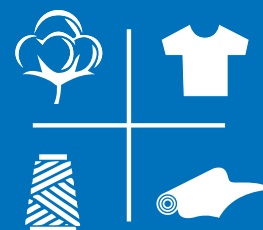


M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWS LETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION



Chairman :
Shri Akhilesh Rathi

Vice Chairman :
Shri Shreyeskar Chaudhary

Dy.Chairman :
Shri Subhash Jain
Shri Siddharth Agrawal

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ASSOCIATION NEWS

1. Our Member Mills are buying a large quantity of cotton from Maharashtra through Cotton Corporation of India (CCI) and MNCs like LDC. Of late due to Corona situation, Maharashtra State Government has put restrictions in movement of people and material in some districts like Akola, Khamgaon. There is even restriction in movement in intra districts too due to which cotton supplies from CCI warehouses in these areas have very badly affected and this interruption in cotton supplies may lead to temporary closure of some of our Member Mills, which will adversely affect regular employment of Workers and Country's economy too.

The Central and State Governments are assuring all help to keep manufacturing units working. It will be difficult to keep working continue till the regular supply of basic raw material is ensured. Under this circumstance, on 26th April, 2021, we requested the Textile Commissioner to intervene into this issue and request State/District Administration to allow movement of people and warehouse employees for timely delivery of cotton with due Covid protocol in those cotton growing / warehousing districts, so that industry may get cotton timely to continue its production.

2. We are highly thankful to the Ministry of Textiles and Hon'ble Minister for taking intensive efforts to keep this highly labour, power, capital and export oriented textile industry at continued pace during pandemic time of Covid-19. With the continued support, the textile and clothing industry was able to convert the challenges into opportunities during this bad phase by becoming the second largest manufacturers of PPEs in the World, which greatly helped India and remaining parts of the World to restrict the spread of Coronavirus, treat the patients and also protect the lives of the people. Textile and clothing industry was covered under the Essential Commodities Act till February, 2007 as the clothing being one of the basic needs of human being (even now Handloom value chain is covered under Essential Commodities Act) and also the textile industry being second largest employment provider, next to agriculture, predominantly providing jobs to the people below the poverty line, rural masses and women folks.

Technically, the manufacturing activities in each segment viz., spinning, weaving, knitting, processing and garmenting involve series of operation that have to work 24x7 to avoid wastage of material, damages of the machine part, etc. The continuous functioning of every segment is essential to consume the material produced by each segment. Therefore, on 28th April, 2021 we made a Representation to the Secretary, Ministry of Textiles to kindly recommend to include all the segments of textiles and clothing industry under Essential Services and under Continuous Process category of Industries.

3. On Monday the 10th May, 2021 from 5 PM to 7 PM a Webinar on Pradhan Mantri Kaushal Vikas Yojna 3.0 was arranged by our Association jointly with Confederation of Indian Textile Industry (CITI), Man-Made Textile Research Association (MANTRA) and Textile Skill Council (TSC),

which was addressed by Shri Akhilesh Rathi, Chairman, MPTMA; Shri Bharat C. Gandhi, Trustee, MANTRA; Shri S. K. Khandelia, Dy. Chairman, CITI; Dr. J. V. Rao, CEO, TSC; Dr. Swapna Mishra, Director, TSC; and Dr. Vijay Yadav, Director, TSC and attended by majority of Member Mills.



Shri Akhilesh Rathi
Chairman MPTMA



Shri Bharat T. Gandhi
CMD, Batson Textiles
and Trustee, Mantra



Shri S.K. Khandelia
Deputy Chairman, CITI
and Past President & CEO,
Sutlej Textile & Industries LTD.



Dr. J.V. Rao
CEO, TSC



Dr. S. Mishra
Director (ICST), TSC



Dr. Vijay Yadav
Director (Operation), TSC

4. On 4th June, 2021, we submitted to the Secretary, Ministry of Labour & Employment, Inputs and Suggestions on the Draft Rules issued vide Notification GSR 317E dated 4th May, 2021 proposed to be framed as the Industrial Relation (Central) Recognition of Negotiating Union Rules. The major suggestions made are as under:

- (i) The classification of grades and categories of workmen are not the matter of negotiation and such matter cannot be included in subject of negotiations.
- (ii) If the employer has passed the order in exercise of power under Standing Orders, then if union or workmen are aggrieved by the same, they can approach the tribunal for ventilation of their demand, the question of negotiation does not arise.
- (iii) Hours of work, number of working days, rest intervals, etc., are governed by Occupational Safety, Health and Working Conditions (OSH) Code and Industrial Relations Code and therefore, that cannot be a matter of negotiation.
- (iv) Leave with wages is governed by OSH Code and Industrial Relations Code.
- (v) It is a settled law that promotion is a management prerogative. In private employment the promotion is never considered as a matter of right.
- (vi) It is a settled law that quarter allotment is a management prerogative.
- (vii) We out rightly reject any idea of providing any furnished office to any union.

5. On 12th June, 2021 a Representation was sent to the Hon'ble Minister of Labour & Employment regarding the directives to seed Aadhaar with UANs before filing of ECR, but also to get such Aadhaar's verified with UIDAI database effective from 1st June, 2021, i.e., from the wage month of May, 2021. It was suggested that if the seeding is to be done compulsorily, then it shall be insisted upon while availing the benefit by the employee concerned, which will impact him only and such action will not impact the employer, who under the proposed rules, will get penalized on account of the omission by the employees.

6. Good Fashion Fund, the Fashion for Good initiated fund to drive sustainable manufacturing practices, has signed its first deal of \$ 4.5 million long-term loan with Pratibha Syntex Limited to support Pratibha Syntex's



planned capital expenditures for replacing machinery in the spinning, processing, and garmenting divisions, as well as provide new equipment for the expansion of their activities and facilities. This will lead to a significant reduction in water, energy and chemical usage.

"With the capital provided by the Good Fashion Fund, Pratibha Syntex can invest in securing a sustainable future for our processes which will have positive, compounded effects along the value chain. We are extremely pleased with the partnership and excited to continue on our journey for positive impact," said Shri Shreyaskar Chaudhary, Managing Director, Pratibha Syntex Limited (our Vice Chairman).

Our Congratulations.

7. On 8th April, 2021, Mohini Health & Hygiene Limited was awarded by the Chief Minister of the State for Outstanding Performance during 1st Phase of Covid-19 for production of PPE Kits, Sanitizers and N-95 Masks. They also exported these items to 27 Countries.

Our Congratulations.

8. At a function held on 18th June, 2021, the following of our Member Mills were awarded trophies by Cotton Textiles Export Promotion Council (TEXPROCIL) for their export performance during 2019-20:

Highest Global Exports: Group Companies: Vardhman Textiles Ltd. – Silver.

Processed Yarns: Nahar Spinning Mills Ltd. – Gold.

Yarn: Counts 50s and below: Nahar Spinning Mills Ltd. – Gold.

Highest Employment Generation (Overall): Vardhman Textiles Ltd. – Gold.

Highest Women Employment Generation: Vardhman Textiles Ltd. – Gold.

Our Congratulations.

9. Condolences:

Prayer Web-meetings to remember and pay tribute/condolences to:

Shri Atul Mittal, Executive Director, Pratibha Syntex Limited was held on Monday, the 24th May, 2021 at 5.00 P.M.

Shri R. S. Saluja, founder of SEL Manufacturing Co. Ltd., Metwara was held on 26th May, 2021, at 4.00 P.M.

RAW MATERIAL

1. The International Cotton Advisory Committee (ICAC) in its release of 17th June, 2021, projected World cotton supply and demand as under:-

Quantity in Million Tons

	2019-20	2020-21	2021-22
Beginning Stock	19.32	22.36	20.99
Production	26.14	24.22	25.59
Supply	45.46	46.58	46.58
Consumption	22.75	25.59	25.80
Exports	9.03	10.09	10.01
Ending Stock	22.35	20.98	20.77

2. The Cotton Association of India (CAI) in its estimate of cotton crop for 2020-21 released on 15th June, 2021, has put its production estimate to 356.00 lakh bales (as against 360.00 lakh bales estimated by Committee on Cotton Production & Consumption (CoCPC) on 30th April, 2021). The Association has estimated Mill consumption at 282.00 lakh bales, SSI consumption at 25.00 lakh bales and Non-mill use at 18.00 lakh bales (total 325.00 lakh bales) as against total consumption of 303.00 lakh bales estimated by the CoCPC. The comparative statement of cotton production in various States is as under:



Quantity in Lakh Bales

State	CoCPC	CAI	Arrivals till 31.05.2021
Punjab	11.00	10.50	10.25
Haryana	22.50	22.50	21.85
Rajasthan	32.00	32.50	31.81
Gujarat	90.00	96.00	89.68
Maharashtra	84.00	80.00	78.21
Madhya Pradesh	18.00	18.00	17.77
Telangana	51.00	45.00	43.50
Andhra Pradesh	17.00	16.00	15.23
Karnataka	22.00	23.50	22.78
Tamil Nadu	6.00	7.00	4.15
Odisha	4.50	3.00	2.96
Others	2.00	2.00	2.00
Total	360.00	356.00	340.19

3. The Central Government has revised the Minimum Support Price (MSP) of Cotton for the cotton season 2021-22. The comparative statement of MSP for season 2020-21 and 2021-22 is as under:

	2020-21	2021-22
Cotton Medium Staple	Rs.5515	Rs.5726
Cotton Long Staple	Rs.5825	Rs.6025

POWER

1. Madhya Pradesh Electricity Regulatory Commission has notified tariff applicable from 8th July, 2021, Although there is no change in rates but off peak period rebate for the period April - October has been reduced from 20% to 10%.

2. For the billing period July - Sept, 2021, FCA Charges have been fixed at (-) 20 paise/unit.

3. The Draft of Madhya Pradesh Electricity Regulatory Commission (Recovery of Expenses and other Charges for providing Electric Line or Plant used for the purpose of Giving Supply) (Revision-II) Regulations, 2021". {RG-31(II) of 2021} has been issued by Madhya Pradesh Electricity Regulatory Commission on 5th June, 2021. The comments/objections on the Draft are required to be submitted by stakeholders to MPERC by 5th July, 2021. The public in the matter will also be held the next day.

4. The Ministry of Central Electricity Regulatory Commission has issued a Notification No. L-1/257/2020 CERC dated 15th February, 2021, thereby notifying Central Electricity Regulatory Commission (Power Market) Regulations, 2021, which shall come into force from the date to be separately notified by the Commission.



MAN POWER

1. The State Government has issued Gazette Notification on 12th April, 2021 notifying Draft Industrial Relations Rules inviting suggestion/comments from the stakeholders within one month from the date of publication, i.e., by 11th May, 2021.

2. On 28th April, 2021, a Notification issued by the Ministry of Labour & Employment has made following amendments to Deposit Linked Insurance Rules:

(a) Amount of maximum benefit has been increased from Rs. 6.00 lakhs to Rs. 7.00 lakhs to the family members of deceased employee.

(b) Minimum assurance benefit of Rs. 2.50 lakh to eligible family members of deceased employee, who was a member for a continuous period of 12 months in one or more establishments





preceding his death in place of existing provision of continuous employment in the same establishment for 12 months. It will benefit contractual/casual labourers, who were losing out on benefits due to condition of continuous one year in one establishment.

(c) Restoration of provision of minimum Rs. 2.50 lakh compensation retrospectively, i.e., from 15th February, 2020.

3. The Ministry of Labour & Employment has Notified on 3rd June, 2021, Draft of Code on Social Security Employees Compensation Rules inviting suggestions/comments on the same within 45 days of publication. These Draft Rules incorporate:

- (i) Employee's Compensation Rules, 1924;
- (ii) Employee's Compensation (Transfer of Money) Rules, 1935; and
- (iii) Employee's Compensation (Venue of Proceedings) Rules, 1996.

4. Employees Provident Fund Organisation (EPFO) extended by Circular No. WSU/15(1)2019/ATR/529 dated 15th June, 2021, time limit for of Mandatory seeding of Aadhaar Number for filing of ECR to 1st September, 2021.

5. The Employees State Insurance Corporation (ESIC) issued Circular No. P-11/14/11/Rules/2020-BFt II dated 20th May, 2021, regarding implementation of Section 142 of the Code on Social Security w.e.f. 3rd May, 2021.

6. On 3rd June, 2021, ESI Corporation has notified ESIC-Covid-19 Relief Scheme, which provides for pension to the spouse/children of the insured person, who died due to Covid-19. The Scheme will be valid for two years from 24th March, 2020.

LEGAL & TAXATION

1. The Central Board of Indirect Taxes & Customs issued Notification No. 23/2021-Customs (ADD) dated 20th April, 2021 imposing anti-dumping duty on imports of Nylon Filament Yarn originated in or exported from Vietnam and European Union, to exclude goods of certain specification from the scope of the anti-dumping duty.

2. Department of Revenue has issued an Office Memorandum stating that Central Government has decided not to impose the anti-dumping duty on viscose spun yarn (VSY) from China PR, Indonesia and Vietnam.

3. As per Director General of Foreign Trade (DGFT) Public Notice No. 3/2015-2020 dated 30th April, 2021, the fee per Certificate has been enhanced from Rs.100/- to Rs.200/- by amending Para 2.108 (c) (iv) of Handbook of Procedure, 2015-20.

4. The time limit for users drawing ground water have been extended to 31st March, 2022 as per Public Notice dated 17th June, 2021 from Department of Water Resources, River Development & Ganga Rejuvenation Central Ground Water Authority.

5. On 20th May, 2021, the Income Tax Department has extended due date for filing various Return under the Income Tax Act. Some of the important of these are:

- (a) Furnishing of Report of Audit under any provision of the Act for the Previous Year 2020-21, which is 30th September, 2021, is extended to 31st October, 2021;
- (b) Furnishing of Return of Income for the Assessment Year 2021-22, which is 31st October, 2021 under sub-section (1) of Section 139 of the Act, is extended to 30th November, 2021;
- (c) Furnishing of Return of Income for the Assessment Year 2021-22, which is 30th November, 2021 under sub-section (1) of Section 139 of the Act, is extended to 31st December, 2021.

6. Land and Building Management Rules, 2021 have been issued by the Micro, Small and Medium Enterprises Department of the State on 8th June, 2021.

7. As per the judgment passed by the Supreme Court in the matter of UPPTCL vs CG Power and Industrial Solutions regarding the levy of

Cess amount under BOCW Act, BOCW Cess is not leviable on the supply of equipment. While discussing some landmark Supreme Court decisions, it was observed that the object of the Act was the welfare of workers engaged in building and construction work, and the clear statutory scheme of the Act excludes a supply contract from within its ambit. The charging section provides for the levy and collection of Cess at such rate not exceeding 2% of the cost of construction incurred by the employer.

The condition precedent for the levying BOCW Cess under the Act was construction, repair, demolition or maintenance. Mere installation or erection, which did not involve construction work, was not amenable to BOCW Cess.

8. The Supreme Court came hard on GST (Goods & Services Tax) Department by terming provisional attachment under law as 'draconian'.

"The power to order a provisional attachment of the property of the taxable person including a bank account is draconian in nature and the conditions, which are prescribed by the statute for a valid exercise of the power must be strictly fulfilled," a Division Bench of justices Dhananjaya Y. Chandrachud and M. R. Shah said in its ruling, while setting aside the orders of provisional attachment dated 28th October, 2020 in the matter of Radhe Krishan Industries. The company moved the apex court against the ruling of a Division Bench of the High Court of Himachal Pradesh on 1st January, 2021. The High Court dismissed the writ petition instituted under Article 226 of the Constitution challenging orders of provisional attachment on the ground that an alternate remedy is available. While dismissing the writ petition on grounds of maintainability, the High Court was of the view that the appellant had an 'alternative and efficacious remedy' of an appeal under State GST law.

9. The Hon'ble Madras High Court in M/s. D. Y. Beathel Enterprises vs. the State Tax Officer [W.P. (MD) Nos. 2127, 2117, 2121, 2152, 2159, 2160, 2168, 2177, 2500, 2530, 2532, 2534, 2538, 2539, 2540, 2503 & 2504 of 2021 & Ors., dated 24th February, 2021, quashed the order passed by the officer levying the entire tax liability on the purchasing dealer without involving the seller, where the payment of tax has been made by the purchasing dealer, but the same has not been remitted to the Government by the Seller. Held that, the omission on the part of the Seller to remit the tax should have been viewed very seriously and strict action ought to have been initiated against the seller.

EXPORT & IMPORT

1. As per Cotton Textile Export Promotion Council's (TEXPROCIL) quick estimates, textile exports reached a level of US\$ 29,453 million in financial year 2020-21 marking a reduction of 12.99% against the corresponding year 2019-20, wherein exports were valued at US \$ 33,851 million. However, textile exports during the period 2020-21 have shown a decline of 9.26% in Rupee terms reaching a level of Rs.2,17,597 crore over the previous year with exports of Rs. 2,39,810 crore in 2019-20. The details of commodity-wise exports are as under:



Value in US\$ Million

Particulars	2019-20	2020-21	% Change
Cotton Yarn/Fabrics/ Made-ups, etc.	10,028	9,815	-2.12
MMYarn/Fabrics/ Made-ups, etc.	4,821	3,799	-21.20
RMG of all Textiles	15,488	12,270	-20.78
Jute Manufacturing	343	371	8.29
Carpets	1,373	1,489	8.39
Handicrafts	1,798	1,709	-4.9
Total Textiles	18,363	17,183	-6.43
Apparel	15,488	12,270	-20.78
Textiles & Apparel	33,851	29,453	-12.99
All Commodities	3,13,361	2,90,626	-7.26
% of T&C to total	10.86	10.1	

The imports of textiles, yarn, fabric and made-ups during 2020-21 were down by 21.95% as compared to imports in 2019-20, details of which are as under:

Value in US\$ Million

Particulars	2019 -20	2020-21	% Change
Cotton Raw & Waste	1,328	385	-71.3
Textile Yarn/Fabrics/ Made-ups, etc.	1,922	1,500	-21.95

2. As per Confederation of Indian Textile Industry (CITI) analysis of Exports/Imports during April-May, 2021 is as under:

Value in US\$ Million

Exports	April-May 2020	April-May 2021	% Change
Cotton Yarn/Fabrics/ Made-ups, etc.	612.99	2169.92	253.99%
MMYarn/Fabrics/ Made-ups, etc.	228.60	835.30	265.40%
Jute Manufacturing including Floor Covering.	12.01	72.50	503.66%
Carpets	75.79	268.82	254.69%
Handicrafts excl. handmade carpets	61.41	304.69	396.16%
Textiles	990.80	3651.23	268.51%
Apparel	642.94	2404.00	273.91%
Textiles & Apparel	1633.74	6055.23	270.64%
All Commodities	29410.60	62893.90	113.85%
% of T&C to total	5.55	9.63	

Imports	Apr-May 2020	Apr-May 2021	% Change
Cotton Raw & Waste	70.76	86.67	22.48
Textile Yarn/Fabrics/ Made-ups, etc.	162.19	296.13	82.58

3. Exporters are facing a huge uncertainty in quoting prices to their overseas buyers as they are unable to do a competitive costing of their export products in the absence of the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme Rates. The RoDTEP Rates, therefore, should be notified at the earliest, urged Shri Manoj Patodia, Chairman, Cotton Textiles Export Promotion Council (TEXPROCIL).

4. Shri Dhiraj Raichand Shah, has taken over as Chairman of The Synthetic & Rayon Textiles Export Council (SRTEPC) and Shri Manoj Patodia as Chairman of Cotton Textile Export Promotion Council (TEXPROCIL).

STATE OF THE INDUSTRY

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

Items	For the Month		Cumulative		% Growth
	April 2020	April 2021	Apl-Mar 2019-20	Apl-Mar 2020-21	Apl-Mar 2020-21
Textiles	11.0	113.2	115.7	90.7	(-)21.6
Wearing Apparel	9.7	136.1	154.6	108.6	(-)29.8

2. The Union Textile Minister said the Production-Linked Incentive (PLI) Scheme for the textile industry was almost ready but the National Textile Policy was taking time as labour and agriculture reforms were earlier being awaited and now the policy needed to strike a balance between Government's allocation of resources and the industry's preparedness to take that allocation and convert it into opportunity



3. Federation of Indian Chambers of Commerce & Industry (FICCI) has recommended Methodology for Calculation of Interest be altered. Inputs on methodology for calculation of the amount to be refunded/adjusted charged as interest on interest/ compound interest/penal interest by Bank/FIs for the moratorium period:

(1) Any amount debited to borrowers account and credited to Interest Income of the Bank/FI should be considered as interest.

(2) All Banks and Financial Institutions should follow the same procedure for calculation of refund.

(3) The RBI Circular clearly states that the relief would be applicable to all borrowers including those who have availed working capital facility during the moratorium period irrespective, whether moratorium has been partially or fully utilised..

4. Shri Upendra Prasad Singh, Secretary, Ministry of Textiles has stated, "Waste-water management is critical for survival of the textile industry in India and not a subject of charity. It is the responsibility of all stakeholders including the Government, textile bodies and industries to invest in green technologies that conserve water. There is enough knowledge on the supply side of water and wastewater management but not on the demand side. Efficient water and wastewater management can help suppliers/buyers engage brands/consumers."

5. The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) has called upon the Prime Minister, Shri Narendra Modi, for announcement of a special package for growth of the Man-made Fibre Textiles sector, in view of the recurrence of the Covid-19 pandemic and severe impact of the second wave on the MMF textile segment. The estimated exports of Man-made fibre textiles during 2020-21 show a decline of 19% as compared to 2019-20. Exports of all the four segments of Man-made fibre textiles have witnessed decline, such as fibre -28%, yarn -15%, fabrics -18% and made-ups -23%, he told.

6. 2020-21 is likely to be known as a year of transformation in the history of Indian textile industry. As per Wazir Advisors Report, in this year the value of domestic textile and apparel industry fell almost 30 per cent from \$ 106 billion in 2019-20 to \$ 75 billion in 2020-21. The industry is slowly recovering and is expected to grow at 10% CAGR to reach \$ 190 billion by 2025-26. India currently exports textiles and apparels worth US\$ 28.4 billion. A 15% decline in exports, since 2019-20. However, exports are expected to recover soon and grow at 11% CAGR to reach US\$ 65 billion by 2025-26.

7. Jabalpur, in Madhya Pradesh has set up a Ready Made Garment and Hosiery Manufacturing Cluster, as part of the Central Government's ODOP Scheme. The Cluster, spread over 8 acres, is coming up with an investment of Rs 60.75 crore, funded by the Government. With this cluster, the RMG manufacturing business scattered across the town will now come under one roof. According to Government officials, the cluster will create direct and indirect employment for around 35,000 people. The cluster is expected to be fully operational by 31st March, 2022. Around 200 units will be set up in this cluster, of which 80 units have already begun operations.