

TAKE THE FIRST STEP!

JOIN CARPET EXPORT PROMOTION COUNCIL!

Benefits of becoming a member of CARPET EXPORT PROMOTION COUNCIL

1. About CARPET EXPORT PROMOTION COUNCIL

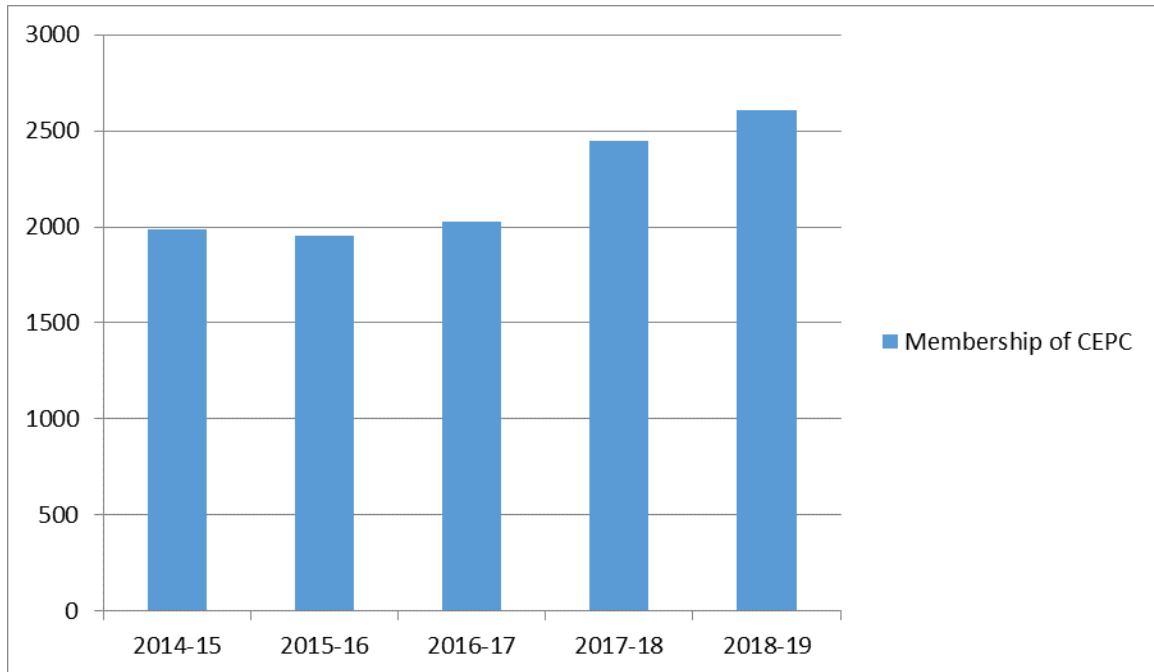
The CARPET EXPORT PROMOTION COUNCIL (popularly known as CEPC) a non-profit making organization, was setup in 1982 by the Ministry of Textiles, Government of India to promote export of Carpets.

CARPET EXPORT PROMOTION COUNCIL is the doorway for the exporters of Rugs and Carpets in India. CEPC caters to the needs of the exporters in extending their global reach and thereby increase their exports. CEPC serves as a connecting bridge between Indian Carpet exporters and buyers all over the world on one hand and between the Industry and the Government on the other hand.

Besides its core areas of functioning namely market development and export promotion, market research and policy & procedures, CEPC has also diversified into areas like infrastructure development and skill development too. On account of the proactive role, with a membership of over 2613 members and over 20 associations/ business associations/ weavers/ artisans associations', CEPC espouses the shared vision of Indian businesses and speaks directly and indirectly for over 2 Million artisans. It has an expanding direct membership of enterprises drawn from medium, small and tiny segments of carpet weaving/ manufacturing, distributive trade and services. CEPC maintains the lead as the proactive day – to – day business solution provider through research and development, through organizing BSM, RBSMs, participating in trade fairs, expositions / events at foreign shore, interactions at highest level with Union Government and State Governments.

2. Membership in Carpet Export Promotion Council

Any person willing to venture into exports of Handmade Carpets, Knotted Carpets, Rugs & other Floor-Coverings can become a member of Carpet Export Promotion Council. The prospective members are required to submit their application as per the prescribed application form. The membership form can be downloaded from the Website of the Council www.cepc.co.in or can obtain from the offices of the Councils from New Delhi & Bhadohi.



3. Registration-cum-Membership Certificate (RCMC)

The Registration-cum-Membership Certificate is issued to an exporter after he becomes the member of CEPC. The validity of RCMC is five years which is subject to the renewal of membership every year.

Categories of Members

As per the Rules and Regulations laid down in the Articles of Memorandum and Association of Carpet Export Promotion Council, Membership of the Council is a "pre-condition" for Registration. The Registration can be obtained either as a 'Merchant Exporter' or 'Manufacturer Exporter', as per documents submitted. While submitting the application with required documents, applicant is required to clearly mention that he/she is interested in becoming member, in either of the categories, or all as under: -

- a) Membership;
- b) Registration as a "Merchant Exporter";
- c) Registration as a "Manufacturer Exporter"

4. Benefits of becoming a Member in CEPC & Schemes for which membership of CEPC is required.

4.1 Schemes implemented under Foreign Trade under Foreign Trade Policy

- a. **Merchandising Exports from India Scheme (MEIS)** : Schemes notified under Foreign Trade Policy like Focus Product Scheme (product-specific), Focus Market Scheme (country-specific) and Market Linked Focus Product Scheme merged into one scheme namely Merchandise Exports from India Scheme (MEIS) under Foreign Trade Policy Para 3.14 of Handbook of Procedures 2015-2020. This MEIS scheme is a country-specific, product-specific scheme. As far as Handmade Carpet sector is concerned, this scheme broadly provides upto 5% duty credit scrip for notified handmade carpets. Further details of this scheme are hosted in CEPC website <http://www.cepc.co.in> under POLICY – POLICY CIRCULARS –MEIS heading.

4.2 Zero Duty Export Promotion Capital Goods (EPCG) Scheme

Foreign Trade Policy has two variants under this scheme, namely, Zero Duty EPCG for few sectors and 3% Duty EPCG for all sectors. During the last announcement on 5th June, 2012, a new Post Export EPCG Scheme was also announced which was notified on 18 February, 2013 by the **Central Board of Indirect Taxes and Customs**. Based on the request of all stakeholders, Government has decided to harmonize Zero Duty EPCG and 3% EPCG Scheme into one scheme which will be a Zero Duty EPCG Scheme covering all sectors.

Following are the salient features of the Zero Duty EPCG Scheme: -

- Authorization holders will have export obligation of 6 times the duty saved amount. The export obligation has to be completed in a period of 6 years.
 - The period for import under the Scheme would be 18 months.
 - Export obligation discharge by export of alternate products as well as accounting of exports of group companies will not be allowed.
 - The exporters who have availed benefits under Technology Upgradation Fund Scheme (TUFS) administered by Ministry of Textiles, can also avail the benefit of Zero duty EPCG Scheme.
- a) **Reduced EO for Domestic Sourcing of Capital Goods** - The quantum of specific Export Obligation (EO) in the case of domestic sourcing of capital goods under EPCG authorizations has been reduced by 10%. This would promote domestic manufacturing of capital goods.
- b) **Reduced EO for units in the State of Jammu & Kashmir** - In order to encourage manufacturing activity in the State of Jammu & Kashmir, it

has been decided to reduce the specific export obligation (EO) to 25% of the normal export obligation. Earlier, this benefit was announced on 5th June, 2012 in respect of units located in North Eastern Region and Sikkim. This provision is now being extended to J&K.

4.3 Interest Equalization Scheme -

Interest Equalisation Scheme (earlier called Interest Subvention Scheme) on Pre & Post Shipment Rupee Export Credit to make exporters internationally competitive and to achieve higher level of export performance. The rate of interest equalisation is 3 percent. The scheme is available to only manufacturer exporters. The scheme covers mostly labour intensive and employment generating sectors like handmade carpet (including silk).

5. Market Access Initiative (MAI) Scheme

Market Access Initiative (MAI) Assistance for participation in Fairs & Exhibitions/ Reverse Buyer-Seller Meet (RBSM)/ Buyer-Seller Meet(BSM) in India & abroad providing them a highly subsidized fee, which has immensely benefitted the exporters, particularly in the Small Scale segment.

6. Duty Drawback Scheme.

Under Duty Drawback Scheme, an exporter can opt for either All Industry Rate (AIR) of Duty Drawback Scheme or brand rate of Duty Drawback Scheme. Major portion of Duty Drawback is paid through AIR Duty Drawback Scheme which essentially attempts to compensate exporters of various export commodities for average incidence of customs duties suffered on the inputs used in their manufacture. Duty Drawback on Handmade Carpets & other floor coverings is from 1.5% to 9% of the FOB Value of exports based on the composition of the products.

7. General Benefits

I. Liaising with Government:

The Council facilitates interaction between exporting community and Govt. both at the Central and States level. It also has representation in various committees / panels and Parliament Standing Council of Central and State governments. Advising Government on the export-import policy matters. Coordinating with various Government agencies/departments with regard the issues faced by members

- II. Training**
With the help Development Commissioner (Handicrafts) / Ministry of Textiles, the Carpet Export Promotion Council is arranging and opening of Training Centres in all the parts of Indian Territory where carpet belts is there, for the welfare and upgradation of Weavers, Artisans and their kith and kins; small and upcoming entrepreneurs exporters etc.
- III. Design Support:**
Providing Design Development Training program under HRD scheme to the Artisans and Weavers for enabling our carpets competitiveness in international market.
- IV. Market Linkage:**
Providing market linkage to the Artisans through the **Gandhi Shilp Bazars** which are organized by Development Commissioner (Handicrafts) in all almost all clusters.
- V. Exposers:**
Providing market exposure to Artisans in several National and International events.
- VI. Export Statistics and Market Intelligence Report.**
Providing Export Statistics and Market Intelligence Report for Handmade Carepts and other floor coverings.
- VII. Identification of New Markets**
Identify and explore new markets for exports of Handmade Carpets and other floor coverings.
- VIII. Defending Interests in Global Markets:**
The business interest in the destination markets are defended by contesting trade distortion measures such as anti-dumping duty, safeguard duty and works towards removing Non-Tariff Barriers impacting Indian exports of Handmade Carpets and allied Sector. During the consultations at multilateral level such as WTO, ATC, FTA, PTA, UNCTAD ETC; the Council provides inputs to the government to promote interests of India's Handmade Carpets, Rugs & other Floor coverings. The Council regularly communicates with Foreign Missions situated in the vicinity of India and Embassies Of India, Trade Bodies, similarly placed Export Promotion Councils & organisations, and associations in various countries in order to resolve the issues faced by exporters.

IX. Conducting Trade Meets & Surveys:

Conducting Survey to assess the supply-demand situation well in advance so that effective export strategy can be chalked out. Conducting market surveys, market study in India and abroad and providing market intelligence through various cluster studies, research reports, journals and news magazines of Council.

X. Providing Effective Support to Members for Trade Dispute:

The Council provides effective support to Members for any Trade Dispute with overseas buyers by writing to the concerned Indian Missions.

XI. Visa Recommendation:

The council is also issuing Visa Recommendation Letters to foreign Embassies situated in the vicinity of Delhi and elsewhere, for business promotion and other allied activities in respect of Members companies.

8. The Carpet Export Promotion Council's commitment on Child Labour issues :

Elimination of Child Labour in the Carpet Industry. The Council stands in firm support of the elimination of illegal child labour in the carpet industry. Towards that end, the Council has undertaken significant self-regulating initiatives, both on its own and in cooperation with the Indian Government.

The Council is aggressively tackling the problem. The main elements of the Council's Programme for eliminating Child Labour are as follows :

- Loom Registration Programme.
- Mandatory Code of Conduct.
- Kaleen Label.

I. Loom Registration Programme.

The Council launched a major Loom Registration programme all over India but most particularly in the State of Uttar Pradesh where the vast majority of Indian carpets are made. The main elements and objectives of the programme are as follows :

- To create data bank of the names of loom owners (and their photographs) and addresses in order to make monitoring of looms possible.
- Identification of registered looms by displaying of loom registration certificate in the loom shed.

- To obtain an undertaking from each loom owner that he will not employ child labour in violation of the Child Labour (Prohibition and Regulation) Act of 1986 and to inform him of the provisions of the Act including its penal provisions.
- If a loom owner violates the Act then his loom is deregistered by the Council.
- No exporter is allowed to have carpets made on a deregistered loom (as will be seen from the Code of Conduct below).

II. **Code of Conduct.**

- The Code of Conduct is mandatory for all members of the Council.
- Members undertake that no child labour is used on their premises or in the weaving of their carpets in contravention of the Child Labour (Prohibition & Regulation) Act, 1986.
- Members undertake to get their carpets woven only on registered looms.
- To abide by all social compliances and environment compliances like equal opportunity employer, payment of appropriate wages and overtime with all employment benefits, treatment of all liquid discharge, recycling of water, rain water harvesting and medical and health benefits.
- Not to indulge in copying of designs and styles from other exporters and importers across the globe and support original ideas and designs.
- Not to indulge in misrepresentation by way of quality, quantity, product, Intellectual property, designs, value and process of production.
- In case of violation of the above code on more than two occasions the member will be de-registered from the Council and his membership will be terminated.

III. **The Kaleen Labelling initiative.**

The Kaleen label is an assurance to the buyer of the labelled carpet that a contribution has been made from the sales proceeds of the carpet towards the Council's Child Welfare Fund. Kaleen labels are issued only to valid members of the Council who have –

- Made a contribution to the Council's Child Welfare Fund.
- Sworn an affidavit that illegal child labour is not used in the making of his Carpets.
- Carpets made only on CEPC registered looms.

The Child Welfare Fund of the Council is used for providing education to the children of weaving community in rural craft belts by opening of Schools through reputed NGOs for providing 3 years Non-Formal Education, mid-day meals, a stipend based on attendance in schools, Medi-care etc.

9. Procedure to become a Member in Carpet Export Promotion Council :

An applicant shall have to produce the following documents for becoming a member of the Council.

1. Membership application form.
2. Membership fee through Account Payee Cheque/DD (in favour of "CARPET EXPORT PROMOTION COUNCIL").
3. An affidavit on a Non-judicial paper of Rs.10/-duly certified by Notary Public to the effect that neither the Applicant Firm nor any of its Partners/Directors/or Proprietors has ever been blacklisted by any Govt. agency.
4. An affidavit on Non-Judicial Stamp Paper of Rs.10/-duly certified by the "Notary Public" that the firm will abide by the Code of Conduct of the Carpet Export Promotion Council regarding non usage of Child Labour in Carpet manufacturing.
5. An affidavit on a Non-judicial Stamp Paper of Rs.10/-duly attested by Notary Public giving an undertaking that none of the Partners / Proprietor / Directors are associated with any other firm / Company, as a Partners/Proprietor/ Directors who have not paid Child Welfare Fund to the Council @ 0.25% of the FOB value of their export for the years 1995-1996 & 1996-1997.
6. A self attested photocopy of the Partnership Deed or Memorandum and Articles of Association in case of Limited companies.
7. A self certified copy of the IEC number issued by the concerned licensing authorities.
8. A self certified copy of the Income Tax Permanent Account No. (PAN) & GST Registration No.

THE MEMBERSHIP FEE DETAILS FOR BOTH NEW AND RENEWAL OF MEMBERSHIP ARE GIVEN BELOW.

For New Members, a Demand Draft for Rs. 4720/- (entrance fee Rs. 2360/- and Membership subscription Rs. 2360/- inclusive of 18% GST) by a demand draft in favour of Carpet Export Promotion Council, payable at New Delhi. Please note that if the exports of above Rs. 50 lakhs, the Annual Membership Fee would be as under

| S. No. | Particulars | Amount of Annual Membership subscription in (Rs.) |
|---------------|---|--|
| 1 | Export Performance up to Rs 50.00 lakhs during the last financial year. | 2,000.00 + 360.00 (GST @ 18%) = Rs. 2,360.00 |
| 2 | Export performance above Rs 50.00 lakhs and up to Rs 1.00 Crore during the last financial year | 3,000.00 + 540.00 (GST @ 18%) = Rs. 3,540.00 |
| 3 | Export Performance above Rs. 1.00 Crore and up to Rs 10.00 Crores during the last financial year. | 5,000.00 + 900.00 (GST @ 18%)= Rs. 5,900.00 |
| 4 | Export Performance above Rs 10.00 Crores during the last financial year. | 10,000.00 + 1,800.00 (GST @ 18%) = Rs.11,800.00 |