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ASSOCIATION NEWS

1. The General Administration Department of the Government of Madhya Pradesh on 19th March, 2020, declared certain measures for prevention of COVID-19. Under the circumstances due to curfew in the State all industrial and commercial activities were stopped from 26th March, 2020.

The lockdown order has been in effect up-to different dates in different areas and as such the Mills started working in May, 2020, but due to certain inherent difficulties, like shortage of manpower, difficulty in obtaining raw material, cancellation of orders by domestic as well as overseas buyers, the production has not picked up till now and the Mills are running only at 45-50% capacity.

Although various representations were made to the Hon'ble Chief Minister of the State during March-June, 2020, but no significant relief has been provided to the mills in the matter of waiver of fixed charges for power supply, freezing of minimum wages at the level of 31st March, 2020, relief in payment of lease rent, maintenance charges, permission/renewal of licenses under various clause, etc.

2. On 8th May, 2020, the three DISCOMs permitted reduced supply of power for a minimum continuous period of 10 days with maximum allowable period of reduced supply shall be up-to 15 days after the date of lifting of lockdown in concerned area, as declared by local administration, OR applied end-date for the reduced supply, whichever is earlier. This has not provided any significant relief to the mills and as such we have made a representation to the Hon'ble Chief Minister on 25th June, 2020 bringing to his knowledge that the production is not likely to pick-up before December, 2020 end and as such to tide over the situation he has been requested to direct the DISCOMs to extend the period of reduced supply till December, 2020 end. Copies of this representation have also been sent to the Chief Secretary, Principal Secretary-Energy, Principal Secretary-Industrial Policy & Investment Promotion and Managing Directors of three DISCOMs.

3. In order to support the State/Central Governments in its effort to fight against Covid-19:

- ★ Vardhman Group Director-MP Locations, Shri S. Pal handed over a cheque of Rs.1 crore to the Chief Minister of Madhya Pradesh.
- ★ Sagar Group Chairman handed over a cheque for Rs.50 lakh to the Chief Minister of Madhya Pradesh.

Our Congratulations

4. Grasim Industries Limited have set up a RO plant in Parmarkhedi under Jal Jeevan Mission to provide safe drinking water at a cost of Rs.20 lakh with a capacity to process 1500 litres of drinking water in one hour. **Our Congratulations.**

RAW MATERIAL

1. The Cotton Association of India has released its estimates of cotton crop for the season 2019-20 and has projected crop of 330 lakh bales as against 312 lakh bales for the cotton season 2018-19. The State-wise production and arrivals are estimated as under:-



State	Production		Arrival till 31.5.20
	2019-20	2018-19	
Punjab	9.50	8.50	9.07
Haryana	24.00	23.00	23.70
Rajasthan	25.50	28.00	24.90
Gujarat	85.00	88.00	72.50
Maharashtra	76.50	70.00	72.70
Madhya Pradesh	16.00	22.63	15.00
Telangana	51.00	35.20	50.18
Andhra Pradesh	14.00	11.85	13.70
Karnataka	18.50	15.50	18.05
Tamil Nadu	5.00	5.00	3.10
Odisha	4.00	3.32	3.75
Others	1.00	1.00	1.00
Total	330.00	312.00	307.65



The Association has also drawn the balance sheet for the two years as under :-

	2019-20	2018-19
Opening Stock	32.00	33.00
Production	330.00	312.00
Imports	15.00	32.00
Total Supply	377.00	377.00
Mill Consumption	243.00	274.50
SSI Consumption	21.00	25.00
Non-Mill Use	16.00	12.00
Exports	47.00	42.00
Total Demand	327.00	353.50
Closing Stock	50.00	23.50

2. The Government of India has increased Minimum Support Price for cotton season 2020-21 for medium staple variety by Rs.260 per quintal to Rs.5515 per quintal. The price of long staple variety has been increased upwards by Rs.275 per quintal to Rs.5825 per quintal. According to ICRA Ratings, this increase is set to benefit farmers who will commence harvesting, but the spinning mills are expected to take a severe hit with this increase.

3. The Cotton Corporation of India has slashed prices of cotton to liquidate its stock. However, as per Secretary General SIMA, the mills are having stocks for next 2-3 months and are operating at 20% to 40% capacity. Actual buying of cotton is going to remain less.

4. The Better Cotton Initiative has released its Annual Report 2019, some of the highlights of the Report are as under:

- ★ Better cotton was grown in 23 Countries.
- ★ BCI farmers produced 5.6 million tons of Better Cotton.
- ★ Now it accounts for 22% of global cotton production.
- ★ 2.1 million farmers received BCI License to sell their cotton as Better Cotton.

5. Shri Pradeep Kumar Agrawal has joined as Chairman of Cotton Corporation of India Limited, Mumbai.

POWER

1. Shri R.K. Singh, Minister of State for Power held a press meet on 25th June, 2020 and underlined the importance of proposed reforms in power sector. He stated that his Ministry had prepared a draft proposal for amendments in Electricity Act, 2003 with the broad objectives to :



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He stated that there is no proposal to take away powers of State Electricity Regulatory Commissions. The introduction of system

of direct benefit transfer of subsidies is inimical to the interest of consumers especially the farmers, because the State Governments are not able to pay the subsidies on time to the consumers. The State Government will continue to fix tariff for retail supply. To improve the quality of supply an option is proposed to be provided to DISCOMs to sublicense the supply in any particular parts of its area with the approval of the State Commission.

2. The Madhya Pradesh Electricity Regulatory Commission (MPERC) issued another notification on 13th May, 2020 for submission of comments/suggestions/objections with regard to revision of tariff proposals for 2020-21 in view of prevailing COVID-19 scenario and social distancing requirement instead of public hearing latest by 30th May, 2020. The Association submitted its suggestions on 21st May, 2020. As per press reports, the new tariff is likely to be announced next month.

3. The Energy Department of the State vide its order dated 2nd June, 2020, has deferred recovery of fixed charges for the months of April, May and June, 2020 from its consumers. The same will be recovered in six equal instalments with energy bills for the months of October 2020 to March, 2021.

4. The MPERC has approved collection of F C A Charges of 13 paise per unit for the billing quarter starting July, 2020.

5. Shri Sanjay Dubey, I A S, has been posted as Principal Secretary, Energy Department of the State.

MAN POWER

1. The office of Labour Commissioner, Indore, has declared Variable Dearness Allowance payable to various categories of workmen of Rs.325 per month for the period 1st April, 2020 to 30th September, 2020. The details of wages payable to various categories of workmen are as under:-



Category	Basic Rs.p.m.	VDA Rs. p.m.	Total Rs. p.m.	Daily Rs.
Unskilled	6500	1775	8275	318
Semi Skilled	7057	2075	9132	351
Skilled	8435	2075	10510	404
Highly Skilled	9735	2075	11810	454

2. The Employees' Provident Fund Organisation (EPFO) has notified on 3rd April, 2020, the criteria for change of birth of EPF/EPS Members. A number of documents have been specified, which will be accepted as valid proof for change of date of birth.

3. EPFO on 15th May, 2020, has clarified that for any delay in payment of EPF Contributions and Administrative Charges due for any period during the lockdown, no proceedings for levy of penal damages will be initiated.

4. The ESI Corporation vide its notice dated 13th April, 2020, relaxed provisions in Regulations 26 and 31 of ESI (General) Regulations, 1950 to be read as 75 days instead of 45 days and allowed deposition of February, 2020 contributions upto 15th May, 2020.

5. ESI Corporation vide its circular dated 29th June, 2020 has made it mandatory to register mobile number and bank account number of



an insured person while registering an employee with effect from 1st July, 2020. The details of existing insured persons are also to be updated.

6. According to the Notification issued by the Ministry of Labour & Employment on 18th May, 2020, an establishment may deduct PF contribution at the rate of 10% from employees and also pay 10% employers contribution for three months i.e. May, June and July, 2020. This is applicable not in the cases of establishments having less than 100 employees, which are taking benefit of Prime Minister Garib Kalyan Yojna, where the Government will be paying 24% contribution for three months.

7. The State Government has made a number of amendments in the Labour Laws as notified on 5th/6th May, 2020, which include :

- The validity of license granted under Rule 25 of renewed under Rule 29 shall be valid for the period of contract for which the application is made under Contract Labour (Regulation & Abolition) Madhya Pradesh Rules, 1973.
- All factories registered in Madhya Pradesh under Factories Act, 1948 and M. P. Factories Rules, 1962 have been exempted for a period of 3 months from all the provisions of the Act except Section 6, 7, 8 and Section 21 to 41-H under Chapter 4, Section 59, Section 65, Section 67, Section 79, Section 88, Section 112 and Rules made thereunder.
- Rule 18-B of M.P. Factories Rule, 1962 amended so that any person or agency which is so authorized by the Labour Commissioner shall be authorized to conduct inspection subject to such restrictions as may be specified.
- Third party certification for non-hazardous category factories employing upto 50 workers as per Business Reform Action Plan, 2016 recognised.
- Exempted industries from provisions of the Industrial Disputes Act except provisions of Chapter V-A and Section 25-N, 25-O, 25-P, 25-Q and 25-R of Chapter V-B for next 1000 days. This shall be applicable for new industries which will be registered and start production in next 1000 days.
- Provisions of MP Industrial Relations Act, 1960 shall not apply to 11 categories of industries including textile industry (including cotton, silk, artificial silk, staple fibre, etc.).
- Occupier or Manager of a factory shall furnish electronically or upload one unified return annually on or before 1st February in each calendar year on web portal as specified.
- Under the **M. P. Lok Sevaon Ke Praday Ki Guarantee Adhiniyam**, it has been prescribed that various services by the Labour Department will be provided in one day.
- The working hours under the Factories Act have been extended from 8 hours to 12 hours with payment for additional 4 hours at double rate. Total overtime hours in a week will be upto 72 hours.

8. Dr. Rajesh Rajora, I A S, has been posted as Additional Chief Secretary, Department of Labour of the State Government.

LEGAL & TAXATION

1. The Central Board of Indirect Taxes & Customs have relaxed provisions relating to return filing date, late fee and interest in respect of various returns required to be filed under provisions of Central Goods &



Services Tax Act, 2017. The requisite notifications have been issued on 24th June, 2020.

2. Central Board of Direct Taxes (CBDT) in order to provide more funds to taxpayers for dealing with economic situation arising out of Covid-19 has reduced rates of Tax Deduction Source (TDS) and Tax Collection at Source (TCS) by 25% for the period 14th May, 2020 to 31st March, 2021.

3. C B D T has extended the time limit for filing Income Tax Returns for the financial year 2019-20 to 30th November, 2020 and for the Tax Audit Reports to 31st October, 2020.

4. The Supreme Court in its judgment in the matter of Connectwel Industries v/s Union of India has ordered that Income Tax Authorities cannot claim a superior right to attach a property already sold under the directions of Debt Recovery Tribunal. Unless there is a preference given to the crown debt by a statute, the dues of the secured creditors have preference over crown debts.

5. The Supreme Court in the matter of Sangrur Sales Corporation v/s United India Insurance held that collapse of a building because of excavation carried out in the adjacent plot will be covered under general insurance, though it may not be explicitly excluded in the policy document. The policy terms should be interpreted in a way beneficial to the insured. The damage from a third party is also covered by a standard policy.

6. Shri Manoj Govil, I A S, has been posted as Principal Secretary, Commercial Tax Department, Government of Madhya Pradesh.

EXPORT & IMPORT

1. The Confederation of Indian Textile Industry (CITI), has made a quick analysis of exports and imports during the period 2018-19 and 2019-20, which is as under:-



EXPORTS

Value in US\$ Billion

Particulars	Apl-Mar 2018-19	Apl-Mar 2019-20	% Change
Cotton Yarn/Fabrics/ Made-ups, Handloom, etc.	11215.15	10018.99	(-)10.67
Man-made Yarn/Fabrics /made-ups, .	4980.51	4811.27	(-)3.40
Jute Mfg. including Floor Covering	324.93	341.40	5.07
Carpet	1481.85	1376.43	(-)7.11
Handicrafts excl. handmade carpet	1838.08	1794.71	(-)2.36
Textiles	19840.52	18342.80	(-)7.55
Textile & Apparel	35978.81	33831.50	(-)5.97
All Commodities	330078.09	314314.22	(-)4.78
% of T&A in Total Exports	10.90%	10.76%	

IMPORTS

Value in US\$ Billion

Particulars	Apl-Mar 2018-19	Apl-Mar 2019-20	% Change
Textile Yarn/Fabrics/ Made-ups.	1899.99	1923.92	1.26

2. Data compiled by Union Ministry of Commerce & Industries show that total exports of textiles and apparel till April-May 2020 were at a mere US\$ 1.63 billion compared to US\$ 6.07 billion in the corresponding period of last year. While textile exports slumped by 68% to US\$ 991 million, the apparel shipments nosedived by 78% to US\$ 643 million during these two months. This sharp decline in exports have affected the entire value chain including cotton farmers, ginners, spinning mills, fabric manufacturers along-with textile and apparel producers.

3. The DGFT has extended the present Foreign Trade Policy till 31st March, 2021.

4. The Government of India has approved extension Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit till end of 31st March, 2021.

5. The Ministry of Textiles has issued a notification on 9th June, 2020 stating that Scheme to Rebate State and Central Embedded Taxes to support the textile sector shall be implemented by DGFT by issuing duty credit scrips in line with duty credit scrips issued under MEIS.

6. D G F T has launched from 13th July, 2020 new Digital Platform for import export code related services. It is aimed to help traders electronically file their application relating to IEC, Advance Authorization, EPCG, and other services related to Foreign Trade Policy.

STATE OF THE INDUSTRY

1. The Index of Industrial Production (IIP) data for the month of April, 2020 is as under:

Items	For the Month		Cumulative		% Growth
	April 2019	April 2020	Apl-Mar 2018-19	Apl-Mar 2019-20	Apl-Mar 2019-20
Textiles	119.8	5.3	118.7	115.7	(-)2.5
Wearing Apparel	165.1	6.3	154.2	155.7	1.0

2. According to a report by India Ratings & Research, the textile companies have been impacted by the subdued domestic demand and declining exports due to lockdown in global markets on account of COVID-19. The domestic demand could revive in the third quarter of the current financial year with the onset of festive season and reopening of retail spaces. However, export demand would depend on global economy such as US and UK. It also expects a huge revenue downfall in the first half year of the current fiscal and a moderate recovery only over the second half of fiscal year 2022. With the stoppage of production and shortage of labour due to lockdown, revenue is likely to bottom out over the first half of the current year. The consumption demand is unlikely to revive during the year.



3. The Ministry of Micro Small & Medium Enterprises has issued a notification on 26th June, 2020 revising the criteria for classification of MSMEs based on investment in plant and machinery and annual turnover, effective from 1st July, 2020, which is as under :

Composite Criteria	Micro	Small	Medium
Investment	<Rs.1 Cr	<Rs.10 Cr.	<Rs.50 Cr.
Annual Turnover	<Rs.5 Cr	<Rs.50 Cr.	<Rs.250 Cr.

<denotes less than.

For calculation of turnover exports of goods and services shall be excluded for purpose of classification. Turnover shall be linked to Income Tax Act or CGST Act and GSTIN. The notification also describes procedure for registration of new and existing enterprises, updation of information, facilities and grievance redressal for enterprises.

4. On 13th April, 2020 the Ministry of Textiles modified Revised Guidelines of ATUFS i.e. financial and operational parameters and implementation mechanism during its implementation period from 13th January, 2016 to 31st March, 2022 allowing entities to exercise an option for getting the JIT recommended subsidy released provisionally subject to submission of Bank Guarantee equivalent to recommended subsidy.

5. Considering the impact of COVID-19 on the industrial development of the State, a Committee consisting of twelve industrialists (including Shri Rajinder Gupta Trident, Budhni) has been constituted by the Department of Industrial Policy and Industrial Development as per Order dated 4th May, 2020 to suggest ways and means to the Government. The Principal Secretary of the Department is the Convener of this Committee.

6. The Department of Industrial Policy & Investment Promotion in view of COVID-19 vide its Order dated 17th June, 2020 has allowed payment of Annual Lease Rent in respect of land allotted in MPIDC Industrial Areas without payment of any penal interest during the period 1st March, 2020 till 31st December, 2020.

7. The Confederation of Indian Textile Industry (CITI) has submitted a Memorandum to the Hon'ble Prime Minister, Finance Minister, Textile Minister, Governor, Reserve bank of India, etc. to include Textile Sector under One-time Loan Restructuring Scheme.

8. With the mills resuming operations, the average capacity utilisation is just about 40%. As the demand is low, yarn prices have dropped nearly by Rs. 10 per kg. in the domestic market, export enquiries were not high, and for the yarn supplied, the credit period ranges from 60 days to 120 days. The demand for yarn is low. The mills are also facing labour shortage as most of the migrant labour have gone home and may not return before Deepawali.

9. The International Textile Manufacturers Federation (ITMF) has conducted its 4th ITMF Corona Survey among ITMF Members and associates about the impact of Corona pandemic had on global textile value chain. About 600 companies participated in the Survey. The highlights of the findings are:

- ★ World wide current orders are down by 42% on average.
- ★ Expected Turnover is down by 32% on average.
- ★ In all segments of World wide textile value chain orders are down in the range of 37% to 46%.
- ★ Turnover 2020 is down in the range of 26% to 34% compared to 2019.
- ★ 44% of participants feel that pre- crisis levels are expected to reach in the 1st or 2nd quarter of 2021.

10. Shri Sanjay Kumar Shukla, IAS, has been posted as Principal Secretary, Department of Industrial Policy and Investment Promotion of the State.

11. Ms. RoopRashi, IAS & AS has joined as Textile Commissioner, Government of India, Mumbai.