

Basmati exporters on boil as Iran importer defaults

Industry has around ₹1,000 crore outstanding from buyers in the Gulf nation

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Indian rice exporters have a sum of nearly ₹1,000 crore stuck mainly because an Iranian importer has defaulted on payments due for aromatic rice exported to the Gulf country, an exporter has said.

The All India Rice Exporters' Association (AIREA) admitted that there was a fraud by an Iranian company, but said the things are being sorted out with the both governments seized of the matter.

"The industry has around ₹ 1,000 crore outstanding from Iran," said Gurnam Arora, Joint Managing Director of Kohinoor Foods Ltd. According to Vijay Setia, President of the AIREA, one

particular Iranian importer owes a lot of money to Indian exporters. It seems that the Iranian firm has siphoned off the funds, he said.

The Iranian government has been giving the currency at a concessional rate to importers so that they can make payments towards exporters from India.

The Iranian Rial has witnessed a sharp fall of over 100 per cent against the dollar since March this year on return of US sanctions and worsening economic crisis.

"Three Indian exporters had given us a complaint which we have forwarded to the Apeda and Indian embassy in Tehran," he added.

Rice exporters are also in touch



Iran accounts for close to 25 per cent of basmati exports from India

Iranian Embassy in Delhi. When appraised him of the fraud committed by the Iranian firm, a senior official at the Embassy assured them of all help.

According to the Agricultural and Processed Food Products Ex-

port Development Authority (APEDA) data, Indian firms exported basmati 4,26,034 tonnes of basmati rice worth ₹ 3,089 crore during the first three months of the current financial year.

Shipments up

In 2017-18, Iran imported 8,77,422 tonnes of basmati worth ₹ 5,830 crore, according to the official data.

Iran accounts for close to 25 per cent of basmati rice exports from India and as a result, it becomes a major differentiator for basmati rice export business, said Gurnam Arora, Joint Managing Director, Kohinoor Foods Limited.

China beckons

Arora said the trade may be disturbed due to prevailing US sanctions on Iran but was confident that the rice exporters will be able

to find newer markets. "If nothing else, we may have to look for other markets. China, for instance. We are planning a road show in China soon. It's true that Chinese people prefer sticky rice, but no harm in trying to introduce them to basmati," Arora said.

Apeda is taking a team to China in the third week of September to explore the business opportunities there.

AIREA held a meeting of its members on Thursday in which many of those who are exporting rice to Iran expressed the feeling that the sanctions will not affect their prospects much.

Apeda has already issued an advisory to all exporters saying that if any firm wants to deal with this particular Iranian company, it has to get an authentic payment commitment against by it would issue valid orders.