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ASSOCIATION NEWS



1. Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi joined hands with our Association in organizing a Regional Conference on Safety Management in industries; Hazardous Waste Management, Safe Storage and Transportation of HAZCHEM & Hydrocarbons; latest technology and best practices on 7th & 8th November, 2019 at Jall Sabhagraha, Indore. The Conference had six Technical Sessions as under :-

- ★ Latest Labour Codes, Regulatory Framework for Factories/Industries and Hazardous Waste Management.
- ★ Occupational Safety, Electrical Safety, Fire Safety Management in Industries.
- ★ Latest challenges, Technologies, Innovations and Best Practices for Fire Protection and OHS in Industries.
- ★ Occupational Hazards and path to Safety Excellence – Benchmark Presentation.
- ★ Group activities – Presentation by Groups.
- ★ Safe Storage and Transportation of HAZCHEM – Remediation of Medical Emergencies and Community Resilience.

The Programme was inaugurated by Shri Rajshekhar Singh, Director, Industrial Health & Safety, Government of Madhya Pradesh. Inaugurating the Conference he said 'A culture needs to

be introduced/enhanced for carrying out periodic safety audits, environmental audits and other safety studies like risk analysis, HAZOP studies, preparation of onsite/offsite emergency plans, health and safety policy, safety reports, environmental statement, etc.' He also emphasized the need for behavioral change amongst the employees and management towards safety management in industries.

Some of the Prominent Speakers at the Technical Sessions included the following :-

- Shri Girish Patwardhan, Labour Law Consultant.
- Dr. Gunwant Joshi, former Engineer, MP Pollution Control Board.
- Shri A. K. Atreya, Dy. Advisor, Petroleum & Natural Gas Regulatory Board.
- Dr. Praveen Patel, Head, Fire Technology & Safety, IPS Academy, Indore.
- Ms. Rashmi Mishra, Manager, L&T Hydrocarbon Engineering.
- Ms. Ankita Saxena, Manager, Pratibha Syntex Ltd.
- Shri Ajay Tripathi, Sr. Manager, GAIL India Ltd.
- Shri Bharat Bhushan, Head, Health & Safety, Tata International Ltd.
- Shri Nandi, General Manager, HPCL.

About 100 delegates (including representatives from Maral Overseas, Bhaskar Industries, Pratibha Syntex, Raymond, Vardhman Textiles, etc.) attended the Conference, Certificates of participation were distributed to them.

RAW MATERIAL

1. The International Cotton Advisory Committee (ICAC) has reported that due to ongoing US-China trade war, global cotton consumption and trade are expected to decline in 2019-20. The cotton production in 2019-20 is projected at 26.70 million tons and consumption at 26.20 million tons. India is expected to lead the World in overall cotton production at 6.00 million tons despite the Country's lower yields of 440 kgs. per hectare, considerably below



the World average of 780 kgs. per hectare. China is projected to be the World's top consumer at 8.05 million tons, which is 2% lower from consumption in 2018-19. Mexico and Pakistan are expected to increase their imports by 48% and 8% respectively.

The World cotton supply and demand is projected as under :-

Figures in Million Tons.

Beginning Stock	18.48	18.69	18.22
Production	26.68	25.69	26.70
Supply	45.16	44.38	44.92
Consumption	26.35	26.13	26.20
Exports	9.10	9.24	8.84
Ending Stocks	18.69	18.22	18.73

2. The first Meeting of Consultative Committee of Cotton Advisory Board for the cotton season 2019-20 was held on 28th November, 2019, whereat State-wise area, production and yield were discussed and the following State-wise provisional figures were adopted :-



Area in Lakh Hectares & Production in Lakh Bales

State	Area		Production	
	2018-19	2019-20	2018-19	2019-20
Punjab	2.68	3.92	10.00	13.00
Haryana	7.08	7.01	23.00	22.00
Rajasthan	6.29	6.45	26.00	25.00
Gujarat	26.60	26.29	87.50	95.00
Maharashtra	42.54	43.69	75.50	82.00
M.P.	6.14	6.10	24.00	20.00
Telangana	18.27	17.61	43.00	53.00
A.P.	6.21	5.86	14.50	20.00
Karnataka	7.36	5.50	15.00	18.00
Tamil Nadu	1.33	1.28	5.00	6.00
Odisha	1.58	1.70	4.50	4.00
Others	0.50	0.43	2.00	2.00
All India	126.58	125.84	330.00	360.00

The meeting also finalized Cotton Balance Sheet for the two seasons as under :-

	2018-19		2019-20	
	Lakh Bales	'000 Tons	Lakh Bales	'000 Tons
Opening Stock	42.91	729.47	44.41	754.97
Crop	330.00	5610.00	360.00	6120.00
Import	31.00	527.00	25.00	425.00
Total	403.91	6866.47	429.41	7299.97
Mill Cons.	274.50	4666.50	288.00	4896.00
SSI Cons.	25.00	425.00	25.00	425.00
Non Tex.Cons.	16.00	272.00	18.00	306.00
Export	44.00	748.00	50.00	850.00
Total	359.50	6111.50	381.00	6477.00
Closing Stock	44.41	754.97	48.41	822.97

3. The Cotton Association of India (CAI) has released its first estimate of cotton crop for the cotton season 2019-20. It has estimated cotton crop at 354.50 lakh bales, which is higher by 42.50 lakh bales compared to previous season crop of 312.00 lakh bales. The increase is on account of higher acreage than that of previous season and also higher yield due to good rainfall this year.

CAI has estimated consumption at 315.00 lakh bales, which is

higher by 3.50 lakh bales compared to previous season. Cotton imports and exports have been estimated at 25.00 lakh bales and 42.00 lakh bales respectively. As per Cotton Corporation of India, 289.01 lakh bales arrived in the market in respect of new crop till 18th November, 2019 (including 2.18 lakh bales in M.P.).

4. Speaking at the Indian Cotton Conference - 2019 organized by Indian Cotton Association Limited on 10th November, 2019, Union Textile Minister, Smt. Smriti Irani, said "Today the contribution of farmers is unaccounted. We cannot grow at the cost of our farmers. The solution has to be midway". The Conference came up with a suggestion that cotton brand needs a Cotton Development Board, which can enhance the stakeholders image and promote uses of cotton.

Shri Mahesh Sharda, President of Indian Cotton Association speaking at the Conference stated 'We expect annual exports for Indian producers and processors to increase by 10-15% over the previous year upto 60.00 lakh bales. Demand will largely come from Bangladesh, China and Vietnam. We are aware of shortfall in Pakistan and resumption of trade is a political decision to be made by two countries'.

5. The Bureau of Indian Standards (BIS) has revised the specifications for Cotton Bale IS:12171, which was first evolved in 1987 and amended in 1999, 2013 and 2019. The recent revision relates to addition of fibre quality data in the list of items required to be shown on the label attached to the bale.

6. On 24th November, 2019, the International Cotton Advisory Committee (ICAC) has released its Report Production and Trade Subsidies Affecting the Cotton Industry, which reveals that doles offered by the cotton growing nations get affected, when prices rise, subsidies offered by cottonproducing nations to its growers are impacted by market prices. There has been a strong negative correlation between subsidies and cotton prices. Chinese Government supports cotton production by controlling cotton import volumes and by applying border protection measures based on quotas. Indian government supports by declaring Minimum Support Price, debt forgiveness, fertilizer subsidies, etc. and the US provides support to producers including Price Loss Coverage (PLC)/Agriculture Risk Coverage (ARC), Crop Insurance, etc.

7. The Textile Exchange has released its Preferred Fibre & Materials Market Report, 2019 which reveals that global fibre production has doubled in last 20 years reaching an all-time high of 107 million tons in 2018 and is likely to grow to 145 million tons by 2030. In the Synthetic fibre category, Polyester is reported to have market share of around 52%. Man-made cellulosic fibre have increased with approximately 6.2% of total fibre production. Cotton is most used fibre with a market share of 22% grown in 30 countries.

8. The Textile Exchange has released Organic Cotton Market Report 2019 on 14th November, 2019, which shows an impressive 50% growth in global organic cotton production with India, China and Kyrgyzstan as the biggest contributors to this increase. Global organic cotton production reached 1,80,971 tons in 2017-18 grown on 3,56,131 hectares of land. The Report reveals that 98% of the production stems just from seven countries – India 47%, China 21%, Kyrgyzstan 12%, Turkey 6%, Tajikistan 5%, US 3% and Tanzania 3%.

POWER

1. The three DISCOMs and the Power Management Company of the State have submitted four True-up Petitions to the Madhya



Pradesh Electricity Regulatory Commission (MPERC) showing an uncovered loss of Rs.24,888.91 crore detailed as under :-

For Financial Year 2014-15 - Rs. 5,156.88 crore.

For Financial Year 2015-16 - Rs. 7,156.94 crore.

For Financial Year 2016-17 - Rs. 7,247.55 crore.

For Financial Year 2017-18 - Rs. 5,327.54 crore.



2. As per reports, the Power Management Company is likely to submit Tariff proposals for 1920-21 to the MPERC demanding a hike of 27% or more. The State Government is presently providing electricity upto 150 units per month at subsidized rates and the loss suffered on this account is proposed to be recovered by DISCOMs.

3. The representatives of various textile bodies including SRTEPC, SGCCI, SGTPA and FIASWI have requested Union Textile Minister, like One Nation- One Tax, one power tariff for the textile sector. Power tariff for textile mills in Maharashtra is in the range of Rs.3.50 per unit, whereas in other States it is around Rs.7.50 per unit.

MAN POWER

1. The Employees' State Insurance Corporation (ESIC) has issued a Circular on 19th November, 2019, with effect from contribution period ending September, 2019 onwards an employer will not be allowed to create challan or pay the amount for any month beyond the contribution period after end of 42 days of current contribution period.

2. By another Circular dated 21st November, 2019 of ESIC, the online system has put a bar on registering any insured person with the appointment date of more than 10 days before the date of online registration. Insurance number will be generated online on real time basis by the employer in case of employees, wherein date of appointment is within 10 days.



3. Vide Office Memorandum dated 7th November, 2019, ESI Corporation has approved enhancement in rates of Permanent Disablement Benefit/Death Benefit with effect from 1st August, 2018 in cases, where the employment injuries resulting in disablement or death occurred on or before 31st December, 2017.

4. The Union Ministry of Labour & Employment has notified Draft Rules under Section 67 of Code on Wages, 2019 inviting comments/suggestions/inputs by 30th November, 2019.

5. The Central Government has introduced in the Parliament on 28th November, 2019, Industrial Relations Code Bill, which is the third Code under Labour Reforms. This Code amalgamates Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947.

6. As per reports, to safeguard the interest of workers in the formal sector, the Centre is planning to introduce one nation – one pay day system. Shri Santosh Gangwar speaking at the Security Leadership Summit 2019 on 15th November, 2019, said this.

7. The Office of Labour Commissioner, Indore, has announced increase in variable Dearness Allowance payable to textile mill employees governed by Sethi Award in respect of Indore Centre by Rs.176.41 per month and Bhopal Centre by Rs.261.51 per month payable for the period October-December, 2019.

LEGAL & TAXATION

1. The Central Board of Indirect Taxes & Customs will henceforth quote a computer generated Document Identification Number (DIN) for its communication with taxpayers. The system is expected to bring transparency and shield taxpayers from harassment. However, an official can issue communication without DIN, if there are technical difficulties or when the communication is required to be issued at short notice, but such communication would have to be regularized within 15 days of issue.



2. If a Director of a company refuses to move out of the residence provided by the company after leaving his post, both civil and criminal proceedings may be instituted against him. Section 630 of the Companies Act deals with the penalty and imprisonment for withholding the property. This was held by the Supreme Court in Hoogly Mills v/s State of West Bengal case.

3. The Supreme Court in the matter of Uttam Ram v/s Devinder Singh has reiterated that once a cheque is issued, it is presumed that it was for a consideration and the holder of the cheque received it in the discharge of an existing debt.

4. Shri Raghvendra Singh, IAS, has been posted as Commissioner – Commercial Taxes, Indore.

EXPORT & IMPORT

1. As per information available from Cotton Textile Export Promotion Council (TEXPROCIL), the export of cotton textiles during the period April-October, 2019-20 as compared to the same period of the previous year has been as under :-



Figures in US\$ Million.

Commodity	Apl-Oct 2018-19	Apl-Oct 2019-20	% Growth
Raw Cotton	1,008.91	263.06	(-)73.93
Cotton Yarn	2,394.11	1,497.45	(-)37.45
Cotton Fabrics & Made-ups	3,480.32	3,549.80	2.00
Other Textile Yarn, Fabric, Made-up Articles	260.54	281.53	8.06
Total	7,143.88	5,591.84	(-)21.73
Percentage Share			
Raw Cotton	14.12%	4.70%	-
Cotton Yarn	33.51%	26.78%	-
Cotton Fabrics & Made-ups	48.72%	63.78%	-
Other Textile Yarn, Fabric, Made-ups	3.65%	5.03%	-

2. During the period April-October 2019-20, 502 million kgs. of cotton yarn valuing US\$ 1,497 million was exported as against 753 million kgs. valuing US\$ 2,394 million during the same period in the previous year recording a drop of 33.30% in quantity and 37.50% in value.

According to India Ratings, "US-China trade war halved yarn exports to China due to weak demand in the region. This was further aggregated by duty free access allowed to Pakistan and Bangladesh by China. Meanwhile, demand in domestic market has been impacted by cheaper yarn imports from Vietnam, Thailand

and other South East Asian countries by Indian fabric manufacturers”.

3. According to Dr. K. V. Srinivasan, Chairman – TEXPROCIL, cotton yarn is the only product which has not been granted export benefits such as MEIS and 3% Interest Equalization Scheme. Cotton yarn imported from India into major markets like China, EU, Turkey and South Korea attracts import duty ranging from 3.5% to 5% as against imports from Bangladesh, Cambodia, Pakistan, Indonesia and Vietnam. He also pointed out that about 27% of total cotton yarn production is being exported.

4. As per information available from Synthetic & Rayon Textiles Export Promotion Council, Country's man-made fibre textile exports during April-September, 2019-20 as compared to the same period of the previous year have been as under :-

Value in US\$ Million

Product	Apl-Sep 2018-19	Apl-Sep 2019-20	% Growth
Fibre	300.50	271.89	(-)9.52
Yarn	1070.78	891.15	(-)16.78
Fabric	946.04	1009.82	6.74
Made-ups	791.16	746.61	(-)5.63
Total	3108.48	2919.47	(-)6.08

5. The various textile industry organizations have welcomed the decision of the Government not to join the Regional Comprehensive Economic Partnership (RCEP). RCEP is a Free Trade Agreement negotiated between ASEAN Member States and ASEAN's FTA partners. Current position of Indian Textile Industry is not healthy. Exports have been falling, whereas imports have been on rise, especially from China. China and Korea are major surplus countries as far as man-made fibre textiles are concerned. Therefore, signing RCEP is a big stress for the textile industry.

6. In a major relief to the exporters, the Custom Authorities have directed Officials not to insist on proof of realization of export proceeds for processing of Input Tax Refunds. Exports have been zero rated under IGST Act. Hence, as long as goods have been actually exported, even after a period of three months, tax officials should not insist on payment of IGST first and claiming refunds at a subsequent date.

7. The US imported apparel valued at US\$ 17.70 million in 2018 under 15 categories that enjoyed Generalized System of Preferences (GSP). Post withdrawal of GSP imports of apparel will be subject to higher tariff. Union Textile Minister informed in Rajya Sabha on 28th November, 2019, that as per provisional data, exports of apparel (post withdrawal of GSP) has increased by 5% as compared to previous period (before withdrawal).

8. India has filed an appeal on 19th November, 2019 concerning the WTO Panel Report, which ruled that many of its popular export promotion incentives were not in sync with multilateral trade rules and needed to be withdrawn. Our contention was that we are exempted from the prohibition on export subsidies under the special and differential treatment provisions of WTO Agreement on Subsidies and Countervailing Measures. India has plans to replace schemes such as MEIS with ones that are allowed under WTO. Some other schemes should be allowed to continue for which Country is fighting case on strong legal grounds.

STATE OF THE INDUSTRY

1. The Index of Industrial Production (IIP) data for the month of September, 2019 was released on 11th November, 2019 and are as under:

Items	For the Month		Cumulative		% Growth	
	Sep. 2018	Sep. 2019	Apl-Sep 2018-19	Apl-Sep 2019-20	Sep. 2019	Apl-Sep 2019-20
Textiles	121.6	115.1	119.7	114.9	(-)5.3	(-)4.0
Wearing Apparel	142.2	146.8	143.6	162.7	3.2	13.3

2. The Textile Ministry has convened a number of meetings of stakeholders for inputs for a new Textile Policy, which will include in it the need for creating an umbrella brand for the Country's textile sector for the global market. The Ministry will also seek feedback to improve functioning in several key aspects of this sector, which is a high employment creating industry.



3. Shri Hari Thiagarajan, Vice Chairman of CII Tamil Nadu Council, while delivering the key note address at WEAVES-2019 stated that Indian textile industry can grow to be US\$ 300 billion industry by 2030 and create an additional 35 million jobs, provided it enhances its focus on exporting higher value added products, modernization and sustainable business practices.

4. Addressing a Conference on 4th November, 2019, Textile Secretary, Shri Ravi Capoor, stated that the Government is mulling setting up around 10 Integrated Mega Parks with state of art infrastructure near ports to attract Foreign Direct Investment.

5. The Union Textile Minister, Smt. Smiti Irani, informed Lok Sabha :

- ★ On 22nd November, 2019 that under Samarth Scheme for Capacity Building in Textile Sector, 21 State Government Agencies from 18 States have agreed to partner with the Ministry and have been allocated target to train 3,66,670 persons. A sum of Rs.242.50 crore has been allocated for the Scheme till date out of which Rs.134.37 crore has been utilized.
- ★ On 29th November, 2019 that a total of 59 Textile Parks have been sanctioned under Scheme for Integrated Textile Parks, out of which 22 Textile Parks have been completed and rest are under various stages of construction.
- ★ On 29th November, 2019 that India's exports of textiles and apparels have increased from US\$ 39.3 billion in 2017-18 to US\$ 40.4 billion in 2018-19.

India faces competition from countries like Vietnam, Bangladesh and Sri Lanka which enjoy duty free access to key markets. Apparel exports from competing countries enjoy zero/preferential access to EU, whereas India faces duty disadvantage.