in claiming of duty drawback, Shipping bill is the root. Document for claiming duty drawback, Exporter must mention drawback amount in Shipping Bill as per rate in schedule. He added that duty drawback is disbursed online by customs department in a time frame of 30-45 days for major ports and longer for ICDs. He also informed participants about ITC HS Code number, which is unique for one particular commodity throughout the globe.

Mr R. Kiran Gaikwad made a presentation on "**Procedure to claim Service tax refund**" which is the benefit available for handicrafts exporters. He informed the participants how they can avail this benefit. He said to get the refund of service tax, exporters have to register with STC and take the STC registration number. He said:

- It is a widely accepted fact that being a manufacturer or importer or provider of services or any combination of these involves adequate knowledge of indirect tax laws followed by cumbersome procedures.
- Such activities are expensive, involvement of top management's time and energy which otherwise can be used for bettering other business processes and in spite of it, face many hurdles while dealing with tax issues.
- The main issues while dealing with tax laws invariably point to compliance or the lack of it.
- It is presumed that compliance oriented assesses are very comfortable on tax issues.





- However, due to various factors such as change in laws, interpretation etc and on a long run, it requires qualified, knowledgeable, efficient and independent professionals to verify the level of compliance and to rectify and guide the assesses while providing updates in changes in law, availment of benefits etc.

The participants raised several queries during the seminar and experts on the subjects answered their all questions satisfactorily. The programme was successfully concluded with a formal vote of thanks to all the participants and the dignitaries present during the seminar. The lunch and Hi-tea arrangement were made by the Council for the participants.

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