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ASSOCIATION NEWS

1. The Members of our Association are facing a number of problems in relation to electricity matters, as such a Representation was sent to Shri Sanjay Dubey, Principal Secretary, Energy Department of the State on 8th April, 2022 drawing his attention towards the following issues:

- Considering the amount of investment in captive power plants, the period of rebate for switch over from captive power to Discom should be ten years and the amount of the rebate in the range of Rs. 2.50 to Rs. 3.00 per unit.
- Instead of allowing Rebate of Re. 1.00 per unit for incremental consumption with reference to corresponding month of 2015-16 for one year, it should be declared for a period of ten years.
- The Exemption from payment of Electricity Duty allowed to new HT consumers as per Para 10.8 of Industrial Promotion Policy, 2014 was available up to 31st March, 2019. Since the Policy continues to be in existence, this period should also be extended to coincide with the Policy period.
- The time of the day rebate for Off Peak Hours, which was 20% till July, 2021 has been reduced to 10% vide tariff order of 2021-22. Since in night hours power consumption is low, it should be restored to 20%.
- Discoms are paying interest on consumers' deposit at the rate of 4.25%, whereas it claims 15% on late payment of electricity bills. The rate of interest on deposit should be 15%.
- There should not be any Additional Surcharge on solar power in view of the decision of the Hon'ble Supreme Court in the matter of Maharashtra State Electricity & Distribution Co. Ltd v/s JSW Ltd. The West Discom should be advised to stop recovery of such charges and refund of amount wrongly claimed from our Members.
- The matter relating to interest on delayed payment of Open Access power purchase during 2011 to 2017 by some of our Members should be settled considering rate of 8.5% (MCLR 7.5+1%)
- A Rebate of Rs. 2.00 per unit should be considered for all the existing Textile Mills so as to enable them to compete with Mills in other States.
- The Green Energy Tariff of Rs. 1.13 per unit fixed by Regulatory Commission recently is too high and need to be brought down to Rs. 0.50 per unit.
- Various restrictions placed on Roof Top Solar Power Generation by industry, such as capacity, levy of open access surcharge, reduction of contract demand, etc. need to be withdrawn to boost production of this environment friendly power.

2. On 20th March, 2022 at Surat Synthetic & Rayon Export Promotion Council's Export Performance Awards for the years 2019-20 and 2020-21 were presented at the hands of Smt. Darshan Vikram Jardosh, Union

Minister of State for Textiles to the following of our Member Mills:

VISCOSE STAPLE FIBRE:

Grasim Industries Limited - Gold Trophy

M M FIBRE YARN BLENDED WITH NATURAL FIBRE:

Vardhman Textiles Limited - Gold Trophy

Congratulations

3. At a function held at Vigyan Bhawan, New Delhi, on 12th April, 2022 Presentation of Birla Economic & Textile Research Foundation Awards was made at the hands of Hon'ble Minister of State of Textiles Smt. Darshana Vikram Jardosh and Hon'ble Minister of Agriculture & Farmers Welfare Shri Narendra Singh Tomar to the following:

For 2019-20 : COVID-19 and Equipping the Textiles and Clothing Workforce Awardee - Vardhman Textiles.

For 2020-21: Sustainable and Innovative Manufacturing in Textile Mills Awardee - Pratibha Syntex Ltd. **Congratulations.**

4. At Bhopal on 10th April, 2022, Pratibha Syntex Ltd. was conferred with Recruiter of the Year Award by the Federation of Madhya Pradesh Chambers of Commerce & Industry at the hands of Governor of the State Hon'ble Shri Mangubhai Patel. **Congratulations.**

5. Grasim Industries Ltd. has been ranked number one in the Debut 2021 Capri Global Capital Hurun India Impact 50, a list of top 50 companies headquartered in India based on their alignment with the 17s Development Goals (SDGs). **Congratulations.**

6. Hon'ble Chief Minister of the State inaugurated the construction work of Pratibha Swaraj Private Ltd., Green Garment Factory on 2nd April, 2022 by performing the land veneration at village Nawakheda on Indore Road. The unit is likely to employ 4,000 persons. This unit has been promoted by Pratibha Syntex Ltd. **Congratulations.**

7. The Ministry of Textiles received a total of 67 applications for Production Linked Incentive Scheme (15 for Part-I and 52 for Part-II). Selection Committee Chaired by the Textile Secretary, Shri U. P. Singh selected 14 applicants for Part-I and 50 for Part-II. Two of our Member Mills namely Pratibha Syntex Ltd and Mohini Health & Hygiene Ltd. have been selected for Part-I and Part II of the Scheme respectively. **Congratulations.**

RAW MATERIAL

1. As per International Cotton Advisory Committee (ICAC) release of April, 2022 Consumption remains strong as we approach the end of the 2021-22 season. Global consumption is currently being reported at 26.16 million tons. Production is down slightly but is holding at 26.43 million tons, still sufficient to accommodate consumption. The current price forecast of the season-average A index for 2021-22 ranges from 106 cents to 126 cents with a midpoint of 113 cents.

2. The latest U.S. Department of Agriculture (USDA) cotton estimates



indicate that global mill use for 2021-22 (August-July) is projected at 124.1 million bales, 1.7 percent (2.1 million bales) above last season and the highest since 2006-07's record. With cotton product demand remaining healthy, World cotton imports—estimated at 45.8 million bales—are supportive of higher World mill use, although import levels are below the 2020-21 record. China once again is expected to account for the largest share of imports and mill use this season. World supporting this season's higher cotton prices.

3. Cotton Outlook in its report dated 29th April, 2022 has estimated World Cotton production for the cotton season 2021-22 (August-July) at 25.54 million tons and consumption at 25.77 million tons, whereas for the cotton season 2022-23 it has projected production at 26.90 million tons and consumption at 26.39 million tons.

4. International cotton prices resumed their upward trajectory in earnest during the second half of March, 2022 prompted by a dramatic rise in New York futures. The Cotlook A Index fell to its low point of 133.15 US cents per lb. early in the period, and rose to 156.55 on the last day of the month, its highest level since June, 2011. Market attention was of course dominated during the month by developments unfolding in Ukraine. The steep advance of raw cotton prices was influenced by several bullish factors, including the large number of outstanding on-call contracts awaiting fixation on the May and July future contracts, a tightening US balance sheet for current season and increasingly worrisome drought in the major US growing region of West Texas and persistent freight disruption.

5. The Cotton Association of India (CAI) in its release of 9th April, 2022 has estimated cotton arrivals during cotton season 2021-22 till 31st March, 2022 at 262.68 lakh bales, imports of 6.00 lakh bales and exports of 35.00 lakh bales. The total cotton production during the season 2021-22 has been estimated at 335.13 lakh bales, imports at 15.00 lakh bales and exports at 45.00 lakh bales. The State-wise production and arrivals are projected as under:

Quantity in lakh Bales.

State	2020-21	2021-22	Arrivals till 31.03.2022
Punjab	10.50	9.07	6.83
Haryana	22.50	16.10	13.71
Rajasthan	32.50	26.17	23.34
Gujarat	91.50	88.99	65.90
Maharashtra	81.00	84.96	66.25
Madhya Pradesh	18.50	20.00	16.38
Telangana	44.00	39.91	31.85
Andhra Pradesh	16.00	13.30	11.50
Karnataka	24.00	21.55	17.75
Tamil Nadu	7.50	10.00	4.25
Odisha	3.00	2.08	1.92
Others	2.00	3.00	3.00
Total	353.00	335.13	262.68

The Committee on Cotton Production and Consumption (CoCPC) of the Ministry of Textiles met on 22nd March, 2022 and estimated cotton production in India for the season 2020-21 at 352.48 lakh bales and for current season 2021-22 at 340.62 lakh bales. It estimated imports and exports of the current cotton season at 18.00 lakh bales and 40.00 lakh bales respectively.

6. High cotton prices amid estimates of lower output have left textiles and garment units concerned about cancellation of orders from traditional buyers and losing business to competitors Bangladesh, Vietnam and China. In the spot market, prices of the popular cotton variety have more than doubled to Rs 90,000 per candy of 356 kg as against the same period a year ago. A just 29 mm cotton crossed Rs. 1,00,000 mark to buy a FAQ per candy of 356 kgs. Mills are forced to cut down on working hours and slash production due to high input cost and reduced demand in the market. An exporter from Indore wishing not to be named said, "Business is very difficult



at such hiked prices and fluctuating market. Unreasonable price hike, makes manufacturers uncompetitive in the international market and we end up losing clients."

7. Inaugurating the Golden jubilee event of the Confederation of Indian Textile Industry- Cotton Development & Research Association (CITI-CDRA) at Vigyan Bhawan on 12th April 2022, the Hon'ble Vice President of India, Shri M. Venkaiah Naidu called upon the need to renew the Technology Mission on Cotton (TMC). The Hon'ble Vice President stated that "Technology Mission on Cotton, a unique Scheme introduced by the former Hon'ble Prime Minister, Late Shri Atal Bihari Vajpayee, enabled the Country to become the World's largest cotton producer by increasing the yield per hectare from 275 kgs. to 585 kgs."

8. As per India Ratings, higher raw material cost is likely to impact textile demand during Quarter one of Financial year 2022-23 on a quarter-on-quarter basis. Sustained rub-off impact from high man-made fibre(MMF) prices amid new arrivals will keep domestic cotton prices to remain at the current high levels during first quarter of 2022-23. "Rising cotton and MMF prices are likely to moderate demand for textile fabrics, made ups and garments as the downstream prices will also rise in tandem with the raw materials," said Shradha Saraogi, Senior Analyst, India Ratings and Research. It generally may also lead to down trading. "Besides, Ind-Ra expects inventory levels to decline by the end of the current cotton season due to a lower opening stock and slightly higher consumption. Similarly, the domestic stock-to-use ratio could decline in the new cotton season," the ratings agency said. Furthermore, Ind-Ra expects cotton yarn and spun yarn prices to continue to rise due to higher demand from downstream players as well as export markets. "Cotton yarn prices increased 3 percent MoM, in February 2022 due to the rise in cotton prices as well as a reduction in the production amid the high export and domestic demand.

9. On 13th April, 2022, the Government has decided to exempt all Customs Duty on import of cotton to lower the price of cotton in the public interest. This exemption would benefit the textile chain- yarn, fabric, garments and made ups and provide relief to textile industry and consumers. Industry has been demanding for removal of 5% Basic Customs Duty (BCD) and 5% Agriculture Infrastructure and Development Cess (AIDC) on raw cotton. The Central Board of Indirect Taxes and Customs (CBIC) notified the exemption from Customs duty and Agriculture Infrastructure Development Cess for import of cotton, which comes into effect from 14th April 2022 and will remain in force up to and inclusive of the 30th September 2022. Removal of import duty on raw cotton should have salutary effect on cotton price in India.

10. Addressing the '21st Civil Services Day 2022, Plenary Session on Aatmanirbhar Bharat – Focus on Exports' in New Delhi on 20th April, 2022, the Union Textile Minister said the recent decision to remove the import duty on cotton was made to ensure the affordability of cotton particularly in a scenario cotton prices stood at almost twice the Minimum Support Price, making textile exports uncompetitive. The lower import costs will boost manufacturing, create jobs, increase the disposable income of people, boost investment, demand and economic activity and create a virtuous cycle.

A source from the Confederation of Indian Textile Industry (CITI) told Fibre2Fashion that the industry needs permanent solution by removing import duty forever. The Government has removed duty till 30th September 2022. But, with the arrival of the new crop in October, the import duty will be levied again, which will increase the landed cost of imported cotton by 11%.

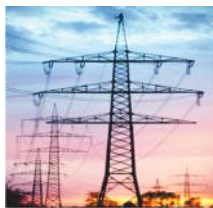
11. It was believed that following the removal of the import duty on cotton, there would be huge imports into India, but most of the spinners are not showing interest as international prices of cotton are on the higher side. As per Cotton Association of India, the decision came a couple of months late and if it had been taken before February, 2022 the prices of cotton might have remained under control.

12. On 26th April, 2022 Shri U. P. Singh, Union Textile Secretary told Mint that cotton prices are unlikely to decline before October, 2022, when the new cotton crops arrive. Cotton prices have been a "dampener" and the problem could persist for some time as there is a global shortage of cotton. The statement comes a week after the Government waived customs duties on imported cotton until September. "Cotton prices haven't softened as we expected them to. It is not rising too, it's stagnant at a point. We are evaluating the further course of action and temporarily banning export or imposing quantitative restrictions to check prices is an option."



POWER

As per reports, Nuclear Power Corporation of India will set up Country's 8th and State's 1st Nuclear Power Station at village Chutka in the State, which will produce 1400 MW power. An area of 200 acres have been allotted for the project. The project is likely to cost Rs. 34,000 crore.



MAN POWER

1. The Employees State Insurance (ESI) Corporation has notified on 22nd March, 2022 relaxation in eligibility condition of ESIC Covid-19 Relief Scheme with effect from 24th March, 2020. The deceased insured person should have been in employment on date of diagnosis of Covid-19 and contribution for 35 days should have been paid or payable in respect of him/her during the period of maximum one year immediately preceding the diagnosis of Covid-19 resulting in death.



2. The ESI Corporation on 13th April, 2022 allowed payment of Contributions for the month of March, 2022 up to 30th April, 2022 instead of 15th April, 2022 and also filing of Return of Contributions for October, 2021-March, 2022 up to 26th May, 2022 instead of 11th May, 2022.

3. On 5th April, 2022 the Employees Provident Fund Organisation (EPFO) has issued Guidelines for calculation and deduction of taxable interest relating to contribution in a Provident Fund Account exceeding specified limit (which is Rs. 2.50 lakh for financial year 2022-23).

4. On 27th April, 2022 EPFO has advised its Zonal/Regional Offices to ensure the registration and declaration of their contractors on the Employers' portal within a week.

5. A High-level Committee has backed a proposed increase in wage ceiling under the EPFO to Rs 21,000 a month from the current Rs. 15000/- p.m. The Ad-hoc Committee on EPFO Coverage has agreed to enhance wages under EPF Act to align with ESI establishment at a later stage. The suggestion, if accepted by the Central Board of the Trustees of EPFO, will give a breather to the employers, who have suffered due to the outbreak of the pandemic and sought more time for implementing the proposed increase.

LEGAL & TAXATION

As per reports, Finance Ministry officials said the inverted duty structure in textile was deferred at the last meeting, and would be taken up at the forthcoming meeting. In December, 2021 the Council had dropped plans to hike the GST rates for most textile products in the Man-made fibre value chain to 12 per cent from 5 per cent amid protests from the industry in Gujarat and other States.



EXPORT & IMPORT

1. According to the preliminary data on India's merchandise trade for the month of March, 2022, released by the Ministry of Commerce & Industry, exports of cotton yarn/ fabrics/ made-ups, handloom products, etc. showed growth of 21.53% in March, 2022, over the same month of the previous year. Man-made yarn, fabric, made-ups, etc. exports increased by 14.73% and textiles by 22.05%.



2. As per information available from the Confederation of Indian Textile Industry (CITI), the exports of Textiles and Apparel during the period April-

March, 2021-22 have increased by 40.15% as compared to the exports during the period April- March, 2020-21. The item-wise exports have been as under:

Value in US\$ Million

Exports	Apr-Mar 2020-21	Apr-Mar 2021-22	% Change
Cotton Yarn/Fabrics/ Made-ups, Handloom Products, etc.	9,827.89	15,296.91	55.65
Man-made Yarn/Fabrics/ Made-ups, etc.	3,806.25	5,612.61	47.46
Jute Mfg. Including Floor Covering	371.32	507.62	36.71
Carpets	1,491.41	1,789.84	20.01
Handicrafts Excluding Handmade Carpets	1,707.52	2,090.13	22.41
Textiles	17,204.39	25,297.11	47.04
Apparel	12,272.21	16,015.54	30.50
Textiles & Apparel	29,476.60	41,312.65	40.15
All Commodities	2,91,808.48	4,19,653.63	43.81
% of T&C to total	9.56	9.45	

3. The import of raw cotton and waste decreased by 53.32% and textile yarn/fabric/made-up articles decreased by 2.72% during the month of March, 2022 as compared to the imports during the same month of the previous year. However, the details of imports of these products during April-March, 2022 as compared to the same period of previous year are as under:

Value in US\$ Million

Imports	Apr.-Mar. 2020-21	Apr.-Mar. 2021-22	% Change
Cotton Raw & Waste	385.89	559.474	4.98
Textile Yarn/Fabrics/	1,501.51	2,064.72	37.51

4. The Centre has expanded the scope of the Emergency Credit Line Guarantee Scheme (ECLGS) by allowing contact-intensive sectors to avail up to 50 per cent of their credit outstanding. ECLG Scheme has been extended by one year until March, 2023.

5. As per Notification dated 1st April, 2022, the Director General of Foreign Trade has extended Integrated Goods & Service Tax and Compensation Cess exemption under Advance Authorisation, EPCG and EOU Scheme up to 30th June, 2022.

6. The industry leaders from Textile sector have urged the Union Textile Minister Shri Piyush Goyal to launch ECLGS like scheme for MSMEs to help units in knitwear sector to overcome liquidity crisis.

7. Union Textile Minister, Shri Piyush Goyal on 12th April, 2022 pitched for taking the textiles exports of the Country to US\$ 100 billion by 2030 as the sector is recording a healthy growth. He also said the exports would get a boost as the sector would get zero duty access in the UAE and Australia. India has signed a trade pact with both these countries. India is also trying to get zero duty access in the markets of the European Union, Canada, UK and member countries of the Gulf Cooperation Council (GCC).

8. As per Public Notice dated 13th April, 2022 issued by the Commerce and Industry Ministry, requests for export obligation extension should be made within six months of expiry instead of the earlier prescribed period of 90 days. However, applications made after six months and up to six years are subject to a late fee of Rs 10,000 per authorization. In a move to reduce compliance burden and facilitate ease of doing business, the Government has relaxed certain procedures under the Export Promotion Capital Goods (EPCG) Scheme that allows duty free capital goods imports subject to an export obligation. Exporters have to export finished goods worth six times of the actual duty saved in value terms in six years. The changes also include

annual reporting of Export Obligation (EO) by 30th June every year instead of 30th April with specified information but any delay would be subject to a late fee of Rs 500. "With a view to enhance ease of doing business and reduce compliance burden, certain provisions of chapter 5 related to the EPCG scheme of the Handbook of procedures (2015- 20) are amended for EPCG authorizations issued under Foreign Trade Policy (2015-20)".

9. As per Trade Notice dated 29th April, 2022 the Preferential Certificate of Origin (CoO) for exports to UAE under India-UAE CECPA shall be issued from CoO e-platform with effect from 1st May, 2022.

10. With Sri Lanka buffeted by economic headwinds, Indian apparel exporters are beginning to receive orders from the UK, EU, and even Latin American countries, where Indian textiles had little or no presence. Textiles and garments contributed nearly half of Sri Lanka's exports but fuel shortages amid its worst financial crisis and ensuing power cuts are disrupting the production of key exports such as apparel and tea.

10. India and the UAE's Free Trade Agreement has come into effect on 1st May, 2022 under which domestic exporters in textile sector will get duty-free access to the UAE market.

STATE OF THE INDUSTRY

1. The quick estimates of Index of Industrial Production (IIP) for the month of February, 2022 released on 12th April, 2022 with base 2011-12 stands at 132.10 as against 129.90 for February, 2021. The Index of Textile Sector are as under:

Items	For the Month		Cumulative		% Growth
	Feb. 2021	Feb. 2022	Apl-Feb. 2020-21	Apl-Feb. 2021-22	
Textiles	113.5	116.2	88.5	118.0	33.3
Wearing Apparel	140.0	160.2	105.2	132.8	26.2



2. As per Ministry of Commerce & Industry Press release dated 14th April, 2022 as many as 67 companies have applied for support under the Rs 10,683 crore Production Linked Incentive (PLI) Scheme for the textiles and garment sector. The Secretary, Ministry of Textiles addressing the press conference stated that total

investment expected from 61 applicants is Rs. 19,077 crore and projected turnover is Rs. 1,84,917 crore over a period of 5 years with a proposed direct employment of 2,40,134. Out of the total 61 proposals for investment approved under the PLI Scheme, over 25 per cent or 17 proposals are for investing in technical textiles.

3. Inaugurating CMAI FABSHOW on 12th April, 2022 Smt. Jardosh, Union Minister of State for Textiles stated that during the previous Government, there was no proper coordination between different Ministries and Nodal Agencies. Now, the present Government under the able leadership of Prime Minister Shri Narendra Modi, all concerned Departments and Ministries have smoother coordination among. Hence, there is no need for a new Textile Policy, she added. While referring to TUF (Textiles Upgradation Funds) Scheme, the Minister explained that though the previous Government was making announcement of various schemes but not enough provision of funds for such schemes was made. Hence the financial burden of unpaid incentives of previous government has to be met by the present Government. She further said that after the tough period during the corona pandemic, now India is progressing well and 21st century will belong to India.

The Government is likely to float second Production Linked Incentive Scheme (PLI-2), so that other segments of the textile sector can also be promoted, Minister of State for Textiles Smt. Darshana Vikram Jardosh told Fibre 2 Fashion after the inauguration of Fashion Meet- Expo at Gurugram on 21st April, 2022.

4. On 25th April, 2022, Shri Rajeev Saxena, Joint Secretary, Ministry of Textiles, has been appointed as the Mission Coordinator of National Technical Textiles Mission in addition to his existing post.

5. The Madhya Pradesh has approved setting up of two textile clusters in Burhanpur to support "Atmanirbhar Bharat" Mission. A potential investment of Rs 220 crore boasting employment opportunities for around 4,000 people is proposed.

6. Shri Jyoti Prasad Chiripal of Chiripal Group from Gujarat met the Hon'ble Chief Minister of the State on 18th April, 2022 and expressed willingness to setup a textile unit in Ratlam in an area of 30 acres with an investment of Rs.800 crore, which will provide employment to 900 people.

TEXTILES IN PARLIAMENT

In reply to certain questions, the following information was provided to Lok Sabha/Rajya Sabha in respect of Ministry of Textiles this month:



1. In order to revive, develop and renovate power-loom sector, Government has been implementing Powertex Scheme during the period 1st April, 2017 to 31st March, 2021. The Government has also approved Textile Cluster Development Scheme, which inter-alia has the components of Group Work-shed Scheme and PM Credit Scheme for up-gradation of power-looms. Power-loom Sector contributes nearly 58.4% of total cloth production in the Country. More than 60% of fabric meant for export is also sourced from power-loom sector. The Country has 1381 spinning mills, 3,85,596 power-loom units and 28,23,382 hand-loom units (including 39 mills, 8,344 power-loom units and 12,069 hand-loom units in Madhya Pradesh)

2. The Estimated production of fabric in last three years was as under:

Year	Cotton	Blended	100% Non-cotton
2018-19	42,204	11,896	15,970
2019-20	40,038	11,964	23,104
2020-21	36,344	10,513	23,588

3. India is a cotton surplus Country, wherein production is more than consumption. There is no shortage of cotton and cotton yarn in the Country. The year-on-year price of cotton since 2017 year wise is as under :

Crop year	2017-18	2018-19	2019-20	2020-21	2021-22
Average Domestic rate Rs./candy	42,500	44,100	37,700	46,900	70,200