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## ASSOCIATION NEWS

1. On 2nd February, 2021, a Programme on Union Budget-2021-22 was organized by the Association jointly with Textile Association (India) MP Unit and others at Jall Sabhagraha. The Speakers included Economist Dr. Jayantilal Bhandari, CA Subhash Deshpande, CA Sunil Jain, CS Ajit Jain and Economist Dr. Kamlesh Bhandari. Dr. Jayantilal Bhandari was of the view that during the period of Covid-19, from which the whole World is suffering, the Budget presented by the Hon'ble Finance Minister is a good Budget and it will help in strengthening the infrastructure in the Country. After independence, this is the fourth Budget showing negative growth, the others were in 1967-68, 1973-74 and 1980-81. The provision for Mega Textile Parks will give boost to the textile industry. The Government has to put greater emphasis on implementing the Budget and achieving the targets. CA Subhash Deshpande highlighted the changes in Income Tax provisions relating senior citizens, intangible assets, employees' contribution to provident fund above Rs.2.50 lakh, unit linked insurance plans, tax audit, etc. Shri Sunil Jain highlighted the various amendments proposed relating to indirect taxes including Goods & Services Tax particularly in respect to Input Tax Credit, which will be available only after it is cross checked with the Return filed by the seller and 100% penalty, if wrong declaration is made in the Return. CS Ajit Jain was of the view that the Budget will give boost to infrastructure companies and the shares of such companies will give good returns in future. Dr. Kamlesh Bhandari was critical of the Budget. He told that 20% of the Budget amount goes only for interest payment. The provisions relating to agriculture do not show any plans to divert production to dalhan and tilhan. Some relief was required for the middle income group in tax saving plans.

2. The Labour Department of the State has published Draft Rules on Code of Wages on 24th December, 2020 and invited comments/suggestions from the stakeholders. The Association submitted its comments/suggestions on 5th February, 2021. Some of the important suggestions made by us include:

- The State should have differential wage structure based on

cost of living in different industrial clusters/areas.

- The criteria for fixing minimum wage should be equivalent to two adult consumption units instead of three consumption units, as the female workers have increased and they are contributing to family earnings.
- Technical Committee proposed for skill categorization should have more technical experts than Government Representatives.
- The categorization of unskilled, semi-skilled, skilled and highly skilled should be based on recommendation of Technical Committee and industry-wise list of such categories should be prepared.
- Where an employee works on rest day and given a substituted rest day, the payment of double the wages for that day is unjustified.
- The mandate of payment of minimum bonus to the contract employees on part of contractors' failure from payment of minimum bonus will lead to double payment to workers. On the contrary, contractors may be asked to show cause the reasons for default instead of burdening the principal employer.
- Certain records/registers prescribed do not include Attendance Register in Form-D and Register of Loans/Recoveries in Form-E, etc.

3. Pratibha Syntex Limited, Pithampur, has been bestowed with a *Letter of Appreciation* for the financial year 2020-21 by Collector, Dhar District, for providing at the request of Administration, Masks, Sanitizers, PPE Kits, Food packets and transport for Migrant workers, etc., during Covid-19 pandemic under its Corporate Social Responsibility. **Our Congratulations.**

4. Grasim Industries Limited has been named as winner of *Golden Peacock Global Award for Sustainability 2020* in the Apparel and Textile Sector for its global leadership, achievements and continuous improvement. The award is given by Institute of Directors. **Our Congratulations.**

5. Vardhman Yarns and Vardhman Fabrics have submitted proposals for expansion of capacities of yarn production in their Units to the State Government as under :



| Name             | Spindles      | Investment           | Employment  |
|------------------|---------------|----------------------|-------------|
| VardhmanYarns    | 31,915        | Rs.224.09 Cr.        | 300         |
| Vardhman Fabrics | 65,520        | Rs.494.14 Cr.        | 700         |
| <b>Total</b>     | <b>97,435</b> | <b>Rs.718.23 Cr.</b> | <b>1000</b> |

## RAW MATERIAL

1. The International Cotton Advisory Committee (ICAC), in its release of 16th February, 2021 has projected cotton production in India in cotton season 2020-21 at 6.30 million tons, imports at 0.30 million tons and consumption at 5.45 million tons. Imports by China are projected at 2.10 million tons. The World cotton supply and demand has been projected as under :



Quantity in Million Tons.

| Item               | 2018-19      | 2019-20      | 2020-21      |
|--------------------|--------------|--------------|--------------|
| Beginning Stock    | 18.78        | 18.56        | 21.37        |
| Production         | 25.97        | 26.35        | 24.20        |
| <b>Supply</b>      | <b>44.75</b> | <b>44.91</b> | <b>45.57</b> |
| <b>Consumption</b> | <b>25.98</b> | <b>22.77</b> | <b>24.46</b> |
| Exports            | 9.26         | 9.02         | 9.39         |
| Ending Stock       | 18.56        | 20.37        | 21.11        |

2. The Cotton Association of India (CAI) has estimated cotton arrivals during the months of October, 2020 to January, 2021 at 255.25 lakh bales. The CAI has retained its cotton consumption estimates for the cotton season 2020-21 at 330.00 lakh bales against the production of 360.00 lakh bales. The imports are estimated at 14.00 lakh bales and exports at 54.00 lakh bales. The State-wise production during cotton season 2020-21 as compared cotton season 2019-20 is projected as under:

Quantity in Lakh Bales

| State         | 2019-20       | 2020-21       | Arrivals till 31.01.2021 |
|---------------|---------------|---------------|--------------------------|
| Punjab        | 9.50          | 10.50         | 9.10                     |
| Haryana       | 25.50         | 20.50         | 17.90                    |
| Rajasthan     | 28.00         | 31.00         | 27.80                    |
| Gujarat       | 95.00         | 94.00         | 55.50                    |
| Maharashtra   | 87.00         | 85.00         | 57.00                    |
| MadhyaPradesh | 18.00         | 20.00         | 13.00                    |
| Telangana     | 52.00         | 49.50         | 39.75                    |
| AndhraPradesh | 15.25         | 16.00         | 11.50                    |
| Karnataka     | 20.00         | 24.50         | 17.50                    |
| Tamil Nadu    | 5.00          | 5.00          | 3.00                     |
| Odisha        | 3.75          | 3.00          | 2.40                     |
| Others        | 1.00          | 1.00          | 0.80                     |
| <b>Total</b>  | <b>360.00</b> | <b>360.00</b> | <b>255.25</b>            |

According to Shri Atul Ganatra, President, CAI, imposition of 10% Duty on imports of cotton is unlikely to have any impact on imports. The industry needs Extra Long Staple cotton, which is in short supply in the domestic market. Mills have already imported 6.00 lakh bales during the current cotton season and further 8.00 lakh bales are likely to be imported in rest of the season. The Country has exported 29.00 lakh bales during current cotton season so far.

3. As per reports, Cotton Corporation of India (CCI) has sold around 128.00 lakh bales (108 lakh bales of previous season and 20 lakh bales of current season) during the current season to millers and traders.

According to Shri Pradeep Kumar Agrawal, Chairman cum Managing Director of CCI, India is likely to export 65.00 to 70.00 lakh bales during the current cotton season as against 50.00 lakh bales in last season. Shri Agrawal has stated that Indian cotton is the cheapest and there is good demand from Pakistan, Bangladesh, Vietnam and China. Shanker-6, India's benchmark cotton for export market is quoted at Rs.44,600-45,100/Candy on MCX. Indian shippers are offering cotton at 10% lower than prices quoted at New York Mercantile Exchange.

4. Indian polyester market is likely to remain bullish due to spiraling global oil prices, shutdown of aromatics and petrochemical plants in US. China is not expected to honor its commitments as polyester raw material prices have gone up leading to increase in POY and FDY prices. The prospects of polyester imports are bleak in the immediate future. The prices of POY and PTY have been increased by Rs.2000/ton with effect from 24th February, 2021.

## POWER

1. The Madhya Pradesh Electricity Regulatory Commission (MPERC) has issued a Public Notice on 12th February, 2021 in respect of Annual Revenue Requirement and Tariff Proposals submitted by DISCOMs for revision of tariff for 2021-22. As per Public Notice, Industrial Tariff is proposed to be increased by 2.59%. The details of tariff applicable to textile industry (HV-3.1) for the period from 26th December, 2020 vis-a-vis those proposed for 2021-22 are as under:



| Fixed Charges             | From 26.12.2020                |              | 2021-22 (Proposed)             |              |
|---------------------------|--------------------------------|--------------|--------------------------------|--------------|
|                           | Rs./KVA of Billing Demand/p.m. |              | Rs./KVA of Billing Demand/p.m. |              |
| 11 KV Supply              | 347.00                         |              | 350.00                         |              |
| 33 KV Supply              | 570.00                         |              | 570.00                         |              |
| 132 KV Supply             | 660.00                         |              | 665.00                         |              |
| 220/400 KV Sup.           | 660.00                         |              | 665.00                         |              |
| Energy Charges (Rs./Unit) | Upto 50% LF                    | Above 50% LF | Upto 50% LF                    | Above 50% LF |
| 11 KV Supply              | 7.10                           | 6.10         | 7.30                           | 6.50         |
| 33 KV Supply              | 7.05                           | 6.00         | 7.10                           | 6.10         |
| 132 KV Supply             | 6.62                           | 5.65         | 6.74                           | 5.75         |
| 220/400 KV Sup.           | 6.20                           | 5.20         | 6.39                           | 5.36         |

The other terms and conditions remaining the same. The stakeholders are to submit suggestions/comments/ objections latest by 8th March, 2021. Public hearing will be held on 9th and 10th March, 2021.

2. As per reports, the three DISCOMs have filed a True-up petitions with the MPERC demanding recovery of Rs.4,752.48 crore from the consumers for the year 2019-20. The True-up petitions of past five years of the DISCOMs are pending with the Regulatory Commission, the total sum of which amounts to Rs.36,812 crore. The State has around 1.54 crore electricity consumers and going by this each consumer needs to pay Rs.25,000/- to bring the companies out of loss. The final decision lies with the Regulator.

3. According to reports, the Union Ministry of Power will circulate





a Draft Bill proposing amendments in the Electricity Act to omit word 'Distribution Licensee' to enable more competition in power distribution sector. The move will induce competition in electricity distribution and empower the consumers to switch networks, but will not disrupt the existing licenses.

## MAN POWER

1. The Employees State Insurance Corporation vide its Circular dated 17th February, 2021 allowed ESI beneficiaries to seek medical services from nearby empaneled hospital directly without referral, in case of non-availability of ESI Healthcare System within a radius of 10 Kms. of his/her residence.



2. As per Press Note dated 3rd February, 2021 of Ministry of Labour & Employment, ESI Corporation has decided that in cases where the employer has shown 'Zero' contribution in respect of an employee for some months before exiting him from the system, the relief under Atal Beemit Vyakti Kaslyan Yojna for such period of zero contribution shall be allowed subject to fulfilment of other eligibility conditions.

3. According to a Press Note issued by Ministry of Labour & Employment on 23rd February, 2021, ESI Corporation in its meeting held on 22nd February, 2021 has decided –

- Relaxation in contributory conditions to avail sickness benefit to the insured women availing maternity benefits.
- Relaxation in contributory conditions to avail sickness and maternity benefits for the benefit period January to June, 2021.

4. The Labour Department of the State has issued amendments to M. P. Factories Rules, 1952, detailed as under:-

- On 5th February, 2021, amendment to Rule 123 allowing third party inspection of hazardous equipment, hoists lifts, lifting machines, pressure vessels, etc.
- On 8th February, 2021, amendment to Rule 6 allowing online filing of applications to register the factory and grant a license.

5. On 9th February, 2021, the State Government has issued Draft of M. P. Industrial Relations Rules, 2020 to substitute M. P. Industrial Disputes Rules, 1957; M. P. Trade Union Regulations, 1961 and M. P. Industrial Employment (Standing Orders) Rules, 1963 inviting suggestions/ comments by 8th March, 2021.

## LEGAL & TAXATION

1. Central Board of Indirect Taxes & Custom (CBITC) on 22nd February, 2021 announced initiative to address exporters' woes on account of delay in getting IGST refund. "CBIC has extended the time limit for sanction of pending IGST refunds in such cases, where records have not been transmitted to ICEGATE due to GSTR-1 and GSTR-3B mismatch error," the Board said in a statement. This facilitation would be applicable to all shipping bills filed up to 31st March, 2021.



2. The various Textile Industry Associations have requested the Hon'ble Union Finance Minister to withdraw the Import Duty

imposed on Cotton in the Budget 2021-22, as Extra Long Staple cotton, which is imported will become costly and it will increase the cost of garments and home textile products especially for exports.

## EXPORT & IMPORT

1. According to quick estimates released by Ministry of Commerce, India's export of textiles and apparels for the period April-January, 2020-21, as compared to the period April-January, 2019-20 have been as under :



Value in US\$ Million

| Item   | Apl-Nov.<br>2019-20 | Apl-Nov.<br>2020-21 | %<br>Growth   |
|--|---------------------|---------------------|---------------|
| Cotton Yarn, Fabrics, Made-ups including HL Products | 8,452.00            | 7,763.00            | -8.16         |
| MMF Yarn, Fabrics, Made-ups                          | 4,042.00            | 2,927.00            | -27.58        |
| RMG of Textiles                                      | 12,896.00           | 9,495.00            | -26.37        |
| Jute Products  | 292.00              | 285.00              | -2.58         |
| Carpets  | 1,176.00            | 1,195.00            | 1.59          |
| Handicrafts  | 1,516.00            | 1,353.00            | -10.76        |
| <b>Total Textiles</b>                                | <b>15,479.00</b>    | <b>13,523.00</b>    | <b>-12.64</b> |
| <b>Apparel</b>                                       | <b>12,896.00</b>    | <b>9,495.00</b>     | <b>-26.37</b> |
| <b>Textiles &amp; Apparel</b>                        | <b>28,375.00</b>    | <b>23,018.00</b>    | <b>-18.88</b> |
| <b>All Commodities</b>                               | <b>2,64,128.00</b>  | <b>2,28,249.00</b>  | <b>-13.58</b> |
| <b>% Share of T&amp;A</b>                            | <b>10.70</b>        | <b>10.10</b>        |               |

2. India's import of cotton and cotton waste during the period April-January 2020-21 were down by 75.21% from US\$ 1254.00 million in April-January 2019-20 to US\$ 311.00 million. Imports of textile yarn, fabrics and made-up articles, etc. were down by 31.64% from US\$ 1689.00million in April-January, 2019-20 to US\$ 1154.00million in April-January, 2020-21.

3. Some quick estimates of exports of textile products from the Country during the period August, 2020 to January, 2021 are as under:

Value in Rs. Crore

| Month      | Cotton Yarn, Fabric, Made-ups, etc. |       | MMF Yarn, Fabric, Made-ups, etc. |        | RMG of All Textiles |        |
|------------|-------------------------------------|-------|----------------------------------|--------|---------------------|--------|
|            | Value                               | %     | Value                            | %      | Value               | %      |
| August'20  | 6,187                               | -     | 2,260                            | -      | 8,093               | -      |
| September  | 6,847                               | 18.87 | 2,638                            | -6.38  | 8,745               | 13.54  |
| October    | 6,706                               | 10.32 | 2,625                            | -9.83  | 8,648               | 9.94   |
| November   | 6,452                               | 12.74 | 2,524                            | -7.61  | 7,743               | 2.64   |
| December   | 7,260                               | 14.07 | 2,799                            | -11.69 | 8,799               | -12.18 |
| January'21 | 7,117                               | 9.77  | 2,968                            | -7.35  | 9,473               | -8.48  |

The percentages are with reference to increase/decrease as compared to same month of the previous year.

4. According to Shri Ashwin Chandra, Chairman of Yarn Sub-Committee of Cotton Textile Export Promotion Council (TEXPROCIL), Bangladesh is the largest market for export from India in value terms. Cotton yarn exports during April-November, 2020 were recorded at 645 million Kgs. registering a marginal growth of 8% over the similar period of last year. China and Bangladesh alone account for 50% of yarn export quantity during this period, which clearly shows that there is a need for market

diversification. Markets such as Russia, South Korea, Vietnam, Turkey and a few of Central American Countries offer significant scope for increase of cotton yarn exports. He informed that yarn delivery situation is gradually improving and the present market conditions need to be understood in the right perspective.

5. Shri Nikunj Bagadia, Chairman, Fabrics Sub-Committee of TEXPROCIL is of the view that the quantum of export of value added fabrics is currently low from India and if it needs to improve, then the processing capacity needs to be increased in the Country. Small units are unable to comply with strict pollution norms. India needs to build processing clusters like China. There was 16% decline in export of cotton fabrics from India during the period January-October, 2020 over the same period of previous year. Export of cotton fabrics to US, South Korea, Sudan and Nigeria recorded a positive growth with the reason that China is vacating space in printing low end fabrics. Dyed fabrics accounted for approximately 50% of cotton fabric exports and rest are grey, printed and other finished fabrics. Demand for shirting fabrics decreased across the World, while the demand for home textiles increased during the lockdown.

6. In reply to a question in Lok Sabha on 12th February, 2021, Union Textile Minister gave quantum of State-wise exports of textiles and garments during last three years, which included the following information in respect of our State:

Value in US\$ Million.

|                 | 2017-18      | 2018-19      | 2019-20      |
|-----------------|--------------|--------------|--------------|
| Madhya Pradesh  | 1,175        | 1,234        | 1,112        |
| All India       | 35,722       | 36,557       | 33,379       |
| <b>MP Share</b> | <b>3.28%</b> | <b>3.37%</b> | <b>3.33%</b> |

## STATE OF THE INDUSTRY

1. The Index of Industrial Production (IIP) data for the month of December, 2020 released on 12th February, 2021 is as under:

| Items           | For the Month |           | Cumulative      |                 | % Growth        |
|-----------------|---------------|-----------|-----------------|-----------------|-----------------|
|                 | Dec. 2019     | Dec. 2020 | Apl-Dec 2019-20 | Apl-Dec 2020-21 | Apl-Dec 2020-21 |
| Textiles        | 123.5         | 114.6     | 116.5           | 82.5            | (-)29.2         |
| Wearing Apparel | 170.8         | 136.7     | 156.9           | 98.3            | (-)37.3         |

2. According to Shri T. Rajkumar, Chairman, Confederation of Indian Textile Industry (CITI), the announcement of setting up of seven Mega Textile Parks within three years will give a fillip to the textile and apparel exports. The Production Linked Incentive Scheme for MMF and Technical Textiles will also help the textile industry to become globally competitive, attract large investment and boost employment generation. To achieve the target of US\$ 350 billion from the current size of US\$ 167 billion, our manufacturing sector has to grow in double digit on sustained basis.

3. Shri Narendra Modi, Prime Minister of India, in a goodwill message to the Indian Textile Industry at the inaugural of Global Textiles Conclave 2021 organized by CITI on 24th February, 2021, stated "The Government has been taking comprehensive measures in an integrated manner focused on creating the right eco-system, enhancing Ease of Doing Business and capacity building through skill development. The contribution of textile sector is vital towards building an Atmanirbhar Bharat. The textile industry must continue to innovate as well as research extensively to enable it to tap new markets and deepen the niche in diversity,



manufacturing and design. The hard working textile workers and craftsmen enabled the textile industry to make an invaluable contribution towards meeting the requirements of cost effective PPE kits within the Country"

4. According to Ind-Ra report, cotton knitted fabrics production decreased marginally, though remained 22% year-on-year higher during November-December, 2020. Apparel exports declined in December, 2020 after recovering during September-November, 2020 on a year-on-year basis due to impact of second wave of Covid-19 in US and Europe. During November, 2020, viscose fibre production grew by 3%, but spun and texturized yarn production levels declined 8% and 1.3% respectively year-on-year. Domestic yarn production increased in January, 2021 led by a strong export and moderate domestic demand during December, 2020. However, yarn production was substantially lower on year-on-year basis.

5. Trident Group has submitted a proposal to the Hon'ble Chief Minister of the State on 8th February, 2021 of its plan to invest Rs.6,500 crore in next 2-3 years on setting up an agro based composite mill at Budhni, which will provide employment to about 15,000 people.

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I, M. C. Rawat, hereby declare that the particulars given are true to the best of my knowledge and belief.

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**M. C. Rawat  
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