



Volume XIV No. 6

Indore, January, 2019 • Pages 4

Price Rs. 5/-

## REPUBLIC DAY GREETINGS

### ASSOCIATION NEWS

1. The Annual General Meeting of the Association was held on 8th December, 2018 at its Registered Office, whereat the following Office Bearers were re-elected unanimously for the term 2018-19 :

- **Chairman • Shri Akhilesh Rathi,**  
Director, Bhaskar Industries Pvt. Ltd.
- **Vice Chairman • Shri Shreyaskar Chaudhary,**  
Managing Director, Pratibha Syntex Limited.
- **Dy. Chairman • Shri Subhash Chand Jain,**  
Director, Prem Textiles (International) Pvt. Ltd.
- **Dy. Chairman • Shri D. K. Mittal,**  
President, Maral Overseas Limited.

#### Congratulations.

2. The Association jointly with Textile Association (India) Madhya Pradesh Unit organized a programme on "Adoption of Premium Efficiency Motors (IE3) under National Motor Replacement Programme" on 7th December, 2018 at Conference Hall of Ritspin Synthetics Limited, Pithampur. The Programme was addressed by Shri Chetan Suresh and Abhishek Dhupad of Energy Efficiency Services Limited(EESL) and Shri Ashish Pandit of International Copper Association. They explained as to how the existing old motors can be replaced with energy efficient (IE3) motors without making any extra investment. The cost of electric motors to be supplied by EESL are around 30% lower than the market rates of similar motors and the investment made is recovered in about two/three years time. The queries raised by the participants were also answered. The

Programme was attended by around 28 participants from various Mills in the area. The Association is thankful to Shri Hemant Ambekar, Director, Wearit Group for making excellent arrangements and hosting lunch for the participants.

3. Vardhman Group has constructed four Class Rooms and provided basic infrastructure like Desks and Benches to Government Girls Middle School, Mandideep at a cost of Rs.48.88 lakh. On 20th December, 2018, Shri S. Pal, Director, Vardhman Group, MP Location dedicated these to the School. **Our Congratulations.**

### RAW MATERIAL

1. As per press release dated 17th December, 2018 of International Cotton Advisory Committee (ICAC), for the first time since 2015-16 the global cotton production is expected to decrease by 2% to 26.12 million tons. The number of cotton producers are expected to show increase in China, Brazil, West Africa, Turkey and Uzbekistan, but it likely would not offset the decrease in US, India, Australia and Pakistan. The global cotton consumption, which increased to 26.81 million tons in 2017-18 is also likely to drop slightly to 26.72 million tons. By the end of the cotton season 2018-19, the stocks with China could be lowest and are projected to be 7.60 million tons.

The World cotton supply and distribution is likely to be as under :

Quantity in Million Tons

	2016-17	2017-18	2018-19
Production	23.08	26.75	26.12
Consumption	24.50	26.81	26.72
Import/Export	8.09	9.00	9.42
Ending Stock	18.81	18.76	18.16
Cotlook-A.Index	83	88	89

2. The latest US Department of Agriculture projections for 2018-19 indicate World cotton production at 118.70 million bales, 4% lower than the last season. The reduction in area and the yield are to contribute to the decreased production. Global harvested area is forecast at 33.30 million hectares, which is 1% lower than the previous season. The global yield is forecast at 777 kgs./hectare, which is slightly above the five year average. For India the production is projected to be 26.50 million bales, which is 5% lower than the last cotton season 2017-18. Although harvested area is almost equal to last year at 12.40 million hectares, but the yield is expected lower as the monsoon withdrawal this season left cotton producing regions short of moisture. For China cotton production is projected at 27.00 million bales lower by 2%, for Pakistan production forecast is 7.40 million bales, 10% lower than last year. The global cotton consumption in 2018-19 is projected to rise by 2% to 125.60 million bales. India, Bangladesh and Vietnam are forecast to increase their cotton mill use by 2%, 7% and 14% respectively, whereas in Pakistan





and Turkey the consumption is forecast down by 2% and 5% respectively.

3. The International Cotton Advisory Committee met at Abidjan, Cote d'Ivoire from 6th December, 2018 for its 77th Plenary Meeting, which was attended by 385 persons including 28 Member Governments, 6 International Organizations and 15 Non-Member Governments. The Final Statement of the Meeting "*Cotton Challenges: Smart and Sustainable Solutions*" was issued. The paper highlighted :

- Production/demand by 2025.
- Combating effects of climate change on cotton.
- Mechanization, drones and robotic for small farms.
- Combating pest resistance to Bio-tech cotton and Pesticides.
- Inter Governmental Policies on seed exchange.
- New usage of cotton Bi-products, etc.

4. The Cotton Association of India (CAI) in its release of 4th December, 2018, has lowered the cotton crop for 2018-19 to 340.25 lakh bales from its earlier estimate of 343.25 lakh bales made last month. It has increased crop estimates for Haryana, Rajasthan and Andhra Pradesh by 1.00 lakh bales, 0.50 lakh bales and 0.50 lakh bales respectively., whereas the crop estimates for Gujarat, Maharashtra and Telangana have been reduced by 3.00 lakh bales, 1.00 lakh bales and 1.50 lakh bales respectively. The CAI has estimated domestic consumption at 324.00 lakh bales, while the exports are estimated to be 53.00 lakh bales, which are lower by 16.00 lakh bales compared to the exports during last season. The carry-over stocks at the end of 2018-19 season is estimated at 13.25 lakh bales as against 23.00 lakh bales at the end of last season. As per Cotton Corporation of India arrivals till 19th December, 2018 have been 81.89 lakh bales (including 9.05 lakh bales in Madhya Pradesh).

5. Exports of Indian cotton, which had slowed down in November, 2018, due to adverse currency movements and volatile prices showed signs of revival in December, 2018, due to rise in global prices post a truce in the trade rift between the US and China. According to Shri Vinay Kotak, Director, Kotak Commodities, since October, 2018 deals for export of over 2.50 million bales of cotton have been signed, out of which around 1.50 million bales have already been shipped and the rest will be exported in December-January. The deals were struck at 84-86 Cents/lb. for exports to Bangladesh, Vietnam, Indonesia, Pakistan and China.



6. Implementing the Better Cotton Principles & Criteria enables farmers to produce cotton in a way that is measurably better for themselves, the environment and the farming communities. Results for 2016-17 season demonstrate the benefits of implementing more sustainable practices around the World including India. Some of the benefits reported in India are :

- Used 17% less synthetic fertilizer as compared to normal farmers.
- Addressing women's inclusion, who got training on pesticides preparation.
- Less use of water for irrigation than normal farming.
- Higher yield.

7. Professor Nouredine Abidi, Managing Director of Lubbock based Fibre and Bio-Polymer Institute (FBPI) at Texas Technical University is using waste and low grade cotton to develop Bi-

products that could find many non-conventional applications for cotton. Prof. Abidi and his team has been working for last five years to derive cellulose based bi-products with the aim of developing environmentally friendly materials.

## POWER

1. The Madhya Pradesh State Electricity Regulatory Commission has approved levy of Fuel Cost Adjustment Charges @ 17 paise per unit for the quarter January-March, 2019.

2. The Association has filed an appeal before Appellate Tribunal for Electricity against Order dated 22nd October, 2018 of the MPERC in respect of fulfilling the Minimum Power Procurement Requirement from Renewable Sources including Co-generation under Clause 4.1 of MPERC Regulation 2010 to accept the Company as a obligated entity instead of its Units.



## MAN POWER

1. Employees' State Insurance Corporation has Notified on 14th December, 2018 Atal Beemit Vyakti Kalyan Yojna, which is a welfare measure for employees covered under Section 2(9) in the form of cash compensation upto 90 days, once in a lifetime, to be claimed after three months in one or more spells for being rendered unemployed; provided the employee should have completed two years of insurable employment and has contributed not less than 78 days in each of the four consecutive contribution periods immediately preceding to claim of the relief. The relief shall not exceed 25% of the average earnings per day. The Scheme shall be treated effective from 1st July, 2018 and implemented on pilot basis for a period of two years initially.



2. The Ministry of Labour & Employment has issued a Notification on 6th December, 2018 inserting Paragraph 68 HH in the Employees' Provident Fund Scheme, 1952. This paragraph permits the Commissioner or any other Officer subordinate to him authorized for the purpose to permit a Provident Fund Member, on ceasing to be an employee in any factory or establishment to which the Act applies, a non-refundable advance upto 75% of the amount standing to his credit in the Fund, if he has not been employed for a continuous period of not less than one month immediately preceding the date on which he makes an application for such an advance.

3. According to 12th December, 2018 Press Release of Ministry of Labour & Employment, 91,85,937 employees from 1,14,545 establishments have been benefited by Pradhan Mantri Rojgar Protsahan Yojna, which was launched on 9th August, 2016. Under the Scheme, Government is paying Employers' full contribution of 12% towards EPF and EPS with effect from 1st April, 2018 for a period of three years for the new employees and to the existing beneficiaries for remaining period of three years through EPFO. Till 5th December, 2018, Rs.2,870.72 crore has been disbursed under the Scheme.

4. In the matter of Sanjay Jain v/s National Aviation Company of India, the Supreme Court has held that an employee has a right





to resign from his job and he cannot be forced to serve. He/she can be stopped from going away only if, there is some rule or terms in the contract of appointment, which prevents his/her exit or if some disciplinary proceeding is pending or contemplated, which is sought to be avoided by resigning from the service.

5. The Standing Committee on Labour has finalized its recommendations for the Code on Wages Bill, 2017 that was introduced in the Lok Sabha in August, 2017. The Committee has recommended a hike in maximum penalty for the first offence of non-payment of minimum wages to Rs.10 lakh and have suggested that States must be consulted before fixation of minimum wages by the Central Government. The Code proposes a national level minimum wage, which will be applicable to all employments in organized and unorganized sectors.

6. The Country's textile sector, which currently employs over 45 million people, will require 17 million additional workforce by 2022. The Textile Ministry has stated that in last four years 8.58 lakh persons have been trained in partnership with 58 Government and Industry Organizations to meet the textile industry's demand.

## LEGAL & TAXATION

1. In the matter of Commissioner of Central Excise v/s Sanjivani Non-ferrous Trading Company, the Supreme Court declared that if the Custom Authorities allege an importer had under invoiced the value of the goods, they have to support it by evidence of price of contemporaneous imports of like goods.

2. In the matter of DSE Limited v/s D.J. Buildcon Limited, the Delhi High Court stated that prosecution under the Negotiable Instruments Act for issuing a cheque that bounced will not be stopped because the notice was issued by the payee only to the Managing Director of the Company (who signed the cheque) and not to the Company.

3. The GST Council met on 22nd December, 2018 and agreed to slash tax rates on 23 goods and services, which may push demand and boost the economy. The reduced rates have come into effect from 1st January, 2019. Orders have also been issued to extend dates for filing of certain returns and simplification of various procedures.



## EXPORT & IMPORT

1. As per information available from DGCIS, Kolkata, the Country's exports of textiles and clothing for the period April-November, 2018-19 as compared to the same period of the previous year have been as under :

Figures in US\$ Million

Product	April-Nov. 2017-18	April-Nov. 2018-19	% Growth
Cotton Fabrics & Made-ups	3,549.09	3,909.60	10.16
Cotton Yarn	2,118.57	2,692.16	27.07
Raw Cotton including Waste	739.32	1,219.35	64.93
Other Textile Yarn, Fabric & Made-ups	263.62	297.83	12.98
Man-made Yarn, Fabrics & Made-ups	3,138.16	3,292.88	4.93

Man-made Staple Fibre	415.29	386.22	(-)7.00
Ready Made Garments	11,040.59	9,975.54	(-)9.65
Wool & Woolen Textiles	112.57	136.84	21.56
Silk	45.82	52.48	14.54
Handloom Products	241.92	224.60	(-)7.16
<b>Total Textile &amp; Clothing</b>	<b>21,664.95</b>	<b>22,187.50</b>	<b>2.41</b>
Handicrafts & Carpets	2,148.19	2,186.09	1.76
Jute Products	233.80	228.98	(-)2.06
Coir & Coir Products	214.42	198.38	(-)7.48
<b>Grand Total</b>	<b>24,261.36</b>	<b>24,800.95</b>	<b>2.22</b>

2. As per reports, after a staggering 38% rise in October, 2018, the Country's textile and apparel exports growth was 14% in November, 2018. As per Ministry of Textiles, the exports of textiles and apparel stood at Rs.189.65 billion in November, 2018 compared to Rs.167.07 billion in corresponding month of the last year. However, total textile and apparel exports witnessed a growth of 7% to Rs.1600.10 billion for April-November, 2018 as against Rs.1492.54 billion in the same period last year.

3. The Government has marginally increased Duty Drawback Rates for several textile items from 19th December, 2018. The rates have been increased from 1.2% to 1.7% for cotton yarn, from 1.3% to 1.6% for cotton fabrics and from 2.0% to 2.6% for made-ups. However, there is a marginal decrease in the rates of apparel items. The knitwear industry has expressed disappointment over the reduction of duty drawback rates. The rates of cotton made readymade garments have been reduced from 2.0% to 1.9%.

4. The Ministry of Textiles vide Notifications dated 14th December, 2018 has decided to extend Operation of Residuary Provisions of Yarn, Fabrics and Made-ups Export Entitlement (Quota) Policy as also for Garments and Knitwear Exports Entitlement (Quota) Policy for a further period of one year from 1st January, 2019.

5. On 20th December, 2018, the Ministry of Textiles placed before the Lok Sabha details of its various Incentive Schemes to enhance exports of textiles and apparel products, which included Special Package for Garments and Made-up Sectors, Enhanced Duty Drawback, ROSL, additional incentives under ATUFS, relaxation of Section 80JJAA of the Income Tax Act and enhanced rates of MEIS. The Government has fixed export target of US\$ 47.287 billion for 2018-19. The product-wise details of textile and apparel exports are as follows:

Value in US\$ Million

Commodity	2015-16	2016-17	2017-18
Readymade Garment	16,966	17,368	16,705
Cotton Textiles	11,134	10,429	11,190
Man-made Textiles	5,213	5,152	5,388
Wool & Woolen Textiles	197	175	186
Silk Products	98	76	69
Handloom Products	369	360	356
Carpets	1,442	1,490	1,429
Jute Products	577	321	342
<b>Total Textile &amp; Clothing</b>	<b>35,995</b>	<b>35,372</b>	<b>35,666</b>



The State-wise details of exports of textiles and apparel were also submitted, which **included exports from State of Madhya Pradesh, which are as under :**

2015-16	2016-17	2017-18
US\$ 1,068 Mn	US\$ 1,101 Mn	US\$ 1,175 Mn

6. While addressing a Conference organized by Confederation of Indian Industry (CII) on 13th December, 2018, Union Textile Minister Smt. Smriti Irani stated that she had brought to the notice of the External Affairs Ministry certain issues, which the industry is facing regarding challenges and non-compliance of treaties by some nations.

## STATE OF THE INDUSTRY

1. As per information available from the Office of Textile Commissioner, the production of Man-made fibre, Filament yarn, Spun yarn and Cloth during the period April-October, 2018 as compared to the same period of the previous year has been as under :

Figures in Million

Projects	Unit	April-Oct. 2017-18	April-Oct. 2018-19	% Growth
MM Fibre	Kgs.	719	850	7.5
MM Fil.Yarn	Kgs.	702	678	(-)3.4
<b>Spun Yarn :</b>				
Cotton	Kgs.	2,348	2,468	5.1
Blended/N.C.	Kgs.	951	984	3.5
<b>Total</b>	<b>Kgs.</b>	<b>3,299</b>	<b>3,452</b>	<b>4.6</b>
<b>Cloth :</b>				
Mill Sector	Sq.Mtrs.	1,282	1,199	(-)6.5
Decentralized	Sq.Mtrs.	37,137	39,367	6.0
<b>Total</b>	<b>Sq.Mtrs.</b>	<b>38,419</b>	<b>40,566</b>	<b>5.6</b>

It is being observed that the production of man-made filament yarn is on continuous decrease during the year. The shortfall in cloth production in the Mill Sector is being compensated by increased production in Decentralized Sector.

2. As per press release dated 12th December, 2018, the Index of Industrial Production (IIP) for manufacture of textiles for the month of October, 2018 increased by 6.2% to 120.5 as



against 113.5 in the same month of the previous year. The cumulative growth for the period April-October, 2018-19 over the

corresponding period of previous year was 3.6%.

The IIP for manufacture of wearing apparel increased by 28% during October 2018 to 136.1 as against 106.3 during same month of the previous year. However, the cumulative growth during April-October, 2018-19 was only 6.0% as against same period of previous year.

3. The key findings by Textile Committee in its latest Report titled "Market for Textiles & Clothing : National Household Survey, 2017" are as under :

- Domestic demand for textiles in the household sector in 2016 accounted for US\$ 78.28 billion followed by US\$ 32.91 billion for non-household sector and US\$ 35.43 billion for exports, which is expected to touch US\$ 164.00 billion by 2018.
- The aggregate demand of textiles and clothing in 2016 was 41.06 billion metres as compared to 38.54 billion metres in 2015 and is expected to touch 45.32 billion metres in 2018 at annual growth rate of 6.55%.
- The per capita demand for textile and clothing was Rs.4081.60 in 2016 as compared to Rs.3836.13 in 2015 and is expected to touch Rs.4762.90 by 2018 with a CAGR of 8.53% between 2011 and 2018.
- The aggregate demand for cotton fibre based products was 17.22 billion meters in 2016 as compared to 16.51 billion meters in 2015 and is expected to touch 19.29 billion meters by 2018. Similarly demand for man-made fibre based products, which was 21.60 billion meters in 2015 increased to 23.34 billion meters in 2016 and is expected to touch 25.46 billion meters by 2018.
- The mill/power loom sector contributed 33.97 billion meters (82.72%) to overall demand in 2016 compared to 31.85 billion meters (82.65%) in 2015. Knitted sector contributed 4.94 billion meters (12.04%) in 2016 as against 4.77 billion meters (12.39%) in 2015. The projected demand for 2018 for mill/power loom, Knitted/hosiery sectors is 37.24 billion meters and 5.56 billion meters respectively.

4. The International Textile Manufacturers Federation (ITMF) in its communication has disclosed that global yarn production increased by 5% between Quarter one and Quarter two of 2018. Higher output was observed in Egypt (+1.4%), US (+3.2%), South Africa (+3.3%) and globally in Asia, where the overall +5.7% increase was led by Chinese, Taipei and Korea.

The global fabric production slightly decreased between first and second Quarter of 2018. Reduction in output was 6% in Africa and 0.5% in Asia, whereas there was an increase of 1.6% in Europe and 3.7% in Brazil. The fabric production in all the regions is expected to decrease in third Quarter of 2018 except Brazil.

5. Hohenstein has recently opened a Textile Testing Laboratory in Gurugram (Haryana). With around 50 employees on a total of around 3000 square meters Hohenstein India will offer textile manufacturers, brand suppliers and retailers a variety of textile technology and chemical tests, such as performance testing, Restricted Substance List (RSL) compliance, harmful substance control, quality control and inspection and expert report services.