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INDEPENDENCE DAY GREETINGS TO ALL OUR READERS

ASSOCIATION NEWS

1. Textiles & Apparel Industry is to reduce dependency on China. The US and EU biggest markets of the textiles are now more stringent on rules, regulations, social compliances, which is another reason for the reduced share of China in view of not abiding by the led regulations. Certifications for the originality and tracking of raw material sources are mandate practiced by global brands. Though China's economy of scale and their policy of investment in other countries is the challenging factor in beating its number one position. However, India can rise to its full potential and very well reduce the gap and be a competitor number. We can easily drag more share into our pocket with a broad vision for the entire value chain of textiles and apparel industry.

Some of the guidelines for better mileage generation in line with our vision are :

- To have a global market focus strategy.
- Playing to our strength by mapping target destination countries –
 - a) Raw material and resource availability.
 - b) Focus sectors for exponential growth.
- Focus to organize the domestic market -
 - a) Avoid dumping of imported products.
 - b) Elimination of loopholes in the duty structure.
 - c) Educating the manufacturers with legal frame work.
 - d) Adhering to international norms and regulations.
- Necessity for modernization and developing World-class infrastructure to-
 - a) Reduce operating cost in terms of power and utility cost reduction by adopting new technologies
 - b) Using Renewable sources of energy to take care of environment and follow environment friendly culture.
- Developing policy to help the producers and create benefits for exporters to compete effectively in the international market.
- Boost sectors coming up with finished products for domestic as well as international markets.
- Promotion of marketing development -
 - a) Participation in International Exhibitions with aggressive Brand India.
 - b) Product portfolio development and marketing channel development.

c) Support for international marketing activities.

- Cost controls on raw materials to adhere to the international pricing policy.
- Product developments especially in technical textiles -
 - a) Our sudden entry in medical textiles show cases the vast capability of India. However, a more focus on quality is the necessity to continue the success.
 - b) Focus on replacement of products especially for producing products through non-conventional technology to encash on the economy of scale.
 - c) New outlooks for products, for e.g., traditional items to be replaced with non woven disposable innovative items and also in line with hygiene necessity for hospitality industry.

(Courtesy-Tecoya Trend)

2. Pratibha Syntex Ltd., is going for massive expansion as the Company is investing around Rs. 110 crore. All planning has been finalized in this regard. In long run, this project is expected to create around 4,000 jobs.

Shri Nitin Seth, COO of the Company told, "We are looking at a mix of increasing business with existing buyers and adding new customers to fill our new units."

3. At the 4th Confederation of Indian Industry National Kaizen Circle Competition-2021, Vardhman Fabrics won the following Awards:

-Best Innovative Kaizen for Quality.

-1st Runner up in Best Kaizen Utility & Energy Management.

Our Congratulations.

RAW MATERIAL

1. There is concern over the increasing cotton prices since January, 2021 and the skyrocketing of the cotton costs during the current month. The recent hike in price of Rs. 3,800 per candy (355 kgs) of cotton within 15 days by Cotton Corporation of India (CCI) and 10% import duty on cotton has enabled the trade increase prices abnormally and such hikes are a severe blow to the entire cotton textile value chain. CCI has increased the price from Rs. 51,000 to Rs. 54,800 per candy since the start of July, 2021, which has helped fueling the market.

2. India's cotton ending stocks could be lower than 75 lakh bales (170 kg. each) in the current season to September, 2021 as domestic demand has picked up. But some estimates are pegging them higher than 100 lakh bales against a record 120-plus lakh bales last season. "Cotton closing stocks could be 70-80 lakh bales, but they will not definitely be as high as last year," said Cotton Corporation of India Ltd. (CCI) Chairman-cum-Managing Director, Shri Pradeep Kumar Agarwal. Cotton output for 2020-21 revised downwards to 356 lakh bales "Cotton consumption seems to be increasing. However, we go by the figures put out by the Committee on Cotton Production and Consumption (CoCPC) in the last meeting".



3. The Memorandum of Understanding (MoU) is going to facilitate a Government to Government cotton transactions between India and Bangladesh. This Memorandum will be signed soon and will be handled by Cotton Corporation of India Limited (CCI). The MoU was scheduled to be signed during Prime Minister's visit to Bangladesh this year. But, due to elections in various States, it could not be signed. Bangladesh forms a good market for Indian cotton; it imports 20 to 30 lakh (each weighing around 120 kgs) bales per year. This is the first time that CCI is trying to enter the export market directly.



4. The global fibre production and consumption trends are dominated by the Man-made fibres. The global fibre production ratio between MMF and natural fibres is 70:30, whereas in India it is opposite. There is tremendous opportunity in the MMF segment and India should tap this in right time, Shri Bhadrash M. Dodhia, Vice-Chairman, Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) opined and mentioned that sustainable textiles are the future for the textile sector and Government needs to encourage this segment as well. Union Textile Minister Shri Piyush Goyal, appreciated the innovative products developed from PET bottles and directed the Council to forward a detailed technical note on the scope and prospects of the sustainable textiles and the support required from the Government.

5. Across the Country, agricultural waste is managed largely by burning, which causes unintended environmental damage, it was stated by Ms. Shikha Shah, founder and CEO of Altmatt, a Company that makes fibres, yarn and fabrics from agri and food residues. Agricultural residues like banana stems, pineapple leaves, orange peels, corn husks, fish scales and lotus stems are increasingly being used in the textile industry.

While eco textiles are sustainable, use of agri-residues is also offering an extra income to farmers in rural India, who generate over 500 million tons of agricultural and agro-industrial residues every year.

6. In India in 2019-20, 164,677 farmers grew 124,244 tons of organic cotton fibre on 285,196 hectares. Compared to the previous year, this represents a 1.3% fall in farmer numbers, a 1.3% growth in fibre volume, and a 5.8% decrease in land area, according to the 2021 Organic Cotton Market Report released by US-based Textile Exchange (TE). The above growth mirrors the overall trend in organic agriculture in India, where there was a 19% growth in organic farming certification.

Madhya Pradesh, which stood first in organic cotton production in India is now at second position.

POWER

1. The Madhya Pradesh Electricity Regulatory Commission (MPERC) has issued on 15th July, 2021 Second Amendment to Security Deposit Regulations. In case of permanent disconnection or reduction of demand or termination of agreement security deposit will be refunded within seven days of completion of formalities. In case of delay beyond seven days, interest @ 1% over and above the prevailing Bank rate shall be payable to the consumer by the licensee.



2. Union Power Minister Shri R. K. Singh said on 16th July, 2021 that losses of power Distribution Companies (DISCOMs) were down 38% on year at around Rs 38,000 crore in financial year 2019-20. The losses had surged 83% annually to Rs 61,360 crore in 2018-19, mainly due to delayed subsidy disbursement by State Governments, inefficient billing and tariff collection and inadequate tariff hikes. According to the 2019-20 DISCOMs rating list released by the Government, DISCOMs in Gujarat, Haryana, Punjab and Maharashtra were ranked among the best with A or A+ rating, while DISCOMs in Tamil Nadu, Rajasthan, Telangana, Assam, Uttar Pradesh and Madhya Pradesh got the lowest rankings of C and C+. State-run Power Finance Corporation (PFC) is the nodal agency for conducting the ranking exercise every year.

MAN POWER

1. As per reports, all the four Labour Codes – Code on Wages, Industrial Relations, Social Security and Occupational Safety & Health – will be implemented by the Government at one go. The Labour Ministry is considering fine-tuning some contentious provisions and rules concerning the four Labour Codes passed by Parliament recently, in order to ensure that these reformist laws take effect from 1st October, 2021 throughout the Country.



2. As per reports, the Government will soon revise the wage rate index and change its base year to 2019 from 1965. The revised index will capture the impact of inflation on wages and form the basis for determining the statutory National Floor Level Minimum Wage.

LEGAL & TAXATION

1. Finance Ministry has declined the demand of the industry to withdraw import duty on cotton saying the move was aimed at benefitting domestic producers, but garment manufacturers have argued that the decision has made export of high-quality clothing uncompetitive in the international market.



2. The Centre has begun a comprehensive review of the Goods and Services Tax (GST) law, as well as various Rules pertaining to the levy, to provide clarity on issues that have cropped up since it was rolled out in July, 2017. The review is aimed at clearing the air on issues such as whether services provided by back offices of multinational companies in India qualify as exports, which are zero-rated and therefore don't face tax.

EXPORT & IMPORT

1. Confederation of Indian Textile Industry's (CITI) Analysis of Exports/Imports during April-June, 2021 is as under:

Value in US\$ Million

Exports	April-June 2020	April-June 2021	% Change
Cotton Yarn/Fabrics/ Made-ups, etc.	1,374.37	3,364.35	144.79
MMYarn/Fabrics/ Made-ups, etc.	475.62	1,285.18	170.00
Jute Mfg. Including Floor Covering	35.50	106.69	199.69
Carpets	178.33	411.85	130.95
Handicrafts Excluding Handmade Carpets	166.26	467.31	181.07
Textiles	2,230.18	5,634.38	152.64
Apparel	1,446.31	3,405.56	135.47
Textiles & Apparel	3,676.49	9,039.94	145.89
All Commodities	51,318.15	95,391.59	85.88
% of T&C to total	7.16	9.48	



Value in US\$ Million

Imports	Aprl-June 2020	Aprl-June 2021	% Change
Cotton Raw & Waste	103.99	155.42	49.46
Textile Yarn/Fabrics/ Made-ups, etc.	217.81	442.2	103.02

2. According to Shri T. Rajkumar, Chairman, Confederation of Indian Textile Industry (CITI), the Indian textile industry is looking to tap the opportunity arising out of the US ban on cotton imports from a Chinese quasi-military organisation, which is allegedly using forced labour of Uighur Muslims.



"According to available data, China enjoys a 24% share in the US textile fabrics market, 40% in yarn market and 36% share in clothing. Compared to this, India's share is 9.42%, 13.83% and 4.38% respectively. In 2018, China made up nearly 35% of textile and clothing imports by the US compared with India's share of 7.11%. India's total T&A exports to World stood at US\$ 30.9 billion in 2020-21, out of which about 52%, i.e., US\$ 16.1 billion was cotton based as shown below:

India's Exports of Cotton Based T&A to World

Value in US\$ Million

	2019-20	2020-21	% Change
Fibre	1,057.3	1,897.2	79
Yarn	2,774.3	2,806.7	1
Fabric	2,175.3	1,945.0	(-)11
Apparel	8,309.1	6,148.4	(-)26
Home Textiles	3,030.5	3,130.8	3
Others	273.3	243.8	(-)11
Total Cotton Textiles	17,619.8	16,171.9	(-)8
Total T&A to World	34,221.6	30,898.6	(-)10
% of Cotton in Total T&A	51	52	

Out of US\$ 16.1 billion total cotton-based T&A exports to World about 25%, i.e., US\$ 4.0 billion is exported to USA during 2020-21.

India's Exports of T&A to USA declined by 3% during 2020-21 to reach US\$ 8.0 billion as compared to US\$ 8.3 billion in 2019-20. Cotton based T&A exports to USA have a share of about 50% in India's total T&A exports to USA. India's Exports of Cotton based T&A to USA declined by 8% during 2020-21 to reach US\$ 4.0 billion as compared to US\$ 4.3 billion in 2019-20.

3. The Commerce Ministry on 16th July, 2021, sought suggestions from stakeholders, including industry and trade associations, for the formulation of the next Foreign Trade Policy (FTP 2021-26). Directorate General of Foreign Trade (DGFT) in a Trade Notice said a Google form has been created to collate, analyse and process the suggestions/inputs.

4. The share of the textile sector in the total Indian merchandise exports declined from 24% in 2001 to 11% in 2020. Cotton yarn contribution in Indian export basket declined during the same period from 2% to approximately 1%, and Ready Made Garments (RMG) share of exports declined from 11% to 4%. As per a CRISIL report, lack of Free Trade Agreements (FTAs) and significant improvement in peer competitiveness are the main causes for this dip. The report points out that textile is important to India's \$313 billion merchandise exports, as it accounts for 11% of the pie.

5. The Union Cabinet chaired by the Prime Minister has given its approval for continuation of Rebate of State and Central Taxes & Levies (RoSCTL) with the same rates as notified by Ministry of Textiles vide Notification dated 8th March, 2019, on exports of Apparel/Garments (Chapters-61 & 62) and Made-ups (Chapter-63) in exclusion from Remission of Duties & Taxes on Exported Products (RoDTEP) Scheme for these chapters. The Scheme will continue till 31st March, 2024. The other textiles products (excluding Chapters-61, 62 & 63), which are not covered under the RoSCTL shall be eligible to avail the benefits, under RoDTEP along with other products as finalized by Department of Commerce from the dates, which shall be notified in this regard. Continuation of RoSCTL for Apparel/Garments and Made-ups is expected to make these products globally competitively rebating all embedded taxes/levies, which are currently not being rebated

under any other mechanism.

6. The Directorate General of Foreign Trade (DGFT) stated in a Trade Notice dated 8th July, 2021 that benefits under the Merchandise Exports from India Scheme, Service Export from India Scheme, Rebate of State and Central Taxes and Levies, and Rebate of State Levies have been "put on hold for a temporary period". "During this period, no fresh applications would be allowed to be submitted at the online IT module of DGFT for these Schemes and all submitted applications pending for issuance of scrips would also be on hold". It said that trade would be informed once issuance is opened once again. This suspension will create uncertainty with respect to these benefits for the exporters and may also impact their cash flows.

STATE OF THE INDUSTRY

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

Items	For the Month		Cumulative		% Growth
	May 2020	May 2021	Apr-May 2020-21	Apr-May 2021-22	Apr-May 2021-22
Textiles	40.2	106.6	25.6	110.7	332.4
Wearing Apparel	62.6	120.4	36.2	127.3	251.7

2. Shri Piyush Goyal, Union Textile Minister, held an in-depth review of initiatives undertaken by Ministry of Textiles for giving a boost to the textiles sector. Shri V. K. Singh, Secretary, made a detailed presentation giving an overview of the entire Textiles Sector. The Minister was



briefed about the broad contours of Indian Textiles Sector. It was informed that Textiles, which is one of the oldest industries in India, dating back several centuries contributes 2.3% to Indian GDP, 7% of the Industrial Output, 12% to the export earnings of India and employs more than 45 million persons (direct), which is 21% of total employment. India is the 6th largest producer of Technical Textiles with 6% Global Share (12% CAGR), largest producer of cotton and jute in the World. Cotton production supports 5.8 million farmers and 40-50 million people in allied sectors. India is also the second largest producer of silk in the World and 95% of the World's hand woven fabric comes from India.

3. As per reports, Shri Piyush Goyal, the Union Textiles Minister, has set an ambitious target of scaling up the industry's capacity by 10 times, amid indications that the Government is planning more steps to boost investment and employment in the sector.

Shri Goyal has not given a time frame, but he wants the team of Officers in the Ministry to prepare a detailed action plan for each segment — ranging from fibres and garments to handloom and handicraft — along with the deadline. Man-made fibre along with technical textiles and handloom have been identified as key thrust areas. Currently, the size of the textile industry is estimated at around \$140 billion (over Rs. 10 lakh crore), with apparel accounting for over half the share.

4. Shri Piyush Goyal made a maiden visit to Textile Commissioner's office. During the course of his interaction, the Minister emphasized the need for close liaisoning and co-ordination between the Government agencies and the local elected representatives for making a congenial atmosphere in implementing the various Government initiatives. He opined that the applications received under subsidy-oriented schemes should be processed in a transparent manner using automation keeping in view the broad objective of each scheme and necessary mechanism should be devised so that personal contact of industry and Department can be eliminated and standardized process free discretion. He also suggested that formats for submission of Statutory Returns from industry may be simplified.

5. Grasim Industries Limited, Nagda Unit, is leading the way with the Viscose Staple Fibre business being the lowest water consumer globally. At Grasim, the three R (Reduce, Recycle and Reuse) principles have been

effectively applied for protecting and conserving water, which has resulted in significant reduction in fresh water intake of its fiber production units. Excellence in water management practices are integral to Grasim's clean up and recycle the waste water. For this, Grasim has adopted State of the Art novel technologies, such as membrane processes, which could clean up and recycle the wastewater.

6. Century Yarn and Century Denim Units of the Century Mills situated at Satrati, Dist. Khargone, which were classified as 'Discontinued Operations' since October, 2017 have been sold and transferred to Manjeet Global Private Limited and Manjeet Cotton Private Limited respectively for consideration of Rs. 62 crore for both the units, i.e., Rs. 16 crore towards sale of Century Yarn and Rs. 46 crore towards sale of Century Denim. The Company had offered VRS to the employees/workers on the payroll of the units and has paid compensation and other dues to the remaining workers in accordance with law.

7. One leading garment manufacturing industry has recently taken a raw land in Ujjain, while another textile giant has also finalized a deal for an undeveloped land in Ujjain. Best Life Style Apparel Company from Tirupur will setup a garment unit on 16 acres of land in Nagjhirir with investment of Rs. 80 crore and would provide employment to 4,000 persons. Bhoomi poojan was performed on Sunday, the 11th July, 2021.

8. Representatives of Burhanpur Textiles Private Limited, a Burhanpur based textile manufacturing company, met Chief Minister Shri Shivraj Singh Chouhan at Mantralaya. They handed over an investment proposal to set up a textile project in Burhanpur with an investment of about Rs. 300 crore and employment of 1000 people. The Company has nine units working in Burhanpur with a turnover of more than Rs. 221 crore in the financial year 2020-21. 1000 people will get employment..

TEXTILES IN PARLIAMENT

The following replies were given in the Lok Sabha/Rajya Sabha by the Minister of State for Textiles to questions raised by various Members of Parliament:



1. To address the shortage of skilled workers in the Textile sector, Government has launched Scheme for Capacity Building in Textile Sector (SCBTS) to provide demand-driven, placement oriented skilling programme. It incentivizes the efforts of the industry in creating jobs. The Scheme sets a target to train 10 lakh persons.

2. Yarn Supply Scheme (YSS) is being implemented through out the Country through National Handloom Development Corporation to make available all types of yarn at Mill Gate Price. Under the Scheme, freight charges are reimbursed for all types of yarn and component of 10% price subsidy also exists on hank yarn, which is available for cotton, domestic silk, wool and linen yarn with quantity caps. As per the 3rd party Evaluation Study of the implementation of Yarn Supply Scheme:

i. YSS has been acknowledged as a successful Scheme, it helped to increase overall production of handloom.

ii. Reduced cost of good quality raw material and transport subsidies have helped weavers to a large extent to sell their product at a competitive price.

iii. The Scheme provides good quality yarn at lower prices than the open market at the weaver door steps.

3. With a view to catalyze technology upgradation and modernization in textile industry in the Country to make it globally competitive, Ministry of Textiles is implementing Technology Upgradation Fund Scheme (TUFS) since 1999. The ongoing version of the Scheme, i.e., Amended TUFS (ATUFS) launched in January, 2016 aims to augment investment, productivity, quality, employment, exports along with import substitution. One time Capital Investment Subsidy (CIS) is provided under ATUFS for eligible investment on benchmark machinery.

4. The Government has approved Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) for all export goods, excluding

garments and made-ups with effect from 1st January, 2021 to boost exports and for making them globally competitive. Under this Scheme, embedded Central, State and local duties/taxes are refunded to the exporters. On 14th July, 2021, the Government has decided to continue Rebate of State and Central Taxes and Levies (RoSCTL) Scheme w.e.f 1st January, 2021 till 31st March, 2024 for textile exporters of Apparel/Garments (Chapters-61&62) and Made-ups (Chapter-63) in exclusion from RoDTEP scheme for these chapters.

5. Several measures have been taken by Government to promote export of Indian textiles. Some of the important measures are outlined below:-

i. Government launched special package of Rs. 6,000 crore for Textile and Apparel sector in June, 2016 to boost employment and export potential in apparel and made-ups segments. Package also consisted of the Remission of State Levies (RoSL) Scheme till 6th March, 2021.

ii. The RoSL Scheme was replaced by Rebate of State and Central Taxes and Levies (RoSCTL) with effect from 7th March, 2019 to 31st March, 2020.

iii. On 14th January, 2020, Rs. 600 crore was allocated for issuing scrips for special one-time ad-hoc incentive of upto 1% of FoB value provided for exports of apparel and made-ups to offset the difference between RoSCTL and RoSL + Merchandise Exports from India Scheme (MEIS) @ 4% from 17th March, 2019 to 31st December, 2019.

iv. On 14th July, 2021, Government has decided to continue RoSCTL Scheme till 31st March, 2024.

6. In cotton season 2019-20 (October, 2019 to September, 2020), Cotton Corporation of India (CCI) opened 423 procurement centre in 12 cotton growing States to safeguard the cotton farmers from distress sales. During Global Pandemic, CCI procured 20.72 lakh bales valuing Rs. 5615 crore from 4 lakh cotton farmers. CCI disbursed an amount of Rs. 26,700 crores to around 19 lakh cotton farmers.

7. To achieve the desired success in the Scheme for Integrated Textile Park (SITP), Government of India provides financial assistance to a group of entrepreneurs to establish state-of-the-art infrastructure facilities in a cluster for setting up their textile units, conforming to international environmental and social standards and there by mobilize private investment in the textile sector and generate fresh employment opportunities.

8. Under the comprehensive Integrated Skill Development Scheme (ISDS), a total of 11.14 lakh persons have been trained during financial years 2010-11 to 2017-18, in various diverse segments of textiles covering textiles and apparel, jute, spinning, weaving, technical textiles, sericulture, handloom and handicrafts of which 8.43 lakh persons have been employed.

9. 21.97 lakh Bales of Cotton exported from India to China out of the total exports of 54.83 lakh Bales. 275 million kgs. of Cotton Yarn also exported to China out of the total exports of 980 million kgs.

10. Rs. 397.28 Crore released to units in various States under Amended Technology Upgradation Fund Scheme during 2020-21 (including Rs. 2.38 crore to Madhya Pradesh Units).

11. India's textiles exports in 2020 stood at USD 29.61 billion, while the shipments of Bangladesh, Vietnam and Cambodia in that year were aggregated at USD 37.95 billion, USD 37.10 billion and USD 7.77 billion, respectively. Textiles exports to China have increased to USD 1.56 billion in 2020-21 as against USD 1.13 billion in 2019-20.