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THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION
ANNUAL REPORT
2020 - 21

The Madhya Pradesh Textile Mills Association

[Incorporated under M.P. Non- Trading Corporations Act, 1962]

IN THE SERVICE OF TEXTILE INDUSTRY SINCE 1932



ANNUAL REPORT 2020-21

OFFICE BEARERS :

Chairman	-	Shri Akhilesh Rathi
Vice Chairman	-	Shri Shreyaskar Chaudhary
Deputy Chairman	-	Shri Subhash Chand Jain
Deputy Chairman	-	Shri Siddharth Agrawal

Secretary - Shri M. C . Rawat

Registered Office :

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THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

Its Origin

This Association was established in 1932 as Indore Mill Owners' Association by Shri Rao Raja Sir Seth Hukamchand. At the time of its establishment, the Association had seven composite textile mills from Indore as members. After the merger of various States of Gwalior, Indore and Malwa in May, 1948, the name of the Association was changed from 6th August, 1948 as Madhya Bharat Millowners' Association and the mills in the region were invited to join. With the formation of State of Madhya Pradesh on 1st November, 1956 integrating, among others, the State of Madhya Pradesh, the name of the Association was changed to reflect its regional character and Madhya Pradesh Millowners' Association came into being from 1st January, 1957. It was registered under the Madhya Pradesh Non-Trading Corporations Act, 1962 on 1st June, 1966 after being renamed as The Madhya Pradesh Textile Mills' Association w.e.f. 1st January, 1966.

The Association is committed to the growth of Textile Industry in the State. It also acts as an effective link between the Textile Industry in the State and the Central / State Governments, Confederation of Indian Textile Industry, and various Chambers, Associations and Organizations.

THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

Committed to growth of Textile Industry in the State

Objects

- * To protect and promote interests of textile industry.
- * To take all steps for promoting, protecting, supporting, encouraging, opposing, or seeking modifications in legislative and other measures affecting the interests of the textile industry.
- * To create and encourage friendly feelings and unanimity amongst the member mills on all subjects connected with their common interest,
- * To afford facilities for ascertaining the views of persons engaged in textile industry and for the communication and interchange of views between the members interest.
- * To collect, classify, compile and circulate Policy related circulars, press releases and all relevant information of use and interest to textile industry.

The Madhya Pradesh Textile Mills Association

LIVE MEMBER MILLS

- Anant Spinning Mills , Mandideep – 462 046
- Bhaskar Industries Pvt. Ltd., Mandideep – 462 046
- Candor Textiles Pvt. Ltd., Indore – 452020
- Deepak Spinners Ltd., Pagara – 473 001
- Deepa Textile Mills Pvt. Ltd., Khanpura, Goharganj - 464 993
- Grasim Industries Limited
 - Staple Fibre Division, Birlagram, Nagda – 456 331
 - Vikram Woollens, Malanpur, Bhind - 477 117
- Jaideep India Pvt. Ltd., Pithampur - 454 774
- Kamal Cotspin Private Ltd. , Burhanpur- 450 331
- Kohinoor Elastics Pvt. Ltd., Indore-452015.
- Madhumilan Industries Ltd., (Spinning Divn.), Talawada- 465 674
- Mahima Purespun, Pithampur- 454 774
- Maral Overseas Ltd., Maral Sarovar – 451 660
- Mohini Health & Hygiene Pvt. Ltd., Pithampur-454 774.
- Nahar Spinning Mills Ltd., Mandideep- 464 993
- PBM Polytex Ltd., Boregaon- 480 106
- Pratibha Syntex Ltd., Pithampur- 454 774
- Prem Textiles (International) Pvt. Ltd., Indore – 452 015
- Ramesh Textiles India Pvt. Ltd., Indore – 452 015
- Raymond Limited., Sausar- 480 106
- Ritspin Synthetics Ltd., Pithampur- 454 774
- Sagar Manufacturers Pvt. Ltd., Tamot – 464 993.
- Satyam Spinners Pvt.Ltd., Sendhwa- 451 666
- SEL Manufacturing Co. Ltd., Mehatwara–466 118
- Shree Geeta Textile Mills Pvt.Ltd., Burhanpur-450331.
- S. Kumars Ltd., Dewas- 455 001
- S R F Limited, Malanpur- 477 116
- Swastik Spintex Ltd , Rajoda– 453 562
- TDB Spinners Pvt. Ltd., Indore-452001.
- Vardhman Fabrics, Pilikarar, Talpura, Budhni – 466 441
- Vardhman Yarns, Satlapur, Mandideep – 462 046
- Vippy Spinpro Ltd., Dewas- 455 001
- Wearit Global Ltd., Bheelgaon – 451 228

THE YEAR THAT WAS 2020-21

MEMBERSHIP:

The Association has thirty three Mills as its live Members. Services to CT Cotton Yarn Ltd., Mid India International Ltd., Jyoti Overseas Ltd., Chhabra Spinners Pvt. Ltd., Harshit Textiles Pvt. Ltd., Kokila Texpro Pvt. Ltd., Chamunda Standard Mills, S.Kumars (Nationwide) Ltd., Agrawal Indotex Ltd., Parasrampur International, Sheshadri Industries Ltd., CLC Industries Ltd., Hind Syntex Ltd., STI India Ltd., Century Yarns and Century Denim have been kept under suspension under Articles 4.11 of the Articles of Association.

OFFICE BEARERS :

The Annual General Meeting of the Association for the year 2019-20 was held on 29th December, 2020 and the following Office Bearers were elected for the term 2020-21:

*	Shri Akhilesh Rathi, Director, Bhaskar Industries Pvt.Ltd., Mandideep.	Chairman
*	Shri Shreyaskar Chaudhary, Managing Director, Pratibha Syntex Ltd., Pithampur.	Vice Chairman
*	Shri Subhash Chand Jain, Director, Prem Textiles(International) Pvt.Ltd., Indore.	Deputy Chairman
*	Shri Siddharth Agrawal, Director, Sagar Manufacturers Pvt. Ltd., Tamol.	Deputy Chairman

MANAGING COMMITTEE:

As per Article 6.4 of the Articles of Association, the new Managing Committee was constituted at the Annual General Meeting held on 28th December, 2019. Certain nominations were changed by Member Mills later and some new Members were enrolled. The present nominees on the Managing Committee are as under:-

Name of Member-Mill	Principal Representative	Alternate Representative
Anant Spinning Mills	Shri S.Pal	Shri R. S. Yadav
Bhaskar Industries Pvt.Ltd.	Shri Akhilesh Rathi	Shri Ravi Sethi
Candor Textiles Pvt. Ltd.	Shri Suryansh Somani	Shri Ashutosh Khandelwal
Deepak Spinners Ltd.	Shri Shantanu Daga	Shri Y. K. Singh
Deepa Textile Mills Pvt. Ltd.	Shri Kanha Rathi	Shri Ashok Chaurasia
Grasim Industries Ltd (SFD)	Shri Mahaveer Jain	Shri Sanjay Dhanuka
Jaideep India Pvt. Ltd.	Shri N. K. Agrawal	Shri Vinay Agrawal
Kamal Cotspin Pvt. Ltd.	Shri Ankit Lath	Shri Kamal Lath
Kohinoor Elastics Pvt.Ltd.	Shri Rajendra Matlani	Shri NitinMatlani
Madhumilan Industries Ltd.	Shri A.K. Chaudhary	Shri Kanak Jain
Mahima Purespun	Shri RohitDoshi	Shri Ashish Doshi
Maral Overseas Ltd.	Shri S. N. Goyal	Shri Rajkumar Gite
Mohini Health & Hygiene Pvt. Ltd.	Shri Sarvapriya Bansal	Shri Avinash Bansal
Nahar Spinning Mills Ltd.	Shri D.K. Mundra	Shri Surender Bhatt
PBM Polytex Ltd.	Shri K.K.Patodia	Shri VikasPatodia
Pratibha Syntex Ltd.	Shri Shreyaskar Choudhary	Shri Ashok Jain
Prem Textiles (Int) Pvt. Ltd.	Shri S.C. Jain	Shri Saurabh Jain
Ramesh Textile India Pvt. Ltd.	Shri Ramesh Samria	Shri Sanjay Samria
Raymond Limited	Shri Surendra Tiwari	Shri Ashish Dubey
Ritspin Synthetics Ltd.	Shri Manish Kumar	Shri Deepak Nagar
Sagar Manufacturers Pvt.Ltd.	Shri Siddarth Agrawal	Shri V.K. Jain
Satyam Spinners Pvt. Ltd.	Shri Chetan Kumar Agrawal	Shri P.K. Roul
SEL Manufacturing Co.Ltd.	Shri Anchal Kumar	
Shree Geeta Textile Mills P.Ltd.	Shri Anurodh Mittal	Shri Anurag Mittal
S.Kumars Ltd.	Shri G.D. Bansal	
SRF Ltd.	Shri Rajeev Narang	Shri Vashudev Agrawal
Swastik Spintex Ltd.	Shri V.K. Rathi	Shri G.D. Rathi
TDB Spinners Pvt. Ltd.	Shri Akhilesh Gupta	
Vardhman Yarns	Shri S.Pal	Shri Praveen Dhingra
Vardhman Fabrics	Shri T.C. Gupta	Shri Sanjay Bolya
Vikram Woollens	Shri Man Mohan Singh	Shri Santosh Kumar Singh
Vippy Spinpro Ltd.	Shri Piyush K. Mutha	
Wearit Global Ltd.	Shri Deepak Nagar	Shri Shantanu Dey

COMMITTEE MEETINGS:

During the year 2020-21, four Managing Committee Meetings were held. The Minutes of the Meetings were circulated and timely action was taken to give effect to the decisions of the Committee. Several meetings for inter-action amongst members were also held virtually.

ANNUAL MEMBERSHIP SUBSCRIPTION:

It was decided to continue the Annual Membership Subscription rates of 2018-19 for the year 2020-21 also.

1. Annual Subscription based on capacity:

Spindles installed	Rs. 0.70	each
Rotors installed	3.50	"
Shuttle Looms installed	30.00	"
Shuttle less Looms installed	85.00	"
Knitting Machines installed.	180.00	"
Stenter Machines installed	1750.00	"
Calculation of Subscription as per the rates indicated above.		
Total subscription payable subject to :		
MINIMUM	12,500.00	p.a.
MAXIMUM	45,000.00	"
Textile Units under construction	10,000.00	"
Staple Fibre Division of Grasim	50,000.00	"
National Textile Corporation Ltd.	45,000.00	"
Industrial Group having more than two Mills	90,000.00	"

AFFILIATION WITH OTHER INDUSTRY FORUMS:

The Association continued to be the Member of the following Bodies/Federations:

- Confederation of Indian Textile Industry (CITI), New Delhi.
- Textile Sector Skill Council (TSSC), New Delhi.
- Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi.
- All India Organization of Employers (AIOE), New Delhi.
- Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi.
- Electricity Consumers' Society (ECS), Indore.
- Federation of M.P.Chambers of Commerce & Industry (FMPCCI), Bhopal.
- Indore Management Association (IMA), Indore.

REPRESENTATION AT ALL INDIA/ STATE LEVEL BODIES:

Our representation (direct/indirect) at various Bodies during the year 2020-21 has been as under:-

Sr.No. Name of the Body	Name of the Representative
<ul style="list-style-type: none"> Confederation of Indian Textile Industry Principal Representative Alternate Representative CITI CDRA 	<ul style="list-style-type: none"> Shri Akhilesh Rathi, Chairman. Shri Shreyaskar Chaudhary, Vice Chairman. Shri Akhilesh Rathi, Chairman.
<ul style="list-style-type: none"> Federation of Indian Chambers of Commerce & Industry 	<ul style="list-style-type: none"> Shri Akhilesh Rathi, Chairman.
<ul style="list-style-type: none"> Associated Chamber of Commerce & Industry of India – MP 	<ul style="list-style-type: none"> Shri Akhilesh Rathi, Chairman.
<ul style="list-style-type: none"> All India Organisation of Employers 	<ul style="list-style-type: none"> Shri S. N. Goyal, Maral Overseas Ltd.
<ul style="list-style-type: none"> Textile Sector Skill Council 	<ul style="list-style-type: none"> Shri Akhilesh Rathi, Chairman.
<ul style="list-style-type: none"> M.P. Labour Advisory Board 	<ul style="list-style-type: none"> Shri S. N. Goyal, Maral Overseas Ltd.
<ul style="list-style-type: none"> M. P. Labour Welfare Board 	<ul style="list-style-type: none"> Shri S. Pal, Vardhman Group.
<ul style="list-style-type: none"> M.P. Minimum Wage Advisory Board 	<ul style="list-style-type: none"> Shri H. S. Jha, Pratibha Syntex Ltd.
<ul style="list-style-type: none"> M.P.State Advisory Board for Contract Labour 	<ul style="list-style-type: none"> Shri S.Pal, Vardhman Group.
<ul style="list-style-type: none"> Regional Advisory Committee of ESI 	<ul style="list-style-type: none"> Shri S. Pal, Vardhman Group.
<ul style="list-style-type: none"> Federation of MP Chambers of Commerce & Industry 	<ul style="list-style-type: none"> Shri Akhilesh Rathi, Chairman.
<ul style="list-style-type: none"> Provident Fund Regional Advisory Committee, Indore 	<ul style="list-style-type: none"> Shri M. C. Rawat, Secretary
<ul style="list-style-type: none"> Electricity Consumers' Society: Executive Committee 	<ul style="list-style-type: none"> Shri S.N. Goyal, Maral Overseas Ltd. Shri M.C. Rawat, Secretary
<ul style="list-style-type: none"> Indore Management Association 	<ul style="list-style-type: none"> Shri Shreyakar Chaudhary, Vice Chairman Shri M.C. Rawat, Secretary
<ul style="list-style-type: none"> Shri Ahilyamata Gaushala Jeev Daya Mandal Trust. 	<ul style="list-style-type: none"> Shri Ravi Sethi Bhaskar Industries Pvt. Ltd. Shri M.C. Rawat, Secretary

POSITION IN OTHER INDUSTRY BODIES:

Shri Akhilesh Rathi, our Chairman is President of Indore Management Association. He is also Joint President of the Federation of Madhya Pradesh Chambers of Commerce & Industry, Bhopal.

SUMMARY REPRESENTATIONS TO THE GOVERNMENTS :

During the year, the Association submitted a number of Representations to the Central/State Governments and other authorities on various subjects, which have been dealt in relevant parts of this Report. However, the following representations need special mention:-

- Under the *Atmanirbhar Bharat Package* announced by the Hon'ble Finance Minister, a number of incentives have been provided to the Micro, Small and Medium Enterprises (MSMEs). The eligibility criteria of MSMEs in respect of investment and annual turnover has also been revised with effect from 1st July, 2020. Even while calculating turnover, exports of goods and services are excluded. An Emergency Credit Line Guarantee Scheme (ECLGS) has been notified to provide 100% guarantee coverage for the Guaranteed Emergency Credit Line (GECL), which shall be a pre-approved sanction limit of upto 20% of loan outstanding as on 29th February, 2020 to eligible borrowers, in the form of additional working capital term loan facility from lending institutions. The eligible borrower has been defined as - All business enterprises/ MSME institution borrower accounts with outstanding loan upto Rs.25 crore as on 29th February, 2020 and annual turnover upto Rs.100 crore in financial year 2019-20.

We, therefore, requested the Hon'ble Finance Minister and Minister for MSME to extend this package to the MSMEs who qualify for the criteria of turnover upto Rs.100 crore, but whose outstanding credit is more than the prescribed limit of Rs.25 crore as on 29th February, 2020. We have also suggested that if necessary, a capping of Rs.5 crore may be imposed for such cases irrespective of their outstanding exceeded Rs.25 crore on this date. Copies of our representations were also been sent to Secretary - Department of Economic Affairs, Secretary – MSME and Governor – Reserve Bank of India.

2. Presently Viscose Spun Yarn (VSY) manufacturing textile mills are in deep existential crisis because of imports of this yarn in large quantities from China at prices, which are significantly lower than our domestic cost of production. In the current situation, we made a Representation on 13th August, 2020, to the Hon'ble Minister of Textiles and also Hon'ble Minister of Commerce & Industry to provide suitable protection to the industry on the following grounds:-

- * Till 2018-19 average imports of VSY was 1750 tons per month, which has increased to 4,860 tons per month in 2019-20.
- * Post lockdown industry is grappling with demand revival, liquidity trap and onslaught of cheap imports.
- * India has become a dumping ground for yarn exports from Indonesia and China.
- * China is exploiting Indian market due to resistance faced by it in western markets. We requested the Government to raise import duty on VSY from 5% to 15% / impose Anti-Dumping Duty (BCD) and/or put quantity restrictions on VSY imports to maintain the cascading duty structure as import duty on fabric is up to 20%.

We also requested the Hon'ble Chief Minister of the State to forward our Representation with his recommendations to the Central Ministers.

3. A number of our Member Mills have invested large amounts in expansion/modernization of their existing manufacturing facilities. These mills have so far not received Interest Subsidy and Capital Subsidy (under Industrial Promotion Policy) from the State for the financial year 2018-19. The mills are having negative cash-flow on account of various factors and effects of Covid-19. We have requested the Principal Secretary, Department of Industrial Policy & Investment Promotion on 20th August, 2020 for early release of the amount due to the mills.

4. The High Court of Madras in the matter of South India Spinners Association v/s CMD, Tamil Nadu Generation & Distribution Corporation Ltd., and Others have passed an Order giving following relief to the HT consumers in Tamil Nadu:

- * Bills for lockdown period have to be either 20% of sanctioned demand or to the extent of actual recorded demand.
- * DISCOMs will not levy penal charges for low power factor.
- * Excess collection, if any, will be refunded or adjusted by DISCOMs in future bills.

We have forwarded a copy of the judgment to the Principal Secretary, Energy Department and the Managing Director, M.P. Power Management Co. Ltd. on 20th August, 2020 and requested for a similar relief in our State too. We have been pursuing this matter with the State Government Authorities since April, 2020.

5. The Board of Directors of M. P. Industrial Development Corporation in its Meeting held on 30th May, 2020, have taken a decision to increase the rate of maintenance charges in various industrial areas (including Chhindwara) from Rs.2 per sq.mtr. to Rs.6 per sq.mtr. for the financial year 2020-21. Many of the Member Mills have already paid the maintenance charges, when this decision was conveyed to them in the month of September, 2020. Since the Mills have not yet come out from the impacts of Covid-19 and are operating at about 50% of capacity, it is difficult for the Mills to bear such a hike. We have, therefore, made a request to the Managing Director, MPIDC, on 18th September, 2020 to consider the increase from 1st April, 2021 (instead of from 1st April, 2020) and also to keep the increase at a reasonable level say 25% or so.

6. The Madhya Pradesh Vidyut Vitran Companies have demanded Additional Security Deposit equivalent to 15 days' consumption from some of the Mills on account of delay in payment of energy bills for the months of April/May, 2020, which were paid later and also on account of demand of Electricity Duty and Interest thereon in respect of power purchase under Open Access during the period prior to 2017.

The Department has allowed a special rebate of 1% to the consumers who made payment of bills for April and May, 2020 within due date, which implies that the payments made after the due date will not be a default. Secondly, the MPERC (Security Deposit) Regulations provide that if a consumer makes regular payment of energy bills within due date for all the months of a financial year or for at-least next 6 months continuously (whichever is more), the consumer may be allowed to pay Security Deposit equivalent to 45 days' consumption. Since the Mills have been making regular payment in the past and the matter of waiver of interest on electricity duty is pending decision with Appropriate Authority, we made a request on 22nd September, 2020 to the Principal Secretary, Energy Department, to advise the DISCOMs not to demand additional security deposit.

7. The Madhya Pradesh Paschim Kshetra Vidyut Vitran Co. Ltd. has issued notices to some of our Member Mills for levy of Additional Surcharge on consumption of power from the source other than Distribution Licensee. We are of the firm view that Additional Surcharge is not applicable as per Section 42(2) and 42(4) of the Electricity Act under which the DISCOM has issued demand. As per these Sections, such surcharge is not leviable incase, if open assess is provided to a person, who has established a captive generating plant for carrying out the electricity to the destination of his own. Since the mills are not receiving supply from any person other than licensee, but it is from their own captive solar generating plant and the same is not being wheeled through any network of licensee, such charges are not payable. We have, therefore, made a representation on 13th October, 2020, to the Principal Secretary, Energy Department, to advise the DISCOM to withdraw the notice.

8. The Ministry of Labour & Employment (MoL&E) notified on 29th October, 2020, Draft Rules in respect of Industrial Relations Code – 2020 inviting objections/suggestions from the stakeholders within 30 days from the date of Notification. The Association submitted its suggestions on 26th November, 2020, the major suggestions being as under:-

- * Rule in respect of Dissolution of Works Committee is missing in Draft Rule 3. A sub-rule 12 has been proposed for incorporation.
- * Model Standing Orders are not appended to the Draft Rules. It has been suggested that Central Government should prescribe Model Standing Orders under Section 29 of the Code.
- * Forms and Registers for carrying out provisions of Standing Orders are missing. It is suggested to incorporate such Forms and Registers.
- * In Rule 20, provisions are required to be provided for filling up the vacancy in Industrial Tribunal other than National Tribunal.
- * Rule 22 regarding manner of holding conciliation proceedings needs to be modified for initiating conciliation proceedings in case of apprehended industrial disputes.
- * In Rule 22, procedure for making reference of disputes to National Tribunal also need to be laid down.
- * A new Rule needs to be inserted after Rule 26 for Maintenance of Seniority list of workmen.
- * A new Rule needs to be incorporated in the light of Section 59 of Industrial Relations Code, which provides for recovery of dues due to the workers.
- * Certain additional matters regarding service records, confirmation, age of retirement, transfer, medical aid in case of accidents, medical examination, secrecy, subsistence allowance, layoff, engagement of trainees, etc., need to be provided in the Standing Orders relating to industrial establishments.

9. A Representation was sent to the Hon'ble Chief Minister on 9th December, 2020 drawing his attention towards following problems in respect of energy related matters with copies to Chief Secretary, Principal Secretaries of Energy and Industrial Policy & Investment Promotion Departments and Managing Director of M. P. Industrial Development Corporation Ltd.:-

- * Incentive in respect of Power Tariff & Electricity Duty: It is learnt that Energy Department has moved a Note to the Cabinet Committee, whereby it desires to stop Incentives in respect of Power Tariff and Electricity Duty in monthly power bills raised on consumers and desires that the Department of Industrial Policy & Investment Promotion should reimburse these incentives to the industries. We have requested to continue the present system of giving incentives in monthly energy bills.
- * Interest on Electricity Duty on power purchase under Open Access: The matter of waiver of interest on Electricity Duty on power purchase under Open Access is pending with the Government from December, 2019. We have proposed to consider to levy interest @ 8.50% (as against 24% demanded by the Department), which is almost 1% over MCLR of the State Bank of India as also recovery of interest amount in 12 instalments after Electricity Duty is paid.

- * Additional Surcharge on consumption of power from source other than DISCOM: One of our Member Mills is using power generated by it from a Captive Solar PV Plant installed at its rooftop. The West DISCOM is demanding Additional Surcharge on consumption of power from this solar power plant. The Mill is not using any of the facilities of the DISCOM. Even the provisions of Electricity Act are against such levy. We have requested to advise the DISCOM to withdraw the demand.
10. A Delegation of the Association led by the Chairman met Shri Sanjay Shukla, IAS, Principal Secretary, Department of Industrial Policy & Investment Promotion (DIPIP) on 6th January, 2021, apprised him of various issues relating to electricity and requested for support as Mentor of the Industry. The issues involved are as under:-
- Approval from Cabinet Committee on Industrial Promotion (CCIP) for relaxation in rate of interest on Electricity Duty on power purchased under Open Access in the period ranging from 2011 to 2017. Requested to allow relaxation in rate of interest from 24% to 8.50%.
 - The DISCOM has raised demand on Member Mills for Additional Security Deposit due to delay in payment of Electricity Duty on power sourced under Open Access and interest charged thereon. The Mills are making regular payment of Electricity Duty in installments along-with current bills and have requested for withdrawal of the demand of Additional Security Deposit on this account.
 - The DISCOM is demanding Additional Surcharge on consumption of power from rooftop solar power plant, which has been installed by a Mill to reduce carbon emission at the rooftop of the mills under registration with MP UrjaVikas Nigam under Policy for Decentralized Renewable Energy System, 2016. Such surcharge is applicable only on the customers, who obtain power under open access. Since no facility of DISCOM is used and even as per MPERC (Cogeneration & Generation of Electricity from Renewal Sources of Energy) (Revision-I) Regulations, 2010, such Surcharge is not payable.
 - It is known that Department of Energy has moved a Note to Cabinet Committee to stop allowing incentives in respect of power tariff and Electricity Duty (allowed under Industrial Promotion Policy) in the monthly power bills. They desire that these incentives should be reimbursed to the industries by DIPIP. Such process will delay the payment of incentives to the industry and will be against the Policy of the State of Ease of Doing Business. Requested to continue the existing procedure.
11. On 11th January, 2021, we have made a request to Shri Shankar Lalwani, Hon'ble Member of Parliament from Indore to take up the matter of air connectivity between Indore and Surat with the Union Aviation Minister. Both the cities are major textile hubs.
12. The Labour Department of the State 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 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 for 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.
13. On 17th February, 2021, the Principal Secretary, Department of Industrial Policy & Investment Promotion asked the Association to submit its feedback relating to existing Industrial Promotion Policy for amendments to make it more relevant in the given manufacturing scenario. The Association submitted its suggestions in respect of Large Scale Textile Industries and Garment Manufacturing Sector on 23rd February, 2021. The major suggestions include the following:

- * Effective Single Window System.
- * Reimbursement of 50% of Investment in land, building, machinery, etc., for skill development.
- * Reimbursement of 50% operating cost of ETP for ZLD.
- * Assistance for Energy Audit/Water Audit/Environmental Compliance upto 50%.
- * Capital Subsidy of 15% or replacement of spinning machinery at par with MSME.
- * Interest Subsidy of 7% for 6 years to all composite textile mills.
- * Extension of Electricity Duty Exemption and a Rebate of Rs.2.00/Unit in addition to that allowed by MPERC.
- * Introduction of differential wage structure.
- * Utilization of land of non-operational units.
- * Training and employment generation assistance at par with garment units.
- * Removal of upper limit of 200% for all benefits under Garment Policy.

14. On 20th March, 2021 we have sent a Representation to the Hon'ble Labour Minister of the State with the request to arrange vaccination (covid-19) of Textile Mill employees at ESI Hospitals/Dispensaries and also at ESI approved Hospitals to ensure safety of the employees

ALL INDIA TEXTILE CONFERENCE

On 5th and 6th March, 2021, Textile Association (India) Madhya Pradesh Unit organized All India Textile Conference at JallSabhagraha, Indore. The Conference was supported by our Association and many of the Member Mills. It was inaugurated by Shri Shankar Lalwani, Member of Parliament from Indore. Dr. VedpratapVedik was the Chief Guest. The technical sessions of the Conference were addressed by the following persons:

- * Shri Badruddin Khan of MCX – Cotton Hedging.
- * Shri Manish Daga of Cotton Guru – Present Status of Cotton in India.
- * Shri Vishal Londhe of Sedex – Extending various Services in Supply Chain Management.
- * Shri Ashok Pal, Vice President, ICC – Innovative Developments in CardClothing.
- * Shri KetanSinghvi from ITME Society – Innovation in Textile Machinery
- * Shri Nilesh Trivedi, Asstt. Director, MSME – Government Schemes for MSME Sector.
- * Shri Amit Chaudhary, - Human Relations and their Importance in Exports.
- * Shri S. Pal, Director of Vardhman Group – Human Relations and their role in Textile Industry.
- * CA Shri Sunil Jain – Amendments in GST Law effective from April, 2021.
- * Shri GirishPatwardhan, Labour Law Consultant – Four Labour Codes.
- * Dr. P. N. Mishra from DAVV – Management Principles from Ramayan & Mahabharat.
- * Dr. Kamlesh Bhandari, Economist – Become an Entrepreneur and not a Manager.
- * Smt. Seema Mishra – Handloom industry in India.

In the evening of 6th March, 2021, a Fashion Show was also organized at Ravindra Natya Graha, Indore.

VISIT OF MINISTER M. S .M. E . OF THE STATE :

Shri Om Prakash Saklech, Minister for M S M E of the State visited Association Office on 14th September, 2020 . He was welcomed by our Chairman, Shri Akhilesh Rath and a Green Plant presented to him. The Members present introduced themselves to the Minister, thereafter the interaction with the Minister started and the following points emerged from the discussion:-

- * The Government is likely to consider power to MSMEs at Rs6.00 per unit.
- * Regarding Capital Subsidy on investment, he was of the view that it should be employment based instead of investment based.
- * Regarding reservation of SC/ST, he was of the view that 2% additional subsidy can be given to those who follow employment of such categories.
- * On the question of subsidy due from the Government, he stated that 80% amount will be cleared by December, 2020 end.
- * While allotting land for industries, the Government will allow certain percentage for residences of staff/ workmen.
- * He will see that the limit of 2 MW for installation of solar power plants is removed.
- * Exit policy for closed units will be planned.

- * For the Textile, emphasis will be on Cluster Development having weaving, processing, knitting and garmenting/made-ups.

The Minister was presented Mementos of Textile Products manufactured by Prem Textiles and Pratibha Syntex.

PROGRAMME ON UNION BUDGET 2021-22:

On 2nd February, 2021, a Programme on Union Budget- 2021-22 was organized by the Association jointly with Textile Association (India) M P 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 to 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.

WEBINAR ON PRADHAN MANTRI KAUSHAL VIKAS YOJNA 3.0:

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

AWARDS/FALICATION OF MEMBER MILLS :

1. Vardhman Group having three textile mills in the State has been conferred with the following:
 - * India-CSR Leadership Award 2021 to Ms. Suchita Oswal Jain, Vice Chairman & Joint Managing Director in appreciation of her commendable work through Corporate Social Responsibility on 16th January, 2021.
 - * Certificate of Appreciation for creating maximum employment awarded on 20th January, 2021 by Madhya Pradesh Government at Rojgar Mela organized under Atmanirbhar Bharat to Anant Spinning Mills and Vardhman Yarns at the hands of Shri Shivraj Singh Chauhan, Hon'ble Chief Minister and received by Shri S. Pal, Director-MP Locations.
2. 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.
3. Maral Overseas Limited has been declared winner of Gold Award in Textile Sector for Outstanding Achievement in Occupational Health & Safety by Apex India Foundation on 15th March, 2021.
4. At a function held on 18th June, 2021 the following of our Member Mills were awarded trophies by Cotton Textile 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.

5. On 8th April, 2021 Mohini Health & Hygiene Pvt. Ltd. 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.

CORPORATE SOCIAL RESPONSIBILITY BY MEMBER MILLS :

1. 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 during Covid-19 pandemic under its Corporate Social Responsibility.
2. Pratibha Syntex Ltd., took an initiative to distribute 10,000 masks in remote villages of Burhanpur, Barwani, Khandwa, Khargone and Ratlam Districts through *Ekal Gramathan Foundation*. This initiative was executed under the guidance of Shri Shiv Kumar Chaudhary, Chairman of the Company. He has also donated 5 acres of land to Ekal Gramathan Foundation to support various social initiatives in village Karahi.
3. In the year 2018, Pratibha Syntex Ltd., had conducted survey of employees inquiring from them about their dream. Following which, many employees scripted a dream of owning a house. Committed towards his workforce, Shri S. K. Chaudhary, Chairman of the Company had then promised to gift houses to employees in the year 2021. Coming true to its words, the company management has fulfilled dream of 28 employees (including 14 women), whose CTC is equal to or below Rs. 25000, by presenting them houses in a Society situated in Pithampur near Sagore Kuti. Sixtyfive scholarships were presented to children of employees also who excelled in Board and College examinations, while 12 employees were presented 'Long Service Award' as a token of appreciation for completing 20 long years in the company.

AUDITORS :

M/s. R. D. Asawa & Co., Chartered Accountants, Indore, appointed as Auditors for the financial year 2020-21.

MONTHLY NEWSLETTER :

M. P. TEXTILE NEWSLETTER, monthly newsletter of the Association is being published regularly since September, 1993 and circulated to Ministers, Central and State Government Officials, various Industry Chambers, Associations, Members of the Association, etc. However, the same could not be published in May and June 2021 due to outbreak of 2nd wave of Covid-19 pandemic and closure of Office due to lock down.

WEBSITE (www.mptma.in) :

The website of the Association is operational from 20th June, 2017.

DIRECTORY OF MEMBERS :

The DIRECTORY-2021 of Member-Mills circulated.

ACKNOWLEDGEMENTS :

The Association wishes to place on record its sincere gratitude to the Hon'ble Union Textile Minister, Chief Minister of the State, other Cabinet Ministers of the State and Senior Officials in the various Ministries/Departments of the Centre and State for their co-operation and guidance.

The Association also thanks the Confederation of Indian Textile Industry (CITI), Federation of Indian Chamber of Commerce & Industry (FICCI), The Associated Chambers of Commerce and Industry of India (ASSOCHAM), All India Organisation of Employers (AIOE), Federation of Madhya Pradesh Chambers of Commerce & Industry (FMPCCI), Electricity Consumers' Society, other Industry Associations and organizations for their continued support

Association is grateful of the print media for highlighting issues of the Textile Industry from time to time.

RAW MATERIAL

Textile and Clothing Industry offers consumers what is essential for the society – the products that each one of us could not imagine doing without. For this the Textile Industry consumes a diverse range of fibres, which include Cotton, Man-made fibres, Wool, Silk, other miscellaneous fibres and filaments. The use of cotton is roughly 70% and pre-dominantly the industry remains cotton based. India currently has an annual production of over 6 million tons of cotton, 22 million kilos of silk, 46 million kilos of wool and 2.63 million tons of man-made fibre/filaments, which represent 25% of World production in cotton, 14% in silk, 4% in wool and 5% in man-made fibres.

NATIONAL FIBRE SCENARIO :

In India, fibre consumption is dominated by cotton which is likely to account for 52% of total fibre consumption in 2020. However, this trend is likely to reverse by 2040, when cotton share may be reduced to 33% and fibre consumption will be dominated by man-made fibres. The following table shows trend of fibre consumption in India :-

Figures in Million Kgs.

Year	Total Fibre Consumption	Consumption			Consumption Share		
		Cotton	Polyester	Others	Cotton	Polyester	Others
2005	6,191	3,589	1,919	683	58%	31%	11%
2010	7,767	4,367	2,718	682	56%	35%	9%
2015	10,191	5,506	3,873	812	54%	38%	8%
2020	12,128	6,273	4,972	883	52%	41%	7%
2030	16,899	6,811	8,787	1,300	40%	52%	8%
2040	22,247	7,393	13,126	1,728	33%	59%	8%

COTTON SCENARIO :

Cotton or "White Gold" holds a predominant position and is one of the strongest competitive base for Indian Textile & Apparel (T&A) industry. India recently have surpassed China to emerge as the largest cotton producer. The cotton sector in India has clocked an enviable growth and has carved a niche for itself in the international market.

It is also one of the largest exporters of Cotton and thus an influencing player in the global cotton economy. Cotton is one of the prominent cash crops in India and more than 6 million farmers are directly engaged in cotton farming. This dependence of millions of farmers and people who are indirectly associated with cotton production especially in rural areas, make cotton the back bone of Indian economy. Looking at its importance, Government of India is proactively taking a number of steps for holistic growth of this sector. The announcement of the first ever **Indian Cotton Brand "Kasturi Cotton"** by Hon'ble Union Minister of Textiles, Smt. Smriti Zubin Irani on occasion of the 2nd World Cotton Day on 7th October, 2020 was a much-awaited moment for Indian Cotton Industry. Kasturi which represent Whiteness, Brightness, Softness, Purity, Luster, Uniqueness and Indianness is likely to fetch premium for Indian cotton and cotton-based products in international market which is much sought by the Indian manufacturers. India is the only Country, which produces all four species of cotton (*Gossypium Arboreum*, *G. Herbaceum*, *G. Barbadense* and *G. Hirsutum*). Cotton constitutes about 59% of the raw material basket of the textile industry in the Country. India has the largest acreage under cotton, which is about 43% of the World total cotton acreage. Our Country is the largest producer (about 25% global cotton production) second largest exporter next only to USA and the second largest consumer (22% of global consumption) of cotton next only to China in the World.

AREA UNDER COTTON, PRODUCTION AND YIELD :

The year-wise Area under cotton, Production, Consumption, Import, Export and Yield as per Cotton Advisory Board (CAB)/Committee on Cotton Production and Consumption (CoCPC) for the years 2010-11 to 2020-21 are given in the following table :-

Cotton year (Oct to Sep)	Area (Lakh Hect.)	Production (Lakh Bales) (As per CAB)	Yield (Kgs./Hec)	Cotton Consumption by Mills (Lakh Bales)		Import (Lakh Bales)	Export (Lakh Bales)
				Non SSI	SSI		
2010-11	112.35	339.00	517	221.77	24.46	2.45	76.50
2011-12	121.78	353.00	496	217.68	22.10	4.54	128.81
2012-13	119.78	365.00	518	250.14	23.02	14.59	101.43
2013-14	119.60	398.00	566	266.00	24.88	11.51	116.96
2014-15	128.46	386.00	511	278.55	26.28	14.39	57.72
2015-16	122.92	332.00	458	270.20	27.08	22.79	69.07
2016-17	108.26	345.00	542	262.70	26.21	30.94	58.21
2017-18	125.86	370.00	506	280.11	26.18	15.80	67.59
2018-19	126.58	330.00	443	274.50	25.00	31.00	44.00
2019-20	125.84	360.00	486	288.00	25.00	25.00	50.00
2020-21	130.07	353.84	462	297.45	22.42	11.03	77.59

COTTON YIELD :

Gujarat, Maharashtra, Andhra Pradesh and Madhya Pradesh have been in forefront of cotton production in the Country. The productivity in major cotton producing States and at all India level is shown in the following table :-

State wise Cotton Productivity (Kg. lint/ha) from 2014-15 to 2020-21.

State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Punjab	526	313	537	687	539	651	690
Haryana	603	401	611	549	552	623	419
Rajasthan	593	569	596	677	743	659	674
Gujarat	687	562	678	672	575	569	610
Maharashtra	324	307	396	326	306	329	388
Madhya Pradesh	563	544	582	624	637	523	530
Telangana	501	556	579	488	388	432	545
Andhra Pradesh	549	606	684	559	411	466	596
Karnataka	661	516	600	538	379	416	460
Tamil Nadu	545	718	599	511	767	600	369
Odisha	401	408	375	428	433	400	496
India	511	458	542	500	449	460	462

Note: Productivity calculated including pressed cotton and loose cotton of the respective States;

STATEWISE COTTON PRODUCTION :

The State-wise cotton production from 2014-15 to 2020-21 is as under:

Quantity in lakh bales of 170 kg.

State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Punjab	13.00	6.25	9.00	11.50	8.50	9.50	10.23
Haryana	23.00	14.50	20.50	22.50	23.00	26.50	18.23
Rajasthan	17.00	15.00	16.50	22.00	27.50	29.00	32.07
Gujarat	112.00	90.00	95.00	104.00	90.00	89.00	72.70
Maharashtra	80.00	76.00	88.50	85.00	76.00	87.00	95.88
Madhya Pradesh	19.00	18.00	20.50	20.50	23.00	20.00	17.83
Telangana	50.50	58.00	48.00	55.00	42.00	54.00	59.95
Andhra Pradesh	26.50	23.75	19.00	20.50	15.00	18.00	16.04
Karnataka	34.00	19.50	18.00	18.00	16.00	20.00	23.20
Tamil Nadu	6.00	6.00	5.00	5.50	6.00	6.00	2.50
Odisha	3.00	3.00	3.00	3.50	4.00	4.00	4.99
Others	2.00	2.00	2.00	2.00	2.00	2.00	0.22
Total	386.00	332.00	345.00	370.00	333.00	365.00	353.84

STATEWISE AREA UNDER COTTON :

The following table shows State-wise cotton area (in lakh hectares) from 2014-15 to 2020-21:-

State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Punjab	4.20	3.39	2.85	2.91	2.68	3.92	2.52
Haryana	6.48	6.15	5.70	6.65	7.08	7.01	7.40
Rajasthan	4.87	4.48	4.71	5.84	6.29	6.45	8.08
Gujarat	27.73	27.22	23.82	26.24	26.60	26.29	22.70
Maharashtra	41.90	42.07	38.00	43.51	42.18	43.69	42.86
Madhya Pradesh	5.74	5.63	5.99	6.03	6.14	6.10	5.72
Telangana	17.13	17.73	14.09	18.97	18.39	17.61	23.59
Andhra Pradesh	8.21	6.66	4.72	6.46	6.20	5.86	6.06
Karnataka	8.75	6.42	5.10	5.47	7.18	5.50	8.20
Tamil Nadu	1.87	1.42	1.42	1.83	1.33	1.28	1.12
Odisha	1.27	1.25	1.36	1.45	1.57	1.70	1.71
Others	0.31	0.50	0.50	0.50	0.50	0.43	0.11
Total	128.46	122.92	108.26	125.86	126.14	125.84	130.07

COMMITTEE ON COTTON PRODUCTION AND CONSUMPTION:

The Ministry of Textiles have formulated on 14th September, 2020 a Committee on Cotton Production & Consumption (CoCPC) to estimate production, demand, export, etc. in respect of cotton. The Committee is headed by Textile Commissioner and includes members from CAI, CITI, TEXPROCIL and other stakeholders

The last Meeting of the Committee was held on 12th November, 2021, whereat cotton production for 2018-19, 2019-20 and 2020-21 was discussed. Comparative Cotton Balance Sheet for last three years is as under :-

Particulars	2018-19		2019-20		2020-21	
	Lac Bales	'000Tons	Lac Bales	'000Tons	Lac Bales	'000Tons
Supply						
Opening Stock	42.91	729.47	56.52	960.84	120.79	2053.43
Crop	333.00	5661.00	365.00	6205.00	353.84	6015.28
Import	35.37	601.29	15.50	263.50	11.03	187.51
Total Supply	411.28	6991.76	437.02	7429.34	485.66	8256.22
Demand						
Mill Consumption	270.78	4603.26	233.70	3972.90	297.45	5056.65
SSI Consumption	22.43	381.31	20.49	348.33	22.42	381.14
Non Tex. Consumption	18.00	306.00	15.00	255.00	15.00	255.00
Export	43.55	740.35	47.04	799.68	77.59	1319.03
Total Demand	354.76	6030.92	316.23	5375.91	412.46	7011.82
Closing Stock	56.52	960.84	120.79	2053.43	73.20	1244.40

There are divergent views about the cotton production in cotton season 2020-21. The Cotton Association of India (CAI), and Committee on Cotton Production and Consumption (CoCPC) have drawn their own Balance Sheets for cotton season 2020-21. A comparative view of CAI vis-a-vis that of CoCPC is as under :-

Item	Quantity in Lakh Bales	
	CAI 30.09.2021	CoCPC 12.11.2021
Opening Stock	125.00	120.79
Production	353.00	353.84
Imports	10.00	11.03
Total Supply	488.00	485.66
Mill Consumption	292.00	297.45
SSI Consumption	25.00	22.42
Non-Mill Consumption	18.00	15.00
Exports	78.00	77.59
Total Demand	413.00	412.76
Closing Stock	75.00	73.20

GROWTH OF MAN-MADE FIBRES :

The production of man-made fibres (synthetic and cellulose) in India has not experienced rapid growth as in other Countries due to Government Policy, skewed towards natural fibres. Indian MMF production is competitive relative to other major producing countries like China, where energy and labour costs are on the rise, still India is second largest producer of Man-made fibre and filament globally.

Production, imports/exports and consumption of man-made fibres during the period 2015-16 to 2019-20 have been as under :-

Figures in Million Kgs.

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Production	1,347	1,364	1,319	1,443	1,765
Imports	217	213	195	226	
Exports	381	412	383	370	
Consumption (including Stocks)	1,183	1,164	1,132	1,298	

AVAILABILITY OF RAW WOOL & IMPORTS :

Most of the Mills have to depend on import of fine quality wool mainly from Australia and New Zealand for their fabric and hosiery production. The production and import of raw wool, etc., from 2010-11 has been as under :-

Quantity in Million Kgs.

Year	Production of Indigenous Wool	Imports Raw Wool	Woolen & Cotton Rags
2010-11	42.99	94.77	95.55
2011-12	44.73	76.29	140.52
2012-13	46.05	77.16	186.38
2013-14	47.90	89.60	187.53
2014-15	48.10	96.53	222.86
2015-16	47.20	97.84	267.20
2016-17	46.00	87.15	242.56
2017-18	46.00	79.95	
2018-19	46.00	77.00	
2019-20		69.00	

INTERNATIONAL SCENARIO :

COTTON – PRODUCTION AND CONSUMPTION :

Cotton occupies a mere 3% of the World's agricultural area – yet it meets 27% of the World textile needs. Globally cotton's land use has remained relatively constant over past 50 years. There are around 100 Countries in the World that grow cotton, of which the number that produce a significant quantity of 10000 tons and above is about 50. The countries that can be the leading ones are India, China, U.S.A., Pakistan, Brazil and Uzbekistan. About 50% of all cotton is produced in two countries – China 6.80 million tons and India 6.20 million tons.

The International Cotton Advisory Committee (ICAC) has projected on 1st July, 2021 World Cotton Production and Consumption estimates for 2019-20, 2020-21 and projections for 2021-22, which are given in the following table :

Quantity in Million Tons

	2019-20	2020-21	2021-22
Production	26.14	24.32	25.48
Consumption	22.75	24.81	25.33
Exports	9.03	9.84	10.01
Ending Stocks	22.36	21.87	22.02

World Cotton Production and Consumption of major cotton producing/consuming countries during 2016-17 to 2020-21 as reported by ICAC on 15th April, 2021 are as under :-

Quantity in Million Tons

Country	2016-17		2017-18		2018-19		2019-20		2020-21	
	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.
China	4.90	8.28	5.89	8.50	6.04	8.25	5.80	7.25	5.91	8.10
India	5.87	5.15	6.35	5.42	5.35	5.40	6.20	4.32	6.31	5.45
USA	3.74	0.71	4.56	0.77	4.00	0.64	4.34	0.54	3.20	0.50
Pakistan	1.66	2.15	1.80	2.35	1.67	2.36	1.32	2.20	0.89	1.98
Brazil	1.53	0.69	2.01	0.68	2.78	0.73	2.89	0.65	2.52	0.61
Vietnam	-	1.17	-	1.51	-	1.51	-	1.40	-	1.48
Bangladesh	-	1.41	-	1.66	-	1.58	-	1.22	-	1.40
RoW	5.38	5.23	6.10	5.46	5.88	5.54	5.60	5.04	5.28	5.02
World Total	23.08	24.79	26.71	26.35	25.72	26.01	26.15	22.62	24.11	24.54

Other major consumers include EU, Turkey, etc.

The area and production of cotton in India have been largest in the World.

COTTON – YIELD :

ICAC has estimated the average yield in major cotton producing countries in the World during 2018-19 as under:-

Rank	Country	Production Tons	Area Harvested '000 Hectares	Yield Kgs./Hectare
1	India	5661	12614	449
2	China	6040	3367	1794
3	U S A	4336	4700	923
4	Pakistan	1670	2373	704
5	Brazil	3002	1666	1802
6	Australia	485	343	1414
7	Uzbekistan	716	1340	534
8	Turkey	977	518	1885
9	Greece	277	277	1001
10	Argentina	335	455	736
	World	25972	33295	780

WORLD FIBRE CONSUMPTION :

The fibre consumption trend showing increasing dependence on MMFs globally and is shown in the following table :

Year	Consumption (Million Kg.)				Consumption Share		
	Total	Cotton	Polyester	Others	Cotton	Polyester	Others
2000	52,485	19,970	19,166	13,349	38%	37%	25%
2005	62,997	22,327	26,640	14,031	35%	42%	22%
2010	75,615	24,962	37,028	13,625	33%	49%	18%
2015	87,877	24,055	48,030	15,792	27%	55%	18%
2017	92,747	24,499	51,974	16,274	26%	56%	18%
2040(P)	1,37,334	30,941	87,284	19,109	23%	64%	14%

STATE SCENARIO :**COTTON PRODUCTION :**

Madhya Pradesh is growing cotton specially in Khandwa, Khargone, Barwani, Jhabua, Ratlam, Dhar and other areas. The area under cotton in Madhya Pradesh varies between 5 to 7 lakh hectares, and the production between 15 and 20 lakh bales. The area under cotton cultivation, the production of cotton and yield per hectare from 2010-11 to 2020-21 is given hereunder :-

Year	Area under cotton (In Lakh Hectares)	Production (In Lakh Bales)	Yield (Kgs./Hectare)
2010-11	6.50	17.70	463
2011-12	7.06	18.00	433
2012-13	6.08	19.00	531
2013-14	5.14	19.00	628
2014-15	5.74	19.00	563
2015-16	5.63	18.00	544
2016-17	5.99	20.50	582
2017-18	6.03	20.50	578
2018-19	6.14	23.00	624
2019-20	6.10	20.00	537
2020-21	5.72	17.83	530

The yield data gives a very distorted figure because the production data includes cotton received from / sent to nearby States of Maharashtra, Gujarat, etc., for ginning and pressing on account of variation in rates of Mandi Tax on cotton, which is lower in neighbouring States.

COTTON COLLABORATIVE PROJECT IN MADHYA PRADESH:

The Association jointly with the State Government is implementing CITI-CDRA Cotton Collaborative Project in Madhya Pradesh in 4 clusters of Ratlam district, 4 clusters of Jhabua district and one cluster of Dhar District for last two years. In Ratlam District the clusters were Ratlam, Sailana Bajna I and Bajna II. Bajna cluster was divided in two parts (I and II) in order to facilitate the project Scouts to implement the activities smoothly and successfully. In Jhabua District, the clusters were Jhabua, Ranapur, Rama, Petlawad and Thandla, where the project activities were implemented. In Dhar District Dattigaon (Sardarpur) cluster was selected. All the clusters are growing ELS cottons and are contiguous forming the project area for carrying out different project activities.

Arrival of ELS Cotton grown in these areas have gathered momentum and the quality is reported to be better than the previous season. Some samples from Jhabua District were got tested from a private laboratory and the results were found as under:

Variety	Av.Staple	ML	UI	Strength	EL	Mic
VishvanathBT.Hybrid	36.68	31.98	87.2	41.7	7.3	3.58
KashinaBT.Hybrid	37.00	32.29	87.3	43.4	7.5	4.03
J.K.Gold	36.88	31.76	86.1	41.2	7.00	2.87
Adinath BT Hybrid	36.75	31.49	85.7	41.8	7.3	3.31
Kavita Gold	36.65	30.41	82.9	44.5	7.3	3.87

Training to the cotton growers :

The Farmer Training Camps, Farmer Field Schools (FFS) and Awareness Camps were organized fortnightly for the cotton farmers in the project areas of Ratlam, Jhabua and Dhar Districts to provide solution to the problem faced by them at different stages of crop growth and acquaint with the latest cotton technologies including INM and IPM. The KVK Scientists and officers of Agriculture Department were also invariably involved in these trainings. The members of Gram Panchayats including Sarpanch also participated in these trainings more frequently. In FFS, practical field oriented trainings were given on identification of insect pest and diseases, their nature of damage and symptoms on crop plants and management practices, conservation of eco-friendly insects, safe use of pesticides and clean harvest of cotton. During these FFS, the farmers were also made aware about Economic Threshold Level of different pests, field scouting for observing the pest occurrence, principals of IPM including selective and judicious use of insecticides and insecticides resistance management. The farmers were also made aware about the physiological disorders in BT cottons and their management. Similarly the field days and awareness camps were also organized in the project areas with the help of Agriculture Department. The technical literature was also distributed to the cotton growers obtained from the Agriculture Department. The following events and awareness programmes were conducted during the year 2020-21, however, the number of events conducted were comparatively on lower side than 2019-20 because of Corona pandemic:

District wise Number of Events and Number of Farmers participated

Event	Ratlam		Jhabua		Dhar		Total	
	Events	Farmers	Events	Farmers	Events	Farmers	Events	Farmers
Farmers Training	53	1,896	7	408	39	1,319	99	3,623
F F S	42	1,073					42	1,073
Field Days	15	355					15	355
Awareness Camps	3	95					3	95
Mass Awareness	-	15,653		1,826		9,173		26,652

Impact of CITI-CDRA cotton collaborative projects in Madhya Pradesh:

The impact of different project activities in terms of seed cotton yield, reduction in number of insecticidal sprays and technological awareness among cotton growers including clean harvest of cotton with better quality was observed in project areas. During trainings more emphasis was given on promoting adoption of low cost technologies by giving practical orientation on identification of insect pest of cotton, their life cycles, damage symptoms and management practices to be adopted through FFS, field days, farmer trainings and day to day field visits by the project staffs and agriculture officers. Continuous pest surveillance, conservation of Eco-friendly insects and method and time of their release for managing the harmful insects, use of bio-pesticides and their preparation, Economic Threshold Level based management of cotton insects resulted in reduction in number of chemical sprays. The involvement of Sarpanch and other Gram Panchayat Members and progressive farmers helped in boosting the morale of farmers resulting in quick adoption of many non-monitory technologies among the cotton growers. The technological awareness about crop rotation, integrated nutrient management based on soil testing, timely gap filling and use of neem based bio pesticides helped in getting higher crop yields with reduction in environmental pollutions. Farmers were encouraged to avoid using extremely hazardous insecticides like MCP.

PRODUCTION OF MAN-MADE FIBRE (VSF) :

The only unit manufacturing Man-made fibre in the State (Grasim Industries Ltd.) has reported the production of Viscose Staple Fibre as under :-

Year	Production in '000 Kgs.
2010-11	1,32,204
2011-12	1,42,258
2012-13	1,51,528
2013-14	1,55,011
2014-15	1,53,671
2015-16	1,27,656
2016-17	1,50,121
2017-18	1,54,414
2018-19	
2019-20	
2020-21	

The production of Viscose Staple Fibre could have been much more, had the production activities at this plant not shut down every year due to non-availability of water in the summer season for 1½ to 2 months.

MINIMUM SUPPORT PRICE FOR KAPAS FOR 2020-21 and 2021-22

The Government of India, Ministry of Agriculture & Farmers Welfare announces the Minimum Support Price (MSP) for two basic varieties of cotton, medium staple length cotton having staple length of 24.5 to 25.5 mm with micronaire value of 4.3 to 5.1 and long staple length cotton having staple length of 29.5 to 30.5 mm with micronaire value of 3.5 to 4.3 of Kapas (seed cotton). Support prices of these two varieties were fixed at Rs.5,726 and Rs.6,025 per quintal for the cotton season 2021-22. Based on the support price for these two basic varieties vis-à-vis the normal price differential and other relevant factors, the Textile Commissioner announced the support price for other varieties of kapas vide his Notification dated 22nd September, 2021 for 2021-22 cotton season (October-September) as under :

CLASS OF COTTON	Fibre Quality Parameters		Minimum Support Price (MSP) Rs. per Qtl.		Names of the indicative varieties used by the Trade
	Basic Staple Length(2.5% Span Length) in mm	Micronaire Value	2020-21	2021-22	
(I)	(II)	(III)	(IV)	(V)	(VI)
Short Staple (20 mm & below)					
	-	7.0-8.0	5015.00	5226.00	Assam Comilla
	-	6.8-7.2	5015.00	5226.00	Bengal Deshi
Medium Staple (20.5 mm – 24.5 mm)					
	21.5-22.5	4.2-6.0	5265.00	5526.00	V-797/G.Cot.13/G.Cot.21
	21.5-23.5	4.8-5.8	5315.00	5476.00	Jayadhar
	23.5-24.5	3.4-5.5	5365.00	5576.00	AK/Y-1 (Mah& M.P.) / MCU-7 (TN)/SVPR-2(TN)/ PCO-2(AP & Kar)/K-11 (TN)

Medium Long Staple (25.0 mm – 27.0 mm)					
	24.5-25.5	4.3-5.1	5515.00	5726.00	J-34 (Raj)
	26.0-26.5	3.4-4.9	5615.00	5826.00	LRA-5166/KC-2(TN)
	26.5-27.0	3.8-4.8	5665.00	5876.00	F-414/H-777/J-34 Hybrid
Long Staple (27.5 mm – 32.0 mm)					
	27.5-28.5	4.0-4.8	5725.00	5925.00	F-414/H-777/J-34 Hybrid
	27.5-28.5	3.5-4.7	5725.00	5925.00	H-4/H-6/MECH/RCH-2
	27.5-29.0	3.6-4.8	5775.00	5975.00	Shankar-6/10
	29.5-30.5	3.5-4.3	5825.00	6025.00	Bunny/Brahma
Extra Long Staple (32.5 mm & above)					
	32.5-33.5	3.2-4.3	6025.00	6225.00	MCU-5 / Surabhi
	34.0-36.0	3.0-3.5	6225.00	6425.00	DCH-32
	37.0-39.0	3.2-3.6	7025.00	7225.00	Suvin

The other terms and conditions specified in this Notification were almost similar to those of the previous ones.

COTTON PRICE TREND :

It is said that if there is anything certain about Cotton prices, it is their uncertainty. This is demonstrated by behavior of cotton prices during the year. The movement of prices (month end spot rates) of some of the major varieties during the year has been as under :-

Month	J-34 SG Punjab		Mech-1/H-4 (28 mm) MP		S-6 (28 mm) Gujarat		DCH-32 (34/36 mm) Karnataka	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
April	-	43,190	-	44,495	-	45,214	-	56,580
May	33,768	46,060	33,035	45,246	32,405	44,425	51,178	55,765
June	34,810	46,260	33,497	45,566	33,096	44,955	54,677	55,730
July	33,970	45,112	33,291	44,752	32,730	44,105	54,937	55,690
August	35,204	42,777	34,685	42,432	33,767	42,432	55,840	55,318
September	36,402	41,270	35,990	42,227	35,453	41,093	56,250	56,250
October	38,070	37,537	36,485	39,261	37,210	37,537	56,316	55,004
November	40,795	37,174	39,180	39,393	39,735	38,753	57,533	55,328
December	41,400	38,110	40,844	39,478	41,025	38,579	57,440	55,587
January	42,480	39,194	43,298	39,681	42,853	39,489	60,818	56,367
February	43,344	38,646	44,240	39,437	45,438	38,850	66,234	56,604
March	44,258	38,259	45,243	38,732	45,026	38,298	70,942	56,625
April	42,295	-	45,403	-	45,310	-	74,036	-

Source : Indian Cotton Federation (1st July, 2021).

Cotton markets are mainly influenced by China, the largest consumer followed by India, Pakistan, Vietnam, Bangladesh, etc.

OTHER RAW MATERIAL PRICES :

As per information available from the website of Office of Textile Commission, the prices of various items of raw material have been as under :-

Period	PSF	PFY	Rates – Rs./Kg.
			Raw Wool (Imported Marino)
2015-16	93.49	96.13	667.45
2016-17	91.37	93.28	750.40
2017-18	101.65	101.09	807.72
2018-19	125.20	118.59	1175.02
2019-20	107.52	99.26	933.66
2020-21			

ORGANIC COTTON :

Cotton grown without environmentally dangerous chemicals is called clean, natural, green and Organic Cotton. Organic cotton provides all the quality and texture desired of cotton products. The demand for Organic Cotton is rising with people becoming more conscious for environment and health. The World production of Organic Cotton has risen from 610 tons in 2001 to 2,49,153 tons in 2020. Organic Cotton is grown in 21 countries and is around 98% of global production comes from just seven Countries. Presently it is grown on 5,88,425 hectares of land and 2,29,280 farmers are involved. The top five organic cotton producing countries are India (49.8%), China (12.3%), Turkey (9.7%), Kyrgyzstan (11.8%), Tajikistan (4.2%), USA (2.8%) and Tanzania (4.5%) accounting for 95.00% of the total production. The World Organic Cotton production have been as under :-

Year	Production in Tons
2010-11	1,51,079
2011-12	1,43,600
2012-13	1,06,556
2013-14	1,16,974
2014-15	1,12,488
2015-16	1,07,980
2016-17	1,17,525
2017-18	1,80,871
2018-19	N.A
2019-20	2,49,153

According to Organic Cotton Market Report - 2021, 1,24,244 tons (40.8% of Global production) of Organic Cotton was grown in India on 2,85,196 hectares of land by 1,64,677 farmers in the year 2019-20. The details of year-wise Organic Cotton production in India are as under :-

Year	Production in Tons
2010-2011	1,02,452
2011-2012	1,03,004
2012-2013	81,171
2013-2014	86,853
2014-2015	75,251
2015-2016	60,184
2016-2017	59,470
2017-2018	85,530
2018-2019	1,22,668
2019-2020	1,24,444

The State-wise production of Organic Cotton in 2017-18 and 2019-20 has been as under :-

State	Quantity in Tons	
	2017-18	2019-20
Odisha	24,801	38,226
Madhya Pradesh	24,539	31,339
Gujarat	17,744	20,714
Maharashtra	12,593	23,577
Rajasthan	4,919	8,588
Telangana	488	497
Karnataka	446	426
Tamil Nadu	Nil	877

BETTER COTTON INITIATIVE :

The Annual Report of Better Cotton Initiative (BCI) 2020, a Switzerland based Not for Profit Organisation states 2.4 million farmers were licensed Worldwide to sell Better Cotton in 2019-20, and they produced 23% of global cotton production. Better Cotton is available in 23 cotton producing countries after only ten years of operations. During cotton season 2019-20, 62,05,000 tons of Better Cotton lint was produced Worldwide.

Better Cotton is produced in 10 States in India and there were 10,22,000 BCI Farmers producing Better Cotton lint of 10,02,149 tons on 7,85,000 hectares in cotton season 2019-20, which is 16.15% of global Better Cotton production.

MANDI TAX ON COTTON :

The State Government reduced the rate of Mandi Tax applicable to un-ginned cotton brought in any Krishi Upaj Mandi either from within the State or from outside the State from Rs. 2 per Rupees one hundred to Rs. 1 per Rs. one hundred. This exemption was available upto 7th January, 2019. However, from 6th October, 2018, the general rate of Mandi Tax has been reduced to Rs.1.50 per Rs. One Hundred and thus from 8th January, 2019, Mandi Tax @ Rs.1.50 per Rs. One Hundred is applicable.

PRODUCTION OVERVIEW

The industry is extremely varied, with hand-spun and hand-woven textile sectors at one end of the spectrum, while the capital intensive sophisticated mill sector on the other end. The decentralized powerlooms/hosiery and knitting sector forms the largest component in the textile sector. The close linkage of textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the Country in terms of textiles makes it unique in comparison to other industries in the Country. India's textile industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the World. The future of Indian textile industry looks promising, buoyed by strong domestic consumption as well as export demand.

As per Wazir Advisors, Indian domestic textile and apparel market is estimated at US\$ 75 billion in 2020-21. The market fell 30% from US\$ 106 billion in 2019-20. The market is expected to recover and grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. Apparel constitutes 73% share of the total Textile & Apparel market in India.

The Index of Industrial Production (IIP) data (Base 2011-12) covers two textile groups, namely textiles and wearing apparel. The following IIP data for last six years show the growth pattern of the industry :-

Base Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Textiles	119.40	117.40	117.10	118.40	115.70	90.70
Growth (%)		(-)1.68	(-)0.26	1.36	(-)2.50	(-)21.60
Wearing Apparel	131.00	151.70	137.50	154.20	154.60	108.60
Growth (%)		15.10	(-)10.32	12.15	1.00	(-)29.80

NATIONAL TEXTILE POLICY :

The National Textile Policy of 2002 exists. The Ministry of Textiles on 17th June, 2013, constituted an Expert Committee under the Chairmanship of Shri Ajay Shankar, Member Secretary, National Manufacturing Competitiveness Council (NMCC) with 24 Members to review the National Textile Policy : 2002 and formulate the new National Textile Policy.

On 28th July, 2014, the Committee submitted its Report "Vision, Strategy and Action Plan for Indian Textiles & Apparels" to the Textile Minister. This Policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create additional 35 million jobs. However, the new National Textile Policy is yet to be notified.

GROWTH OF TEXTILE INDUSTRY :

The global pandemic of Covid-19 affected various industrial sectors in the country including the textile sector. The Government has taken following initiatives/measures to help ameliorate the conditions in textile sector to boost production, marketing and job opportunities in the sector on pan-India:

- In order to boost production and exports in MMF sector, Government has removed anti-dumping duty on PTA (Purified Terephthalic Acid), a key raw material for the manufacture of MMF fibre and yarn and also on Acrylic fibre, a raw material for yarn and knitwear industry.
- The Government has announced a special economic package, viz., *AatmaNirbhar Bharat Abhiyaan* for boosting economy of the country and making India self-reliant. Relief and credit support measures have been announced for various sectors. The weavers and artisans of textile sector can avail benefits of these relief and credit support measures to revive their businesses which have suffered due to lock down necessitated by Covid-19 pandemic.
- Textile and garment manufacturers all over the country contributed to the growth of PPE industry and India became globally the second largest manufacturer of PPEs. As per estimates based on inputs provided by the industry, the country has manufactured nearly 6 crore PPE body coveralls and 15 crore N-95 masks during April to December 2020 period (as per data available). Nearly 1100 manufacturers had registered for PPE Body Coveralls and more than 200 manufacturers for N-95 mask manufacturing. The average market size of this newly created industry is around Rs. 7000 crores.

- iv. Union Budget 2021-22 announcements included launch of the Scheme of setting up Mega Investment Textile Parks. Seven mega textile parks to be set up in next three years. These parks will enable the textile industry to become globally competitive, attract large investment and boost employment generation. The Scheme will enable creation of global champions in exports.
- v. The Production Linked Investment Scheme of Rs 10,683/- crore over a five-year period covering MMF and Technical Textiles sector has been announced which will create global champions in exports and domestic production in textile sector will also grow substantially.

The Technology Upgradation Fund Scheme has been the growth engine for textile industry modernization. The Organised Sector is dominated by spinning units, which, in terms of numbers, account for 80% of the units in this Sector. Out of 2009 textile units, in the organized sector 1804 are spinning mills and 205 are composite. The weaving capacity of the organized mill sector stagnated for a number of years mainly because of existing Textile Policy. From 1992, the weaving capacity has been decreasing substantially, which has been compensated by emergence of decentralized powerloom and hosiery sectors in a big way. With the thrust on weaving/technical textiles sector in the Amended Technology Upgradation Fund Scheme, weaving and technical textile sectors are expected to grow. The Ministry of Textiles launched on 1st April, 2017, a comprehensive Scheme for Powerloom Sector development – POWERTEX. A comprehensive Scheme for development of knitting and knitwear sector under PowerTex India was also announced on 28th February, 2019.

India has second largest manufacturing capacity globally. Our Textile Industry accounts for about 25% of the World spindle capacity, 8% of World rotor capacity and has highest loom capacity (including handlooms) with 63% of World's market share.

PRODUCTION LINKED INCENTIVE SCHEME:

The Ministry of Textiles have issued **Production Linked Incentive (PLI) Scheme for Textiles** on 24th September, 2021, which will be implemented from the date of notification. Incentives under the Scheme will be available for five years period, i.e., during FY 2025-26 to FY 2029-30 on incremental turnover achieved during FY 2024-25 to FY 2028-29 with a budgetary outlay of Rs.10,683 crore. However, if a company is able to achieve the investment and performance targets one year early then, they will become eligible one-year in advance starting from 2024-25 to 2028-29 i.e. for 5 years. The Scheme is intended to promote production of MMF Apparel & Fabrics and, Technical Textiles products in the Country to enable Textiles Industry to achieve size and scale; to become competitive and a creator of employment opportunities for people. There are two Schemes:

Scheme-I : The participating company (Minimum investment Rs.300 crore and turnover Rs. 600 crore) is expected to achieve this required turnover after a gestation period of two years, i.e. in FY 2024-2025, that will be termed as year 1 and a 15% incentive will be provided on attaining required turnover in the Notified lines of MMF and Technical Textiles. Incentive in the subsequent years will be provided on achieving a minimum additional incremental turnover of 25% over the immediate preceding year's turnover up to year 5.

Scheme-II: The participating company (Minimum investment Rs.100 crore and turnover Rs.200 crore) is expected to achieve this required turnover after a gestation period of two years, i.e. in FY 2024-2025, that will be termed as year 1 and 11% incentive on turnover will be provided on attaining required turnover in the Notified lines of MMF and Technical Textiles. Incentive in the subsequent years will be provided on achieving a minimum additional incremental turnover of 25% over the immediate preceding year's turnover up to year 5.

Some of the common conditions of the Scheme are:

- Turnover of notified products removed from factory based on GST invoices and realized only through banking channels only will be considered.
- Provision of a cap of 10% over the prescribed minimum incremental turnover growth of 25% for calculation of incentive from year 2nd onward.
- Turnover achieved from trading and outsourced job work will not be considered.

- Only one company of the Group will be allowed to be registered under the Scheme.
- Only competent, sustainable players are to be supported through the Scheme.
- Based on availability of funds, entry of new entrant in the Scheme will be allowed till FY 2022-23, investment to be completed by FY 2023-24 and production must start in FY 2024-25.

PRODUCTION OF SPUN YARN:

More than 95% of the yarn is produced in the Organised Sector. The figures of spun yarn production (Cotton, Blended and 100% Non-cotton yarn) since 2010-11 with percentage share (including production in SSI Sector) are given below :-

Year	Cotton Yarn		Blended/Non-Cotton Yarn		Total MnKgs
	MnKgs	%age share	MnKgs.	%age share	
2010-11	3490	74.05	1223	25.95	4713
2011-12	3126	71.60	1246	28.40	4372
2012-13	3583	73.60	1285	26.40	4868
2013-14	3923	74.09	1386	25.91	5309
2014-15	4055	73.97	1433	26.03	5488
2015-16	4138	73.06	1527	26.94	5665
2016-17	4055	71.66	1604	28.34	5659
2017-18	4064	71.56	1616	28.44	5680
2018-19	4208	71.44	1682	28.56	5890
2019-20	4050	70.89	1663	29.11	5713
2020-21	2945	70.69	1221	29.31	4166

PRODUCTION OF FABRIC :

The production of cloth is mainly in decentralized sector. Powerloom sector accounts for 59%, hosiery units 26% and handloom around 12% of total cloth production. Organised sector weaving mills account for only 3% of cloth production.

The following table gives the percentage share of fabric production in two sectors :-

Sector	Production Mn. Sq. Mtrs.					Percentage share			
	2016-17	2017-18	2018-19	2019-20	2020-21	2017-18	2018-19	2019-20	2020-21
Mills	2264	2157	2078	2022		3.23	2.96	2.65	
Decentralised	61216	64688	67992	74266		96.77	97.04	97.35	
Total	63480	66845	70070	76288		100.00	100.00	100.00	

It will be observed from the above table that production percentage in decentralized sector is rising continuously, whereas in mill sector it is almost stagnant, which is concentrating mainly on spinning and production of high value fabrics/fabrics for exports.

PRICE MOVEMENT OF TEXTILE ITEMS :

The price movement (average) of major textile items during the last five years have been as under :-

Period	Rate – Rs./Kg.				
	Hank Yarn	Cone Yarn	PF Yarn (126D)	Tex. Yarn	Hosiery Yarn
2015-16	224.32	184.17	96.13	100.20	202.90
2016-17	240.90	190.18	93.28	98.40	209.96
2017-18	259.97	194.22	101.09	103.66	216.31
2018-19	269.26	216.44	118.59	122.74	232.01
2019-20 (Apr-Feb)	267.19	200.29	122.86	125.56	224.72

Source: Ministry of Textiles.

GROWTH OF TEXTILE INDUSTRY IN THE STATE :

MILLS & PERFORMANCE :

According to the earlier data available from Office of the Textile Commissioner, the structure of the Textile Industry in the State has been as under :-

Textile Mills	Numbers
Spinning Units (Non-SSI)	43
Composite Mills	16
Spinning Mills (SSI)	6
Exclusive Weaving Mills (Non-SSI)	5
100% Export Oriented Units	-
Number of Powerlooms	1,33,425
Number of Powerloom Units	53,043
Number of Handlooms	12,069
Man-made fibre Units	1
Installed Capacity :	
a) No. of Spindles (Non-SSI & SSI) in thousand	2,478
b) No. of Rotors (Non-SSI & SSI)	33,888
c) No. of Looms (Composite & Exclusive Weaving Units).	4,469
d) No. of Knitting Machines	159

The Textile Commissioner's Office was earlier showing 65 mills, but about 22 mills are either closed or not having any activity. Thus the operational mills are around 45 only. As per Compendium of Large Industries of Madhya Pradesh available on website of Department of Industrial Policy & Investment Promotion, there are 44 textile mills in the State, but many of them are non-existent. Our State has only about 4.8% of the total spindleage in the Country.

PRODUCTION OF SPUN YARN :

The figures of spun yarn production in the State beyond 2016-17 are not available.

Quantity in Thousand Kgs.							
Yarn	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Cotton Yarn	299696	330074	348605	326350			
Blended Yarn	75002	76281	78842	86313			
100% Non-Cotton Yarn	26369	26000	31531	36936			
Total Spun Yarn	401067	432355	458978	449599			

PRODUCTION OF FABRIC :

The weaving segment of the mill sector in the State is increasing every year. The following table gives the position of fabric production (Mill Sector) in the State since 2012-13 to 2016-17. The figures of Fabric beyond 2016-17 are not available.

Quantity in Thousand Sq. Mtrs.								
Fabric	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Cotton	119231	117412	164843	182155	167818			
Blended	32796	43909	62175	49285	56304			
100% Non-Cotton	293	362	1513	1611	1467			
Total	152320	161683	228531	233051	225589			

HANK YARN OBLIGATION:

Hank Yarn Obligation was introduced in 1974 at 50% of production of cotton and Viscose yarn. However, from 2003 this was reduced to 40% of yarn packed for civil consumption in hank form.

Actual Hank Yarn requirement by the Handloom Sector is less than 8% of weaving yarn delivered to the domestic market. Hence the Government should further reduce this Obligation to 15%. As per decision taken in the 69th Meeting of Hank Yarn Price Monitoring Committee, all Spinning Mills are to register online and e-file the Hank Yarn Return (Annexure-I and II). It is mandatory for all units to submit the Returns from January-March, 2015.

TECHNICAL TEXTILES:

Technical textiles refer to textile material primarily used for their technical performance and functional properties. Based on product characteristics, functional requirements and end user application, technical textile products have been classified in 12 categories.

With a view to boost technical textiles sector in the Country, the Government has approved the proposal for creation of National Technical Textiles Mission (NTTM) for a period of 4 years (2020-21 to 2023-24) with an outlay of Rs.1480 crores. The National Technical Textile Mission will -

- (i) focus on research and innovation and indigenous development of specialty fibres from Carbon, Nylon-66, Glass, Aramid and other high technology polymers; increase application of geo-textiles, agro-textiles, medical textiles, protective textiles and other segments of technical textiles in various application areas.
- (ii) promote awareness amongst users, bring in large scale investments, and encourage high-end technical textiles products.

- (iii) enhance India's exports of technical textiles by 2024 through focused attention on highest traded products.
- (iv) create a robust human resources in the country, both through specialized higher education and skill development of technical manpower of the country.

India's technical textiles market shows a growth of 20% from \$16.6 billion in 2017-18 to \$28.7 billion by 2020-21. There is room for more growth. Consumption of technical textiles in India is at only 5% -10% against 30%-70% in some of the advanced countries. Therefore, a National Technical Textiles Mission has been set up that aims at an average growth rate of 15%-20% to increase the domestic market size of technical textiles to \$40 billion-\$50 billion by 2024. Increased awareness of goods, higher disposable incomes, changing customer patterns and some sector-specific growth drivers are estimated to bolster the Indian technical textiles market to US\$ 23.3 billion in 2027, up from US\$ 14 billion in 2020 in Asia-Pacific.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027.

Exports of Technical Textile by India was 1,528 US \$ million in 2015-16 which increased by CAGR of 12% to 2,423 US \$ million in 2019-20.

P M MEGA INTEGRATED TEXTILE REGION & APPAREL PARKS SCHEME (PM MITRA):

The Government of India approved on 6th October, 2021, Scheme to setup seven Mega Integrated Textile Region & Apparel Parks (PM MITRA) at Greenfield/Brownfield sites located in different States. PM MITRA Yojna is inspired by 5 F visions of Hon'ble Prime Minister, i.e., Farm to Fibre; Fibre to Factory; Factory to Fashion; Fashion to Foreign. Proposals from State Governments having ready availability of contiguous and encumbrance free land parcel of 1,000+ acres along with other textile related facilities and ecosystem are welcome. Maximum Development Capital Support (DCS) of Rs.500 crore for each Greenfield and maximum of Rs.200 crore for each Brownfield park will be provided for development of common infrastructure @ 30% of project cost and Rs.300 crore of Competitiveness Incentive Support (CIS) will also be provided to each such park and will be paid upto 3% of turnover of a new established unit in PM MITRA Park. Each park will develop 50% area for pure manufacturing activity, 20% area for utilities, 10% for commercial development and balance 20% for Medical-ESI, Housing, Training, Research & Development, etc.

POLICY FOR PROMOTION OF TEXTILE INDUSTRY IN THE STATE:

The Industrial Promotion Policy – 2014 (amended as of October, 2019) of the State as issued by the Department of Industrial Policy and Investment Promotion continues to be in operation.

The Department of Micro, Small & Medium Enterprises has issued on 13th August, 2021, Madhya Pradesh MSME Vikas Neeti – 2021 and Madhya Pradesh MSME Protsahan Yojna – 2021. Under this policy, a special package has been announced for textile industry, which include interest subsidy ranging from 2% to 7% for a period of five years in respect of term loans taken for plant and machinery of Rs. 10 to 50 crore approved under ATUFS. The other benefits include reimbursement of quality certification cost, patent registration expenditure, expenditure on infrastructure development, etc. Separate provisions have been made for powerloom and garment sector.

FOREIGN DIRECT INVESTMENT :

The position of total financial year-wise FDI Equity inflows in the Country and in the Textile Sector is given in the following table :

Financial Year	Inflow of FDI in India				(Amount in Billion)
	Total (all sectors)		Textiles (Including Dyed, Printed)		% of FDI in Textiles in terms of Rs.
	Rs.	US\$	Rs.	US\$	
2000-01	103.68	2.38	0.09	0.002	0.09
2001-02	184.86	4.03	0.24	0.01	0.13
2002-03	128.71	2.70	2.58	0.05	2.00
2003-04	100.64	2.19	0.43	0.01	0.43
2004-05	146.53	3.22	1.97	0.04	1.34
2005-06	245.84	5.54	4.15	0.09	1.69
2006-07	563.90	12.49	5.68	0.13	1.01
2007-08	986.42	24.58	7.45	0.19	0.76
2008-09	1428.29	31.40	7.57	0.16	0.53
2009-10	1231.20	25.83	7.15	0.15	0.58
2010-11	973.20	21.38	5.89	0.13	0.61
2011-12	1651.46	35.12	8.04	0.16	0.49
2012-13	1219.07	22.42	5.66	0.10	0.46
2013-14	1475.18	24.30	12.19	0.20	0.83
2014-15	1891.07	30.93	10.02	0.16	0.53
2015-16	2623.21	40.00	17.00	0.26	0.66
2016-17	2916.96	43.48	41.47	0.62	1.42
2017-18	2888.89	44.86	29.24	0.46	1.01
2018-19	3098.67	44.36	13.84	0.19	0.44
2019-20	3535.58	49.97	22.76	0.32	0.64
2020-21	4425.69	59.64	22.55	0.37	0.71
Grand Total	31750.14	592.75	225.53	3.75	0.71

Data Source: Department of Industrial Policy & Promotion.

Despite the Country offering a large domestic market, competitive labour cost and a well working democracy, its performance in attracting FDI flow has been far from satisfactory. The weakness lies in under developed infrastructure and restrictive operative environment and lack of trade agreements with key markets.

EXPORT & IMPORT

Textile exports from the Country reached US\$ 33.5 billion in 2019-20. Due to the impact of Covid-19, India's Textile & Apparel (T & A) exports are expected to fall around 15% to reach US\$ 28.4 billion in 2020-21. India's exports of T&A are expected to grow to US\$ 65 billion by 2025-26, growing at a CAGR of 11%. Categorywise, apparel exports contribute with a share of 40%, which is followed by home textiles with a share of 15%, fabric with a share of 13% and yarn of 13% respectively.

India is the second largest textile and apparel exporter for the entire value chain from natural fibres to man-made fibres. However, our export performance has been below expectations. In global textile trade in 2019, China had 34% share, followed by Vietnam, Bangladesh and Germany 5%, India 4%, etc.

India's Textile & Apparel imports were US\$ 8.6 billion in 2019-20. However, they are expected to decline by around 35% to reach US\$ 5.6 billion in 2020-21. The imports of T&A are expected to grow at a CAGR of approximately 10% to reach US\$ 15.2 billion by 2025-26.

FOREIGN TRADE POLICY 2015-20 :

The Foreign Trade Policy 2015-20 was unveiled by the Minister of Commerce & Industry on 1st April, 2015. The same has been extended till 31st March, 2022.

REBATE OF STATE AND CENTRAL EMBEDDED TAXES & LEVIES ON EXPORT OF GARMENTS AND MADE-UP ARTICLES/REBATE OF STATE AND CENTRAL TAXES & LEVIES :

- i. 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. RoDTEP rates as percentage of FoB value have been notified on 17th August, 2021.
- ii. On 13th August, 2021, the Government has issued Notification 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. The other products (excluding chapters 61, 62 and 63), which are not covered in RoSCTL shall be eligible to avail the benefits, if any, under RoDTEP along with other products.
- iii. Government launched special package of Rs. 6000 crores 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.
- iv. 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.
- v. 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.

IMPORTANT NOTIFICATIONS :

The DGFT has issued following Notifications/Circulars during the year:

- Notification on 6th October, 2020 to implement the RoSL Scheme for the pending claims. Procedure for online application has also been issued on 13th October, 2020, so that the exporters of Made-ups and Garments can start applying for Duty Credit Scrips under the Scheme.

- On 1st March, 2021, Guidelines of online Module for Adjudication, Appeal, Review Proceedings under Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Regulation) Rule, 1993.
- 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.
- As per Notification dated 12th July, 2021 issued by DGFT exporter shall furnish quarterly return/details of his exports of different commodities to concerned registering authority. However, the status holders shall also send quarterly returns to FIEO in format specified by FIEO.

DUTY DRAWBACK RATES :

The Central Government notified revised All Industry Rates of Duty Drawback on 28th January, 2020, which are effective from 4th February, 2020. The rates of Duty Drawback of some of the important items are as under :-

DBK Tariff No.	Description of the Product	Revised from 19 th December, 2018		Revised from 4 th February, 2020	
		%	Value Cap Rs. per kg.	%	Value Cap Rs. per kg.
(1)	(2)	(3)	(4)	(5)	(6)
5106	Yarn of Carded Wool not put up for retail sales				
510601	Containing 85% or more by weight of wool, grey, weaving quality	5.70	108.00	3.50	63.40
510602	Containing 85% or more by weight of wool, dyed weaving quality	5.40	117.00	3.30	69.30
510605	Woollen – MMF blended yarn grey (MMF content less than 50% by weight)	5.70	61.90	3.50	48.00
510606	Woollen – MMF blended yarn dyed (MMF content less than 50% by weight)	5.40	63.20	3.30	50.00
5111	Woven fabric of Carded wool or of carded fine animal hair				
511101	Containing 85% or more by weight of wool or fine animal hair grey	5.00	53.30	3.50	34.00
511102	Containing 85% or more by weight of wool or fine animal hair dyed	5.50	143.30	3.30	56.00
5112	Woven fabric of combed wool or of combed fine animal hair				
511201	Containing 85% or more by weight of wool or fine animal hair grey	5.00	53.30	3.00	57.00
511202	Containing 85% or more by weight of wool or fine animal hair dyed	5.50	143.30	3.50	106.70

DBK Tariff No.	Description of the Product	Revised from 19 th December, 2018		Revised from 4 th February, 2020	
		%	Value Cap Rs. per kg.	%	Value Cap Rs. per kg.
(1)	(2)	(3)	(4)	(5)	(6)
5205	Cotton Yarn (other than sewing thread) containing 85% or more by weight of cotton, not put up for retail sale				
520501	Grey	1.70		1.90	
520502	Dyed	1.70		1.90	
5206	Cotton Yarn (other than sewing thread) containing less than 85% by weight of cotton, not put up for retail sale				
520601	Grey	1.70		1.90	
520602	Dyed	1.30		1.60	
5209	Woven Fabric of cotton, containing 85% or more by weight of cotton, weighing more than 200 g/m2				
520901	Grey	1.60		2.00	24.00
520902	Dyed	1.60		2.00	24.00
520905	Denim fabric	1.80		2.10	8.70
520906	Denim fabric containing 1% or more by weight of spandex / lycra / elastane	1.90		2.20	12.00
5211	Woven fabric of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 g/m2				
521101	Grey	1.80		2.10	16.00
521102	Dyed	1.80		2.10	18.00
521103	Denim fabrics blended with MMF	1.90		2.20	12.00
5212	Other Woven Fabrics of Cotton				
521201	Grey	1.60		2.00	24.00
521202	Dyed	1.60		2.00	24.00
5407	Woven Fabric of Synthetic Filament Yarn				
540701	Woven fabric containing 85% or more by weight of Synthetic Filament Yarn (Grey)	1.50		1.50	
540702	Woven fabric containing 85% or more by weight of Synthetic Filament Yarn (Dyed)	2.20	18.50	2.10	16.70
550399	Synthetic staple fibres, not carded, combed or otherwise processed for spinning (others)	1.50		1.90	
5504	Artificial staple fibres, not carded combed or otherwise processed for spinning	1.50		2.30	4.40

DBK Tariff No.	Description of the Product	Revised from 19 th December, 2018		Revised from 4 th February, 2020	
		%	Value Cap Rs. per kg.	%	Value Cap Rs. per kg.
(1)	(2)	(3)	(4)	(5)	(6)
5509	Yarn (other than sewing thread) of synthetic staple fibre not putup for sale				
550901	Yarn containing 85% or more by weight of MMF (Grey)	1.60		1.70	
550902	Yarn containing 85% or more by weight of MMF (Dyed)	3.40	8.20	3.20	8.50
550903	Other yarn mixed mainly or solely with cotton (Grey)	2.30	5.00	2.30	5.50
550904	Other yarn mixed mainly or solely with cotton (Dyed)	2.80	7.20	2.80	7.20
550905	Other yarn mixed mainly or solely with wool or fine animal hair (Grey)	2.30	22.00	2.30	25.00
550906	Other yarn mixed mainly or solely with wool or fine animal hair (Dyed)	2.80	25.00	2.80	30.00
5512	Woven fabric of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibre				
551201	Grey	1.90		1.90	
551202	Dyed	2.20	13.30	2.10	12.60
5515	Other woven fabric of synthetic staple fibres				
551501	Containing 85% or more by weight of Man-made Staple Fibre and/or Man-made Filament Yarn (Grey)	1.90		1.90	
551502	Containing 85% or more by weight of Man-made Staple Fibre and/or Man-made Filament Yarn (Dyed)	2.20	13.30	2.10	12.60
6002	Knitted or crocheted fabric of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 6001				
600201	Of Wool	5.00	53.30	3.00	57.00
600202	Of Man-made fibre (Grey)	1.50		1.50	
600203	Of Man-made fibre (Dyed)	2.20	18.50	2.10	
600204	Of Cotton (Grey)	1.80		2.10	16.00
600205	Of Cotton (Dyed)	1.80		2.10	18.00
6003	Knitted or crocheted fabric of a width not exceeding 30 cm, other than those of heading 6001 or 6002				
600304	Of Cotton (Grey)	1.60		2.00	24.00
600305	Of Cotton (Dyed)	1.60		2.00	24.00
6005	Warp knit fabrics (including those made on gallon knitting machines), other than those of heading 6001 to 6004				
600504	Of Cotton (Grey)	1.60		2.00	24.00

INTEREST EQUALISATION SCHEME :

Reserve Bank of India notified on 4th December, 2015, Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit effective from 1st April, 2015 for five years valid upto 31st March, 2020, now extended till 30th September, 2021. The rate of interest equalization @ 3% per annum will be available on exports under 416 Tariff Lines, which include readymade garments and made-ups, fabrics of all types, etc. MSME Enterprises are provided interest equalization @ 5% with effect from 2nd November, 2018. Merchant Exporters are included under the Scheme w.e.f. 2nd January, 2019. Scheme needs to be extended including export of yarn.

VALUE OF RUPEE :

During the year, there were ups and downs in the value of Rupee against US Dollar. Average rates during the year 2020-21 were as under :-

Month	Apl 2020	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec	Jan 2021	Feb	Mar
Re/Dollar	76.24	75.66	75.73	75.00	74.67	73.48	73.46	74.22	73.74	73.14	72.80	72.80

EXPORT OF TEXTILES :

India has a share of around 5% of global textile and apparel trade. Gradually India should stop exporting cotton fibre and then yarn and fabrics. It should become a net exporter of finished products only. The details of exports of textiles and clothing (including silk, jute and handicrafts) and their percentage shares in the total export of all commodities since 2014-15 are given below :-

Year	Export of all Commodities	Export of Textiles & Clothing (includes jute, coir and handicrafts)	Value in US\$ Million
			% Shares of textiles / clothing in total export
2014-15	3,10,338	40,068	12.91
2015-16	2,62,291	38,984	14.86
2016-17	2,75,852	39,110	14.17
2017-18	3,03,526	39,296	12.95
2018-19	3,29,536	40,362	12.25
2019-20	3,13,139	36,943	11.80
2020-21	2,90,626	29,453	10.10

The one of the reasons for lower exports in last fiscal is demand from China – especially for cotton and yarn – was tepid and recovery in the developed markets like US and EU remained fragile. China has imposed 3.5% import duty on yarn exported from India under Asia Pacific Trade Agreement, while dutyfree access is given to Vietnam, Bangladesh and Pakistan – also have zero duty access to some of the key markets – which has added to the woes of our exporters. For example Bangladesh exports products at zero duty to US and EU, which together accounts for 65% of our supplies. Average tariff levied on Indian exports is around 5.90% in EU and 6.20% in US compared to 0% and 3.90% on exports from Bangladesh.

EXPORT OF COTTON TEXTILES:

In the Financial Year 2020-21, export of cotton textiles declined by 0.68% to a level of US\$ 10.11 billion from US\$ 10.19 billion in the previous year. The itemwise details and their share in exports are given below :-

Commodity	Value US\$ Billion					Percentage Share				
	2016-17	2017-18	2018-19	2019-20	2020-21	2016-17	2017-18	2018-19	2019-20	2020-21
Yarn	3.35	3.42	3.90	2.77	2.80	31	32	34	27	27
Fabrics	2.05	2.16	2.42	2.48	2.30	19	20	21	24	23
Made-ups	5.30	5.13	5.25	4.94	5.01	50	48	45	49	50
Total	10.70	10.71	11.57	10.19	10.11	100	100	100	100	100

Source: TEXPROCIL

The export of cotton textiles inclusive of cotton fibre, their value in INR, in US\$ and growth percentage during the years 2016-17 to 2020-21 have been as under:-

YEAR	COTTON FIBRE			TOTAL COTTON TEXTILES			TOTAL COTTON TEXTILES (INCL. RAW COTTON)		
	Billion		%Growth	Billion		%Growth	Billion		%Growth
	INR	USD		INR	USD		INR	USD	
2016-17	109.82	1.63	..	717.03	10.70	..	826.85	12.33	..
2017-18	121.56	1.89	15.95	690.76	10.71	0.09	812.32	12.60	2.19
2018-19	146.28	2.10	11.11	808.40	11.56	7.94	954.68	13.66	8.41
2019-20	75.40	1.05	-50.00	722.48	10.19	-11.85	797.88	11.24	-17.72
2020-21	139.68	1.89	80.00	748.59	10.11	-0.68	888.27	12.00	6.76

COUNTRYWISE EXPORT OF COTTON TEXTILES:

The details of export of all cotton textile items to major fifteen Countries during last three years are as under :-

Country	USD Million			Percentage Share			% Change
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	2020-21
World	11567.60	10195.76	10126.80	100.00	100.00	100.00	-0.68
USA	2751.87	2670.45	3141.31	23.79	26.19	31.02	17.63
Bangladesh	1265.05	1107.99	1037.72	10.94	10.87	10.25	-6.34
China	1312.27	623.11	703.11	11.34	6.11	6.94	12.84
Sri Lanka	357.78	371.54	349.58	3.09	3.64	3.45	-5.91
UAE	389.66	332.12	297.68	3.37	3.26	2.94	-10.37
UK	283.37	262.94	254.98	2.45	2.58	2.52	-3.03
Germany	286.39	266.66	239.81	2.48	2.62	2.37	-10.07
S. Korea	251.13	202.29	210.03	2.17	1.98	2.07	3.83
Vietnam	168.06	145.61	187.18	1.45	1.43	1.85	28.55
Australia	132.82	126.62	160.32	1.15	1.24	1.58	26.61
Egypt	234.82	227.53	151.95	2.03	2.23	1.50	-33.22
Peru	134.36	143.74	151.41	1.16	1.41	1.50	5.34
Italy	203.91	168.59	137.55	1.76	1.65	1.36	-18.41
Canada	112.59	120.74	136.64	0.97	1.18	1.35	13.17
Portugal	151.98	163.67	134.84	1.31	1.61	1.33	-17.61
Total of Top 15	8036.09	6933.61	7294.12	69.47	68.00	72.03	..

It will be observed that USA continue to be major buyer of Indian cotton textiles with its share of 31.02% followed by Bangladesh and China with share of 10.25 and 6.94% respectively. 72% of total cotton textile exports were made to 15 countries. Exports to Bangladesh, Sri Lanka, UAE, UK, Germany, Egypt and Portugal declined during the year 2020-21.

EXPORT OF MAN-MADE FIBRE (MMF) TEXTILES:

In the Financial Year 2020-21, export of MMF Textiles declined by 21.30% to a level of US\$ 4643.90 million from US\$ 5900.49 million in the previous year. The itemwise details and their share in exports are given below :-

Commodity	Value US\$ Million					Percentage Share				
	2016-17	2017-18	2018-19	2019-20	2020-21	2016-17	2017-18	2018-19	2019-20	2020-21
Yarn	1796.11	1950.82	2035.89	1769.87	1346.71	30.68	32.38	33.16	30.00	29.00
Fabrics	2018.67	1995.76	1959.41	2158.25	1543.87	34.49	33.14	31.92	36.58	33.25
Made-ups	1441.59	1490.64	1572.79	1469.35	1380.07	24.63	24.74	25.62	24.90	29.72
Fibre	597.12	586.81	570.80	503.02	373.25	10.20	9.74	9.30	8.52	8.03
Total	5853.49	6024.08	6138.89	5900.49	4643.90	100	100	100	100	100

Source: SRTEPC

The export of Man-Made Textiles inclusive of MM fibre, their value in US\$ and growth percentage during the years 2016-17 to 2020-21 have been as under :-

YEAR	M.M.FIBRE		MMF TEXTILES		TOTAL	
	US\$ Mn.	% Growth	US\$ Mn.	% Growth	US\$ Mn.	% Growth
2016-17	597.12	..	5256.37	..	5853.49	..
2017-18	586.81	-1.73	5437.27	3.44	6024.08	2.91
2018-19	570.80	-2.73	5568.09	2.40	6138.89	1.90
2019-20	503.02	-11.87	5397.47	-3.07	5900.49	-3.89
2020-21	373.25	-25.80	4270.65	-20.88	4643.90	-21.30

Source: SRTEPC

COUNTRYWISE EXPORT OF MMF TEXTILES:

The details of export of all MMF textile items to major ten Countries during last three years are as under :-

Country	USD Million			Percentage Share			%Change
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	
World	6138.57	5900.49	4643.90	100	100	100	-21.30
USA	649.76	592.92	665.25	10.58	10.05	14.32	13.20
Turkey	491.66	336.47	290.76	8.00	5.70	6.26	-13.59
Bangladesh	396.60	418.97	272.18	6.46	7.10	5.86	-35.04
UAE	311.54	482.93	337.07	5.08	8.18	7.25	-30.20
Brazil	322.62	250.77	180.29	5.26	4.25	3.88	-28.11
Srilanka	188.12	203.12	164.18	3.06	3.44	3.53	-19.17
Egypt	160.55	150.80	128.33	2.62	2.55	2.76	-14.90
Germany	155.40	137.88	122.88	2.53	2.33	2.64	-10.88
Italy	159.52	121.07	114.12	2.60	2.05	2.45	-5.74
Belgium	..	102.91	90.02	..	1.74	1.94	-12.53

It will be observed that USA continue to be major buyer of Indian MMF textiles with its share of 14.32% followed by UAE and Turkey with share of 7.25 and 6.26% respectively.

EXPORT OF READYMADE GARMENTS:

The export of Ready Made Garments have seen a continuous downfall from 2016-17. The yearwise figures of RMG exports are as under :-

Year	Value in US\$ Mn.	% Growth
2016-17	17382.80	..
2017-18	16718.90	-3.80
2018-19	16156.20	-3.40
2019-20	15509.40	-4.00
2020-21	12286.30	-20.80

Source: AEPC

EXPORTS FROM STATE :

The Minister for Textiles, Smt. Smriti Irani, informed Lok Sabha on 12th February, 2021 of the Statewise exports of textile and garments. She reported following information in respect of the State of Madhya Pradesh :

Value in US\$ Million					
	2015-16	2016-17	2017-18	2018-19	2019-20
Madhya Pradesh	1,068	1,101	1,175	1,234	1,112
All India	35,995	35,372	35,722	36,557	33,379
%	2.96	3.11	3.28	3.37	3.33

EXPORT PERFORMANCE OF MEMBER-MILLS :

Majority of our Member-Mills are exporting yarn, while some are exporting woven fabrics, knitted fabrics and knitted garments too. The overall export performance of Member-Mills (those who reported) since 2010-11 has been as under :

Value Rs. in Lakh					
Year	Yarn	Woven/Knitted Fabrics	Knitted Garments	VSF etc.	Total
2013-14	232911.25	63160.46	34170.33	44461.00	374703.04
2010-11	102019.36	16454.75	29865.18	31435.00	179774.29
2011-12	167583.68	20094.89	23938.25	39689.00	254305.82
2012-13	196772.92	60327.71	22497.01	44223.00	323820.64
2013-14	232911.25	63160.46	34170.33	44461.00	374703.04
2014-15	194939.00	41545.00	44059.33	45555.00	326098.00
2015-16	245134.00	38309.00	66594.00	42083.00	392120.00
2016-17	202248.00	39665.00	62825.00	56536.00	361274.00
2017-18	216921.00	64875.00	62811.00	48370.00	392977.00
2018-19	201394.00	33886.00	55415.00	NA	290696.00

The above figures would have been much higher had all the Member-Mills reported the export data to the Association.

IMPORT OF TEXTILES IN THE COUNTRY :

With the removal of quantitative restrictions on imports, Indian markets are flooded with imported textile products. India's textile imports have gone up substantially. Import of textiles and apparel have grown at 10% CAGR upto 2019-20. The Government hiked Import Duty on 328 textile items from the present 10% to 20% w.e.f. 7th August, 2018. This decision will bring relief to domestic manufacturers, promote Make in India and boost job creation. However, it may be noted that man-made fibre and filament yarn are not included in this increase.

The growth pattern of import of textile products in the Country for last ten years are as under :-

Value in US\$ Million											
Commodity	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	% Change
Readymade garments	316	328	434	524	581	596	773	1,106	1,144	881	(-)23
Cotton Textiles	1,347	1,614	1,571	1,794	1,707	2,083	2,448	2,065	1,898	798	(-)58
Man-made Textiles	1,935	1,945	1,988	2,292	2,130	1,973	2,265	2,670	2,682	2,334	(-)13
Woolen Textiles	462	387	377	413	367	327	372	425	332	200	(-)40
Silk Products	342	310	220	215	206	210	251	202	211	100	(-)53
Handloom Products	7	14	19	10	10	5	11	15	10	6	(-)44
Carpets	59	56	61	74	79	71	94	101	118	72	(-)39
Jute Products	246	248	155	170	248	244	181	170	242	176	(-)27
Total Textile & Apparel	4,715	4,902	4,825	5,493	5,328	5,509	6,394	6,755	7,505	5,298	(-)29
Handicrafts	451	441	472	560	693	784	923	794	764	577	(-)25
Total T&A including Handicrafts	5,166	5,343	5,297	6,053	6,021	6,293	7,318	7,549	8,269	5,875	(-)29

Source: DGCI&S

EXPORTS IN 2019-20 AND 2020-21:

Although official data is not available, the following information about Exports and Imports during the year 2019-20 and 2020-21 could be collected from Confederation of Indian Textile Industry:-

Value in US\$ Million			
EXPORTS	2019-20	2020-21	% Change
Cotton Raw & Waste	1,057	1,897	79
Cotton Yarn	2,761	2,791	1
Cotton Fabrics, Made-ups	5,968	6,020	1
Man-made Staple Fibre	503	374	(-)26
Man-made Yarn, Fabrics, Madeups	4,821	3,805	(-)21
Apparel	15,488	12,271	(-)21
Wool and Woolen Products	181	109	(-)40
Silk and Silk Products	93	100	8
Jute	357	397	11
Others (Carpets & Handloom, etc.)	4,228	4,291	0
Total	35,517	32,055	(-)10

- EU, USA and UAE remain the top export destinations for India with combined share of 56%.
- China continues to be the largest import partner for India with a share of 38%.

TAXATION

CENTRAL TAXES :

The Confederation of Indian Textile Industry (CITI) and the Federation of Indian Chambers of Commerce & Industry (FICCI) are to submit Pre-Budget Memorandum to the Union Textile Minister. On 29th October, 2020, we submitted following suggestions to them to be included in their Pre-Budget Memorandum:

- * Entire MMF textile value chain (fibre to finished goods) to be put under 5% GST rate at par with cotton textile value chain.
- * Enhance readymade garments value cap under 5% GST to Rs.2,500 from the present Rs.1,000 (RMG beyond Rs.1,000 price are taxed presently at 12%).
- * Allow refund of Input Tax Credit on capital goods and services in the textile value chain.
- * Reduce GST rate for the services rendered by common textile effluent treatment plants from 12% to 5% (prior to GST, this service was exempted from Service Tax).
- * Extend benefit of proposed Remission of Duties & Taxes on Export Products (RoDTEP) Scheme to entire textile value chain. Presently Scheme of Refund of State Levies (RoSL) is applicable only to garments and made-ups.
- * Textile industry to be classified as MNREGA employer. More than 60% of this industry is in unorganized sector and by classification under Mahatma Gandhi National Rural Employment Guarantee Act, the industry will ensure minimum 200 days of employment to rural unemployed and illiterate especially women.
- * Sufficient provision for Technology Upgradation Fund Scheme to take care of old and current dues. Scheme should also be available for replacement of old spinning machinery.
- * The Scheme of Direct Benefit Transfer to cotton farmers should be introduced, so that when cotton prices fall below Minimum Support Price(MSP), the downstream industry gets raw material at market prices.
- * Hank Yarn Obligation be reduced to 15%. Since the spinning capacity in the Country has increased substantially and the handloom capacity has gone down, the actual requirement of handloom sector is less than 8% of weaving yarn, the hank yarn obligation needs reduction.

UNION BUDGET PROPOSALS FOR 2021-22 - HIGHLIGHTS :

The Hon'ble Union Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman presented the first ever digital Union Budget and stated that India's fight against COVID-19 continues into 2021. The Finance Minister in her speech said that when the political, economic, and strategic relations in the post-COVID world are changing, it is the dawn of a new era – one in which India is well-poised to truly be the land of promise and hope.

The Key Highlights (Relevant Extracts) of Union Budget 2021-22 are as follows:

- Production Linked Incentive scheme (PLI) Schemes in 13 Sectors to create and nurture manufacturing global champions for an AatmaNirbhar Bharat. MMF segment and technical textiles are included among the 10 key sectors with approved financial outlay of Rs 10,683 crore.
- To help manufacturing companies become an integral part of global supply chains, possess core competence and cutting-edge technology.
- To bring scale and size in key sectors.

- To provide jobs to the youth.
- Mega Investment Textiles Parks (MITRA) scheme 7 Textile Parks to be established over 3 years, Rs.80 crore (Last year Rs. 60 crore).
- Textile industry to become globally competitive, attract large investments and boost employment generation & export. This will create world class infrastructure with plug and play facilities to enable create global champions in exports.
- Amended Technology Up-gradation Fund Scheme – Rs.700 crore (Previous year Rs. 545 crore).
- Procurement of cotton by CCI under Price Support Scheme – Rs.136 crore.
- Integrated Scheme for Skill Development – Rs.100 crore (Last year Rs. 80 crore)
- National Technical Textiles Mission – Rs.100 crore (Last year Nil).
- Integrated Processing Development Scheme – Rs.75 crore (Last year Rs. 40 crore).

Taxes & Duties–

- Basic Custom Duty on Caprolactam, yarn and other Nylon raw material reduced to 5%.
- Import Duty on cotton and cotton waste raised from Nil to 10%.
- GST Council to take measures to remove anomaly like Inverted Duty Structure.
- Late deposit of employees' contribution to PF/ESI not to be allowed as deduction to the employer.
- Interest earned on employees' contribution to various funds to be limited to the annual contribution of Rs.2.50 lakh from 1st April, 2021.

IMPORTANT NOTIFICATIONS, ETC. :

- The Central Board of Indirect Taxes & Customs issued a Notification on 8th March, 2021 reducing the limit for issue of e-way bills from Rs.100 crore to Rs.50 crore. E-Invoicing is now mandatory for taxpayers having aggregate turnover of more than Rs. 50 crore in any one of the four preceding financial years from 1st April 2021.
- On 21st March, 2021, the Ministry of Finance issued a Press Note clarifying that taxpayers are free to utilize the Input Tax Credit available in their credit ledger, as permissible in law, to discharge their GST dues for the month of March, 2021.
- The Central Board of Indirect Taxes & Customs (CBITC) vide circular dated 15th December, 2020 waived recording of UIN on the invoices for the months of April, 2020 to March, 2021. A seller of goods is liable to collect TCS @ 0.1% from 1st October, 2020 on receipt of consideration from a buyer in excess of Rs.50 lakh in the previous year. In non-PAN or Aadhar case, the rate of TCS would be 1%. For the purpose seller means a person, whose total sales, gross receipt or turnover from the business carried by him exceeds Rs.10 crore during the financial year immediately preceding the financial year, in which sale of goods is carried out. However, the rate has been reduced by 25% till 31st March, 2021.

TRADE NOTICES, CIRCULARS, STANDING ORDERS, PUBLIC NOTICES, ETC.

Trade Notices, Circulars, Public Notices, Standing Orders, etc. issued by the Commissioner, Customs and Central Excise, Indore/Bhopal, Central Board of Indirect Taxes & Customs or the Ministry of Finance, Director General of Foreign Trade, Reserve Bank of India, Commercial Taxes Department, Government of Madhya Pradesh, etc., during the year in relation to Textile Industry were circulated to Member Mills, as soon as these were received/known.

GOODS & SERVICE TAX IN THE TEXTILE SECTOR :

The Goods & Services Tax (GST) was introduced in the Country with effect from 1st July, 2017. The tax is to be equally apportioned as MPGST and CGST between Centre and State. In inter-state rate this tax is levied as IGST. The present rates of GST applicable to Textile Sector (effective till 31st December, 2021) are as under:-

Sl.No.	Product	Rate (%)
1	Cotton	5
2	Cotton Cone Yarn	5
3	Cotton Hank Yarn	5
4	Cotton Waste	5
5	Cotton Fabric	5 (No refund of ITC accumulated)
6	Cotton Garment/Made-Ups Without brand name having retail sale price below Rs.1000 (per piece)	5
7	Cotton Garment/Made-Ups with brand name having RSP of Rs.1000 and above (per piece)	12
8	Polyester Garment/Made-Ups Without brand name having retail sale price below Rs.1000 (per piece).	5
9	Polyester Garment/Made-Ups With brand name having retail sale price of Rs.1000 (per piece) and above.	12
10	Polyester Fibre & Waste	18
11	Polyester Yarn	12
12	Polyester Fabric	5 (No refund of ITC accumulated)
13	Blended Textile Products (Yarn/Garments/ Made-ups)	Cotton predominant -5, Polyester predominant -12
14	Textile Machinery	18
15	Handloom Machinery	0
16	Scrip under Foreign Trade Policy	0
17	Job Work of all Textile Products (Cotton & Synthetic)	5
18	GTA Services including Transport of Cotton	5
19	Commission Agent Transaction	18
20	Testing Service	18
21	Security Service	18
22	Hank Yarn Obligation	18
23	Polypropylene/polypropylene woven and non-woven bags and sacks whether laminated or not used for packing of goods.	12/18 **Effective from 01.01.2020

STATE TAXES:

Raw Cotton attracts Mandi Tax @ 1.5% of value with effect from 8th January, 2019

MANPOWER

INITIATIVES BY UNION MINISTRY OF LABOUR :

Ministry of Labour & Employment has taken an initiative for consolidating various labour laws. Under this initiative the following four Codes have been notified:

1. The Code on Wages, 2019.
2. The Occupational Safety, Health and Working Conditions Code, 2020.
3. The Code on Social Security, 2020.
4. The Industrial Relations Code, 2020.

The Rules framed under these Codes have also been notified. However, the State Government has framed Draft Rules under these Codes and invited comments from stakeholders, but the same are to be finalized.

STEPS TAKEN BY MINISTRY OF TEXTILES TO PROVIDE FRESH IMPETUS TO GENERATE EMPLOYMENT :

The Union Textile Minister informed Rajya Sabha on 17th September, 2020 about the steps taken for employment opportunities in the Textile Sector. Textile Sector in India provides largest source of employment in the country with over 4.5 crore people employed directly and another 6 crores people in allied sector including large number of women and rural population through various schemes and public programmes such as:-

- i. Amended Technology Upgradation Fund Scheme is being implemented to upgrade technology/machineries of textile industry with an outlay of Rs.17,822 crore during 2016-2022 which will attract investment of Rs.1 lakh crore and generate employment in the textile sector by 2022.
- ii. Under the Scheme of Integrated Textile Park (SITP), Government provides 40% subsidy with a ceiling of Rs.40 crore to set up Textile Parks for infrastructure creation and employment generation. 59 sanctioned textiles parks are under various stages of implementation, once fully operational it is expected to house about 5909 textile units and will generate employment for about 3,61,093 persons.
- iii. Under the Scheme for development of Knitting and Knitwear to boost production in knitting and knitwear clusters which provide employment to nearly 24 lakh persons.
- iv. Apart from the aforesaid programmes, Government has been implementing various schemes for promoting investment, production, employment generation in Powerloom Sector, Silk Samagra, North Eastern Region Textile Promotion Scheme (NERTPS), National Handicraft Development Programme (NHDP) and National Handloom Development Programme (NHDP) to provide direct job in rural India.

Under the broad objective of "Skill India" & "Make in India" initiatives, Government is taking many initiatives in addition to the above mentioned schemes such as SAMARTH.

INDUSTRIAL RELATIONS :

By and large industrial relations in the Member-Mills remained peaceful and cordial during the year.

LABOUR POLICY OF THE STATE :

The highlights of Labour Policy of State of interest to Textile Industry, which was notified in 2007 are as under :-

- Efforts to be made to train the workers with co-ordination of Department of Industries and Department of Technical Education for the industries.
- Considering the global competitiveness preference to be given to the industry which can employ maximum workers and help development of ancillary industries, Extra concessions and facilities will be provided to such industries.
- Strict compliance of Provisions of Contract Labour (Regulations & Abolition) Act to be ensured.
- Provisions of MP Industrial Relations Act, 1960 to be reviewed.
- Demands raising unnecessary disputes not to be considered.
- Closure and layoff to be allowed considering the advantages and disadvantages.
- Powers to renew licenses under the Factories Act, 1948 to the factories employing upto 500 workmen to be vested with Joint Director/Deputy Director.
- The three stage inspection system to be abolished except in hazardous and most hazardous factories.
- Labour Courts to be placed under the State High Court.

THE MADHYA PRADESH LABOUR WELFARE BOARD :

The rate of employees contribution to Labour Welfare Fund was increased to Rs.10 per employee payable every six months and the employers' contribution to Rs. 30 per employee payable for every six months with effect from 2nd February, 2013. The minimum employers' contribution is Rs. 1500 for each of the half year. The employees drawing upto Rs. 10,000 p.m. have been included.

PAYMENT OF WAGES ACT, 1936 :

The Central Government has specified Rs. 24,000 p.m. as the wages under section 1(6) of the Act, effective from 28th August, 2017. The State Government has specified that employers of any factory or their contractors shall pay wages to the persons employed by them only by cheque or by crediting the wages in their bank accounts.

CONSUMER PRICE INDEX :

The Consumer Price Index Numbers for Industrial Workers (Base 2001 = 100 up to August 2020 and Base 2016 = 100 from September, 2020)) of All India and various Centres in Madhya Pradesh during the year 2020-21 have been as under :-

	All India	Indore	Bhopal	Chhindwara	Jabalpur
Linking factor to 1982 series	4.63	4.73	4.83	4.03	4.53
April, 2020	339	297	339	323	335
May	330	298	342	329	334
June	332	306	346	332	341
July	336	306	352	336	340
August	338	305	353	336	343
Linking Factor to 2016 series	2.88	2.70	3.11	2.94	3.00
September	118.1	113.7	114.8	115.8	115.1
October	119.5	115.3	115.4	117.1	116.3
November	119.9	115.8	115.0	117.7	117.3
December	118.8	113.8	115.3	118.1	116.6
January 2021	118.2	113.7	113.9	118.0	116.3
February	119.0	114.9	115.1	118.8	118.9
March	119.6	115.5	117.2	118.7	119.9

THE MINIMUM WAGES IN THE STATE:

Shri H. S. Jha, Vice President of Pratibha Syntex Limited has been nominated on Minimum Wage Advisory Board.

The State Government revised minimum wages with effect from 1st October, 2014. (Published in M.P.Gazette on 10th October, 2014). Any rise above 241 points of All India Consumer Price Index is compensated half yearly based on average rise in July-December and January-June Index @ of Rs.25 per point. The minimum wages payable to unskilled workers were revised from Rs.240 per day to Rs.250 per day with effect from 1st June, 2015.

The minimum wages payable to various categories of workmen w.e.f. 1st October, 2014 onwards with half yearly increase in Dearness Allowance are as under :-

With effect from	Highly Skilled		Skilled		Semi-Skilled		Unskilled	
	p.m.	p.d.	p.m.	p.d.	p.m.	p.d.	p.m.	p.d.
1 st October, 2014	Rs. 9735	Rs.374	Rs.8435	Rs.324	Rs.7057	Rs.271	Rs.5939	Rs.228
1 st April, 2015	10035	386	8735	336	7357	283	6239	240
1 st June, 2015	10035	386	8735	336	7357	283	6500	250
1 st October, 2015	10110	389	8810	339	7432	286	6575	253
1 st April, 2016	10385	399	9085	349	7707	296	6850	263
1 st October, 2016	10485	403	9185	353	7807	300	6950	267
1 st April, 2017	10660	410	9360	360	7982	307	7125	274
1 st October, 2017	10660	410	9360	360	7982	307	7125	274
1 st April, 2018	10860	418	9560	368	8182	315	7325	282
1 st October, 2018	10910	420	9610	370	8232	317	7375	284
1 st April, 2019	11235	432	9935	382	8557	329	7700	296
1 st October, 2019	11485	442	10185	392	8807	339	7950	306
1 st April, 2020	11810	454	10510	404	9132	351	8275	318
1 st October, 2020	11935	459	10635	409	9257	356	8400	323
1 st April, 2021	12235	471	10935	421	9557	368	8700	335
1 st October, 2021	12335	474	11035	424	9657	371	8800	338

VARIABLE DEARNESS ALLOWANCE UNDER SETHI AWARD :

For the employees of the Textile Mills, who were signatories to the submissions made to Shri P. C. Sethi, the then Chief Minister of Madhya Pradesh, the rate of Dearness Allowance changes every quarter depending upon the rise or fall in the Consumer Price Index Number. Variable dearness allowance underwent the following changes during the year 2020-21 :-

Quarter	For Indore, Ujjain, Nagda, Ratlam, Dewas, Sanawad, Khandwa and Burhanpur Centers	For Bhopal Centre
April-June, 2020	Rs. (+)0.01	Rs. (-) 73.23
July-September, 2020	(+) 79.38	(+) 52.86
October-December, 2020	(+) 155.89	(+) 372.92
January-March, 2021	(+) 109.64	(+) 130.52
April-June, 2021	(+)19.03	(+)16.27
July-September, 2021	(+)135.71	(+)279.70

PAYMENT OF BONUS ACT, 1965 :

The Payment of Bonus Act, 1965 was last amended on 1st January, 2016 and amendments made applicable from the financial year 2014-15 :-

- Eligibility limit of salary or wage for payment of bonus raised to Rs. 21,000 per month (section 2 (13)).
- Ceiling of salary or wage for calculation of bonus raised to Rs. 7,000 per month or minimum wages, whichever is higher (section 12).
- Minimum bonus payable @ 8.33% of salary or wage continues.

EMPLOYEES' PROVIDENT FUND AND MISC.PROVISIONS ACT, 1952 :

- From 1st April, 2017, the rate of Provident Fund Administrative Charges were reduced to 0.65% (earlier 0.85%) of pay. From 1st January, 2015, Minimum Administrative Charges under A/c. II for non-functioning establishments are now Rs.75/- p.m. and for the operational establishments/factories, Minimum Administrative Charges are Rs.500/- p.m. These charges have been further reduced to 0.50% of pay w.e.f. 1st June, 2018. Under EDLI Scheme present Minimum Administrative Charges are Rs.25/- p.m. for non-functional establishments/factories and for operational establishments/ factories are Rs.200/- p.m.
- The benefit available under Employees Deposit Linked Insurance Scheme, 1976 shall not be less than Rs.2.50 lakh and more than Rs.6.00 lakh. This amendment will be in force for a period of two years from the date of Notification, i.e., 15th February, 2018.
- The EPFO 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.
- EPFO on 15th May, 2020, 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.
- According to the Notification issued by the Ministry of Labour & Employment on 18th May, 2020, an establishment was allowed to 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 was 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
- The EPFO vide its Office Memorandum dated 14th July, 2020 as part of the *Pradhan Mantri Garib Kalyan Yojna* (PMGKY) package extended payment of 24% of monthly wages for three more months, i.e., June, July and August, 2020 into the EPF accounts of wage earners below Rs.15,000/month with a view to prevent disruption in employment of low wage earning employees and support establishments employing upto 100 employees with 90% or more such employee earning less than Rs.15,000/month. Thus this package has provided relief for the months from March, 2020 to August, 2020.

- On 17th July, 2020, EPFO, New Delhi advised its Regional Commissioners to take immediate initiative to settle that claims on priority in the event of industrial accidents by deputing an EO to ascertain the complete details of incident, death cases, etc. from the concerned establishment and ensure that due guidance is provided to the family members/legal beneficiaries for immediate filing of claims under the provisions of the Act.
- The EPFO issued guidelines to its field formations on 14th September, 2020 regarding Attachment of Bank Accounts for Enforcing Appearance and Conducting Enquiries under Section 7A of the Employees' Provident Fund & Miscellaneous Provisions Act.
- The Employees' Provident Fund Organization issued an Office Memorandum on 31st December, 2020 laying down detailed Guidelines for Implementation of *Atmanirbhar Bharat Rojgar Yojna* (ABRY) – to incentivize creation of new employment opportunities in EPFO registered establishments. The Scheme commenced from 1st October, 2020 and shall remain open for registration of eligible employers and new employees up to 30th June, 2021.
- On 4th January, 2021, EPFO declared 8.5% rate of interest on the Accounts of Employees' Provident Fund Members for the year 2019-20.
- On 19th January, 2021, EPFO issued instructions for conduct of Quasi-judicial Proceedings under Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
- As per reports, the Central Government is set to begin a nationwide exercise to identify the companies that did not deposit dues under the Employees' Provident Fund and Employees' State Insurance Schemes as a part of crackdown against willful defaulters. It is observed that in the absence of physical inspections, there has been an increase in complaints about companies deducting employees' contributions and not depositing the same.
- The Central Government announced *Atmanirbhar Bharat Rojgar Yojna* on 12th November, 2020 offering provident fund subsidies to the employers for hiring new workers and also for those who have lost jobs during Covid-19 pandemic; highlights of the *Yojna* are as under:-
 - * Newly added employees from October, 2020 to June, 2021 for the first time on monthly wage of less than Rs.15000 with the establishments registered with EPFO to get the benefit.
 - * Employees' contribution and Employers' contribution totaling 24% will be provided for two years for establishments with up to 1000 employees.
 - * All establishments with maximum of 1000 workers will be covered.
 - * Reference base of employees to be as in September, 2020.
 - * EPF members, who made an exit from employment during Covid-19 from 1st March, 2020 and employed on or after 1st October, 2020 will be covered.
 - * An establishment with up to 50 employees will have to add minimum two employees and those with more than 50 employees will have to give jobs to minimum five employees.
 - * Establishments with more than 1000 employees will be entitled for subsidy towards employee's share (12%) only.
- 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

EMPLOYEES' PENSION SCHEME, 1995 :

- Minimum Pension of Rs.1,000/- p.m. is payable in respect of a member and widow(er)/nominee/dependent parents, whereas children and orphan pension of Rs. 250/- p.m. and Rs.750/- p.m. respectively is payable w.e.f. 1st September, 2014.
- Pensioners who left services before 23rd July, 2009 at the age of 58 years or rendering with 20 years pensionable service (contributory service) have been allowed two years bonus with effect from the date of start of pension to them as per Circular dated 8th May, 2017.

- As per Gazette Notification dated 25th April, 2016, individuals who have completed 10 years of service and put off the withdrawal of pension on attaining the age of 58 years will earn an increase of 4% in pension for each year upto 60 years (i.e., 4% in case of one completed year and 8.16% in case of two completed years). The employees can also contribute to Pension Fund upto the age of 60 years.
- The Ministry of Labour & Employment vide Notification dated 20th February, 2020, have restored normal pension in respect of those who availed the benefit of commutation under erstwhile Para 12A of the Employees' Pension Scheme, 1995 on or before 25th September, 2008, on completion of 15 years from the date of commutation.

EMPLOYEES' STATE INSURANCE ACT, 1948 :

- With effect from 1st October, 2016, ESI Scheme has been introduced in all the Districts of Madhya Pradesh.
- 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.
- ESI Corporation vide its circular dated 29th June, 2020 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.
- The ESI Corporation at its 182nd Meeting held on 20th August, 2020 decided to relax the eligibility criteria and enhancement in the payment of relief under *Atal Bimit Vyakti Kalyan Yojna*. The enhanced relief payable during the period 24th March, 2020 to 31st December, 2020 only. The eligibility criteria for availing relief is as under:-
 - * Payment of relief for unemployment increased to 50% of average wages from earlier 25% up to maximum 90 days of unemployment.
 - * Instead of relief becoming payable 90 days after unemployment, during the period it become due after 30 days of unemployment.

The insured person should have minimum two years of insurable employment and should have contributed for not less than 78 days in the contribution period immediately preceding to unemployment and 78 days in one of the remaining three contribution periods in two years prior to unemployment.
- The Ministry of Labour & Employment issued two Notifications on 27th October, 2020, making amendments to Employees' State Insurance (Central) Rules, 1950. These are:
 - * The maternity benefit payable under Rule 56(A) increased to Rs.7,500/-. This benefit will be payable only for two confinements and where medical facilities under ESI are not available.
 - * Rule 51(B) omitted, which provided for payment of Employers' contribution @ 3% and Employees' contribution @ 1% of wages for initially for two years in the areas, where the ESI Act is implemented for the first time. Now after this Notification, Employers' contribution will be payable @ 3.25% and Employees' contribution @ 0.75% of wages.
 - * IPS 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.
- As per Press Note dated 3rd February, 2021 of Ministry of Labour & Employment, ESI Corporation 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 Kalyan Yojna* for such period of zero contribution shall be allowed subject to fulfilment of other eligibility conditions.
- 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 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.
- The Employees' State Insurance Corporation, New Delhi, clarified on 11th March, 2021 that due to lockdown in March, 2020, a number of ESI covered units were shut down resulting non-payment of contributions towards ESI. Considering potential hardships to beneficiaries of such units, one time relaxation in entitlement criteria for ESI Contribution for the period with effect from 1st April, 2020 to 30th September, 2020, it will be assumed that contribution has been received and there is no break for processing entitlement of medical benefits.

- 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.
- 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.

ATAL BEEMIT VYAKTI KALYAN YOJNA :

The ESI Corporation has launched a scheme named 'Atal Bimit Vyakti Kalyan Yojana' (ABVKY) which, in case the Insured Person (IP) is rendered unemployed, provides relief to the extent of 25% of the average per day earning during the previous four contribution periods (total earning during the four contribution period/730 days) to be paid up to maximum 90 days of unemployment once in lifetime of the IP on submission of claim in form of an Affidavit. The Scheme has been made effective from 1st July, 2018. The Scheme is implemented on pilot basis for a period of two years initially. The eligibility conditions and other features of the scheme are as under:

- The IP should have been rendered unemployed during the period the relief is claimed.
- The IP should have been in insurable employment for a minimum period of two years.
- The Insured Person should have contributed not less than 78 days during each of the preceding four contribution periods.
- The contribution in respect of him should have been paid or payable by the employer.
- The contingency of the unemployment should not have been as a result of any punishment for misconduct or superannuation or voluntary retirement.
- Aadhar and Bank Account of the Insured Person should be linked with insured person data base.
- In case the IP is working for more than one employer and is covered under the ESI Scheme he will be considered unemployed only in case he is rendered unemployed with all employers.
- As specified in Section 65 of the ESI Act, an IP shall not be entitled to any other cash compensation and the Relief under ABVKY simultaneously for the same period. However, periodical payments of Permanent Disability Benefit (PDB) under ESI Act and Regulations shall continue.
- As specified under Section 61 of the ESI Act, an IP who is in receipt of Relief under ABVKY shall not be entitled to receive any similar benefit admissible under the provisions of any other enactment.
- The IP will be eligible for Medical benefit as provided under the Act for the period he is availing this relief.
- The claim for Relief under ABVKY may be submitted by the claimant any time after rendering unemployed, but not later than one year from the date of unemployment to the appropriate Branch Office in form of affidavit in prescribed Form. No prospective claim i.e. claim for relief under ABVKY for any future period will be allowed.
- The IP will submit his claim online through the ESIC Portal.
- The Relief under ABVKY shall be paid/payable by Branch Office to IPs directly in their bank account only.
- The ESI Corporation has clarified on 12th November, 2020 that an employee, who has been paid statutory dues like PF, gratuity, leave encashment, bonus, etc., by the employer, while removing him from job or at the time of his resignation or in cases where employer says that the employee has left the job/taken voluntary retirement/tendered resignation, shall be considered eligible for relief under *Atal Beemit Vyakti Kalyan Yojna*.
- *Atal Beemit Vyakti Kalyan Yojna* was introduced by ESIC on pilot basis for a period of two years with effect from 1st July, 2018 for providing relief to insured persons who have become unemployed. The Union Labour Minister informed the Rajya Sabha on 24th March, 2021, the details of claims/payments made under ABVKY during the period 1st July, 2018 to 18th March, 2021, which are as under:-

	No. of Claims Received	No. of Claims Approved	Amount Approved
All India	69,759	43,299	Rs.57,18,34,198/-
Madhya Pradesh	2,810	1,943	Rs. 2,46,15,791/-

- The Scheme has been extended till 30th June, 2022.

INDUSTRIAL DISPUTES ACT, 1947 :

The Madhya Pradesh Labour Laws (Amendment) and Miscellaneous Provisions Act, 2015 issued on 27th November, 2015 provides for:

- For retrenchment, three months notice to a workman to be retrenched is required as against one month's notice earlier (Section 25F).
- At the time of retrenchment a worker has to be paid 15 days average pay for every completed year of continuous service or any part in excess of six months or an amount equivalent to three months average pay, whichever is more (Section 25F).
- The provisions of Chapter V-B will apply to an establishment in which not less than 300 workmen are employed on an average per working day for preceding twelve months. Earlier it was applicable in case of establishments employing not less than one hundred workmen (Section 25K).
- 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.
- The Ministry of Labour & Employment vide its Notification dated 10th June, 2019 have prescribed certain procedures where any employer discharges, dismisses, retrenches or otherwise terminates the services of an industrial workman and any industrial dispute connected with this arises between the worker and his employer, the Conciliation Officer shall exercise powers of Central Government under Section 10 read with Section 2A of the Industrial Disputes Act and makes such report to the Labour Court or the Tribunal.

MADHYA PRADESH INDUSTRIAL EMPLOYMENT (STANDING ORDERS) ACT, 1961 / RULES, 1963 :

- From 27th August, 2008, a workman, who is required to work on any of the paid holidays, is to be given a substituted holiday in lieu of his working or he will be entitled to double the normal wage rate for extra work done.
- With effect from 29th August, 2008, the State Government increased paid holiday to nine by adding Vishwakarma Jayanti.
- Labour Department of the State vide Notification dated 28th June, 2014, revised upwards retirement age of workmen from 58 years to 60 years w.e.f. 25th October, 2014. However, this Act and the Rules do not apply to Micro Industries and applies to establishments employing more than 50 workmen.
- The limit of 50 workers under Section 2(1)(A) has been raised to 100 workers with effect from 6th May, 2020.
- The Ministry of Labour & Employment issued a Notification on 16th March, 2018 notifying amendments to Industrial Employment (Standing Orders) Central Rules, 1946 introducing 'fixed term employment' category of workmen, who are employed on a contract basis for fixed period. This will assist the industry to employ workers in the sector, which are of seasonable nature and witness fluctuation of demand and hence require flexibility in employing workers.

As per reports on seeking Legal Opinion, the Law Ministry has informed that the provision of Industrial Employment (Standing Orders) Act are independent statutory provisions, with requirement under any other law not impacting these. In sum, workers hired under fixed term contract will be entitled for gratuity from employer, whenever their contract ends, even if, they have not completed five years of continuous service.

TRADE UNIONS ACT, 1926 :

- In the matter of All Escorts Employees' Union v/s State of Haryana, the Supreme Court has held that the Bye-laws of the Union cannot be amended to allow erstwhile employees of the group to continue as members, even if they pay subscription fees. The various provisions of the Trade Union Act implicitly confine the membership to those, who are workmen of the industry, where they are employed.

FACTORIES ACT, 1948 :

- The State Government vide Order dated 23rd June, 2011, allowed employment of women workers in all the shifts in the Textile Industry (including in night shifts from 10:00 P.M. to 5:00 A.M.). State Government has notified on 24th June, 2016 conditions for ensuring Safety of Women Workers required to work between 8.00 PM to 6.00 AM.
- As per Notification dated 5th May, 2020, new industries being set up in the State after issue of this notification are exempted from provisions of Factories Act except Chapter V-A and Sections 25-N, 25-O, 25-P, 25-Q and 25-R of Chapter V-B for next 1000 days subject to the condition that adequate provision are made by them for investigation and settlement of industrial disputes of workmen employed by them.
- By Notification dated 5th May, 2020, State Government recognized Third Party Certificate of non-hazardous category factories (employing upto 50 workers) regarding compliance of Factories Act, 1948 to be submitted before 31st January each year. Inspection of such factories by Labour Commissioner's Office will only be carried out in case of Serious/Fatal Accident or complaint information received thereto.
- By another Notification of 5th May, 2020, all factories in the State exempted from all provisions of Factories Act and M.P. Factory Rules except Section 6, 7, 8 and Sections 21 to 41-H under Chapter IV, Sections 59, 65, 67, 79, 88 and 112 and Rules made thereunder for a period of three months.
- As per State Government Notification dated 13th May, 2020, each Occupier or Manager of a factory has to file before 1st day of February each year on web portal giving desired particulars of preceding year of such calendar year.
- On 17th August, 2020, the State Government has issued an Ordinance making amendments to Section 2(m) of the Factories Act, 1948 and Section 1(4)(a) and (b) of the Contract Labour (Regulation & Abolition) Act, 1970, whereby both these Acts will now be applicable to establishments with 50 or more workmen.
- 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 2 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 as to any person or agency so authorized by the Labour Commissioner shall be authorized to conduct inspection subject to such restriction as may be specified.
- Third party certification for non-hazardous category factories employing upto 50 workers as per Business Reform Action Plan, 2016 recognised.
- 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.
- 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.
- The Labour Department of the State inserted a new Rule 123-A in Madhya Pradesh Factories Rules, 1962 regarding third party certification on 19th November, 2020.
- On 17th November, 2020, the Labour Department of the State proposed to amend Rule 6 of Madhya Pradesh Factories Rules, 1962 regarding grant of license online in Form No.3 for 10 years or more or such period as applied on payment of fees as specified for such calendar years as applicable for such registration. Objections or suggestions to such amendment are to be submitted by stakeholders before expiry of 45 days from date of Notification.

- The Labour Department of the State 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.
- On 16th March, 2021 State Government amended Factory Rule 6(2) to clarify that the Factory License can be issued for upto ten years or more.

BUILDING & OTHER CONSTRUCTION WORKERS WELFARE CESS ACT, 1996:

The State Government notified on 27th November, 2015, The Madhya Pradesh Labour Laws (Amendment) and Miscellaneous Provisions Act, 2015, whereby -

- The cost of purchase, transportation and such other costs of plant and machinery meant for use in factory will not be added and will be excluded from cost of construction for levy of cess (Section 3(1)). The detailed Notification in this respect has been issued on 24th June, 2016 specifying various items to be excluded from cost of construction. Employer aggrieved by an Order of Assessment under Section 5 of the Act or an order imposing penalty, may file appeal to the authority notified under the Act (Section 11(1)).
- 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.

MADHYA PRADESH INDUSTRIAL RELATIONS ACT, 1960 :

- The Government of Madhya Pradesh in exercise of powers conferred by Section 1(3) of Madhya Pradesh Industrial Relations Act, 1960, has notified on 26th September, 2019, withdrawal of Notification dated 14th August, 2007. With the publication of this Notification, the Textile Industry, which was withdrawn from the purview of MPIR Act, 1960 from 17th August, 2007 has again been included in the purview of this Act. With the amendment, the employees of textile industry may have direct access to Labour Judiciary for voicing their grievances, management will have to deal with the recognized union only, orders of Labour Court could be challenged before Industrial Tribunal, employers will have right to file complaint against employees for violation of provisions of law/agreements/settlements/awards, etc.
- The State Government vide Notification dated 5th May, 2020, have again removed eleven categories of industries (including textile industry) from the purview of Madhya Pradesh Industrial Relations Act, 1960.
- 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.
- 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.).

PAYMENT OF GRATUITY ACT, 1972 :

- With an amendment to Payment of Gratuity Act w.e.f. 3rd April, 1997, the definition of "Employee" under section 2 (e) of the Act includes all the employees, who are employed for wages.
- With effect from 29th March, 2018, the ceiling on amount payable under the Act has been increased to Rs. 20.00 lakh.

INTER-STATE MIGRANT WORKMEN ACT, 1979:

- The factories may have to recruit workmen brought only by licensed or registered human resources agents and may have to maintain a register of every Inter State Migrant Workmen they employ. Although the Rules already exist in the Inter State Migrant Workmen Act, 1979, the same are not being strictly implemented.

CONTRACT LABOUR (REGULATION & ABOLITION) ACT, 1970:

- As per State Government amendment dated 5th May, 2020, the license granted under Rule 25 shall be valid for the period of the contract for which it is made.
- The validity of license granted under Rule 25 Or 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.

M.P.LOK SEVAON KE PRADAN KI GUARANTEE ADHINIYAM, 2010:

- As per Notification dated 4th May, 2020, various services of the Labour Department as outlined in the notification will be provided in one day. The service include issue of licenses under Contract Labour (Regulation & Abolition) Act and renewal of licenses and approval of site plan under Factories Act.

MADHYA PRADESH PROFESSIONAL TAX ACT, 1995 :

With effect from 1st April 2018, the exemption limit of Rs.2,25,000 per annum is applicable to salaried employees.

SEXUAL HARASSMENT OF WOMEN AT WORK-PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013 :

This is an Act to provide protection against sexual harassment of women employees at workplace and for prevention and redressal of complaints of sexual harassment and matters connected therewith. This Act and Rules made thereunder have been made applicable from 9th December, 2013.

APPRENTICES ACT, 1961 :

The Central Ministry of Skill Development & Entrepreneurship have amended Apprenticeship Rules, 1992, which came into force with effect from 25th September, 2019. The major amendments include:

- Apprenticeship Training shall be from 6 months to 3 years.
- Apprentice undergoing training shall be a trainee and not a worker and labour laws will not apply to him.
- Employers with four or more workers are eligible to engage apprentices and for establishments having more than 30 workers, it shall be obligatory.

- In no month number of apprentices should be less than 2% and more than 18% of total strength.
- Minimum rate of stipend shall vary from Rs.5000 to Rs.9000 p.m. based on the qualification of the apprentice.
- In the 2nd year, the stipend payable shall be increased by 10% and in the 3rd year by further 15%.
- Apprentices during basic training for a period up to 3 months shall be paid 50% of stipend.

EASE OF COMPLIANCE TO MAINTAIN REGISTERS UNDER VARIOUS LABOUR LAWS RULES, 2017 :

The Ministry of Labour & Employment vide its Notification dated 21st February, 2017, in a move to improve Ease of Doing Business has rationalized and simplified procedures to maintain registers under nine Central Labour Laws that would lead to sharp reduction in cost and compliance by employers. 56 registers have been merged into 9 registers.

The Ministry of Labour & Employment has issued three Notifications on 29th January, 2019 regarding uploading of Unified Annual Returns on web portal of the Ministry in respect of following Rules :-

- Minimum Wages Central Rules in Form III.
- Payment of Bonus Rules in Form D.
- Industrial Disputes (Central) Rules in Form G1.

These Returns are to be uploaded each year before 1st day of February.

IMPORTANT DECISIONS OF COURTS :

The Association has been circulating quarterly the summary of important decisions of the Supreme Court and the High Courts on labour matters. Certain important decisions are also being circulated separately and gist of some others included in the Monthly News Letters.

TEXTILE SECTOR SKILL COUNCIL :

The Textile Sector Skill Council (TSC) was set up on 22nd August, 2014 under the aegis of National Skill Development Corporation and promoted by CITI, 14 leading Textile Industry Associations (including MPTMA) and Export Promotion Councils. It is committed to develop World Class Skilled Manpower for all segments of Textile Industry. It is undertaking following tasks :-

- Develop Standard Work Methods for various jobs.
- Assist Textile Units to establish right kind of training infrastructure.
- Facilitate to train a pool of Certified Trainers to meet industry requirements.
- Maintain and provide trained manpower data base to the employers.
- Train existing workers.

The TSC has developed 90 Qualification Packs(QPs). Out of which 67 QPs were offered to train more than 56,000 fresh candidate and 2,20,000 RPL candidates across the Country. In Madhya Pradesh 9,650 enrolments have been made.

MISCELLANEOUS :

Three Apparel Training & Design Centres (Sponsored by Apparel Export Promotion Council and Ministry of Textiles) are functioning at Indore, Dewas and Chhindwara in the State. National Institute of Fashion Technology sponsored by Ministry of Textiles is working at Bhopal since 2008.

POWER

The law relating to electricity in the State is governed by the *Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000*, which is in force with effect from 3rd July, 2001 along with provisions of the Electricity Act, 2003 and Rules made thereunder.

POWER TARIFF 2020-21 and 2021-22:

The tariff rates of 2020-21 have been continued till new rates for 2020-21 are finalized and made applicable from 26th December 2020.

A comparative Statement of Tariff (HV-3.1: Industrial) applicable to Textile Industry for the years 2020-21 and those for 2021-22 (Vide Public Notice dated 30th June, 2021) are as under :-

Sr. No.	HV-3.1 Industrial	2020-21 From 26.12.2020		2021-2022 From 08.7.2021	
1	Fixed Charges (Rs./KVA of Billing Demand) 11 KV Supply 33 KV Supply 132 KV Supply 220 KV / 400 KV Supply	Rs. 347.00 570.00 660.00 660.00		Rs. 347.00 570.00 660.00 660.00	
2	Energy Charges (Rs./Unit)	Upto 50% LF	In Excess of 50% LF	Upto 50% LF	In Excess of 50% LF
	11 KV Supply 33 KV Supply 132 KV Supply 220 KV / 400 KV Supply	Rs. 7.10 7.05 6.62 6.20	Rs. 6.10 6.00 5.65 5.20	Rs. 7.10 7.05 6.62 6.20	Rd. 6.10 6.00 5.65 5.20
3	Power Factor Incentive on EC Above Upto 95% 96% 96% 97% 97% 98% 98% 99% 99% -	1% on E C 2% on E C 3% on E C 5% on E C 7% on E C		1% on E C 2% on E C 3% on E C 5% on E C 7% on E C	
4	Power Factor Penalty For each 1% decrease in average monthly power factor Below 90% " 85% " 70%	1% on EC for each 1% fall 5% + 2% for each 1% fall Disconnection		1% on EC for each 1% fall 5% + 2% for each 1% fall Disconnection	
5	Billing Demand	Actual Maximum KVA or 90% of CD whichever is higher		Actual Maximum KVA or 90% of CD whichever is higher	

6	<u>Load factor calculation</u>	<u>Monthly Cons. X 100</u> No. of Hrs. in Billing Month X Demand X P.F.	<u>Monthly Cons. X 100</u> No. of Hrs. in Billing Month X Demand X P.F.
7	<u>Time of Day Surcharge/Rebate</u> 6 PM to 10 PM Surcharge 10 PM to 6 AM Rebate(Apr - Oct) 10 PM to 6 AM Rebate(Nov - Mar)	Normal Rate of E.C. 20% of Normal E.C. 20% of Normal E.C.	Normal Rate of E.C. 10% of Normal E.C. 20% of Normal E.C.
8	<u>For excess demand :</u> a) Energy Charges b) Fixed Charges	No Extra Charge (i) 1.30 times the charges for demand over 120% of CD when MD is up to 130%. (ii) 2 times the charges (when MD exceeds 130%) for demand recorded over and above 130% of CD in addition to (i) above.	No Extra Charge (i) 1.30 times the charges for demand over 120% of CD when MD is up to 130%. (ii) 2 times the charges (when MD exceeds 130%) for demand recorded over and above 130% of CD in addition to (i) above.

Notes :

1. Rebate of Re.1.00 per unit in Energy Charges is applicable for incremental monthly consumption w.r.t. consumption of 2015-16 same month.
2. Rebate of Re.1.00 per unit for new HT Connections.
3. Rebate of Rs.2.00 per unit to Captive Consumers, who have reduced their Captive Consumption and taken power from DISCOM. Base year shall be Financial Year preceding the year of request for switchover.
4. Rebate of Re.1.00 per unit for those Open Access Consumers, who have reduced their Open Access consumption, which have been availing Open Access during 2019-20 and recorded incremental consumption in any month of the current year.

METERING CHARGES :

The MPERC has passed an order on 18th March, 2019 in the matter of Discontinuance of levy of Metering Charges from the consumers, Which have been abolished w.e.f. 26th December, 2020.

FUEL COST ADJUSTMENT CHARGE :

FCA Charge in the form of paise per unit (kwh) rounded off to the nearest integer is billed by the DISCOMs on quarterly basis. The rates of FCA Charges have been as under :-

1 st Billing Quarter 2020-21	10 Paise/Unit
2 nd Billing Quarter 2020-21	13 Paise/Unit
3 rd Billing Quarter 2020-21	11 Paise/Unit
4 th Billing Quarter	12 Paise/Unit
1 st Billing Quarter 2021-22	01 Paise/Unit
2 nd Billing Quarter 2021-22	(-) 20 Paise/Unit
3 rd Billing Quarter 2021-22	(-) 07 Paise/Unit

POWER TARIFF 2019-20 FOR SEZ PITHAMPUR :

On 3rd September, 2021, MPERC has issued a public notice prescribing rates for the financial year 2021-22, which is as under :-

Category	2020-21		2021-22	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
	per KVA	per KVA	per KVA	per KVA
11 KV Supply	Rs. 193.00	Rs.4.04	Rs. 193.00	Rs. 3.82
33 KV Supply	Rs. 228.00	Rs. 4.01	Rs.228.00	Rs. 3.79

ELECTRICAL INSPECTION FEES :

Electrical Inspection fees have been provided in Notification dated 29th November, 2011 for various classes of installations. Inspection and testing of electrical installations only above 33 Kilo Volt will be carried out as stated in Notification dated 14th August, 2015.

The Levy of Fees for Inspection and Approval of Electrical Installation (Madhya Pradesh) Rules, 2017 continue to prevail.

ELECTRICITY SUPPLY CODE :

The MP Electricity Supply Code, 2013 came into force w.e.f. 30th August 2013. First amendment to the Code was issued on 23rd October, 2015 in respect of requisition for new supply/additional supply of energy, reduction of contract demand, etc. The second amendment was made on 6th December 2019 in respect of recovery of old dues in case of change of ownership of property. This code has been repealed and new Code notified on 12th August, 2021 to align with The Electricity (Right to Consumers) Rules, 2020 notified on 31st December, 2020 by Union Ministry of Power.

ELECTRICITY DUTY :

Electricity Duty @ 9% is payable by the Textile Industry on purchase from DISCOMs, but Duty @ 12% is payable on Captive Power Consumption with effect from 1st April, 2016 (earlier it was 15%). The State Government has levied Electricity Duty on open access purchase also at the rates, as if the power is purchased from DISCOMs.

As per Notification dated 14th February, 2013, Captive Power Plants of industrial projects investing certain specified amount in such plants have been exempted from payment of Electricity Duty for a period ranging from five years to fourteen years.

The Energy Department vide its Notification dated 4th March, 2014, exempted High Tension Consumers, who take new connections from Electricity Distribution Companies of the State within 5 years from 4th March, 2014 from payment of Electricity Duty as under :-

Consumer Category	Period of Exemption
33 KV	5 Years
132 KV	7 Years
220 KV	10 Years

The exemption is not available for the units/consumers presently connected with the Electricity Distribution Companies of the State.

Vide another Notification dated 18th June, 2014 (amended vide Notification dated 8th January, 2016), the State Government has exempted Solar, Wind and Bio-mass based generating stations from payment of Electricity Duty for a period of ten years. Similarly small hydro based generating stations have been exempted for a period of five years.

No further extension of above Notifications have been made.

ENERGY DEVELOPMENT CESS :

Energy Development Cess was revised to 15 paise per unit w.e.f. 10th August, 2011, payable by every generating company or a person owning or operating a captive generating plant on the total units of electricity sold or supplied to a distribution licensee or a consumer. This Cess is not payable on self-consumption as per Notification dated 11th January, 2013. The cess is being levied on open access purchase of electricity as per clarification issued by Chief Engineer (Electrical Safety) & Chief Electrical Inspector on 18th June, 2013.

M.P. INTIMATION OF ELECTRICITY ACCIDENTS (FORMS & SERVICES OF NOTICE) RULES, 2016 :

Energy Department of the State has notified these Rules on 24th June, 2016, whereby if any accident occurs in connection with generation, transmission or use of electricity, the intimation of such accident is to be given to the Chief Electrical Inspector within 24 hours of such fatal or other accident.

STATE ADVISORY COMMITTEE OF MPERC :

State Advisory Committee of MPERC has been reconstituted on 9th February, 2018. Our Industry is represented by Shri Mahendra P. Khante, Vice President, Vardhman Fabrics, for a period of three years.

RENEWABLE ENERGY PURCHASE OBLIGATION :

MPERC vide its Orders dated 31st August, 2017 amended Renewable Energy Purchase Obligation (REPO) on captive consumers and open access consumers w.e.f. financial year 2010-11. In respect of energy prescribed for purchase from Solar and Non-Solar sources is as under :-

Financial Year	Quantum - %		
	Solar	Non-Solar	Total
2010-11	-	0.80	0.80
2011-12	0.40	2.10	2.50
2012-13	0.60	3.40	4.00
2013-14	0.80	4.70	5.50
2014-15	1.00	6.00	7.00
2015-16	1.00	6.00	7.00
2016-17	1.25	6.50	7.75
2017-18	1.50	7.00	8.50
2018-19	1.75	7.50	9.25
2019-20	4.00	8.00	12.00
2020-21	6.00	8.50	14.50
2021-22	8.00	9.00	17.00

As per Hon'ble Supreme Court decision in the matter of Hindustan Zinc Limited v/s Rajasthan Electricity Regulatory Commission (RERC) the REPO applicability on Captive and Open Access Power Consumers is held to be well within the ambit of Electricity Act, 2003.

The Association filed a petition before Madhya Pradesh Electricity Regulatory Commission, praying to declare/clarify that the requirement of fulfilling the minimum power procurement requirement from renewable sources including co-generation under Clause 4.1 of MPERC Regulations, 2010 is on the Company, which is a Obligated Entity and not on a Unit(s) of that Company and therefore, the Unit itself does not need to purchase certificates under Regulation 4.3. The Commission passed an order on 22nd October, 2018 and disposed the petition stating that the each Obligated Entity has to fulfill the obligation and, therefore, the renewable purchase obligation has to be met by each Unit and not the Company.

The Association has filed an appeal against this order with Appellate Tribunal of Electricity, New Delhi, which is yet to be heard.

INSTALLED CAPACITY AS ON 31ST MARCH, 2021.

Sr. No.	Name of Unit	Spindles	Rotors	Auto Looms	Knitting Machines	Stenter Machines	Others
1	Anant Spinning Mills	1,30,848	-	-	-	-	-
2	Bhaskar Industries Pvt.Ltd.	14,688	3,104	304	-	2	-
3	Candor Textiles Pvt. Ltd.	-	-	-	-	2	-
4	Deepa Textiles Pvt. Ltd. (under construction)	-	-	145	-	-	-
5	Deepak Spinners Limited	38,736	-	-	-	-	-
6	Grasim Industries Limited (Staple Fibre Division)	-	-	-	-	-	V.S.F. 1,62,425 Tons
7	Kamal Cotspin Pvt. Ltd.	47,520	-	-	-	-	-
8	Kohinoor Elastics Pvt.Ltd.	-	-	100	-	-	-
9	Jaideep India Pvt. Ltd.	25,200	-	-	-	-	-
10	Madhumilan Industries Ltd.	23,264	-	-	-	-	-
11	Mahima Purespun	50,400	-	-	4	-	-
12	Maral Overseas Limited	79,776	-	-	72	3	-
13	Mohini Health & Hygiene Pvt. Ltd.	-	-	-	-	-	Technical Textile
14	Nahar Spinning Mills Limited	1,27,776	-	-	-	-	-
15	National Textile Corporation Ltd. -Burhanpur Tapti Mills	51,264	-	-	-	-	-
16	-New Bhopal Textile Mills	48,528	-	-	-	-	-
17	PBM Polytex Limited	21,944	-	-	-	-	-
18	Pratibha Syntex Limited	58,080	1,560	-	65	3	-
19	Prem Textiles (Intl.) Pvt.Ltd.	12,384	576	40	-	2	-
20	Ramesh Textiles India Pvt.Ltd.	-	-	24	-	-	-
21	Raymond Limited	36,396	-	113	-	7	-
22	Ritspin Synthetics Limited	25,752	2,400	-	-	-	-
23	Sagar Manufacturers Pvt.Ltd.	1,15,680	-	-	-	-	-
24	Satyam Spinners Pvt.Ltd.	15,336	-	-	-	-	-
25	SEL Manufacturing Co.Ltd.	2,20,800	3,480	-	250	-	-
26	Shree Geeta Textile Mills Pvt.Ltd.	15,840	-	-	12	-	-
27	S. Kumars Limited	5,760	336	60	-	3	-
28	SRF Limited	5,652	-	16	-	-	-
29	Swastik Spintex Ltd.	5,760	600	-	-	-	-
30	T D B Spinners Pvt. Ltd	-	-	-	-	-	-
31	Vardhman Fabrics	1,15,008	5,640	820	-	5	-
32	Vardhman Yarns	3,05,376	-	-	-	-	-
33	Vikram Woollens	9,984	-	-	-	-	-
34	Vippy Spinpro Ltd.	-	3,168	-	-	-	-
35	Wearit Global Ltd.	24,864	-	-	-	-	-

The Madhya Pradesh Textile Mills Association



ESTD. 1932

OUR CHAIRMEN

Years	Name
1932	Shri Rao Raja Sir Seth Hukamchand
1949	Shri Rai Bahadur Kanhaiyalal Bhandari
1950	Shri R. C. Jall
1955	Shri Rai Bahadur Lalchand B. Sethi
1956	Shri D. P. Mandelia
1957	Shri Rai Bahadur Hiralal Kasliwal
1958	Shri Pyarelal Seksaria
1959	Shri Omraosingh Gupta
1960	Shri Mahavir Prasad Morarka
1961	Shri Raja Bahadur Singh
1962	Shri B. M. Bhandari
1963	Shri Tejkumar Sethi
1964	Shri Surendra M. Bhandari
1965	Shri Kailash Agrawal
1966	Shri K. A. Desai
1967	Shri B. M. Bhandari
1968	Shri Kailash Agrawal
1971	Shri K. A. Desai
1972	Shri M. D. Vora
1975	Shri Kailash Agrawal
1991	Shri O. P. Jain
1991	Shri Vikas S. Kasliwal
2003	Shri Nitin S. Kasliwal
2008	Shri S. K. Chaudhary
2012	Shri T. K. Baldua
2012	Shri S. Pal
2014	Shri Piyush Mutha
2016	Shri Akhilesh Rathi