



**THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION**

## **Annual Report**

### **2016 - 17**

## **TEXTILE INDUSTRY IN MADHYA PRADESH**

### **AT A GLANCE**

	UNIT	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>TEXTILE MILLS</b>							
Spinning Mills (Non-SSI)	No.	44	44	43	43	43	43
Composite Mills (Non-SSI)	No.	14	15	16	16	16	16
Spinning Mills (SSI)	No.	5	5	5	6	6	6
Exclusive Weaving Mills (Non-SSI)	No.	4	4	4	4	5	5
100% Export Oriented Units (EOUs)	No.	1	1	1	1	1	1
Powerloom Units	No.	46187	49087	49968	53043	53043	
Man-made Fibre Units	No.	1	1	1	1	1	1
Man-made Filament Yarn Units	No.	2	2	2	2	2	2
<b>CAPACITY INSTALLED</b>							
Spindles (Non-SSI+SSI)	'000 No.	1985	2051	2254	2300	2478	2478
Rotors (Non-SSI+SSI)	No.	28128	30528	31272	31488	33888	33888
Looms (Composite & Exclusive Weaving Units)	No.	3845	3897	4033	4033	4469	4469
Knitting Machines	No.	133	133	141	141	159	159
Power-looms	No.	118217	124853	126679	133425	133425	
Man-made Fibre	Mn.Kg.	155.13	155.13	155.13	155.13	155.13	155.13
Man-made Filament	Mn.Kg.	13.50	13.50	13.50	13.50	13.50	13.50
<b>WORKERS ON ROLL</b>							
Spinning Mills & Composite Mills (Non-SSI)	No.	57484	59202	62760	63023	67211	67164
Spinning Mills (SSI)	No.	163	133	310	342	340	340
Exclusive Weaving Mills (Non-SSI)	No.	420	420	420	420	463	463
EOUs	No.	1041	358	358	358	358	
Powerlooms	No.	295543	312133	316697	333562	333563	
<b>PRODUCTION OF FIBRE</b>							
Raw Cotton (October-September)	Lakh bales	18.00	19.00	19.00	19.00	18.00	21.00
Man-made Fibre	'000 Kg.	142458	151528	155011	153671	127730	150121
<b>COTTON CONSUMPTION BY MILLS</b>							
Non-SSI	'000 Kg.	308362	346483	385595	430226	445443	
SSI	'000 Kg.	1593	1941	2879	3294	3410	
<b>PRODUCTION OF YARN</b>							
Cotton Yarn	'000 Kg.	206639	264535	299696	330074	348591	
Blended Yarn	'000 Kg.	61291	62768	75002	76281	78724	
100% Non-Cotton Yarn	'000 Kg.	25356	25803	26369	25999	31554	
<b>Total</b>	<b>'000 Kg.</b>	<b>293286</b>	<b>353106</b>	<b>401067</b>	<b>432354</b>	<b>458869</b>	
<b>FABRIC PRODUCTION (MILL SECTOR + WVG.)</b>							
Cotton	'000 sq.mtr	108821	119231	117412	164843	182155	
Blended	'000 sq.mtr	24140	32796	43909	62175	49285	
100% Non-Cotton	'000 sq.mtr	379	293	362	1513	1611	
<b>Total</b>	<b>'000 sq.mtr</b>	<b>133340</b>	<b>152320</b>	<b>161683</b>	<b>228531</b>	<b>233051</b>	
<b>EXPORTS (As reported by Mills)</b>							
Viscose Staple Fibre	Lakh Rs.	39689	44243	44461	45555	42083	56536
Yarn	Lakh Rs.	167584	196773	232911	194939	245134	202248
Fabric	Lakh Rs.	20095	60328	63160	41545	38309	36788
Knitted Garments / Made-ups	Lakh Rs.	26938	22497	34170	44059	66594	62825
Cotton / Cotton Waste	Lakh Rs.	738	297	439	78	208	1320
<b>Total</b>	<b>Lakh Rs.</b>	<b>255044</b>	<b>324138</b>	<b>375141</b>	<b>326176</b>	<b>392328</b>	<b>358397</b>

(Information except Exports from Website of Office of Textile Commissioner)

# The Madhya Pradesh Textile Mills Association

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



## **ANNUAL REPORT 2016-17**

### **OFFICE BEARERS :**

<b>Chairman</b>	-	Shri Akhilesh Rathi
<b>Vice Chairman</b>	-	Shri Shreyaskar Chaudhary
<b>Deputy Chairman</b>	-	Shri Suresh Maheshwari
<b>Deputy Chairman</b>	-	Shri Subhash Chand Jain

**Secretary** - Shri M. C . Rawat

### **Registered Office :**

Jall Sabhagraha, 56/1, South Tukoganj, Indore – 452 001 Telephone : 0731 – 2518148  
Fax : 0731-2521570 e-mail : mptma1932@gmail.com website : www.mptma.in



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## THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

### Its Origin

This Association was established in the year 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 6<sup>th</sup> August, 1948 as Madhya Bharat Millowners' Association and the mills in the region were invited to join. With the formation of the State of Madhya Pradesh on 1<sup>st</sup> November, 1956 integrating, among others, the State of Madhya Bharat, the name of the Association was changed to reflect its regional character and Madhya Pradesh Millowners' Association came into being from 1<sup>st</sup> January, 1957. It was registered under the Madhya Pradesh Non-Trading Corporations Act, 1962 on 1<sup>st</sup> June, 1966 after being renamed as The Madhya Pradesh Textile Mills' Association w.e.f. 1<sup>st</sup> 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 interse.
- \* 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 – 452 020  
Century Denim, Satrati – 451 660  
Century Yarn, Satrati – 451 660  
Deepak Spinners Ltd., Pagara – 473 001  
Dhar Textile Mills Ltd., Pithampur – 454 774  
Grasim Industries Limited  
Staple Fibre Division, Birlagram, Nagda – 456 331  
Vikram Woollens, Malanpur, Bhind - 477 117  
Hind Syntex Limited, Pilukhedi - 465 667  
Jaideep India Pvt. Ltd., Pithampur - 454 774  
Kamal Cotspin Private Ltd. , Burhanpur - 450 331  
Kohinoor Elastics Pvt. Ltd., Indore-452 015.  
Madhumilan Industries Ltd., (Spinning Divn.), Talawada - 465 674  
Mahima Purespun, Pithampur - 454 774  
Maral Overseas Ltd., Maral Sarovar – 451 660  
Mohini Fibers Pvt. Ltd., Pithampur - 454 774.  
Nahar Spinning Mills Ltd., Mandideep - 464 993  
National Textile Corporation Ltd., Indore  
    Burhanpur Tapti Mills , Burhanpur – 450 331  
    New Bhopal Textile Mills , Bhopal – 462 010  
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., Kailash Nagar - 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  
Sheshadri Industries Ltd., Rajna – 480 340  
S. Kumars Ltd., Dewas- 455 001  
Spentex Industries Ltd., Pithampur - 454 774  
S R F Limited, Malanpur - 477 116  
STI India Ltd., Rau – 453 332  
Swastik Spintex Ltd , Rajoda – 453 562  
Texpert International, Dewas – 455 001  
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 UNDER REPORT

### MEMBERSHIP :

The Association has forty 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., and Parasrampur International 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 2015-16 was held on 24<sup>th</sup> December, 2016 and the following Office Bearers were elected for the term 2016-17 :

*	<b>Shri Akhilesh Rathi,</b> Director, Bhaskar Industries Pvt.Ltd., Mandideep .	<b>Chairman</b>
*	<b>Shri Shreyaskar Chaudhary,</b> Managing Director, Pratibha Syntex Ltd., Pithampur.	<b>Vice Chairman</b>
*	<b>Shri Suresh Maheshwari,</b> President, Maral Overseas Ltd., Maral Sarovar.	<b>Deputy Chairman</b>
*	<b>Shri Subhash Chand Jain,</b> Director, Prem Textiles (International) Pvt.Ltd., Indore.	<b>Deputy Chairman</b>

### 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 24<sup>th</sup> December, 2016. 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 Sandeep Baheti
Candor Textiles Pvt. Ltd.	Shri Suryansh Somani	Shri Ashutosh Khandelwal
Century Denim	Shri Jagir Singh	Shri Mohan Jain
Century Yarn	Shri Jagir Singh	Shri Mohan Jain
Deepak Spinners Ltd.	Shri S. B. Sharda	Shri R. O. Sharma
Dhar Textile Mills Ltd.	Shri Pankaj Jajoo	Shri Laxminarayan Kasera
Grasim Industries Ltd (SFD)	Shri Naveen Mittal	Shri Ravindra Chaudhary
Hind Syntex Ltd.	Shri Hemant Ambekar	Shri Manjeet Singh
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 Jitendra Yadav
Madhumilan Industries Ltd.	Shri A.K. Chaudhary	Shri Kanak Jain
Mahima Purespun	Shri Rohit Doshi	Shri Ashish Doshi
Maral Overseas Ltd.	Shri Suresh Maheshwari	Shri Rajkumar Gite
Mohini Fibers Pvt. Ltd.	Shri Sarvapriya Bansal	Shri Snehakar Bansal
Nahar Spinning Mills Ltd.	Shri D. K. Mundra	Shri Surender Bhatt
National Textile Corpn. Ltd.	Shri A. Sukumar	Shri Amit Singh or Shri Ajay Dixit
PBM Polytex Ltd.	Shri K. K. Patodia	Shri Vijay Sharma
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 Vinod Padmanabhan	Shri Ashish Dubey
Ritspin Synthetics Ltd.	Shri Manish Kumar	Shri N. S. Yadav
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	Shri R. K. Singh
Sheshadri Industries Ltd.	Shri J. K. Agarwal	Shri Shantanu Dey
S. Kumars Ltd.	Shri R. K. Mehta	Shri G. D. Bansal
Spentex Industries Ltd.	Shri L. N. Kaushik	Shri Manish Gupta
SRF Ltd.	Shri Sanjeev S. Tipnis	Shri Mantu Kumar
STI India Ltd.	Shri A. Sarkar	Shri Mukesh Maheshwari
Swastik Spintex Ltd.	Shri V. K. Rathi	Shri G. D. Rathi
Texpert International	Shri N. S. Nirban	Shri R. C. Gupta
Vardhman Yarns	Shri S. Pal	Shri Praveen Dhingra
Vardhman Fabrics	Shri T. C. Gupta	Shri Arvind Gupta
Vikram Woollens	Shri Man Mohan Singh	Shri Santosh Kumar Singh
Vippy Spinpro Ltd.	Shri Piyush K. Mutha	Shri Ashwani Kamra
Wearit Global Ltd.	Shri Randheer Rana	Shri Sandeep Agarwal

## COMMITTEE MEETINGS :

During the year 2016-17, 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.

## ANNUAL SUBSCRIPTION :

The Annual Subscription rates for 2017-18 are kept unchanged .

## MEMBERSHIP OF THE OTHER INDUSTRY FORUMS :

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

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 2016-17 has been as under:-

Name of the Body	Name of the Representative
* Confederation of Indian Textile Industry Principal Representative Alternate Representative	- Shri Akhilesh Rathi, Chairman. - Shri Manish Kumar, Ritspin Synthetics Ltd.
- CITI Cotton Development & Research Association	- Shri Akhilesh Rathi, Chairman.
* Federation of Indian Chambers of Commerce & Industry	- Chairman, MPTMA
* All India Organisation of Employers	- Shri Akhilesh Rathi, Chairman.
* Textile Sector Skill Council	- Shri Manish Kumar, Ritspin Synthetics Ltd.
* M. P. Labour Advisory Board Ltd.	- Shri Suresh Maheshwari, Deputy Chairman.
* M. P. Labour Welfare Board	- Shri S. Pal, Vardhman Group.
* M. P. Minimum Wage Advisory Board	- Shri Suresh Maheshwari, Deputy Chairman
* M.P.State Advisory Board for Contract Labour	- Shri S. Pal, Vardhman Group
* Regional Advisory Committee of ESI	- Shri Suresh Maheshwari, Deputy Chairman
* Associated Chamber of Commerce & Industry of India	- Chairman, MPTMA
* Federation of MP Chambers of Commerce & Industry	- Shri Akhilesh Rathi, Chairman.
* Provident Fund Regional Advisory Committee, Indore	- Shri M. C. Rawat, Secretary

- |  |  |
|--|--|
| * Electricity Consumers' Society:<br>Executive Committee | - Shri Laxminarayan Kasera, Dhar Textile Mills Ltd.<br>- Shri M. C. Rawat, Secretary |
| * Indore Management Association                          | - Shri Laxminarayan Kasera, Dhar Textile Mills Ltd.<br>- Shri M. C. Rawat, Secretary |
| * Indore Railway Station Advisory Committee              | - Shri Laxminarayan Kasera, Dhar Textile Mills Ltd.                                  |
| * Shri Ahilyamata Gaushala Jeev Daya<br>Mandal / Trust.  | - Shri Laxminarayan Kasera, Dhar Textile Mills Ltd.<br>- Shri M. C. Rawat, Secretary |

## REPRESENTATION AT COMMITTEES :

- \* The State Government had nominated Shri S. P. Oswal, Chairman, Vardhman Group and Shri S. K. Chaudhary, Chairman, Pratibha Syntex Ltd., on State Level Industry Advisory Committee.

## 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 :-

### 1) COMMENTS ON DRAFT LABOUR CODE ON SOCIAL SECURITY & WELFARE :

The Ministry of Labour & Employment, Government of India, issued Draft Labour Code on Social Security & Welfare, which is proposed to be made after amalgamation of 15 Labour Laws. The main labour laws included are :-

Employees Provident Fund & Miscellaneous Provisions Act.

Employees State Insurance Act.

Maternity Benefits Act.

Payment of Gratuity Act.

Employees Compensation Act.

Unorganised Social Security Acts and various Welfare Cess/Fund Acts.

The Ministry invited suggestions from various stakeholders on this Draft Code, so as to reach them latest by 16<sup>th</sup> May, 2017. The copy of this Draft Code was circulated to our Member Mills as well as to the other Industry Associations in the area, so as to obtain their views on the contents of the Code.

The Association had detailed deliberation on the subject with its Members and the Legal Advisor on 11<sup>th</sup> May, 2017 and section-wise comments/ suggestions were forwarded to the Ministry on 15<sup>th</sup> /17<sup>th</sup> May, 2017.

## **2) MEETINGS WITH HON'BLE MINISTER OF STATE FOR TEXTILES :**

(1) Shri Ajay Tamta, Hon'ble Union Minister of State for Textiles was in Indore on 23<sup>rd</sup> September, 2016 in connection with Textile Fair organized by Maharaja Tukojirao Cloth Market Merchants Association. Our Association submitted to him a Representation highlighting following issues relating to textile industry requesting remedial action :

Optional Route of excise duty for all textile products (other than man-made fibre based products) be continued till introduction of GST.

Excise Duty of 12.5% on MMF and its products be reduced to 6%. This will help increased capacity utilization of MMF Industry and availability of cheaper products to consumers.

Custom Duty of 2.5% and SAD of 4% being levied on MMF and Filaments be withdrawn, which will help increase in production of value added textile products without any revenue loss to the Government.

Import of apparel grade wool of 25 micron and finer be made duty free as apparel grade wool is not indigenously available.

Since there has been a major reduction in working handlooms and increase in spinning capacity in mill sector, the hank yarn obligation be reduced from 40% to 20%. This will also curb misuse of hank yarn.

Sufficient provision be made in the Budget of 2017-18 for Technology Upgradation Fund Scheme to take care of left out cases and current dues.

Interest Equalisation Scheme with 3% relief be extended to yarn exports to enable our product to compete in international market.

Benefit of 2% under MEIS be extended to spinning sector at par with other textile products.

To ensure availability of cotton regularly to the mill sector, the Cotton Corporation of India be extended 5% interest subvention to procure and stock cotton to be sold exclusively to mills in lots of 50 bales each at no profit no loss basis or at international prices. Alternatively the mills be extended working capital facility for purchase of cotton at 7% interest.

Since most of the textile products are either exempted or subject to no tax, GST, when implemented should be levied at lowest rates, so that final prices of textile products are not increased.

Similar points were also sent to Confederation of Indian Textile Industry and Federation of Indian Chambers of Commerce & Industry for inclusion in their suggestion for Central Budget 2017-18.

(2) Shri Akhilesh Rathi, our Chairman had a meeting with the Hon'ble Minister on 9<sup>th</sup> June, 2017 at Bhopal. The Chairman expressed gratitude to the Minister on behalf of the Members of the Association and the Textile Industry for accommodating the Industry's demand of 5% Goods & Services Tax for cotton and natural fibre based textile products. The Chairman discussed the following points with the Minister :-

Lower down the Hank Yarn Obligation to 15%.

Sanction pending TUFS proposals for blackout period.

Uniform GST rate of 5% for entire textile value chain.

Reinstating interest subsidy under TUFS for all segments of textile industry.

Review the proposed Anti-Dumping Duty on Polyester Staple Fibre.

The Minister responded positively and agreed to look into the above issues.

## **3) REPRESENTATION TO MINISTRY OF TEXTILES ON EFFECTS OF DEMONETISATION :**

On 24<sup>th</sup> November, 2016, the Association had sent a Representation to Hon'ble Minister of Textiles about remedial measures for mitigating the financial impact of demonetization of high value currency on the textile industry, which are necessary to ensure smooth functioning of textile manufacturing activities, carry on exports without interruption and prevent job losses. These included :

Extension of 2% IES benefits for cotton yarn exports.  
Enhance present working capital limit by 50%.  
Provide one year moratorium period for repayment of loans and interest to prevent textile units becoming NPAs.  
To increase existing NPA norms period from 90 days to one year.  
Clear all pending applications under RRTUFS and allot UIDs.  
Direct banks to allow one year moratorium to cotton farmers for repayment of loans and interest and not to adjust sale proceeds of kapas against their dues.  
Reduce rate of interest on loans from the present 12% to 13% by atleast 3%.  
Allow refund of State levies for export of fabrics and made-ups at par with garments.  
Ease opening of savings bank account of workers to facilitate disbursement of wages.  
Make PF and ESI optional for workers employed for short term, alternatively consider refunding 50% of PF and ESI Contributions of all new employees for three years.

#### **4) REPRESENTATION ON GST LAW :**

The Association submitted certain suggestions on Revised Draft of Model GST Law to the Revenue Secretary, Ministry of Finance, Government of India, on 1<sup>st</sup> December, 2016. The suggestions included various amendments/clarifications, etc., in respect of the following sections :

Section 2(19) : Capital Goods must include Plant and Machinery also.  
Section 2(63) : The definition of 'manufacturer' given under Central Excise Act to be adopted.  
Section 16 : Eligibility of Input Tax Credit.  
Section 17(3): Section 19 : Section 26(34) : Section 32(2) : Section 37(5/37(7)) – Certain corrections to be carried out.  
Section 44(4) : Balance in Electronic Credit Ledger should be allowed for payment of interest, penalty, fee or any other amount.  
Section 45(2)/58(4) : The interest on delayed payment should be payable after expiry of grace period.  
Section 74 : Payment of tax and other amounts in installments.  
Stock transfer of assets : There should be no liability of GST.

#### **5) REPRESENTATION TO STATE GOVERNMENT WITH REQUEST TO RECOMMEND 5% RATE OF GST FOR TEXTILE INDUSTRY :**

On 6<sup>th</sup> March, 2017, the Association submitted a proposal to the Hon'ble Chief Minister and Finance Minister with copies to various Secretaries and Commissioners of the State Departments requesting them to recommend to the Central Government to keep the entire textile value chain in GST rate of 5% including Hank Yarn. The GST should apply in a seamless manner with no differentiation starting from fibre (cotton/natural fibres or MMF/Synthetics)-yarn-fabric-made ups/apparel-retail trade. Exemption for any textile product or the segment should be avoided. In case exemption is considered on hank yarn, etc., refund of the tax paid on hank yarn at all stages of sale may be routed through National Handloom Development Corporation. Similarly any subsidy for farmers by way of transfer of differential cotton price should be by Direct Benefit Transfer (DBT) through banks.

#### **6) PRE-BUDGET MEMORANDUM TO STATE GOVERNMENT :**

The Managing Committee of the Association in its Meeting held on 11<sup>th</sup> February, 2017 decided to submit Pre-Budget Memorandum to the Hon'ble Finance Minister of the State. Accordingly, we raised the following issues in the Pre-Budget Memorandum submitted on 13<sup>th</sup> February, 2017 :-

Reduction in rate of VAT on all types of yarn and yarn waste from 5% to 2%. The States of Maharashtra and Rajasthan have already reduced VAT on yarn to 2% w.e.f. 30<sup>th</sup> June, 2012 and 8<sup>th</sup> March, 2016 respectively. The State of Punjab also has reduced the rate to 3.3% w.e.f. 1<sup>st</sup> April, 2016. Since most of the yarn is sold in inter-State trade, the State presently gets 2% CST on such sales, as such the revenue collection of the State will not have any negative impact.

The cotton waste being used by Open End Spinning Mills be included under Section 26-A(1) of MP VAT Act at par with cotton.

Cotton and fabric be exempted from the provisions of Form No.49.

The made-ups and garments for export be exempted from provisions of Form No.49.

The rate of Entry Tax on coal, which is presently 3% and is collected by the suppliers be reduced to 1%, else set off of Entry Tax over 1% be allowed.

The rate of Electricity Duty applicable to Textile Industry be reduced from 9% to 6%. Before 2012, the textile mills were being given relief of Electricity Duty of over 5%. Presently, the State of Telangana has allowed rebate of Rs.2.00 per Unit in the electricity tariff to textile mills.

## **14<sup>TH</sup> INTERNATIONAL AND 72<sup>ND</sup> ALL INDIA TEXTILE CONFERENCE :**

The Textile Association (India) MP Unit organised 14<sup>th</sup> International and 72<sup>nd</sup> All India Textile Conference at Bhopal on 27<sup>th</sup> & 28<sup>th</sup> January, 2017. The Conference was supported by our Association alongwith others.

While inaugurating the Conference, Shri Rajendra Shukla, Minister for Commerce, Industries & Employment, stated that Madhya Pradesh has emerged as a Hub of the Textile Industry of the Country in the last one decade due to the Industrial friendly policy of the State Government. He said that the State has around 1000 acres land bank in all the districts to establish Industries. A Special Policy is being brought soon to encourage Garment Industry in the State.

Shri Shukla mentioned that Madhya Pradesh is progressing rapidly. It has no more a bimaru State now and has come in the category of the developed States. Shri Shukla further mentioned that all the facilities are available in the State to establish industry. Electricity, water, transport and other facilities like good roads are available. Moreover, sufficient land is available. He said that long term planning has been made in electricity sector keeping in account the future requirements. Every year, an increase of 1000 megawatt capacity is being registered in the established capacity.

Shri Shukla said that there is a wide scope to put up industry. Madhya Pradesh is the biggest investment destination of the Country. Inviting industrialists to establish industry in the State, he urged them to contribute in the progress of the State. He further mentioned that on one hand textile industries will eliminate unemployment and on the other it will be pride for the State.

Furthermore, Shri Shukla mentioned that units of famous groups like Vardhman, Trident, Nahar, SEL Group, Raymond and Grasim are functioning successfully in the State. An amount of around Rs.7000 crore has been invested in the textile sector and 40000 persons have got employment in last 6 years. Textile projects worth Rs.4000 crore will be established in the State soon.

He told that the biggest 750 megawatt solar plant of the World is being established at Rewa. An amount of Rs.6000 crore will be invested in this plant. While Tiger Safari has been made in Mukundpur of Rewa, he added.

Industry Minister Shri Shukla honoured the industrialists for remarkable contribution in the textile sector in the International Conference. He also inaugurated the Exhibition focusing Textile Industry.

Conference was also addressed by Shri S. Pal of Vardhman Group, Shri N.S.Nirban, President of M.P.Chapter, Shri Arvind Sinha, National President, Shri Avdhesh Sharma, Shri Siddhartha Agarwal and Shri Sanjeev Lakhetiya.

The various experts from the industry presented their technical papers at the two day conference. On 27<sup>th</sup> January, 2017, evening a Fashion Show "Vastram – 2017" was organized with the assistance of Khadi and Village Industries Commission. The concluding session was addressed by Shri Vishwas Sarang, Minister for Co-operatives, Panchayat & Grameen Vikas. The Conference was attended by about 300 delegates.

## **SEMINAR ON UNION BUDGET 2017-18 :**

Our Association jointly with the Textile Association (India), M. P. Unit, Spinners Club and Madhya Pradesh Mill Stores Merchants Association organized on 2<sup>nd</sup> February, 2017 Talk on Union Budget 2017-18. The Speakers included Dr. Jayantilal Bhandari, Economist, Dr. Kamlesh Bhandari, Economist, CA Shri Sunil Jain and CS Shri Ajit Jain.

Dr. Jayantilal Bhandari was of the view that this Budget would give a new direction to the economy of the Country and would increase the purchasing power of common man. CA Shri Sunil Jain explained provisions relating to amendment

in Service Tax Regulations and CENVAT Credit Rules. Dr. Kamlesh Bhandari was hopeful that the Budget provisions would attract more persons to file returns and pay tax. The Budget may be able to stop generation of black money. CS Shri Ajit Jain spoke about the impact of Budget on the Stock Market. Lastly Shri M. C. Rawat, Secretary of the Association highlighted the various provisions in the Central Budget relating to Textile Industry in particular and Shri Ashok Veda, Hon. Secretary of Textile Association (India) proposed vote of thanks.

## **MEETING WITH TEXTILE COMMISSIONER :**

A delegation of the Association met Dr. Kavita Gupta, Textile Commissioner, Government of India in forenoon of 18<sup>th</sup> March, 2017 and requested her to resolve the problems faced by the Member Mills in respect of TUFS which included –  
Observations and comments of CAG in its Audit Report of February, 2015, regarding delay in submission of Interest and Capital Subsidy Claims by nodal banks.  
Non-issuance of UID under RRTUFS – Due to delay in uploading of some of the cases of Member Mills by the nodal bankers because of software and other problems.

The Association requested that since the loans were sanctioned by the Banks in time and the delay was on the part of the Bankers, the same should be condoned and UIDs issued.

## **MILL VISITS BY DIGNITARIES :**

Hon'ble Union Minister of State for Textiles, Shri Ajay Tamta, visited Pratibha Syntex Limited, Pithampur (one of our member mills) on 23<sup>rd</sup> September, 2016. He had a look of all facilities and showed interest in the various manufacturing processes of spinning, knitting, processing and garmenting. He praised the efforts made by the Company to generate employment, protect environment and create infrastructure. Ms. Rashmi Verma, Secretary, Ministry of Textiles also made a visit to this Mill on 12<sup>th</sup> September, 2016 and appreciated the efforts being made by the management in providing employment to local people.

Dr. Kavita Gupta, Textile Commissioner, visited Pratibha Syntex Limited, Pithampur, on 17<sup>th</sup> April, 2017 and appreciated the efforts made by the Mill to provide employment especially to lady workers.

## **REGIONAL OFFICE OF TEXTILE COMMISSIONER :**

The Regional Office of Textile Commissioner with jurisdiction of the States of Madhya Pradesh and Chattisgarh is functioning from Corporate Block, RMG Complex, Pardeshipura, Indore.

The local Office of Regional Textile Commissioner organized a Mega Seminar on Government Schemes for the Development of Textile Industry in Madhya Pradesh at Indore on 18<sup>th</sup> March, 2017, whereat Dr. Kavita Gupta, Textile Commissioner was the Chief Guest. Shri Akhilesh Rath, Chairman of the Association was asked to speak on Opportunities & Present Status of Textile Industry in Madhya Pradesh. In his address, Shri Rath described the status of the textile industry in the State vis-à-vis that in the Country. He was hopeful that India may take over China in the matter of quality fabrics and garments. He highlighted that presently the industry in the State is passing through a critical phase because of various factors like high rate of VAT on yarn (5%) as compared to the lower rates in Maharashtra and Rajasthan; high rates of power because of heavy losses suffered by DISCOMs; high rates of electricity duty on captive generation and open access; minimum wages much higher than nearby State of Rajasthan, etc. He also highlighted the issue of reduction of Hank Yarn Obligation, which is presently 40% and absence of common effluent treatment plants for the textile mills. The other speakers at the seminar included Shri Kumar Purshottam, MD, AKVN(Indore) Ltd., Shri Govind Sharma, Asst. PF Commissioner, Shri Manish Jaiswal, Dy. Commissioner, Central Excise and Shri V.L.Kantha Rao, Principal Secretary, MSME and Commissioner, Industries of the State. Dr. Kavita Gupta gave a detailed Power Point Presentation on various Central Government Schemes for the Textile Industry and requested the various stakeholders to take benefit of these Schemes.

## **AUDITORS :**

M/s. R. D. Asawa & Co., Chartered Accountants, were appointed as Auditors for the financial year 2016-17.



**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.

**WEBSITE ([www.mptma.in](http://www.mptma.in)) :**

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

**DIRECTORY OF MEMBERS :**

The DIRECTORY-2017 of Member-Mills was published and circulated.

**ACKNOWLEDGEMENTS :**

Association wishes to express its gratitude to the Hon'ble Union Textile Minister, Minister of State for Textiles, Chief Minister, other Cabinet Ministers and Senior Officials in the various Ministries/Departments of the Centre and State for their co-operation and advice.

The Association is also grateful to the Confederation of Indian Textile Industry, Federation of Indian Chamber of Commerce & Industry, The Associated Chambers of Commerce and Industry of India, All India Organisation of Employers, Electricity Consumers' Society, other Industry Associations and organizations for their continued support in resolving problems of the Industry. Association is also thankful to the print media for highlighting problems/views of the Textile Industry on various subjects from time to time.

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## RAW MATERIALS

Textile Industry consumes a diverse range of fibres, which include Cotton, Man-made fibres, Wool, Silk, other miscellaneous fibres and filaments. The consumption of fibres other than natural fibres is on the rise. The ratio of 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, 44 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 :

Cotton plays a vital role in the growth of manufacturing activity, exports and employment in our Country. Close to 65% of textile production and over 75% of textile exports from the Country are linked to cotton. It is a major raw material for the domestic textile industry and provides sustenance to millions of farmers and contributes significantly to Country's export earnings. The consumption pattern of cotton and other fibres from 2012-13 to 2016-17 is given below :-

Quantity in Million Kgs.

Fibre	2012-13		2013-14		2014-15		2015-16		2016-17	
	Qty.	%	Qty.	%	Qty.	%	Qty.	%	Qty.	%
Cotton	4473	67.08	4866	70.12	5087	70.09	5130	72.49	4971	72.63
Polyester Staple Fibre	697	10.45	691	9.96	782	10.90	808	11.42	741	10.83
Viscose Staple Fibre	258	3.87	278	4.00	258	3.60	218	3.08	247	3.61
Acrylic Staple Fibre	96	1.44	113	1.63	101	1.40	110	1.55	98	1.43
Polypropylene Staple Fibre	2	0.03	0	0.00	0	0.00	0	0.00	0	0.00
Polyster Filament Yarn	934	14.01	773	11.15	715	9.96	571	8.07	485	7.09
Viscose Filament Yarn	46	0.70	53	0.76	53	0.74	51	0.72	47	0.69
Nylon Filament Yarn	23	0.34	24	0.35	33	0.46	38	0.54	43	0.62
Polypropylene Filament Yarn	17	0.25	12	0.17	11	0.15	11	0.15	10	0.15
Others (Silk, Wool, etc.)	122	1.83	129	1.86	136	1.90	140	1.98	202	2.95
<b>Total</b>	<b>6668</b>	<b>100.00</b>	<b>6939</b>	<b>100.00</b>	<b>7176</b>	<b>100.00</b>	<b>7077</b>	<b>100.00</b>	<b>6844</b>	<b>100.00</b>

It would be observed that consumption of cotton and other fibres decreased in 2016-17 mainly due to reduction in exports to China and other Countries.

### COTTON SCENARIO :

India is World's largest producer of cotton, as well as second largest consumer and exporter of this fibre. India has about 37% of World area under cotton cultivation and a share of about 25% of global production.

The total geographical area of the Country is 328.7 million hectares, of which 141.6 million hectares is net sown area. Out of this sown area of 141.6 million hectares, around 12 million hectares is used for cotton sowing.

### AREA UNDER COTTON, PRODUCTION AND YIELD :

The year-wise Area under cotton, Production Consumption, Import, Export and Yield as per Cotton Advisory Board for the years 2006-07 to 2016-17 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		
2006-07	91.42	280.00	520	194.89	21.26	5.54	58.00
2007-08	94.14	307.00	554	195.67	22.07	6.38	88.50
2008-09	94.06	290.00	524	195.00	20.22	8.91	35.00
2009-10	103.10	305.00	503	219.00	22.72	5.37	83.00
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	118.77	338.00	484	272.00	27.00	20.00	69.00
2016-17(E)	105.00	351.00	568	275.00	28.00	17.00	50.00

The cotton production during 2015-16 decreased by 12%, whereas during 2016-17 it is expected to rise by 4%. The cotton yield is far lower than global average, despite being largest cotton producing nation of the World. Our productivity is around 550 Kgs. compared to World average of around 800 Kgs. per hectare.

The Cotton Association of India has reduced its estimates of cotton production for 2016-17 to 336.25 lakh bales (30<sup>th</sup> June, 2017).

## COTTON YIELD :

Production and productivity of cotton of India have made remarkable strides during the last decade. Gujarat, Maharashtra, Andhra Pradesh and Madhya Pradesh have been in fore-front of cotton production in the Country. The productivity in major cotton producing States and at all India level is shown in the following table :-

Year	Punjab	Gujarat	Maharashtra	Andhra Pradesh	Madhya Pradesh	Kgs. per Hectare
						All India
2006-07	672	733	274	630	505	520
2007-08	563	772	330	690	539	554
2008-09	565	650	336	644	490	524
2009-10	432	635	319	628	424	503
2010-11	593	686	379	538	463	513
2011-12	607	700	313	542	433	512
2012-13	744	633	324	595	531	518
2013-14	800	837	341	555	628	566
2014-15	526	686	324	549*	563	511
2015-16	376	588	333	613*	559	484
2016-17(E)	598	673	397	719*	596	568

\*Note – From 2014-15 the figures are for new Andhra Pradesh (excluding Telangana).

It would be observed that India recorded highest yield of 568 Kgs. in 2016-17. During the year 2014-15 and 2015-16 yield and cotton production in Punjab, Gujarat and Maharashtra were affected due to drought and attack by white fly.

**COTTON ADVISORY BOARD :**

The Cotton Advisory Board was reconstituted on 28<sup>th</sup> January, 2015 for a period of two years. Its tenure has been extended till reconstitution of the Board. Its composition included Textile Commissioner as Chairman and 18 Members from Central Government, Cotton Trade, and Cotton Research Institutions. Cotton Consultative Committee consisting of Textile Commissioner as Chairman and 39 Members from Central Government, State Governments, Textile Industry, Cotton Trade, Ginning and Pressing Sector, Cotton Seed Manufacturers, etc. is also constituted.

The last Meeting of the Board was held on 24<sup>th</sup> October, 2016, whereat Cotton Balance Sheets for 2015-16 and 2016-17 were drawn, comparative Cotton Balance Sheets for last five years is as under :-

	2012-13	2013-14	2014-15	2015-16		2016-17	
<b>Supply :</b>	Lakh Bales	Lakh Bales	Lakh Bales	Lakh Bales	'000 Tons	Lakh Bales	'000 Tons
Opening Stock	40.00	40.00	33.00	66.00	1122.00	43.00	731.00
Production	370.00	398.00	386.00	338.00	5746.00	351.00	5967.00
Imports	14.59	11.51	14.39	20.00	340.00	17.00	289.00
<b>Total</b>	<b>424.59</b>	<b>449.51</b>	<b>433.39</b>	<b>424.00</b>	<b>7208.00</b>	<b>411.00</b>	<b>6987.00</b>
<b>Demand :</b>							
Consumption : Mills	251.74	268.03	278.06	272.00	4624.00	275.00	4675.00
SSI Units	23.59	25.20	26.38	27.00	459.00	28.00	476.00
Non Textile Consumption	7.83	6.32	5.00	13.00	221.00	10.00	170.00
Exports	101.43	116.96	57.72	69.00	1173.00	50.00	850.00
<b>Total</b>	<b>384.59</b>	<b>416.51</b>	<b>367.16</b>	<b>381.00</b>	<b>6477.00</b>	<b>363.00</b>	<b>6171.00</b>
<b>Closing Stock</b>	<b>40.00</b>	<b>33.00</b>	<b>66.23</b>	<b>43.00</b>	<b>731.00</b>	<b>48.00</b>	<b>816.00</b>

**GROWTH OF MAN-MADE FIBRES :**

The man-made fibre industry (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. Our MMF Sector also suffers from some practices of domestic producers, such as import parity pricing and calibrating production to influence price trends. Removal of custom duties and/or atleast substantial reduction in other taxes and duties both on MMF and its raw material may strengthen this industry.

Installed capacity, production, imports/exports and consumption of man-made fibres during the period 2009-10 to 2016-17 have been as under :-

	Quantity in Million Kgs.							
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Viscose Fibre</b>								
Installed capacity	418.68	418.68	418.68	418.68	418.68	418.68	418.68	418.68
Production	302.09	305.09	322.63	337.49	361.01	365.15	341.90	364.99
Import	18.71	14.07	21.41	15.36	18.38	27.33	34.01	34.98
Export	59.44	56.24	78.58	99.53	107.15	125.77	154.09	156.40
Consumption	267.71	262.49	245.72	257.42	278.22	257.57	218.92	247.02

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b><u>Polyster Fibre</u></b>								
Installed capacity	1182.72	1182.72	1182.72	1182.72	1182.72	1182.72	1182.72	1182.72
Production	872.13	896.33	829.74	848.04	845.95	881.56	893.95	898.97
Import	14.42	31.55	44.68	29.67	42.63	81.86	99.72	105.23
Export	160.83	162.38	176.00	170.32	205.34	183.58	181.81	211.35
Consumption	726.42	756.22	704.07	697.39	690.87	781.68	811.32	741.31
<b><u>Acrylic Staple Fibre</u></b>								
Installed capacity	153.00	155.00	155.00	167.00	167.00	167.00	167.00	167.00
Production	90.45	79.47	77.70	73.60	96.11	92.54	106.79	96.37
Import	10.75	21.43	19.58	28.78	32.16	31.84	35.83	30.37
Export	5.78	25.23	15.22	6.75	16.32	20.79	30.67	25.63
Consumption	96.08	69.48	85.85	96.14	113.47	100.86	113.70	98.05
<b><u>Polypropylene Staple Fibre</u></b>								
Installed capacity	8.70	8.70	9.60	13.20	13.20	13.20	13.20	13.20
Production	3.37	3.75	4.08	4.26	3.71	4.62	4.71	3.64
Import	0.15	0.12	0.34	0.34	0.40	0.33	1.89	1.60
Export	0.50	0.57	0.57	2.30	14.89	10.61	7.53	9.75
Consumption	3.10	3.26	3.89	2.22	-	-	-	-

## AVAILABILITY OF RAW WOOL & IMPORTS :

Indigenous production of fine quality wool required by the organized mill sector and decentralized hosiery sector is very limited and for fine quality wool, mills have to depend on imports mainly from Australia and New Zealand. The production and import of raw wool, etc., from 2005-06 are given below :-

Quantity in Million Kgs.

Year	Production of Indigenous Wool	Imports	
		Raw Wool	Woollen & Cotton Rags
2005-06	44.90	90.19	124.97
2006-07	45.20	99.62	110.26
2007-08	45.00	93.08	91.81
2008-09	48.00	65.70	85.30
2009-10	43.22	68.26	82.80
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	N.A.	97.84	267.20

## INTERNATIONAL SCENARIO :

### COTTON – PRODUCTION AND CONSUMPTION :

Globally cotton continues to be major fibre for consumption. It accounts for 53% of total fibre consumption, while synthetic and cellulose fibres account for 37% and 10% each of global consumption.

There are around 60 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 and Brazil.

The ICAC has projected on 1<sup>st</sup> May, 2017 World Cotton Production and Consumption for the years estimates for 2015-16 and projections for 2016-17 and 2017-18. The comparative data since 2012-13 are given in the following table :-

Quantity in Million Tons						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Opening Stock	15.24	18.28	20.26	20.92	18.74	17.37
Production	26.77	26.17	26.18	21.06	24.76	23.58
Consumption	23.81	24.03	24.55	24.15	24.11	24.55
Ending Stocks	18.28	20.26	21.92	18.74	17.37	16.41
Cotlook A. Index	88	91	71	70	79	71

World Cotton Production and Consumption of major cotton producing/consuming countries during 2012-13 to 2016-17 as reported by ICAC is as under :-

Quantity in Thousand Tons										
Country	2012-13		2013-14		2014-15		2015-16		2016-17	
	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.
China	7300	8290	6950	7517	6500	7479	4753	7442	4740	7590
India	6290	4762	6766	5087	6562	5377	5800	5296	5800	5140
USA	3770	762	2811	773	3553	778	2806	751	3750	720
Pakistan	2002	2216	2076	2470	2305	2492	1537	2256	1660	2230
Brazil	1310	910	1734	862	1563	797	1289	733	1470	720
Vietnam	-	492	-	673	-	875	-	1007	-	1140
Bangladesh	-	1023	-	1146	-	1204	-	1324	-	1400
Others	6102	5358	5833	5504	5702	5553	4879	5344	5340	5170
<b>World Total</b>	<b>26774</b>	<b>23813</b>	<b>26170</b>	<b>24032</b>	<b>26185</b>	<b>24555</b>	<b>21064</b>	<b>24153</b>	<b>22760</b>	<b>24110</b>

Other major consumers include EU, Turkey, etc.

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

### WORLD FIBRE CONSUMPTION :

According to ICAC, CIRFS, TFY, FEB, Lenzing estimates World fibre market consumption was estimated at 99 million tons in 2016, which consisted of biggest share of oil based synthetic fibres (62.7%) followed by cellulosic and protein based fibres (cotton 24.3%), wood based cellulosic fibres (6.6%), other natural fibres (5.3%) and wool (1.1%).

## STATE SCENARIO :

### COTTON PRODUCTION :

Madhya Pradesh is growing cotton specially in Khandwa, Khargone, Barwani, Jhabua, Ratlam, 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 2006-07 to 2016-17 is given hereunder :-

Year	Area under cotton (In Lakh Hectares)	Production (In Lakh Bales)	Yield (Kgs/Hectare)
2006-07	6.39	19.00	505
2007-08	6.30	20.00	539
2008-09	6.25	18.00	490
2009-10	6.11	15.25	424
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	5.47	18.00	559
2016-17(E)	5.99	21.00	596

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.

In our opinion the State Government should draw an action plan, consisting of the following measures to increase production and quality of cotton in the State :-

Earmark varieties of cotton for cultivation in State to encourage the growers to produce cotton needed by the Industry, like Mech-1, DCH-32, H-4, S-6, LRA and MCU-5.

Provide expert advice to cotton growers through field visits of officers of Agriculture Department, and Scientists from Agriculture Colleges/Universities.

Create awareness amongst cotton growers regarding modern and scientific cultivation practices and methodology of keeping cotton free from contamination.

Encourage growing of Organic Cotton / Better Cotton Initiative (BCI).

Immediate reduction of Mandi Tax on cotton to Zero.

The State Government should take up Cotton Collaborative Project as proposed by Cotton Development & Research Association of CITI and involve Ginning & Pressing Factories, Jawaharlal Nehru Krishi Vishwavidyalay and Kisan Vikas Kendras for development of cotton production in the districts of Chhindwara, Ratlam and Dhar.

### 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.
2006-07	1,33,461
2007-08	1,60,917
2008-09	1,34,207
2009-10	1,34,039
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	1,50,151

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

### COTTON CONSUMPTION :

Consumption of cotton by textile mills in the State since 2006-07 is as under :-

Year	Consumption in '000 Kgs.
2006-07	1,76,172
2007-08	1,82,813
2008-09	2,02,772
2009-10	2,50,691
2010-11	2,78,457
2011-12	3,09,955
2012-13	3,48,424
2013-14	3,88,474
2014-15	4,33,521
2015-16	4,48,853

The data in respect of consumption of Man-made fibre is not available separately for the State.

### MINIMUM SUPPORT PRICE FOR KAPAS :

#### FOR 2015-16 AND 2016-17 :

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). Based on the support price for these two basic varieties vis-à-vis the normal price differential and other relevant factors, the Textile Commissioner announces the support price for other varieties of kapas. The support prices announced by Textile Commissioner vide his Notification dated 2<sup>nd</sup> September, 2016 for 2016-17 cotton season (October-September) are 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	2016-17	2015-16	
(I)	(II)	(III)	(IV)	(V)	(VI)
<b>Short Staple (20 mm &amp; below)</b>					
	-	7.0-8.0	3360.00	3300.00	Assam Comilla
	-	6.8-7.2	3360.00	3300.00	Bengal Deshi
<b>Medium Staple (20.5 mm – 24.5 mm)</b>					
	21.5-22.5	4.2-6.0	3610.00	3550.00	V-797/G.Cot.13/G.Cot.21
	21.5-23.5	4.8-5.8	3660.00	3600.00	Jayadhar
	23.5-24.5	3.4-5.5	3710.00	3650.00	AK/Y-1 (Mah & M.P.) / MCU-7 (TN) /SVPR-2(TN)/PCO-2(AP & Kar)/K-11 (TN)



(I)	(II)	(III)	(IV)	(V)	(VI)
<b>Medium Long Staple (25.0 mm – 27.0 mm)</b>					
	24.5-25.5	4.3-5.1	3860.00	3800.00	J-34 (Raj)
	26.0-26.5	3.4-4.9	3960.00	3900.00	LRA-5166/KC-2(TN)
	26.5-27.0	3.8-4.8	4010.00	3950.00	F-414/H-777/J-34 Hybrid
<b>Long Staple (27.5 mm – 32.0 mm)</b>					
	27.5-28.5	4.0-4.8	4060.00	4000.00	F-414/H-777/J-34 Hybrid
	27.5-28.5	3.5-4.7	4060.00	4000.00	H-4/H-6/MECH/RCH-2
	27.5-29.0	3.6-4.8	4110.00	4050.00	Shankar-6/10
	29.5-30.5	3.5-4.3	4160.00	4100.00	Bunny/Brahma
<b>Extra Long Staple (32.5 mm &amp; above)</b>					
	32.5-33.5	3.2-4.3	4360.00	4300.00	MCU-5 / Surabhi
	34.0-36.0	3.0-3.5	4560.00	4500.00	DCH-32
	37.0-39.0	3.2-3.6	5360.00	5300.00	Suvin

The other terms and conditions specified in the Order were almost similar to those of the previous years.

## FOR 2017-18 :

The Government of India has approved increase in Minimum Support Price for Cotton Season 2017-18 of Rs.160/-per quintal. With this hike, the Minimum Support Price for Medium Staple Cotton will now be Rs.4020/quintal and for Long Staple Cotton it will be Rs.4320/quintal.

## COTTON PRICE TREND :

### CURRENT YEAR :

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

Rs. / Candy

Month	J-34 SG Punjab		Mech-1/H-4 (28 mm) MP		S-6 (28 mm) Gujarat		DCH-32 (34/36 mm) Karnataka	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
April	34920	34550	34190	34105	36243	35325	46327	50964
May	36345	36364	35100	36004	35300	35898	46640	51765
June	36265	39525	34443	39464	35894	39457	46214	54638
July	36275	44734	33981	45339	34490	40691	46110	57988
August	35713	45968	33586	47227	34123	47408	45275	58855
September	36264	43596	33967	45862	35265	45801	46150	59098
October	33561	39962	32690	42891	32946	42658	47554	56710
November	32886	38647	32200	38877	32400	38636	46665	55215
December	33131	39418	32843	39162	33750	39262	47536	54997
January	33995	41804	33870	41207	34187	41303	50740	55178
February	33550	43725	32295	42551	33864	42558	51373	55701
March	33469	45542	33067	43693	33398	43703	50993	57582
April	34550	45358	34105	43781	35325	44055	50964	59370

**Source : Indian Cotton Federation**

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

**OTHER RAW MATERIAL PRICES :**

The month end prices of various items of raw material during 2016-17 have been as under :-

**Average Rates – Rs./Kg.**

Month	Cotton (Average)				VSF (including Duty)	PSF (including Duty)	Raw Wool	Marino Wool (Imported)
	Raw (Wt.Avg.) 24.5 mm	Medium 20.5- 32.0 mm	Long 27.5 - & above	Extra Long 32.5 mm				
April'16	91.07	75.50	98.49	122.88	163.69	90.87	226.50	718.67
May	95.84	79.93	103.62	127.81	163.69	89.57	237.00	686.07
June	105.40	87.52	115.58	137.23	163.69	88.63	241.75	741.58
July	116.98	96.38	130.06	149.88	163.69	88.91	249.50	749.03
August	113.57	92.37	127.60	145.80	163.69	88.76	250.50	789.45
September	112.54	89.42	126.61	151.15	174.94	89.18	250.50	800.72
October	99.33	84.58	106.22	129.92	174.94	88.07	245.75	743.29
November	101.84	86.74	108.82	133.29	174.94	88.07	244.25	763.65
December	105.16	91.60	111.63	132.87	174.94	88.07	243.50	714.43
January'17	111.59	97.18	119.16	139.04	174.94	95.92	240.00	749.37
February	113.17	96.31	123.24	141.87	174.94	100.75	237.75	774.32
March	114.14	96.31	124.22	146.09	180.57	101.86	237.50	740.90

Source: Ministry of Textiles.

**EXPORT OF COTTON :**

Registration requirement for export of cotton (Tariff Code 5201 and 5203) was dispensed with vide Notification dated 8<sup>th</sup> December, 2014.

Export of Cotton (including waste) since 2006-07 has been as under :-

Year	Quantity(Tons)	ValueRs. Crore
2006-07	11,62,217	6,107.81
2007-08	14,58,591	8,865.40
2008-09	4,57,562	2,865.83
2009-10	13,57,985	9,537.09
2010-11	12,58,443	12,979.93
2011-12	20,03,589	21,624.27
2012-13	20,14,783	19,812.98
2013-14	19,47,680	22,341.35
2014-15	11,42,529	11,642.63
2015-16	13,46,422	12,814.61

CAB has estimated export of 58.00 lakh bales of Cotton during Cotton Season 2016-17 as against 69.00 lakh bales in 2015-16.

Our Member Mills (those, who reported) exported cotton (including waste) during the last six years, details of which are as under :-

Year	Value Rs. in Lakh
2010-11	813.21
2011-12	738.11
2012-13	296.66
2013-14	438.64
2014-15	68.69
2015-16	207.83

## 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. It feels good on skin and great on conscience. 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 2,41,697 tons in 2010. Organic Cotton is grown in 20 countries and is around 0.6% of global cotton production. Presently it is grown on 353303 hectares of land and 193767 farmers are involved. The production has increased by around 10% in 2013-14 after three years of decline. The top five organic cotton producing countries are India (66.90%), China (11.69%), Turkey (6.49%), Kyrgyzstan (4.93%) and USA (2.16%) accounting for 92.17% of the total production. The World Organic Cotton production and demand have been as under :-

Year	Production in Tons	Demand in Tons
2004-05	25394	13610
2005-06	37799	25101
2006-07	57931	74839
2007-08	145872	92998
2008-09	209950	123272
2009-10	241697	N.A.
2010-11	151079	N.A.
2011-12	143600	N.A.
2012-13	106556	N.A.
2013-14	116974	N.A.
2014-15	112488	N.A.

According to Organic Cotton Market Report, 2016, Organic Cotton was grown in India on 1,48,105 hectares of land. Madhya Pradesh continued its significant leadership in terms of area (46511 hectares) followed by Odisha at 35264 hectares and Maharashtra at 32739 hectares.

Organic farming in India is certified under the National Programme for Organic Production (NPOP), with more than 157721 organic cotton farmers certified to the Standard in 2014-15. In 2014-15, 276736 hectares of land was certified organic with approximately 148105 hectares (54%) dedicated to organic cotton. Almost every State showed an increase in land area with the exceptions of Tamil Nadu and Rajasthan.

Despite an increase in both area and the number of farmers, production of organic cotton actually reduced by 13.4% compared to last year, from 86853 to 75251 tons. This was largely due to the trend of farmers – both organic and conventional – moving away from cotton and introducing a higher proportion of grains, vegetables and flowers into their production systems, with flowers for wet markets and pharmaceuticals becoming increasingly lucrative for organic farmers. Similarly, among the new organic cotton projects that have been initiated in recent years, due to limited markets for selling in conversion cotton, some of these farmers focused on other agricultural products.

Another reason behind the drop in organic cotton production in some parts of India is to do with the mismatch of fibre lengths for the market. Common lengths are 19-26 mm, suitable for denim products and home furnishings, and 33-40 mm, suitable for luxury products – both of which have relatively lower market demand than the medium lengths, which sits between the two.

The growth of Organic Cotton farming in India has been as under :-

Year	Quantity in Tons
2005-2006	12483
2006-2007	18790
2007-2008	73702
2008-2009	142766
2009-2010	195757
2010-2011	102452
2011-2012	103004
2012-2013	81171
2013-2014	86853
2014-2015	75251

The advent of Better Cotton Initiative (BCI) and failure of Organic Cotton to give expected higher price than conventional cotton has also led to reduction in area under organic cotton in India. It is believed that BCI will take a lead over organic cotton production.

## BETTER COTTON INITIATIVE :

The Annual Report of Better Cotton Initiative (BCI), a Switzerland based Not for Profit Organisation says Better Cotton now makes up 5% of the national cotton production in India. 12,20,000 farmers were licensed Worldwide to sell Better Cotton in 2014, and they produced 8.7% of global cotton supply. Better Cotton is available in 20 cotton producing countries after only five years of operations.

Better Cotton is produced in 10 States in India and year-on-year figures for BCI Farmers, Better Cotton lint produced, and hectares under cultivation have increased dramatically.

In 2014, the fifth harvest of Better Cotton in India was carried out by 2,70,000 BCI Farmers, producing 2,83,000 MT of Better Cotton lint on 4,56,000 hectares.

A total of 18 Implementing Partners implemented Better Cotton projects during the 2014 harvest season, multiplying their efforts to reach out to the larger demand for Better Cotton. The BCI Implementing Partners in India are: Ambuja Cement Foundation, Action for Food Production, Arvind, Cotton Connect, MYKAPS, Solidaridad, WWF-India, Abhishek Industries/ Trident Group, Action for Social Advancement, Dilasa Janvikas Foundation, Mahima Fibres, PRDIS, Pratibha Syntex, Spectrum International, We Care Society, Deshpande Foundation, Anandi Ecofarms and CAIM.

**COLLECTION OF STATISTICS ACT, 2008 :**

Independent Cotton Ginning Factories, independent Cotton Pressing Factories and Cotton Ginning & Pressing Factories, Traders, Surgical Cotton or Cotton Wading Manufacturers and Cotton Textile Mills are required to submit to Textile Commissioner's Office by 15<sup>th</sup> of succeeding month, monthly statistics relating to cotton as prescribed by the Ministry of Textiles vide Gazette Notification No. S.O. 7861 (E) dated 27<sup>th</sup> February, 2013 (published in Gazettee of India on 20<sup>th</sup> March, 2013).

**MANDI TAX ON COTTON :**

The State Government vide its Notification dated 30<sup>th</sup> November, 2010 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 Rupees One hundred for a period of one year. This Notification has been extended upto 7<sup>th</sup> January, 2018.

**WORKING CAPITAL FOR RAW MATERIAL :**

The Industry continues to pursue the matter regarding making available Working Capital Loans, at 7% p.a. interest with 10% margin and for 9 months duration. Such a facility is a must for mills for purchasing and stocking cotton, during the cotton season, to reduce cost of production and make cost of our money globally competitive.

**IMPORT OF COTTON AND OTHER FIBRES BY MEMBER-MILLS :**

Information relating to Import of Cotton and Other Fibres by Member-Mills during 2016-17 is given in Annexure-II.

**CONSUMPTION OF COTTON AND OTHER FIBRES BY MEMBER MILLS :**

Details of Consumption of Cotton and Other Fibres by Member-Mills during 2016-17 are available in Annexure-III.

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## PRODUCTION OVERVIEW

India's textile sector is one of the oldest industry in Indian economy dating back several centuries. Even today, textile sector is one of the largest contributors to India's exports with approximately 13% of total exports. The textile industry is also labour intensive and is one of the largest employers. The industry realized export earnings worth US\$ 36.75 billion in 2015-16. The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garment segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 45 million workers and 68 million indirectly. The Indian textile industry is extremely varied, with the hand-spun and hand woven textile sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized powerlooms/hosiery and knitting sector form the largest component of the textile sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the Country in terms of textiles make the Indian textile sector unique in comparison to the industries of other Countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the World.

Currently the Country's textile market is estimated at more than US\$ 100 billion (at market price), which is poised to become more than US\$ 250 billion on or before 2025.

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

	2012-13	2013-14	2014-15	2015-16		2016-17
Base Year	2004-05	2004-05	2004-05	2004-05	2011-12	2011-12
Textiles	142.00	148.30	152.20	156.30	119.40	117.50
Growth (%)	5.97	4.43	2.62	2.60		(-)1.60
Wearing Apparel	143.60	171.60	180.40	192.50	131.80	154.40
Growth (%)	10.38	19.50	5.42	6.70		17.10

### NATIONAL TEXTILE POLICY :

The National Textile Policy of 2002 continues. The Ministry of Textiles, vide its Resolution dated 17<sup>th</sup> June, 2013, constituted an Expert Committee under Chairmanship of Shri Ajay Shankar, Member Secretary, National Manufacturing Competitiveness Council (NMCC) consisting of 24 Members to review the National Textile Policy : 2000 and formulate the National Textile Policy : 2013.

The Confederation of Indian Textile Industry and Federation of Indian Chambers of Commerce & Industry submitted their recommendations to the Expert Committee on 22<sup>nd</sup> October, 2013 and 1<sup>st</sup> January, 2014 respectively.

On 28<sup>th</sup> July, 2014, the Chairman, Expert Committee submitted its Draft Report "Vision, Strategy and Action Plan for Indian Textiles & Apparels" to the Textile Minister. The new National Textile Policy is yet to be announced by the Government.

### SPECIAL PACKAGE FOR EMPLOYMENT GENERATION & PROMOTION OF EXPORTS :

On 22<sup>nd</sup> June, 2016, the Government has unveiled a package which provides for generation of one crore jobs in the textile and apparel industry over next three years. The majority of jobs are likely to go to women since the garment

industry employs about 70% women workforce. This package will lead to a cumulative increase of US\$ 30 billion in exports and investment of Rs. 74,000 crore over next three years. Salient features of the package are :-

Government shall bear entire 12% of employers contribution to Employees Provident Fund Scheme for new employees of the garment industry for first three years, who are earning less than Rs. 15000 p.m. The Ministry of Textiles shall provide additional 3.67% of employers' contribution (8.33% is already provided under Pradhan Mantri Rojgar Protsahan Yojana).

EPF shall be made optional for employees earning less than Rs.15000 p.m. leaving more money in their hands.

Overtime hours of workers not to exceed 8 hours per week in line with ILO norms.

Looking to seasonal nature of industry, fixed term employment shall be introduced in the garment sector. Such workmen shall be considered at par to permanent workmen in terms of working hours, wages, allowances and other statutory dues.

Increasing subsidy under Amended-TUFS from 15% to 20% for garment sector. The subsidy under the scheme would be disbursed only after the expected jobs are created.

A scheme will be introduced to refund State levies which are not refunded so far. This move is expected to cost the exchequer Rs. 5500 crore, but will greatly boost competitiveness in foreign markets.

Drawback at All Industries Rate to be given for domestic duty paid inputs even when fabric is imported under Advance Authorisation Scheme.

For the garment industry, the provision of 240 days under Section 80 JJA of Income Tax Act would be relaxed to 150 days looking to the seasonal nature of garment industry.

## GROWTH OF TEXTILE INDUSTRY :

The Technology Upgradation Fund Scheme has been the growth engine for textile industry modernization. In the Eleventh Five Year Plan, India's spindlage increased from 37 million to 52 million. In the Twelveth Plan, industry is expected to continue with addition of 15 million spindles. The Organised Sector is dominated by spinning units, which, in terms of numbers, account for 80% of the units in this Sector. Out of 2008 textile units, in the organized sector 1803 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. However, this reduction in the capacity is 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 in the coming years. The Ministry of Textiles launched comprehensive Scheme for Powerloom Sector development on 1<sup>st</sup> April, 2017 – POWERTEX.

The expansion of spinning sector has largely taken place in Tamil Nadu, Andhra Pradesh, Punjab, Gujarat and Madhya Pradesh. Tamil Nadu alone accounts for about 46% of total spindleage in the Country.

The comparative data of last seven years in respect of Mills and their capacity are as under :-

	2011	2012	2013	2014	2015	2016	2017
<b>TEXTILE MILLS</b>							
Spinning Mills (Non SSI)	1757	1761	1771	1757	1776	1779	1803
Spinning Mills (SSI)	1333	1336	1332	1307	1325	1335	1352
Composite Mills (Non SSI)	183	196	198	197	200	201	205
Exclusive Weaving Mills	174	173	173	174	174	175	175
Powerloom Units (Lakh Nos.)	5.18	5.20	5.28	5.30	5.43	5.54	5.54
<b>CAPACITY</b>							
Spindles (SSI + Non SSI) (Million Nos.)	47.58	48.25	49.17	49.46	50.16	51.36	52.45
Rotors (SSI + Non SSI) (Lakh Nos.)	7.49	7.71	7.95	8.14	8.33	8.57	8.96
Looms (organized sector) (Lakh Nos.)	0.66	0.66	0.66	0.66	0.67	0.68	0.68
Power looms (Lakh Nos.)	22.92	22.98	23.47	23.67	24.75	25.23	25.23

	2011	2012	2013	2014	2015	2016	2017
Knitting Machines (Nos.) in Composite & exclusive Weaving Mills	1398	1398	1532	1529	1529	1590	1797
Hand loom (Lakh Nos.)	23.77	23.77	23.77	23.77	23.77	23.77	23.77
Worsted Spindles Woollen (Lakh Nos.)	6.04	6.04	6.04	6.04	6.04	6.04	6.04
Non-Worsted Spindles Woollen (Lakh Nos.)	4.37	4.37	4.37	4.37	4.37	4.37	4.37
Woollen Power looms (Nos.)	7228	7228	7228	7228	7228	7228	7228

India has second largest manufacturing capacity globally. Textile Industry accounts for about 24% of the World spindle capacity and 8% of World rotor capacity. It has highest loom capacity (including handlooms) with 63% of World's market share.

## 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) during the last ten years with percentage share including production in SSI Sector are given below :-

Year	Cotton Yarn		Blended Yarn		100% Non-cotton Yarn		Total Mn Kgs
	Mn Kgs	%age share	Mn Kgs	%age share	Mn Kgs	%age share	
2007-08	2948	74.00	677	17.00	378	9.00	4003
2008-09	2898	74.08	655	16.75	361	9.17	3914
2009-10	3079	73.43	707	16.86	407	9.71	4193
2010-11	3490	74.05	797	16.91	426	9.04	4713
2011-12	3126	71.60	789	17.88	457	10.52	4372
2012-13	3583	73.60	828	17.01	457	9.39	4868
2013-14	3923	74.09	896	16.86	485	9.05	5309
2014-15	4055	73.97	920	16.68	513	9.35	5488
2015-16	4138	73.06	972	17.15	555	9.79	5665
2016-17	4059	71.66	1034	18.26	571	10.08	5664

It will be observed that production of cotton yarn had decreased during the year by about 1.91% and total yarn production was just stagnant. The decrease in cotton yarn production was mainly because of decrease in exports to China.

## STOCK OF SPUN YARN :

The position of stock of spun yarn at the end of each year since 2011-12 has been as under :-

### Quantity in Million Kgs.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Cotton Yarn	110.87	107.92	133.80	140.60	142.57	51.56
Blended Yarn	42.20	40.37	51.33	48.30	49.93	57.81
100% Non Cotton Yarn	20.44	21.38	23.40	22.48	24.08	26.11
<b>Total</b>	<b>173.51</b>	<b>169.67</b>	<b>208.53</b>	<b>211.38</b>	<b>216.58</b>	<b>235.47</b>



**ANALYSIS OF STATEWISE PRODUCTION OF COTTON AND COTTON YARN :**

An analysis of statewise production of cotton and production of yarn figures show that the States, which contributed highest in the production of cotton such as Gujarat – 27.81%, Maharashtra – 22.19%, Telangana – 17.60% are contributing towards cotton yarn production at 4.51%, 7.54%, and 1.09% respectively. However, Tamil Nadu which grows cotton – 1.48% contributed maximum as 37.61% to cotton yarn production.

The share of our State Madhya Pradesh in cotton production during 2015-16 was 5.32% only, whereas in cotton yarn production it was 8.42%. The following table gives the share of each State in cotton and yarn production in the Country during the year 2015-16 :-

State	Production of Cotton		Production of Yarn : % Share			
	Lakh Bales	% Share	Cotton	Blended	MMF	Total
Punjab	7.50	2.22	15.33	11.59	20.13	15.16
Haryana	15.00	4.44	5.56	1.57	1.62	4.49
Rajasthan	15.00	4.44	3.83	23.44	18.25	8.60
Gujarat	94.00	27.81	4.51	2.76	1.20	3.88
Maharashtra	75.00	22.19	7.54	7.17	7.54	7.47
Madhya Pradesh	18.00	5.32	8.42	8.11	5.68	8.10
Telangana	59.50	17.60	1.09	1.50	4.10	1.46
Andhra Pradesh	24.00	7.10	9.40	2.51	4.16	7.71
Karnataka	20.00	5.92	0.66	0.19	0.16	0.52
Tamil Nadu	5.00	1.48	37.61	25.89	22.85	34.15
Uttar Pradesh	-	-	1.02	1.11	1.54	1.29
Himachal Pradesh	-	-	1.61	5.86	5.38	2.71
Uttaranchal	-	-	0.69	1.40	1.54	0.90
Dadra Nagar Haveli	-	-	1.47	0.90	0.02	1.23
Others	5.00	1.48	2.87	6.00	5.83	2.33
<b>Total</b>	<b>338.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The top four yarn manufacturing States during 2015-16 are Tamil Nadu, Punjab, Rajasthan and Madhya Pradesh. During the year, the share of total yarn production of our State is 8.10%.

**PRODUCTION OF FILAMENT YARN :**

As on 31<sup>st</sup> March, 2017, the Country had capacity to produce Filament Yarn as under :-

**Quantity in Million Kgs.**

Item	Quantity
Viscose Filament Yarn	79.52
Nylon Filament Yarn	32.00
Polyester Filament Yarn	2103.23
Polypropelene Filament Yarn	17.63
<b>Total...</b>	<b>2232.38</b>

The present capacity utilization in this Sector is only around 55%. The production of Filament Yarn data of various fibre in the Country during the years 2010-11 to 2016-17 are given below :-

## Quantity in Million Kgs.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Viscose Filament Yarn	40.92	42.35	42.63	43.99	43.93	45.41	45.96
Nylon Filament Yarn	33.46	27.95	22.91	24.09	32.45	37.26	41.08
Polyster Filament Yarn	1462.27	1379.52	1288.15	1212.43	1157.41	1068.80	1060.42
Polypropylene Filament Yarn	13.14	13.19	17.18	12.91	12.76	12.66	11.45
<b>Total</b>	<b>1549.79</b>	<b>1463.01</b>	<b>1370.87</b>	<b>1293.42</b>	<b>1246.55</b>	<b>1164.13</b>	<b>1158.91</b>

**PRODUCTION OF FABRIC :**

The weaving industry is mainly characterized by the Unorganised Sector, with powerlooms accounting for 57%, hosiery units for 27% and handloom around 12% of total cloth production. Organised sector weaving mills account for balance 4% of cloth production.

The production of fabrics decreased by 729 million square metres in 2016-17. The production in Mill Sector decreased by 2.76%, whereas the Hosiery Sector production was down by 0.60%.

The figures of production of fabric in all the four sectors for last seven years are given hereunder :-

## Quantity in Million Square Metres

Type of Cloth	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b><u>Mill Sector</u></b>							
Cotton	1604	1724	1684	1622	1592	1504	1493
Blended	526	521	674	818	808	733	683
100% Non Cotton	75	68	60	91	86	78	75
<b>Total</b>	<b>2205</b>	<b>2313</b>	<b>2418</b>	<b>2531</b>	<b>2486</b>	<b>2315</b>	<b>2251</b>
<b><u>Hand loom Sector</u></b>							
Cotton	5973	6021	6239	6315	6427	6827	7117
Blended	143	121	115	145	88	106	103
100% Non Cotton	791	759	598	644	688	705	788
<b>Total</b>	<b>6907</b>	<b>6901</b>	<b>6952</b>	<b>7104</b>	<b>7203</b>	<b>7638</b>	<b>8008</b>
<b><u>Power loom Sector</u></b>							
Cotton	11883	12027	13956	14320	15241	15696	15742
Blended	5853	6302	6655	7117	7511	7826	8176
100% Non Cotton	20279	19116	17428	15353	14998	13462	12137
<b>Total</b>	<b>38015</b>	<b>37445</b>	<b>38038</b>	<b>36790</b>	<b>37750</b>	<b>36984</b>	<b>36055</b>
<b><u>Hosiery/Knitted Sector</u></b>							
Cotton	12258	10798	11992	13256	13699	14413	14501
Blended	1756	1524	1838	1982	2042	2144	2078
100% Non Cotton	620	624	711	961	1153	1090	962
<b>Total</b>	<b>14634</b>	<b>12946</b>	<b>14541</b>	<b>16199</b>	<b>16894</b>	<b>17647</b>	<b>17541</b>
Cotton	31718	30570	33870	35513	36959	38440	38853
Blended	8278	8468	9282	10062	10449	10809	11039
100% Non Cotton	21765	20567	18797	17049	16924	15335	13963
<b>Total</b>	<b>61761</b>	<b>59605</b>	<b>61949</b>	<b>62624</b>	<b>64332</b>	<b>64584</b>	<b>63855</b>
Khadi, Silk & Wool	798	848	843	876	944	921	921
<b>Grand Total</b>	<b>62559</b>	<b>60453</b>	<b>62792</b>	<b>63500</b>	<b>65276</b>	<b>65505</b>	<b>64776</b>

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

Sector	Production Mn. Sq. Mtrs.				Percentage share			
	2013-14	2014-15	2015-16	2016-17	2013-14	2014-15	2015-16	2016-17
Mills	2531	2485	2315	2251	3.99	3.81	3.48	3.53
Powerloom	36790	37750	36984	36055	57.93	57.83	55.66	56.46
Handloom	7104	7203	7638	8008	11.19	11.03	12.36	11.66
Hosiery/Knitted	16199	16894	17647	17541	25.51	25.88	27.08	26.94
Khadi/Silk/Wool	876	944	921	921	1.38	1.45	1.42	1.41
<b>Total</b>	<b>63500</b>	<b>65276</b>	<b>65505</b>	<b>64776</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

It will be observed from the above table that production percentage in Hosiery/Knitted Sector is rising continuously, whereas in other Sectors it is almost stagnant. Mill sector is concentrating mainly on spinning and production of high value fabrics/fabrics for exports.

### PRODUCTION OF WOOLLEN ITEMS :

The production of Woollen items from 2006-07 to 2015-16 have been as under :-

Year	Worsted Yarn	Woollen Yarn	Fabrics	Shoddy Yarn
	Mn. Kgs.	Mn. Kgs.	Mn. Mtrs.	Mn. Kgs.
2006-07	58.00	35.00	80.00	37.00
2007-08	58.00	35.00	81.00	38.00
2008-09	60.00	30.00	85.00	40.00
2009-10	61.00	30.00	87.00	42.00
2010-11	62.00	30.50	88.00	43.00
2011-12	61.00	30.00	87.00	44.00
2012-13	62.00	30.00	88.00	44.00
2013-14	63.00	32.00	90.00	44.00
2014-15	63.15	32.25	90.25	44.25
2015-16	63.00	32.00	90.15	44.00

### PER CAPITA AVAILABILITY OF CLOTH :

The position of per capita availability of cloth since 2006-07 is as under :-

Quantity in Sq. Mtrs.

Year	Cotton	Blended/mixed fabrics	100% Non-cotton fabrics	Total
2006-07	17.90	4.69	17.01	39.60
2007-08	19.01	4.81	18.03	41.85
2008-09	17.89	4.50	16.62	39.01
2009-10	19.70	5.29	18.13	43.12
2010-11	21.35	5.57	17.04	43.96
2011-12	19.76	5.47	15.23	40.46
2012-13	19.88	5.45	13.14	38.47
2013-14	19.80	5.61	10.75	36.16
2014-15	23.57	6.66	10.38	40.61
2015-16	24.59	6.92	8.99	40.50

## GROWTH OF TEXTILE INDUSTRY IN STATE :

### MILLS & PERFORMANCE :

All the textile mills in the State are not our Members and as such the statistics available on the website of the Office of The Textile Commissioner are used. According to the Office of the Textile Commissioner, the structure of the Textile Industry in the State has been as under :-

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>TEXTILE MILLS :</b>					
Spinning Units (Non-SSI)	44	43	43	43	43
Composite Mills.	15	16	16	16	16
Spinning Mills (SSI)	5	5	6	6	6
Exclusive Weaving Mills (Non-SSI)	4	4	4	5	5
100% Export Oriented Units	1	1	1	-	-
Number of Powerlooms	1,24,853	1,26,679	1,33,425	1,33,425	
Number of Powerloom Units	49,087	49,968	53,043	53,043	
Number of Handloom Units	3604	3604	3604	3604	3604
Man-made fibre Units	1	1	1	1	1
Man-made filament yarn Units	2	-	-	-	-
<b>INSTALLED CAPACITY :</b>					
a)No. of Spindles (Non-SSI & SSI) in thousand	2,051	2,254	2,300	2,478	2,478
b)No. of Rotors (Non-SSI & SSI)	28,416	31,272	31,488	33,888	33,888
c)No. of Looms (Composite & Exclusive Weaving Units)	3,897	4,033	4,033	4,469	4,469
d)No. of Knitting Machines	133	141	141	159	159

Although the number of mills reported by the Textile Commissioner's Office are 65, but 22 of the mills are either closed or not having any activity. Thus the operational mills are around 43 only. 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 since 2010-11 are as under :-

Quantity in Thousand Kgs.						
Yarn	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Cotton Yarn	206866	206639	264535	299696	330074	348605
Blended Yarn	62376	61291	62768	75002	76281	78842
100% Non-Cotton Yarn	23466	25356	25803	26369	26000	31531
<b>Total Spun Yarn</b>	<b>292708</b>	<b>293286</b>	<b>353106</b>	<b>401067</b>	<b>432355</b>	<b>458978</b>

During 2015-16 the total spun yarn production in the State was 4,58,978 thousand Kgs., which is about 8.10% of the Country's production of 56,64,928 thousand Kgs.

Annexure-IV gives the figures of Spun Yarn produced by our Member- Mills during the year 2016-17.

### 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 2009-10 :-

Quantity in Thousand Kgs.

Fabric	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Cotton	102950	110356	108821	119231	117412	164843	182155
Blended	20668	29157	24140	32796	43909	62175	49285
100% Non-Cotton	515	710	379	293	362	1513	1611
<b>Total</b>	<b>124133</b>	<b>140223</b>	<b>133340</b>	<b>152320</b>	<b>161683</b>	<b>228531</b>	<b>233051</b>

During 2015-16, fabrics production in the State was about 10.10% of Country's total fabrics production in Mill Sector.

Annexure-V gives the figures of Production of Fabrics (Woven & Knitted) during the year 2016-17, while Annexure-VI contains the figures of Production of Knitted Garments by the Member Mills.

## DOMESTIC DELIVERY OF HANK YARN :

Hank Yarn Obligation was introduced in 1974 at 50% of production of cotton and Viscose yarn. However, the current Notification promulgated in 2003 under the Essential Commodities Act, prescribes that every producer of yarn, who packs yarn for civil consumption, shall pack atleast 40% of yarn packed for civil consumption in hank form, on a quarterly basis and not less than 80% of Hank Yarn packed shall be on counts 80s and below. National Handloom Census carried out by Office of Development Commissioner (Handlooms) and the data submitted to the Committee to Review HYO in July, 2011 shows reduction in handlooms by about 40% during 1987 to 2010, whereas cotton yarn production increased by about 133%. Calculations show that less than 15% HYO was sufficient in 2010. Therefore, there is a strong case for abolition of HYO.

As per decision taken in the 69<sup>th</sup> 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) from October-December, 2014 quarter. It is mandatory for all units to submit the Returns from January-March, 2015.

The domestic deliveries of spun yarn in hank form have been as under :-

Year	Quantity in Mn. Kgs.
2005-06	471.00
2006-07	504.00
2007-08	535.00
2008-09	520.00
2009-10	523.00
2010-11	536.00
2011-12	534.00
2012-13	542.00
2013-14	556.00
2014-15	565.00
2015-16	603.00
2016-17	634.00

In the Report of Technopak – “Trends in Production, Distribution, Demand for Hank Yarn and Issues related thereto”, which was called for by the Ministry of Textiles, they have recommended that a Handloom Cess of reasonable value can be implied to the Mills not producing Hank Yarn according to their obligation and the fund can be given to Handloom Office for starting intervention under various Schemes for setting up Reeling Units in Handloom Clusters.

**TEXTILES (DEVELOPMENT & REGULATION) ORDER 2001 :**

During the year under report, there was no change in the contents of the Regulations. However, Notification dated 16<sup>th</sup> May, 2002 of the Textile Commissioner authorizing its Officers to discharge the functions and powers of the Textile Commissioner in respect of matters specified in that Notification continued.

**TEXTILES (CONSUMER PROTECTION) REGULATIONS, 1988 :**

With the removal of various textile items from the purview of Essential Commodities Act, 1955, vide order dated 15<sup>th</sup> February, 2002, the provisions of Textiles (Consumer Protection) Regulation, 1988 are now applicable only to tops containing wool, yarn made wholly from cotton and cloth containing cotton or wool, irrespective of whether they are indigenously manufactured or imported.

**COLLECTIONS OF STATISTICS ACT, 2008 :**

In exercise of the powers conferred under Section 3 and 4 of the Collections of Statistics Act, 2008 read with Rules 5 and 7 of Collections of Statistics Rules, 2011, the Textile Commissioner has been designated as Statistics Officer vide Notification dated 26<sup>th</sup> April, 2017 for the purpose of collection all the related statistics from manufacturers and traders of textile items. The Forms for Return for submission of Statistics have been attached to this Notification. Monthly Returns are to be submitted by 15<sup>th</sup> of the following month and Annual Return (as on 31<sup>st</sup> March) by 30<sup>th</sup> April of each year. From 1<sup>st</sup> October, 2017, it will be mandatory for the units to submit information through web portal of Textile Commissioner.

**TEXTILE COMMITTEE :**

In exercise of the powers conferred by Section 5E of the Textile Committee Act, 1963 the Central Government exempted readymade garments from levy of whole of Textile Committee Cess w.e.f. 18<sup>th</sup> January, 2007. It was also withdrawn from all Textile Items & Textile Machinery Industry w.e.f. 1<sup>st</sup> June, 2007.

**TECHNOLOGY UPGRADATION FUND SCHEME :**

This Scheme, which was started on 1<sup>st</sup> April, 1999, has given major thrust to the Textile Sector. On 1<sup>st</sup> November, 2007, the Ministry of Textiles announced continuation of TUFS for the entire period of 11<sup>th</sup> Five Year Plan, i.e., upto 31<sup>st</sup> March, 2012 with special thrust on garmenting, technical textiles and processing segments of the industry. However, the Scheme was kept in abeyance from 28<sup>th</sup> June, 2010 to 27<sup>th</sup> April, 2011 and for the period 28<sup>th</sup> April, 2011 to 31<sup>st</sup> March, 2012, the Restructured Technology Upgradation Fund Scheme was introduced, which continued upto 31<sup>st</sup> March, 2013. The Scheme was again revised on 4<sup>th</sup> October, 2013 and introduced from 1<sup>st</sup> April, 2013 as Revised Restructured Technology Upgradation Fund Scheme (RRTUFS).

The Ministry of Textiles issued a Resolution dated 13<sup>th</sup> January, 2016, modifying the provisions of Revised Restructured Technology Upgradation Fund Scheme (RRTUFS) and introduced a new scheme "Amended Technology Upgradation Fund Scheme (ATUFS)", which will be effective from date of issue for a period of seven years upto 31<sup>st</sup> March, 2022. The Budget provision for the Scheme is Rs. 17822 crore for next seven years. It is to attract investment of Rs. One lakh crore and generate employment for 30 lakh persons.

The cases pending for issue of UID, since September, 2014 as per records of Office of Textile Commissioner shall be covered under RRTUFS. Under the new scheme, individual entity will be eligible for one time capital subsidy only on the eligible investment, as per the rates and overall subsidy cap indicated below:

Garmenting, Technical Textiles – Capital subsidy of 15% on eligible machines; CIS per individual entity Rs. 30 crore. As per Resolution dated 25<sup>th</sup> July, 2016, additional incentive of 10% will be provided to garmenting units and the CIS would stand enhanced from Rs.30 crore to Rs.50 crore. Vide Resolution dated 10<sup>th</sup> January, 2017, this facility of additional subsidy of 10% and with enhanced CIS of Rs.50 crore is also available to Made-ups Sector.

Weaving for brand new Shuttleless Looms (including weaving preparatory and knitting), processing, jute, silk and handlooms – Capital subsidy of 10% on eligible machines; CIS per individual entity Rs. 20 crore.

Composite Units/Multiple Segments – If eligible capital investment in respect of Garmenting and Technical Textiles is more than 50% of eligible project cost – Capital subsidy of 15% on eligible machines; CIS per individual entity Rs. 20 crore.

Composite Units/Multiple Segments – If eligible capital investment in respect of Garmenting and Technical Textiles is less than 50% of eligible project cost – Capital subsidy of 10% on eligible machines; CIS per individual entity Rs. 20 crore.

In cases, where the applicant had availed subsidy under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for individual entity. The maximum subsidy for overall investment by individual entity under ATUFS will be restricted as indicated above.

The benefits under the Scheme shall be available only if the eligible benchmark machinery is purchased by availing term loan from a notified agency. Term loan should not be for less than three years including moratorium (for SSI – five years). Term loan component of machinery should be kept at a minimum of 50% of total cost of project. The Unit should work for atleast for the minimum period of term loan. Capital Investment Subsidy will be released in full in one go after satisfactory commissioning/installation and commencement of production.

## **PRADHAN MANTRI PARIDHAN ROJGAR PROTSAHAN YOJNA :**

Under the Pradhan Mantri Paridhan Rojgar Protsahan Yojna, with effect from 9<sup>th</sup> August, 2016, a Scheme to incentivize employers in the Apparel Sector registered with Employees' Provident Fund Organisation for job creation, the Government is paying 8.33% Employers' Contribution to the EPFO for new employees registered with EPFO. The Government will also be paying 3.67% EPF Contribution of these new employees.

The Ministry of Labour & Employment vide its Notification dated 7<sup>th</sup> October, 2016, have introduced a new category of employees – “fixed term employment workmen in apparel manufacturing sector”, by amending Industrial Employment (Standing Orders) Central Rules, 1946. Such a workman is who is engaged on basis of contract of employment for a fixed period. However, his working hours, wages, allowances and other benefits shall not be less than that of a permanent workman. He shall also be illegible for all statutory benefits available to a permanent workman proportionately, according to the period of service rendered by him. Such a workman would not be entitled to any notice or pay in lieu thereof, if his services are terminated.

## **SPECIAL TEXTILE PACKAGE OF FISCAL ASSISTANCE IN STATE INDUSTRIAL PROMOTION POLICY – 2014 :**

The State Government notified Industrial Promotion Policy - 2014 on 1<sup>st</sup> October, 2014, which includes the following Special Package for Textile Industry :-

1. **INVESTMENT SUBSIDY :** Micro, small and medium textile units shall be given an investment subsidy of 10% of eligible investment made in TUFS approved plant and machinery subject to a maximum limit of Rs. One crore.
2. **INTEREST SUBSIDY :**  
 For New Units with an investment of upto Rs. 25 crore in Fixed Assets : 2% for 5 years from the date of commercial production on term loan taken for TUFS approved plant and machinery subject to a ceiling of Rs. 5 crore.  
 New standalone units with an investment of more than Rs. 25 crore in fixed Assets **OR** Expansion/Diversification of Existing Standalone unit with fresh investment in TUFS approved plant and machinery of at least 30% of existing investment in Fixed Capital Assets (Not less than Rs. 25 crore) or Rs. 50 crore, whichever is less : 5% for 5 years from the date of commercial production on term loan taken for TUFS approved plant and machinery. New composite unit\* with an investment of more than Rs. 25 crore in fixed Assets **OR** Diversification of Existing Standalone unit into a composite unit : 7% for 5 years from the date of commercial production on term loan taken for TUFS approved plant and machinery.

\*For an unit to be classified as Composite Unit, it should be doing either of the following manufacturing activities irrespective of its locations (location may be same or at different places within the State of Madhya Pradesh) and utilizing at least 75% of primary produce (such as yarn) as an input to the downstream activities :

Cloth manufacturing using thread (dhaga) and processing activities (weaving/knitting and processing activities).  
 Cloth processing and manufacturing (processing and garmenting).  
 Thread manufacturing – Apparel manufacturing using thread (dhaga), processing and apparel manufacturing using clothes (spinning, weaving/knitting – processing & garmenting). Made-up articles.

### 3. ENTRY TAX EXEMPTION :

For Units with an investment of upto Rs. 100 crore in plant & machinery including buildings & sheds, but shall not include land & dwelling units : For five years.

For Units with an investment of more than Rs. 100 crore in plant & machinery including buildings & sheds, but shall not include land & dwelling units : For seven years.

### 4. VAT & CST Assistance : Industrial investment promotion assistance will be given for 8 years from the date of commercial production, within an overall ceiling of investment in TUFs approved plant & machinery, to Units with investment of Rs. 1 crore or more in fixed capital, as described below:

**Cotton ginning** – equivalent to the CST paid on interstate sale of ginned cotton.

**Spinning mill** – equivalent to the computed gross CST on interstate sale of cotton yarn.

**Cloth manufacturing unit** (Cloth is a tax free product) – equivalent to VAT paid on purchase of raw material by the manufacturing unit; and

**Readymade garment/Apparel unit** – equivalent to VAT & CST paid on sales of readymade garment/apparel. However, the assistance shall not be more than net tax deposited with Government of Madhya Pradesh.

### 5. 25% subsidy shall be given for establishment of Apparel Training Institute to a maximum limit of Rs. 25 lakh.

### 1. Expansion/Diversification/Technical Up-gradation :

Large and medium industrial units, which invest 30% of existing investment in plant and machinery or Rs. 50 crore (whichever is less) on expansion/diversification/technical up-gradation, will be eligible for assistance / facilities at par with new industrial units.

Small scale industrial units, which invest minimum 50% of its existing investment in plant & machinery (not being less than Rs. 25 lakh), shall be eligible for assistance/facilities at par with new industrial units.

The assistance of Entry Tax and VAT & CST indicated at Para 3 and 4 above have been withdrawn with effect from 1<sup>st</sup> July, 2017 on implementation of Goods & Services Tax Act till an alternative Scheme is introduced.

## SCHEME OF INTEGRATED TEXTILE PARKS :

Ministry of Textiles approved 66 textile parks under the Scheme, which are at different stages of implementation. This has resulted in employment of 79000 people and additional investment of Rs.9500 crore.

The only Textile Park in Madhya Pradesh (CLC Textile Park) at Pandhurna in Chindwara District has been set up. The Park is spread over 20 acres of land, and comprises of ginning and pressing units, spinning, weaving, home textiles and readymade garment units. The infrastructure cost of the Park is Rs.95.65 Crore, the assistance admissible under the Scheme is Rs.38.26 Crore. Investment of Rs. 594.46 Crore is likely to be made in this Park, which would provide direct employment to 14000 persons and indirect employment to 33000 persons. When fully operational, annual production from this Park will be of Rs. 1250 Crore.



## 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				
	Total (all sectors)		Textilels (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
<b>Grand Total</b>	<b>12933.03</b>	<b>258.02</b>	<b>89.58</b>	<b>1.85</b>	<b>0.64</b>

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.

## TECHNICAL TEXTILES :

The technical textiles sector in the Country is expected to clock a 20% year-on-year growth during 12<sup>th</sup> Five Year Plan period. With a market size of Rs. 92499 Crore in 2015-16 the sector has recorded 11% to 12% growth in last five years. Presently around 30% of India's requirement of technical textiles is met through imports. The Minister of State for Textiles informed Rajya Sabha on 5<sup>th</sup> February, 2014 that technical textiles account for around 18% of overall textile industry in the World, it is just 11.43% in India. 950 Units have been registered by Textile Commissioner as Technical Textile Manufacturing Units with a total investment in proposed machineries of Rs. 5100 crore approximately.

The segmentwise market size and domestic consumption of technical textiles in 2012-13 to 2015-16 has been estimated by the Ministry as under :-

Value : Rupees in Crore.

Sector	Market Size	Domestic Consumption		
		2012-13	2013-14	2015-16
Agrotech	1191	643	711	811
Meditech	4281	2620	2868	3413
Mobitech	9173	6483	7229	8990
Packtech	38733	24920	27583	33871
Sportech	5877	3935	4418	5574
Buildtech	3577	2491	2794	3548
Clothtech	6591	4649	5163	6379
Homotech	9274	5474	6243	8156
Protech	2722	1739	1890	2339
Geotech	991	180	194	227
Oektech	160	120	132	160
Indutech	9929	5550	6320	8235
<b>Total</b>	<b>92499</b>	<b>58804</b>	<b>65545</b>	<b>81703</b>

The Ministry of Textiles has taken a number of initiatives for promotion of technical textiles, some of these are :-

Technology Mission on Technical Textiles (TMTT) – Outlay Rs.200 crore.

Focus Incubation Centre under TMTT – Total outlay Rs.17.4 crore.

Scheme for promotion of use of Agrotex in NER – Outlay Rs.55 crore.

Scheme for promoting usage of Geotextiles in NER – Outlay Rs.427 crore.

For promotion of technical textiles 10% Capital Subsidy and 5% interest reimbursement on specified machinery provided in ATUFS.

Our Member Mills – SRF Limited and Mohini Fibres Pvt. Ltd. are working in this segment.

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## EXPORTS & IMPORTS

As per Vision, Strategy and Action Plan submitted by the Expert Committee to Ministry of Textiles on 28<sup>th</sup> July, 2014, over the last 10 years India's Textile and Apparel exports have grown at a rate of 11%. There is no reason why India, provided it takes necessary steps, cannot achieve 20% growth in export over the next decade. With a 20% CAGR in exports India would be exporting about US\$ 300 billion of textile and apparel by 2024-25. By then India should have 20% of global textile and apparel market against present level of 5%.

### FOREIGN TRADE POLICY 2015-20 :

The Foreign Trade Policy 2015-20 was unveiled by the Minister of Commerce & Industry, Mrs. Nirmala Sitharaman, on 1<sup>st</sup> April, 2015. Some of the highlights of the new Foreign Trade Policy 2015-20 are produced below for ready reference of the members/exporters :-

### Merchandise Exports from India Scheme (MEIS) :

Schemes such as Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agricultural Infrastructure Incentive Scrip, Vishesh Krishi and Gram Udyog Yojna (VKGUY) have been merged into a single scheme, namely Merchandise Export from India Scheme (MEIS) with no conditions. Scheme provides for reward to eligible textile and apparel categories to the extent of 2% to 5% of FOB Value in the Countries categorized as per criteria prescribed under the scheme. The Country Group lists were amended on 14<sup>th</sup> July, 2015 and 28<sup>th</sup> December, 2015 and some more Countries included.

### Country Groups (As on 1<sup>st</sup> April, 2017):

**Category A :** Traditional Markets (34) – European Union (28), USA, Canada, Norway, Switzerland, Iceland & Liechtenstein.

**Category B :** Emerging & Focus Markets (141) - Africa (55), Latin America and Mexico (45), CIS countries (12), Turkey and West Asian countries (13), ASEAN countries (10), Japan, South Korea, China, Taiwan, Hongkong, Panama Republic.

**Category C :** Other Markets (64).

Rewards for export of notified goods to notified markets under Merchandise Exports from India Scheme (MEIS) are payable as percentage of realized Free on Board (FOB) value (in free foreign exchange). DGFT vide Public Notice dated 22<sup>nd</sup> September, 2016, made certain additions (Chapters 54 to 60) to MEIS – covering 450 items of textile and clothing (HS 8 digit) prescribing 2% of FOB value. MEIS schedule was harmonized with ITC (HS) and consolidated notified on 7<sup>th</sup> March, 2017, which is made effective for shipments made w.e.f. 1<sup>st</sup> January, 2017.

### Service Exports from India Scheme (SEIS) :

Served from India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS), It shall apply to "Service Providers" located in India instead of Indian Service Providers of notified Services. The rate of reward will be based on nett foreign exchange earned. As per Trade Notice dated 21<sup>st</sup> July, 2016, deduction of State/Central Taxes collected from the customers will be made while calculating foreign exchange earnings for the Scheme.

### Approved Exporter Scheme – Self certification by Status Holders :

Manufacturers, who are also Status Holders are to self-certify their manufactured goods as originating from India with a view to qualify for preferential treatment under different Preferential Trading Agreements (PTAs), Free Trade Agreements (FTAs), Comprehensive Economic Cooperation Agreements (CECAs) and Comprehensive Economic Partnerships Agreements (CEPAs), which are in operation. They are permitted to self-certify the goods as manufactured as per their Industrial Entrepreneur Memorandum (IEM) / Industrial Licence (IL) / Letter of Intent (LOI).

### Rules of Origin :

Manufacturer Status holders eligible for Self Certification for Non-Preferential treatment.

Approved Exporter Scheme for Self Certification for Preferential treatment.

Approved Exporter Scheme to be effective when incorporated into specific agreement with partner country(ies).

## Duty Exemption :

- (a) Imports against Advance Authorisation are eligible for exemption from Transitional Product Specific Safeguard Duty.
- (b) In order to encourage manufacturing of capital goods in India, import under EPCG Authorisation Scheme are not eligible for exemption from payment of anti-dumping duty, safeguard duty and transitional product specific safeguard duty.
- (c) Advance Authorisation for annual requirement only for notified in SION.
- (d) No advance Authorisation for annual requirement if any inputs fall in Appendix-4J.
- (e) Eligibility for Authorisation on self declared norms reduced from 500% to 300% for Status Holders.
- (f) Non Status Holder to be eligible for 300% or Rs. 10 crore, whichever is more.
- (g) Representation against the decision of norms Committee to be made within 90 days of hosting. Composition fee of Rs. 5000 for delayed representation.
- (h) Export Obligation (EO) extension request with a self declaration that unutilized inputs are available.

## Export Promotion Capital Goods Scheme (EPCG) :

For indigenous sourcing of Capital Goods, the specific Export Obligation reduced by 25% of the Export Obligation stipulated.

The limit on value of spares imported has now been relaxed. Export Obligation to be fulfilled through goods manufactured from EPCG machine.

In case one unit of the firm/company opts to de-bond from EOU to EPCG Scheme, while other units are DTA units : Average Export Obligation would be fixed by excluding the exports made by the de-bonding unit from the total exports of the firm/company.

Export Obligation would be six times of the proportionate duty saved amount of the depreciated value of Capital Goods of the de-bonding unit.

Central Excise (CE) certificate also accepted for installation certificate for excisable unit also.

Clubbing of authorization restricted only in cases where endorsed products on the authorization are same/similar.

Authorisation holder given option of suo moto payment of duty and interest.

Period for maintenance of records after redemption of authorizations has been reduced for two days.

## Duty Free Tariff Preference (DFTP) Scheme :

India has already extended duty free tariff preference to 33 Least Developed Countries (LDCs) across the globe.

## REBATE OF STATE LEVIES ON EXPORT OF GARMENTS AND MADE-UP ARTICLES :

A Scheme for Implementation of Rebate of State Levies (ROSL) on Textile Garments was notified on 12<sup>th</sup> August, 2016. The Scheme has been extended to exports of Made-up Articles w.e.f. 15<sup>th</sup> March, 2017. In this Scheme, the Central Government provides rebate of State Levies comprising of VAT/CST on inputs including packaging, fuel, duty on electricity generation and duties and charges on purchase of grid power, as accumulated through the stages of production from yarn to finished garments/made-ups. There is no requirement of separate application or supporting documents except for making a choice in Shipping Bill. The claim-cum declaration of eligibility has to be made by the exporter on drawback exports at item level. The drawback exports (shipping bill or bill of exports) may be standalone or in combination with other Schemes. The amount of rebate is calculated using FOB value and rates and cap of rebates specified in ROSL Scheme have been specified in Notification dated 13<sup>th</sup> August, 2016 and 15<sup>th</sup> March, 2017. The Scheme has come into operation from 20<sup>th</sup> September, 2016 for Garments and from 23<sup>rd</sup> March, 2017 for Made-ups and will remain in operation for a period of three years from that date.

The rates of Rebate specified in Notification dated 13<sup>th</sup> August, 2016 in respect of Garments and Notification dated 15<sup>th</sup> March, 2017 in respect of Made-ups have been revised vide Notification dated 27<sup>th</sup> June, 2017 and are applicable with effect from 1<sup>st</sup> July, 2017. However, the applicability of Notification dated 27<sup>th</sup> June, 2017 has been deferred to 1<sup>st</sup> October, 2017.

## IMPORTANT NOTIFICATIONS :

1. The DGFT vide its Public Notice dated 13<sup>th</sup> February, 2015 fixed application fee for online IEC to be Rs. 250. By another Public Notice dated 17<sup>th</sup> February, 2015, DGFT has stated that multiple IECs against a single PAN, if not surrendered before 31<sup>st</sup> March, 2015 will be de-activated.
2. The DGFT vide its Notification dated 12<sup>th</sup> March, 2015 specified three mandatory documents required for export of goods from India/import of goods into India, which include:
  - \* Bill of Lading/Airway Bill.
  - \* Commercial Invoice cum Packing List.
  - \* Shipping Bill/Bill of Export/Bill of Entry.

Separate commercial invoice and packing list would also be accepted. This was again reiterated on 21<sup>st</sup> January, 2016.

3. As a part of Ease of Doing Business and Reduction in Transaction Costs, Ministry decided to do away with Landing Certificate required under MEIS vide Public Notice No.6/2015-20 dated 4<sup>th</sup> May, 2016. The Ministry vide another Notification dated 27<sup>th</sup> May, 2016 done away with separate applications required for shipments from various ports.

## DUTY DRAWBACK RATES :

The Central Government notified revised All Industry Rates of Duty Drawback on 31<sup>st</sup> October, 2016, which are effective from 15<sup>th</sup> November, 2016.

The rates of Duty Drawback of some of the important items effective from 15<sup>th</sup> November, 2016 are as under :-

DBK Tariff No.	Description of the Product	When Cenvat facility not available		When Cenvat facility available	
		%	Value Cap Rs. per kg.	%	Value Cap Rs. per kg.
(1)	(2)	(3)	(4)	(5)	(6)
<b>5106</b>	<b>Yarn of Carded Wool not put up for retail sales</b>				
510601	Containing 85% or more by weight of wool, grey, weaving quality	5.3%	83.00	4.0%	62.60
510602	Containing 85% or more by weight of wool, dyed weaving quality	5.8%	94.00	4.0%	64.80
510605	Woollen – MMF blended yarn grey (MMFcontent less than 50% by weight)	5.3%	57.00	4.0%	43.00
510606	Woollen – MMF blended yarn dyed (MMFcontent less than 50% by weight)	5.8%	65.00	4.0%	44.80
<b>5111</b>	<b>Woven fabric of Carded wool or of carded fine animal hair</b>				
511101	Containing 85% or more by weight of wool or fine animal hair grey	5.1%	85.00	3.2%	53.30
511102	Containing 85% or more by weight of wool or fine animal hair dyed	5.6%	126.00	3.2%	72.00

(1)	(2)	(3)	(4)	(5)	(6)
<b>5112</b>	<b>Woven fabric of combed wool or of combed fine animal hair</b>				
511201	Containing 85% or more by weight of wool or fine animal hair grey	5.1%	85.00	3.2%	53.30
511202	Containing 85% or more by weight of wool or fine animal hair dyed	5.6%	126.00	3.2%	72.00
<b>5205</b>	<b>Cotton Yarn (other than sewing thread) containing 85% or more by weight of cotton, not put up for retail sale</b>				
520501	Grey	3.0%	11.00	1.2%	4.40
520502	Dyed	2.8%	16.70	1.2%	7.20
<b>5206</b>	<b>Cotton Yarn (other than sewing thread) containing less than 85% by weight of cotton, not put up for retail sale</b>				
520601	Grey	4.2%	16.00	1.0%	3.80
520602	Dyed	4.8%	33.00	1.0%	6.90
<b>5209</b>	<b>Woven Fabric of cotton, containing 85% or more by weight of cotton, weighing more than 200 g/m2</b>				
520901	Grey	4.3%	21.00	1.4%	6.30
520902	Dyed	5.1%	36.00	1.6%	9.20
520905	Denim fabric	5.6%	29.00	1.6%	8.30
520906	Denim fabric containing 1% or more by weight of spandex / lycra / elastane	6.0%	35.00	1.7%	9.90
<b>5211</b>	<b>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</b>				
521101	Grey	5.1%	28.00	1.3%	7.10
521102	Dyed	5.6%	31.00	1.3%	7.20
521103	Denim fabrics blended with MMF	6.0%	35.00	1.7%	9.90
<b>5212</b>	<b>Other Woven Fabrics of Cotton</b>				
521201	Grey	4.3%	19.00	1.3%	5.70
521202	Dyed	5.1%	34.00	1.3%	8.70
<b>5407</b>	<b>Woven Fabric of Synthetic Filament Yarn</b>				
540701	Woven fabric containing 85% or more by weight of Synthetic Filament Yarn (Grey)	7.5%	32.00	1.5%	6.40
540702	Woven fabric containing 85% or more by weight of Synthetic Filament Yarn (Dyed)	8.2%	50.00	1.8%	11.00
<b>5503</b>	<b>Synthetic staple fibres, not carded, combed or otherwise processed for spinning</b>	1.5%	-	1.5%	-

(1)	(2)	(3)	(4)	(5)	(6)
<b>5504</b>	<b>Artificial staple fibres,not carded combed or otherwise processed for spinning</b>	1.5%	-	1.5%	-
<b>5509</b>	<b>Yarn (other than sewing thread) of synthetic staple fibre not putup for sale</b>				
550901	Yarn containing 85% or more by weight of MMF (Grey)	10.3%	25.00	1.5%	3.60
550902	Yarn containing 85% or more by weight of MMF (Dyed)	11.5%	40.00	2.0%	7.00
550903	Other yarn mixed mainly or solely with cotton (Grey)	8.4%	29.00	1.5%	5.20
550904	Other yarn mixed mainly or solely with cotton (Dyed)	9.3%	33.00	2.0%	7.10
550905	Other yarn mixed mainly or solely with wool or fine animal hair (Grey)	8.4%	32.00	1.5%	5.70
<b>5512</b>	<b>Woven fabric of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibre</b>				
551201	Grey	8.0%	47.00	1.5%	8.80
551202	Dyed	8.5%	55.00	1.8%	11.60
<b>5515</b>	<b>Other woven fabric of synthetic staple fibres</b>				
551501	Containing 85% or more by weight of Man-made Staple Fibre and/or Man-made Filament Yarn (Grey)	8.0%	47.00	1.5%	8.80
551502	Containing 85% or more by weight of Man-made Staple Fibre and/or Man-made Filament Yarn (Dyed)	8.5%	55.00	1.8%	11.60
<b>6002</b>	<b>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</b>				
600201	Of Wool	5.1%	85.00	3.2%	53.30
600202	Of Man-made fibre (Grey)	7.5%	32.00	1.5%	6.40
600203	Of Man-made fibre (Dyed)	8.2%	50.00	1.8%	11.00
600204	Of Cotton (Grey)	5.1%	28.00	1.3%	7.10
600205	Of Cotton (Dyed)	5.6%	31.00	1.3%	7.20
<b>6003</b>	<b>Knitted or crocheted fabric of a width not exceeding 30 cm, other than those of heading 6001 or 6002</b>				
600304	Of Cotton (Grey)	4.3%	21.00	1.3%	6.30
600305	Of Cotton (Dyed)	5.1%	36.00	1.3%	9.20
<b>6005</b>	<b>Warp knit fabrics (including those made on gallon knitting machines), other than those of heading 6001 to 6004</b>				
600504	Of Cotton (Grey)	4.3%	21.00	1.3%	6.30

Certain amendments were made in rates of Items of Chapters 50, 57 and 61 vide Notification dated 12<sup>th</sup> January, 2017, which were made effective from 15<sup>th</sup> January, 2017.

The Government has issued a Notification on 29<sup>th</sup> June, 2017 making amendments to some of the above rates, which are effective from 1st July, 2017 and are as under :-

DBK Tariff No.	Description of the Product	When Cenvat facility not available		When Cenvat facility available	
		%	Value Cap Rs. per kg.	%	Value Cap Rs. per kg.
520901	Grey	4.3%	21.00	1.4%	7.00
540701	Woven fabric containing 85% or more by weight of Synthetic Filament Yarn (Grey)	7.5%	66.00	1.5%	13.20
540702	Woven fabric containing 85% or more by weight of Synthetic Filament Yarn (Dyed)	8.2%	72.00	1.8%	15.80
550905	Other yarn mixed mainly or solely with wool or fine animal hair (Grey)	8.4%	72.00	1.5%	12.90

## INTEREST EQUALISATION SCHEME :

Reserve Bank of India has notified on 4<sup>th</sup> December, 2015, Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit effective from 1<sup>st</sup> April, 2015 for five years valid upto 31<sup>st</sup> March, 2020. 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.

This Scheme has excluded cotton yarn and is also not available to the merchant exporters. Industry has pointed out that cotton yarn exports are currently passing through difficult market conditions, especially in China and this product should be covered under the Scheme to enable yarn exporters to reduce costs and remain competitive in export market.

## FOREIGN EXCHANGE MANAGEMENT (EXPORT OF GOODS & SERVICES) REGULATIONS :

New regulations for export of Goods & Services were notified by Reserve Bank of India on 12<sup>th</sup> January, 2016. Master Directions were issued on 12<sup>th</sup> May, 2016.

## VALUE OF RUPEE :

During the year, there were ups and downs in the value of Rupee against US Dollar. In the beginning of year, it was ruling at 66.90, whereas at the close of the year it was around 64.50.

Month	April 2016	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec	Jan 2017	Feb	Mar
Re/Dollar	66.90	66.35	66.35	66.45	66.05	66.05	65.90	67.10	67.00	67.40	66.15	64.50

## 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.



Export of textile products, including garments, has the largest share in the exports from the Country. 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 2005-06 are given below :-

Year	Export of all Commodities		Export of Textiles & Clothing (includes jute, coir and handicrafts)		% Shares of textiles / clothing in total export
	Rs. Crore	US\$ Million	Rs. Crore	US\$ Million	
2005-06	456417.86	103285.33	77567.47	17533.17	17.00
2006-07	571779.28	126248.46	86702.65	19143.88	15.20
2007-08	655863.52	162987.95	89120.85	22147.33	13.59
2008-09	840755.06	182812.58	96311.93	20941.93	11.47
2009-10	845533.64	178307.39	104792.98	22098.90	12.40
2010-11	1142921.92	250750.75	124706.23	27359.87	10.91
2011-12	1465959.39	305726.67	157237.46	32791.76	10.70
2012-13	1634318.84	300150.38	170240.00	31259.00	10.40
2013-14	1905011.09	314877.87	224238.00	37064.00	11.80
2014-15	1896348.42	310114.21	227161.00	37148.00	12.00
2015-16	1714424.00	261904.00	237393.00	36265.00	13.80
2016-17	1852339.66	276280.19	253734.16	37820.00	13.70

The Government has trimmed the Textile and Clothing export target of US\$ 45 billion for the year 2017-18. The target for 2017-18 will represent a rise of 17% from actual level of US\$ 38.6 billion approximately for 2016-17. While the garment exports witnessed a marginal rise from the year before, textile exports dropped in 2016-17. 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. Demonetisation also hit this labour intensive sector, although temporarily, as many workers are paid weekly or so. Stiff competition from Countries like Vietnam, Bangladesh and Pakistan – with zero duty access to some of the key markets – 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. Textile Ministry has to seek quick resolution of India-EU Free Trade Agreement, which would pave way for duty free access to the EU market.

## PRODUCTWISE EXPORTS :

The details of exports of all textile items (Chapter Headings 50 to 63) during last three years are given below :-

Value Rs. in Crore / US\$ in Million

Item	2013-14		2014-15		2015-16	
	Qty.	Value	Qty.	Value	Qty.	Value
Fibre Rs.	2852.24	26478.63	2072.27	16048.92	2430.98	17630.91
\$		4376.63		2624.52		2693.39
Fibre Waste Rs.	102.63	876.10	61.96	534.01	59.24	490.45
\$		144.81		87.33		72.92
Yarn Rs.	2248.34	40690.67	2200.42	36594.03	2246.71	35374.47
\$		6725.73		5984.31		5403.98
Fabric Rs.	8130.02	28292.15	4189.39	30267.08	3989.43	29934.15
\$		4676.39		4949.65		4572.89
RMG Rs.	4.50	90773.39	4.02	103020.61	4.02	111177.79
\$		15003.87		16847.20		16984.09

Item	2013-14		2014-15		2015-16	
	Qty.	Value	Qty.	Value	Qty.	Value
Made-ups Rs.	864.23	27039.83	843.54	28405.77	874.05	30012.81
\$		4469.39		4645.26		4584.91
Others Rs.		13153.97		15417.57		15934.30
\$		2174.21		2521.27		2434.20
<b>Total Rs.</b>		<b>227304.74</b>		<b>230287.99</b>		<b>240554.88</b>
\$		<b>37571.03</b>		<b>37659.52</b>		<b>36748.38</b>
<b>Growth % Rs.</b>		<b>26.29</b>		<b>1.13</b>		<b>4.46</b>
\$		<b>13.68</b>		<b>0.24</b>		<b>(-)2.42</b>

Quantity of Fibre, Fibre Waste, Yarn, Made-ups are in Million Kgs., whereas Fabric is in Million Sq.mtrs. and RMG in Million Nos., Others have within sub-group different units.

As per information available from the website of Ministry of Textiles, export of all textile items during 2016-17 have been as under :-

Sr. No.	Item	Value Rs. Million			Value US\$ Million		
		2015-16	2016-17	% Variance	2015-16	2016-17	% Variance
1	Cotton incl.Waste	128211.26	109487.68	(-)14.60	1958.62	1631.95	(-)16.68
2	MM Fibre	35445.89	40075.94	13.06	541.49	597.35	10.32
3	Other Fibre	941.68	1008.43	7.09	14.39	15.04	4.51
4	Cotton Yarn	236021.89	224875.56	(-)4.72	3605.59	3351.85	(-)7.04
5	Cotton Fabric, Made-ups	344708.25	350386.66	1.65	5265.94	5222.64	(-)8.82
6	MM Yarn, Fabric, Made-ups	302190.27	305828.52	1.20	4616.41	4558.48	(-)1.25
7	Woollen Yarn, Fabric, Made-ups	12859.29	11802.41	(-)8.22	196.45	175.92	(-)10.45
8	Other Textile Yarn, Fabric, Made-ups	27445.57	28215.72	2.81	419.27	420.57	0.79
9	RMG – Cotton	595491.26	572957.67	(-)3.78	9097.03	8540.14	(-)6.12
10	RMG – MMF	273440.29	338363.73	23.74	4177.21	5043.43	20.74
11	RMG – Others	241254.03	259276.03	7.47	3685.52	3864.60	4.60
12	Carpets	94268.77	100203.97	6.30	1440.10	1493.58	3.71
13	Jute	20485.53	21574.84	5.32	312.95	321.58	2.76
14	Other Items	148613.92	173284.41	16.60	2270.30	2582.87	13.77
	<b>TOTAL..</b>	<b>2461377.90</b>	<b>2537341.58</b>	<b>3.09</b>	<b>37601.25</b>	<b>37819.97</b>	<b>0.58</b>

In US\$ terms, the maximum decrease in exports in 2016-17 was recorded in Cotton including Waste (16.68%), Cotton Yarn (7.04%), Cotton Fabrics and Made-ups (8.82%).

## COUNTRYWISE EXPORT OF ALL TEXTILE ITEMS :

The details of major Country-wise export of all textile items (Chapter Headings 50 to 63) during last four years are as under :-

Figures in Million.

Sr.	COUNTRY	2012-2013		2013-2014		2014-2015		2015-2016	
No.		Rs.	US\$	Rs.	US\$	Rs.	US\$	Rs.	US\$
1	USA	333464	6123	406136	6713	437686	7158	492584	7525
2	U Arab Emts	119105	2187	161746	2673	230699	3773	291346	4451
3	U Kingdom	114342	2100	137459	2272	151776	2482	156896	2397
4	Bangladesh	96258	1767	116918	1933	120832	1976	136926	2092
5	China P Rep	195750	3594	249321	4121	158825	2598	128570	1964
6	German F Rep	86603	1590	110221	1822	111680	1826	110122	1682
7	France	45977	844	58834	972	67365	1102	67324	1028
8	Pakistan	30477	560	38944	644	23768	389	65568	1002
9	Spain	40982	753	50051	827	55501	908	63114	964
10	Italy	41673	765	52880	874	52698	862	50917	778
11	Turkey	36381	668	52532	868	45062	737	40618	621
12	Sri Lanka	26517	487	34856	576	34960	572	38991	596
13	Netherland	32222	592	39176	648	39350	643	37320	570
14	Canada	21817	401	27224	450	26915	440	31388	479
15	Saudi Arab	28982	532	28121	465	27240	445	28764	439
16	Belgium	25436	467	33361	551	30552	500	25933	396
17	Australia	16982	312	19421	321	22320	365	25152	384
18	Japan	21621	397	25605	423	24913	407	24454	374
19	Vietnam S Rep	16787	308	26483	438	33132	542	23799	364
20	Egypt A Rep	23173	426	24379	403	26425	432	23710	362
21	Other Countries	445318	8178	579380	9576	581150	9503	542055	8281
	<b>GRAND TOTAL</b>	<b>1799867</b>	<b>33051</b>	<b>2273048</b>	<b>37570</b>	<b>2302879</b>	<b>37660</b>	<b>2405551</b>	<b>36749</b>

Source : Monthly Statistics of the Foreign Trade of India, DGCIS, Kolkata.

From the above table, it would be observed at USA, United Arab Emirates, UK, Bangladesh, China, German Federal Republic, France, Pakistan, Spain, Italy, Turkey, Sri Lanka, etc. are major importers of our textile products.

## 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 2005-06 has been as under :-

Value Rs. in Lakh					
Year	Yarn	Woven/ Knitted Fabrics	Knitted Garments	VSF etc.	Total
2005-06	83304.35	6621.62	11014.46	10214.00	111154.43
2006-07	78802.64	8457.81	16764.61	17965.00	121990.06
2007-08	112528.25	25077.22	15451.04	28203.00	181259.51
2008-09	96910.76	10599.95	17937.36	20427.00	145875.07
2009-10	87776.35	11960.73	16868.91	28805.00	145410.99
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

The above figures would have been much higher had all the Member-Mills reported the export data to the Association. Member-wise details of exports during 2016-17 are given in Annexure-VIII and IX to this Report.

## STUDY ON ENHANCING EXPORT COMPETITIVENESS IN TEXTILE SECTOR :

The Ministry of Textiles asked ICRA Management Consulting Services Ltd. to study and prepare a report of this subject to review the current support provided to Textile & Apparel Industry and assess their compatibility with Agreement 'on Subsidies and Countervailing Measures (ASCM). The Final Report was submitted by them on 14<sup>th</sup> December, 2016. Some of the highlights of the Report regarding incentives are as under :-

At the request made by USA, WTO computed India's export competitiveness with regard to Textile products and it was communicated to India in 2010 that Indian Textile and Apparel Industry has achieved competitiveness.

MEIS is an incentive that is export contingent and EPCG is also contingent as export performance and thus qualify as export subsidies and have to be phased out by 2018 only for products falling under Section XI.

EOUs are permitted to sell 50% of FOB value in DTA, which confers benefit to the firms by way of concessional duties and thus it can be deemed as prohibited subsidy. The Scheme can be continued by removing the permission to sell in DTA at concessional duties.

AITUFS, SITP, ISDS and Apparel Park Incubation Support Schemes can be continued.

Report states that as long as subsidy is widely available and not contingent to exports or incentivizing imports substitution, it is unlikely to be taken up by the WTO. Also, if the total value of subsidy per unit is less than 2% of overall exports, then it is not to be taken up for investigation by the WTO. Subsidy provided should be production linked, widespread across industries and regions and consistence across States. Production linked incentives are neither actionable nor prohibited.

## 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. The imports in Rupee terms increased by 9.88% in 2013-14, by 14.75% in 2014-15 and by 4.15% in 2015-16 year-on-year basis.

The growth pattern of import of textile products (Chapters 50 to 63) in the Country for last three years are as under :-

		Value Rs. in Crore / US\$ in Million					
Item		2013-14		2014-15		2015-16	
		Qty.	Value	Qty.	Value	Qty.	Value
Fibre	Rs	444.04	7499.39	565.67	8966.82	618.09	8701.60
	\$		1239.57		1466.36		1329.30
Fibre Waste	Rs	31.87	148.71	44.47	196.75	41.87	218.04
	\$		24.58		32.17		33.31
Yarn	Rs	307.52	6305.21	353.48	6802.49	346.86	6499.21
	\$		1042.18		1112.42		992.85
Fabric	Rs	1454.47	7111.57	1936.47	7767.52	2161.42	8387.04
	\$		1175.47		1270.24		1281.25
RMG	Rs	0.16	2607.57	0.21	3206.51	0.28	3809.28
	\$		431.00		524.37		581.93
Made-ups	Rs	563.41	2273.92	640.72	3035.23	726.19	3593.85
	\$		375.85		496.36		549.01
Others	Rs	-	6106.48	-	6805.25	-	7099.06
	\$		1009.17		1112.88		1084.49
<b>Total</b>	<b>Rs</b>		<b>32051.86</b>		<b>36780.52</b>		<b>38308.08</b>
	<b>\$</b>		<b>5297.83</b>		<b>6014.80</b>		<b>5852.14</b>
<b>Growth %</b>	<b>Rs</b>		<b>9.88</b>		<b>14.75</b>		<b>4.15</b>
	<b>\$</b>		<b>(-)1.09</b>		<b>13.53</b>		<b>(-)2.70</b>

Quantity of Fibre, Fibre Waste, Yarn, Made-ups are in Million Kgs., whereas Fabric is in Million Sq.mtrs. and RMG in Million Numbers. Others have within sub-groups different units.

Imports during the year 2016-17 in respect of Textile items were valued at Rs.422194.16 Million/US\$ 6292.95 Million, recording an increase of 4.44%.

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# TAXATION

## CENTRAL TAXES :

### PRE-BUDGET MEMORANDUM 2017-18 :

The Confederation of Indian Textile Industry (CITI) and Federation of Indian Chambers of Commerce & Industry (FICCI) requested us to provide inputs for Pre-Budget Memorandum 2017-18 to be submitted by them to the Union Finance Minister. After collecting inputs from Member Textile Mills, we submitted following proposals to CITI and FICCI :-

Optional Route of excise duty for all textile products (other than man-made fibre based products) be continued till introduction of GST.

Excise Duty of 12.5% on MMF and its products be reduced to 6%. This will help increase capacity utilization of MMF Industry and availability of cheaper products to consumers.

Custom Duty of 2.5% and SAD of 4% being levied on MMF and Filaments be withdrawn, which will help increase in production of value added textile products without any revenue loss to the Government.

Import of apparel grade wool of 25 micron and finer be made duty free as apparel grade wool is not indigenously available.

Since there has been a major reduction in working handlooms and increase in spinning capacity in mill sector, the Hank Yarn Obligation be reduced from 40% to 20%. This will also curb misuse of hank yarn.

Sufficient provision be made in the Budget of 2017-18 for Technology Upgradation Fund Scheme to take care of left out cases and current dues.

Interest Equalization Scheme with 3% relief be extended to yarn exports to enable our product to compete in international market.

Benefit of 2% under MEIS be extended to spinning sector at par with other textile products.

To ensure availability of cotton regularly to the mill sector, the Cotton Corporation of India be extended 5% interest subvention to procure and stock cotton to be sold exclusively to mills in lots of 50 bales each at no profit no loss basis or at international prices. Alternatively the mills be extended working capital facility for purchase of cotton at 7% interest.

Since most of the textile products are either exempted or subjected to no tax, GST, when implemented should be levied at lowest rates, so that final prices of textile products are not increased.

### ECONOMIC SURVEY 2016-17 HIGHLIGHTS :

The Economic Survey 2016-17 was presented in the Parliament on 31<sup>st</sup> January, 2017. Some of the highlights of the Economic Survey are as under :-

GDP growth for the year 2017-18 forecasted between 6.75%-7.5%.

Apparel Sector provides immense opportunities for creation of jobs for the weaker sections, especially for women, and can become vehicles for broader social transformation in the Country.

India has an excellent opportunity to promote apparel sector because of rising wage levels in China, which has resulted in China stabilizing or losing market share in these products.

The key challenges, which are impediment for growth of apparel industry are areas of logistics, labour regulations, tax and tariff policy, etc., and disadvantages emanating from international trading environment compared to competitor countries.

Three key policy responses suggested to address the twin issues of jobs and promoting exports are – signing FTA especially with EU and UK; GST induced tax rationalization; and labour law reforms.

The export of textiles reported a negative growth of 3.2% in 2015-16 and again negative growth of 5.2% in April-November, 2016.

**UNION BUDGET 2017-18 HIGHLIGHTS :**

The Hon'ble Finance Minister presented Budget for 2017-18 in the Parliament on 1<sup>st</sup> February, 2017, ahead of one month of usual Budget presentation. His Budget focused mainly on affordable housing, measures to stimulating growth, promoting digital economy, transparency in electoral funding, ease of doing business, etc. While presenting the Budget, the Finance Minister informed that bold demonetization move of the Government will have great impact on economy and lives of people. The highlights of the Budget impacting textile industry are :-

No change in Custom Duties for import of textile items except that basic custom duty of Nylon Monofilament Yarn falling under Custom Tariff Item No. 5404 19 90, which has been reduced from 7.5% to 5% subject to certain conditions.

Basic Custom Duty on all items of machinery including instruments, apparatus and appliances required for setting up of Fuel Cell based system of power generation reduced from 10%/7.5% to 5%. No change in rates of Excise Duty.

Sub-Rule 2 being inserted in Rule 21 of Central Excise Rules, so as to provide for a time limit of three months extendable to further six months for granting remission of duty under Section 5 of Central Excise Act.

A new Sub-Rule 4 is being inserted in Rule 10 of Cenvat Credit Rules so as to provide the transfer of Cenvat Credit by the jurisdictional Central Excise Officials within three months from date of application.

Estimates of Grant provided for Ministry of Textiles for 2017-18 – Rs.6226.50 crore compared to Rs.4594.82 crore in 2016-17.

Budget allocation for Amended Technology Upgradation Fund Scheme (ATUFS) increased to Rs. 2013 crore for 2017-18 as against Rs. 1480 crore in 2016-17.

For the first time Rs. 200 crore provided under Prime Minister Paridhan Rojgar Yojna to boost employment in garmenting segment.

An outlay of Rs. 1555 crore for remission of State Levies to be provided to garment and made-up segment.

**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 Excise & Customs or the Ministry of Finance, Director General of Foreign Trade, Reserve Bank of India, etc., during the year in relation to Textile Industry were circulated to Member Mills, as soon as these were received/known.

**STATE TAXES :**

The State Budget was presented in the Assembly on 1<sup>st</sup> March, 2017, but it did not provide any direct relief the Textile Industry. Only important provision in the Budget included the following :-

In case of amalgamation/merger of the Companies, the Stamp Duty payable on sales documents would be limited to Rs. 25 crore.

The position of various State Taxes continued as under :-

**ENTRY TAX ON RAW MATERIAL :**

Cotton (Ginned or unginned) included at Item No. 10 of Schedule – I of M.P. Entry Tax Act and exempted from levy of Entry Tax w.e.f. 1<sup>st</sup> April, 2010.

Cotton waste included at Item No.10 in Schedule-I of Madhya Pradesh Entry Tax Act, 1976 and exempted from levy of Entry Tax w.e.f. 1<sup>st</sup> April, 2012 on regular basis.

Man-made fibres also included at Item No. 10A of Schedule-I w.e.f. 1<sup>st</sup> April, 2013 and exempted from levy of Entry Tax on regular basis.

Raw Wool was exempt from levy of Entry Tax, but Wool Tops were being taxed. Wool tops included in Schedule-I of M.P. VAT Act w.e.f. 2<sup>nd</sup> July, 2009, and exempted from levy of Entry Tax.

All types of yarn and yarn waste included in Schedule-I and exempted from levy of Entry Tax w.e.f. 1<sup>st</sup> April, 2010 and 1<sup>st</sup> April, 2012 respectively.

**ENTRY TAX ON CAPITAL GOODS FOR EXPANSION, ETC. :**

The Plant & Machinery and capital goods purchased before start of production does not attract Entry Tax, as per Section 3 of the Madhya Pradesh Entry Tax Act.

Although the Industrial Promotion Policy-2004 provided for exemption from entry tax on goods specified in Schedule II and III for use as incidental goods, but the Commissioner, Commercial Taxes, vide his circular dated 17<sup>th</sup> September, 2009 advised Assessing Officers that in case of expansion/diversification purchase of Plant & Machinery and capital goods is in the course of business, such purchases are liable for entry tax. However, in many cases the Appellate Authority and High Court of MP has held that such Plant & Machinery purchased for expansion before commencement of business under expansion are exempt from levy of Entry Tax.

On 20<sup>th</sup> May, 2011, the Commercial Tax Department issued a Notification exempting Schedule-II goods brought in by a registered dealer before start of production for expansion, modernization/diversification, etc., from levy of entry tax under Industrial Promotion Policy, 2010 (w.e.f. 1<sup>st</sup> November, 2010).

**ENTRY TAX ON INCIDENTAL GOODS :**

With an amendment to Schedule-II of Madhya Pradesh Entry Tax Act, purchase of Plant & Machinery attracted 2% Entry Tax, in 2012-13. This was rectified by an amendment to Section 4 of the Madhya Pradesh Entry Tax Act, 1976 w.e.f. 1<sup>st</sup> April, 2013 and now Entry Tax @ 1% is payable on Plant & Machinery purchased by a registered dealer. Rate of Entry Tax on Natural Gas (including CNG) imported from other States attracts Entry Tax @ 10% w.e.f. 1<sup>st</sup> April, 2015.

**CENTRAL SALES TAX ACT :**

Levy of CST continues at 2%. Section 15 of the Central Sales Tax Act was amended by Finance Act, 2011 w.e.f. 16<sup>th</sup> April, 2011 increasing the rate of VAT leviable on declared goods from 4% to 5%.

**VAT ON COTTON :**

On 3<sup>rd</sup> August, 2009, the Government of Madhya Pradesh, Commercial Taxes Department in exercise of powers conferred by sub-section (1) of section 26-A of the Madhya Pradesh VAT Act, 2002 notified "Cotton" purchased on or after the date of Notification for the purpose of said sub-section. Impact of this Notification is that the Mills purchasing Cotton have to deduct the amount of VAT @ 5% (4% upto 15<sup>th</sup> April, 2011), while making purchases from dealers within the State of Madhya Pradesh and the payment is to be made to the seller of cotton net of tax. The amount of tax so deducted is retained by a dealer making exports. However, certain formalities are to be completed in this respect and prescribed records are to be maintained.

The Association has been requesting the Government to notify "Cotton Waste" (raw material used by Open End Spinning Mills), under Section 26-A of the Madhya Pradesh VAT Act, 2002, but no action is taken by the Government.

**INPUT TAX REBATE :**

As per amendment to Section 14(1) yarn consumed in manufacture of fabric qualifies for input tax rebate of the amount of such input tax, which is in excess of 2% w.e.f. 1<sup>st</sup> April, 2013. Section 14(1)(6) has been amended with effect from 5<sup>th</sup> April, 2016 in the case of inter-State sale of purchased material, the Input Tax Rebate will be limited to the amount of input tax or CST, whichever is less.

**VAT ON RLNG :**

RLNG used by industries for captive power generation (Section 14(1A)) is eligible for Input Tax Rebate of 8% (13% - 5%) w.e.f. 1<sup>st</sup> August, 2009.

As per Section 14(1AA) w.e.f. 1<sup>st</sup> April, 2013, if the natural gas is used as fuel in manufacture or processing of goods, then full input tax rebate is allowed.



**VAT ON YARN :**

Present rate of VAT on yarn sold within the State is 5%, whereas the yarn sold in inter-State trade attracts CST @ 2%. Due to high rate of VAT the local consumers prefer to purchase yarn from other States paying CST @ 2%. We have requested the State Government on several occasions to reduce rate of VAT on yarn to 2%. By this reduction the State will not suffer any loss of revenue. Maharashtra has already reduced rate of VAT on cotton yarn to 2% w.e.f. 30<sup>th</sup> June, 2012. Rajasthan has reduced it to 2% on all types of yarn w.e.f. 8<sup>th</sup> March, 2016 and Punjab has reduced it to 3.3% on all types of yarn and their waste w.e.f. 1<sup>st</sup> April, 2016. However, the State Government has not yet responded to our request.

**VAT ON FABRICS :**

The State Government has exempted Fabrics from levy of VAT w.e.f. 1<sup>st</sup> April, 2006, by an amendment to Schedule-I (It No.48) of MP VAT Act, 2002.

**VAT ON OTHER ITEMS :**

The general rate of VAT was raised from 4% to 5% (except for goods of special importance) w.e.f. 1<sup>st</sup> August, 2009. The VAT rate of 12.5% was increased to 13% w.e.f. 1<sup>st</sup> April, 2010 and to 14% w.e.f. 1<sup>st</sup> April, 2015. Rate of VAT on Steam reduced to 5% (from 13%) w.e.f. 1<sup>st</sup> April, 2015. Rate of tax on raw material used in manufacture of tax-free goods and in case of stock transfer outside the State increased from 4% to 5% w.e.f. 1<sup>st</sup> April, 2015.

**FORM – 49 :**

Till date Form No.49 has been made applicable for 56 items. The validity period of Form-49 has been reduced from 30 days to 15 days w.e.f. 1<sup>st</sup> June, 2015.

**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 has been extended upto 7<sup>th</sup> January, 2018.

**IMPLEMENTATION OF GST IN THE TEXTILE SECTOR :**

The Ministry of Textiles commissioned a study by Ernst & Young and Wazir Advisors on the “Implications of GST for Indian Textile Industry”. A presentation of this Report was made at FICCI on 16<sup>th</sup> April, 2014. The Committee of CITI, which met at Mumbai on 30<sup>th</sup> April, 2014 also discussed the issue in detail and was of the opinion that introduction of GST in textile sector could be implemented smoothly, if the lowest rate was stipulated for all textile products with no exemption for any segments or groups in the sector. This Report which was placed on the website of Ministry of Textiles was circulated to Member Mills on 8<sup>th</sup> July, 2016.

On 6<sup>th</sup> March, 2017, the Association has submitted a proposal to the Hon’ble Chief Minister, Finance Minister with copies to various Secretaries and Commissioners of the State Departments requesting them to recommend to the Central Government to keep the entire textile value chain in GST rate of 5% including Hank Yarn. The GST should apply in a seamless manner with no differentiation starting from fibre (cotton/natural fibres or MMF/Synthetics)-yarn-fabric-made ups/apparel-retain trade. Exemption for any textile product of the segment should be avoided. In case exemption is considered on hank yarn, etc., refund of the tax paid on hank yarn at all stages of sale may be routed through National Handloom Development Corporation. Similarly any subsidy for farmers by way of transfer of differential cotton price should be through Direct Benefit Transfer (DBT) through banks.

The GST Council in its Meetings discussed and finalized the following rates for the Textile Sector :-

	Cotton	Synthetic/MMF	Wool(Carded/Combed)
Raw Material	5%	5%	5%
Yarn	5%	18%	5%
Fabric (Knitted/Woven)	5%	5%	5%
Garments/Made-ups :			
-Value upto Rs.1000	5%	5%	5%
-Value exceeding Rs.1000	12%	12%	12%
Technical Textiles	12%	12%	12%

The Job Work rates are as under :-

Description of Services	Rate
Job Work Services in respect of textile and textile products (including MMF yarn, garments and made-ups, etc., falling in Chapters 50 to 63)	5%

The key features of the GST regime for textiles are –

1. Cotton sector which was hitherto exempted from central taxes and leviable to VAT at the fibre and yarn stage only, has been brought into the GST net, albeit with a low rate of 5%. This will ensure availability of Input Credit to all.
2. The GST rate structure is fibre neutral at the fabric stage with 5% GST on both Cotton and Synthetic/Man-made fabric, thus eliminating the inefficiencies arising out of the varied duty structures on different fibres.
3. Job work charges, which were hitherto exempted from service tax provided the Principal is paying Excise Duty upon clearance of goods, are now leviable to GST. This will allow job-workers to avail ITC on inputs, consumables and input services.
4. Wool, Raw Silk, Silk Waste and Khadi Yarn have been exempted from GST.

The Goods & Services Tax Act is being implemented with effect from 1<sup>st</sup> July, 2017.

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## MANPOWER

### INITIATIVES BY UNION MINISTRY OF LABOUR :

The Ministry of Labour uploaded Draft Labour Code on Wages, 2015 on its website in March, 2015. This Code is to amalgamate Minimum Wages Act, 1948; Payment of Wages Act, 1936; Payment of Bonus Act, 1965 and Equal Remuneration Act, 1976. The suggestions/comments on this Draft were to be submitted by 20<sup>th</sup> April, 2015. The Association submitted its suggestions/comments on 13<sup>th</sup> April, 2015.

The Ministry also uploaded Draft Labour Code on Industrial Relations on its website on 27<sup>th</sup> April, 2015. This Code proposes to amalgamate Trade Unions Act, 1926; Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947. Suggestions / comments of Stakeholders were invited by 26<sup>th</sup> May, 2015. The Association submitted its suggestions / comments on 21<sup>st</sup> May, 2015.

Union Ministry of Labour & Employment has issued Draft Labour Code on Social Security & Welfare on 16<sup>th</sup> March, 2017. The Draft Code consists of 15 labour laws including EPF, ESI, Maternity Benefits, Payment of Gratuity, Employees' Compensation, etc. Comments/suggestions were to be submitted by 16<sup>th</sup> April, 2017. The Association submitted its suggestions/comments on 15<sup>th</sup>/17<sup>th</sup> April, 2017.

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

Government has announced a special package of reforms for generation of around 1.11 crore jobs in apparel and made-ups sectors, and for a cumulative increase of US\$ 32.8 billion in exports and investment of Rs.80,630 crores over next 3 years. The package includes a slew of measures which are labour friendly and would promote employment generation, economies of scale and boost exports. Moreover, the Government is providing additional production-linked incentive of 10% under the Amended Technology Upgradation Fund Scheme (ATUFS), for promoting employment in garmenting segment. Furthermore, the Government has designed Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMPRPY) to incentivize employers in the apparel sector for generation of new employment. Under the PMPRPY, Government provides additional 3.67% of the employer's contribution, in addition to Government bearing 8.33% of employer contribution of Provident Fund (EPF). The special package has been extended to made-ups sector to provide additional impetus to employment generation. Apart from the above, the Government has been implementing the Amended Technology Upgradation Fund Scheme (ATUFS), the Scheme for Integrated Textile Parks (SITP), the Integrated Skill Development Scheme (ISDS), the North Eastern Region Textile Promotion Scheme (NERTPS), etc., with a view to enhancing the growth of the textile sector and for increasing employment in the sector.

### 48<sup>TH</sup> SESSION OF THE STANDING LABOUR COMMITTEE (SLC) :

The Conference of the 48<sup>th</sup> Session of the Standing Labour Committee (SLC) was held on 11<sup>th</sup> May, 2017 under the Chairmanship of Shri Bhandaru Dattatreya, the Minister of State for Labour & Employment. Shri Dattatreya informed the delegates that the welfare of the workers, including their health are very important and the Ministry has been working tirelessly in this direction through its own and also through its Organisations like EPFO and ESIC. Shri Dattatreya also stressed upon educating the workers on various initiatives/measures taken for their welfare, particularly the legislative measures.

### INDUSTRIAL RELATIONS :

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

## **LABOUR POLICY OF THE STATE :**

The Labour Policy-2007 of the State was issued on 29<sup>th</sup> June, 2007, the highlights of which of interest to Textile Industry 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 advantage 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 :**

From 2<sup>nd</sup> February, 2013 the rate of 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. The minimum employers' contribution shall not be less than Rs. 1500 for each of the half year. The employees drawing upto Rs. 10000 p.m. have been included.

## **PAYMENT OF WAGES ACT, 1936 :**

The Central Government has specified Rs. 18000 p.m. as the wages under section 1(6) of the Act, effective from 11<sup>th</sup> September, 2012.

The Payment of Wages (Amendment) Act, 2017 has been notified by Government of India on 16<sup>th</sup> February, 2017. Amendment to Section 6 of the Act authorizes the Appropriate Government to notify the industrial or other establishments, where the employer shall pay to every person employed in such establishments the wages only by cheque or by crediting the wages in their bank accounts. The State Government has also specified on 30<sup>th</sup> June, 2017 that employers of any factory or their contractors shall pay wages to the persons employed by them only by cheque or by crediting to their bank accounts.

## **THE MINIMUM WAGES ACT, 1948 :**

No amendments were made to the Act during the year.

Shri Suresh Maheshwari, President, Maral Overseas Limited, our Dy. Chairman, was nominated on Minimum Wage Advisory Board w.e.f. 4<sup>th</sup> February, 2015.

The State Government, vide its Notification dated 29<sup>th</sup> September, 2014 revised minimum wages from 1<sup>st</sup> October, 2014. (Published in M.P.Gazette on 10<sup>th</sup> October, 2014). The details of Pre-Revised and Revised wages are as under :-

Category	Revised		Pre-revised		% Increase
	p.m.	p.d.	p.m.	p.d.	
Highly Skilled	Rs. 9735	Rs. 374	-	-	57.65
Skilled	8435	324	Rs.6175	Rs.238	36.60
Semi Skilled	7057	271	6025	232	17.13
Unskilled	5939	228	5895	227	0.75

Dearness Allowance based on average of All India Consumer Price Index for January-June, 2014 (241 points) was included in above revision. Any rise above this is to be compensated half yearly based on average rise in July-December and January-June Index @ of Rs. 25 per point.

The Labour Department of the State again vide its Notification dated 15<sup>th</sup> May, 2015 (published in Madhya Pradesh Gazette on 22<sup>nd</sup> May, 2015) revised the minimum wages payable to unskilled workers from Rs. 240.00 per day to Rs. 250.00 per day with effect from 1<sup>st</sup> June, 2015. This is inclusive of Dearness Allowance declared w.e.f. 1<sup>st</sup> April, 2015.

Thus the Minimum Wages payable to various categories of workmen w.e.f. 1<sup>st</sup> October, 2014 onwards with increase in Dearness Allowance are as under :-

W.e.f.	Highly Skilled		Skilled		Semi Skilled		Unskilled	
	p.m.	p.d.	p.m.	p.d.	p.m.	p.d.	p.m.	p.d.
1 <sup>st</sup> October, 2014	Rs. 9735	Rs.374	Rs.8435	Rs.324	Rs.7057	Rs.271	Rs.5939	Rs.228
1 <sup>st</sup> April, 2015	10035	386	8735	336	7357	283	6239	240
1 <sup>st</sup> June, 2015	10035	386	8735	336	7357	283	6500	250
1 <sup>st</sup> October, 2015	10110	389	8810	339	7432	286	6575	253
1 <sup>st</sup> April, 2016	10385	399	9085	349	7707	296	6850	263
1 <sup>st</sup> October, 2016	10485	403	9185	353	7807	300	6950	267
1 <sup>st</sup> April, 2017	10660	410	9360	360	7982	307	7125	274

## 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 2016-17 :-

Quarter	For Indore, Ujjain, Nagda, Ratlam, Dewas, Sanawad, Khandwa and Burhanpur Centres	For Bhopal Centre
April-June 2016	Rs. (-) 123.49	Rs. (-) 104.61
July-September 2016	(+) 229.33	(+) 158.35
October-December 2016	(+) 167.59	(+) 282.45
January-March 2017	(-) 114.84	(-) 166.96
April-June 2017	(-) 97.03	(-) 104.61

## CONSUMER PRICE INDEX :

The Consumer Price Index Numbers for Industrial Workers (Base 2001 = 100) of All India and various Centres in Madhya Pradesh during the year 2016-17 have been as under :-

Linking factor to	All India	Indore	Bhopal	Chhindwara	Jabalpur
<b>1982 series</b>	<b>4.63</b>	<b>4.73</b>	<b>4.83</b>	<b>4.03</b>	<b>4.53</b>
April, 2016	271	274	266	278	272
May	275	252	269	279	273
June	277	257	271	280	275
July	280	263	278	286	277
August	278	257	278	286	276
September	277	255	277	285	277
October	278	256	275	285	277
November	277	255	273	285	277
December	275	251	269	281	276
January, 2017	274	250	269	280	276
February	274	250	268	276	275
March	275	251	270	277	275

## PAYMENT OF BONUS ACT, 1965 :

The Payment of Bonus Act, 1965 was amended vide Notification dated 1<sup>st</sup> 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.

The Labour Commissioner, Indore, vide his Circular dated 17<sup>th</sup> March, 2016 directed his Field Formations to ensure payment of arrears of Bonus for the year 2014-15 under Payment of Bonus (Amendment) Act, 2015. The Association of Industries Dewas (on behalf of various Industry Associations) filed a writ petition against retrospective amendment of Payment of Bonus Act in Indore Bench of M. P. High Court. The High Court vide its judgment dated 11<sup>th</sup> April, 2016 granted interim relief and directed that until further orders, the impugned Notification dated 1<sup>st</sup> January, 2016 of Government of India shall remain effective only from the financial year 2015-2016 and no coercive action shall be taken against the petitioner in respect of the period prior to 31<sup>st</sup> March, 2015. The High Courts of Kerala, Karnataka, Allahabad, Madras, Rajasthan, Gujarat and Bombay also passed similar orders.

On application of Union of India, the Supreme Court has transferred all the petitions pending before different High Courts in respect of retrospective amendment of Payment of Bonus Act (w.e.f. 01.04.2014) and issued notices to various petitioners.

## EMPLOYEES' COMPENSATION ACT, 1923 :

Now, the Workmen's Compensation Act, is known as Employees' Compensation Act. The salient features of the Act are :-

The Minimum amount of compensations on death of an employee – Rs. 1,20,000.

Permanent Disability Compensation – Rs. 1,40,000.

Funeral Expenses – Rs. 5,000.

Specified Rs. 8,000 as monthly wages for the purpose of Section 4(1).

By amendment dated 12<sup>th</sup> April, 2017, to Employees' Compensation Act, 1923, section 18 A, the employer has been duty bound to inform the employee of his rights under the Act, failing which the employer may be fined, which shall not be less than Rs.50000, but which may extend to Rs.100000. The amendment has been made effective from 15<sup>th</sup> May, 2017.

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

Ceiling for coverage under the Act increased to Rs. 15,000 per month w.e.f. 1<sup>st</sup> September, 2014. The benefit under EDLI increased by 20% w.e.f. 1<sup>st</sup> September, 2014.

The benefit under EDLI has been raised vide Notification dated 24<sup>th</sup> May, 2016. Now it is 30 times of the average salary drawn in preceeding 12 months plus 50% of average balance in the account of the deceased subject to a ceiling of Rs. 1,50,000/- and total ceiling of Rs. 6,00,000/-.

The Income Tax Department has directed Employees Provident Fund Organisation to deduct tax (TDS) from the withdrawal amount, if the withdrawal happened before completing five years of subscription and exceeds or equals to Rs. 50,000/- (Rs.30,000/- upto 31<sup>st</sup> May, 2016) if the member fails to submit PAN and Form 15G or 15H. In case PAN is submitted, the deduction will be @ 10% and no deduction, if Form No. 15G or 15H is submitted. This is effective from 1<sup>st</sup> June, 2016.

The EPFO has issued on 23<sup>rd</sup> September, 2016, a new Form No.11, which replaces Form No.13, in all such cases where an existing member to the Provident Fund makes a request for transfer of his/her fund availing facility of UAN.

As per Circular letter dated 14<sup>th</sup> September, 2016, issued by EPFO, with the implementation of internet banking, the date of debit from the employer's account may be taken as date of payment for levy of damages by way of penalty for delayed payments.

EPFO has issued instructions regarding implementation of Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) on 30<sup>th</sup> September, 2016 and PMRPY Portal has been activated for registration of employers and members. From 1<sup>st</sup> April, 2017, the rate of Provident Fund Administrative Charges has been reduced to 0.65% (earlier 0.85%) on Provident Fund Contributions. From 1<sup>st</sup> 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. 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 EPFO vide circular dated 27<sup>th</sup> April, 2017, decided to pay interest @ 8.65% on provident fund balances in the accounts of individual members for the year 2016-17.

Vide Gazette Notification dated 26<sup>th</sup> May, 2017, the EPF Appellate Tribunals have been axed down and now the appeals against order of EPF Authorities under Sections 7-A and 14-B will be heard by Central Industrial Tribunals.

## 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. 1<sup>st</sup> September, 2014. Pensioners who superannuated before 24<sup>th</sup> February, 2009 at the age of 58 years with 20 years pensionable service (contributory service) have been allowed two years bonus w.e.f. from the date of start of pension to them as per Circular dated 23<sup>rd</sup> October, 2012 by the EPFO.

By another circular dated 20<sup>th</sup> September, 2016, the EPFO has advised its Zonal/Regional Offices to allow benefit of two years weightage of service to the members with 20 or more years of pensionable service under Employees' Pension Scheme, 1995 irrespective of the fact that the concerned person applies for the same or not in respect of all cases settled. Vide another Circular dated 8<sup>th</sup> May, 2017, it has been clarified that this benefit will be available to all those who rendered 20 years pensionable service leaving before 24<sup>th</sup> July, 2009.

Ministry of Labour & Employment issued a Notification on 1<sup>st</sup> April, 2016 inserting Sub-Para (4) in Para (16) providing for payment of monthly orphan pension to each orphan till such orphan attains the age of 25 years. If the orphan is suffering from mental disability or disorder or is physically crippled or disabled such pension shall be payable even beyond the age of 25 years.

As per Gazette Notification dated 25<sup>th</sup> 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).

As per Order dated 23<sup>rd</sup> June, 2016, employees whose details (Aadhar Number and Bank Account Number, etc.) have been seeded in their UAN and whose UAN has been activated may submit their pension claims in Form 10-D-UAN directly to Commissioner without attestation from their employers.

The EPFO vide its circular dated 7<sup>th</sup> October, 2016, has clarified that existing members as on 1<sup>st</sup> September, 2014, who at the option of the employer and employee had been contributing on salary exceeding Rs.6500 p.m. to Employees Pension Fund may have to furnish a fresh option jointly to contribute on salary exceeding Rs.15000 p.m. The aforesaid members have also to contribute @ 1.16% of salary exceeding Rs.15000 p.m. as additional contribution from and out of contributions payable by employees for each month.

Vide Notification dated 2<sup>nd</sup> November, 2016, para 43A of Employees' Pension Scheme, 1995 has been amended to include a worker who is a Nepalese national/Bhutanese national on account of Treaties by Government of India to be deemed as Indian workers.

On 3<sup>rd</sup> March 2017, an Order has been issued introducing a Composite Claim Form in death cases to replace existing claim form F-20, 10-D and 5-IF and new Pension Claim Form 10-D seeding Aadhar Number and bank details.

On 23<sup>rd</sup> March 2017, an Order has been issued regarding Payment of PF and Withdrawal Benefits under Pension Scheme on the date of leaving service to International Workers.

As per Circular dated 23<sup>rd</sup> March, 2017 (based on the judgement of Hon'ble Supreme Court dated 4<sup>th</sup> October, 2016), the members of the Fund whose employers have been contributing their contribution on actual salary (exceeding wage limit of either Rs.5000 or Rs.6500) from the effective date have to be allowed the benefit of monthly pension on their actual salary on return of excess Employers Contribution drawn by them.

## **EMPLOYEES' STATE INSURANCE ACT, 1948 :**

ESI Corporation has introduced Annual Preventive Health Check-up Programme for all insured persons under ESI Scheme and are of 40 years and above age.

Exemption limit for payment of employees contribution raised to Rs. 137 (from Rs.100) w.e.f. 14<sup>th</sup> June, 2016.

Wage ceiling for ESI eligibility is Rs. 21000 p.m. (excluding overtime work) vide Notification dated 22 December, 2016, applicable w.e.f. 1<sup>st</sup> January, 2017. According to ESI Circular dated 30<sup>th</sup> May, 2017, a person in insurable employment may go out of coverage due to enhancement of wages and may be brought under coverage subsequently. The period of interruption should also be taken as insurable employment for the purpose of term "Continuous Service".

With effect from 1<sup>st</sup> October, 2016, ESI Scheme has been introduced in all the Districts of Madhya Pradesh. Thus all the industrial establishments employing more than 20 workers have been covered under ESI Scheme. The Ministry of Labour & Employment vide its Notification dated 6<sup>th</sup> October, 2016, has inserted Rule 51B in Employees State Insurance (Central) Rules, 1950, reducing the rate of employer's and employee's contribution, where the Act is implemented for the first time, for a period of 24 months from the date of implementation, as detailed below:

Employer's Contribution : Equal to 3% of wages payable to an employee.

Employee's Contribution : Equal to 1% of wages payable to an employee.

After 24 months, the rate of contribution as provided in Rule 51 shall be applicable.

The contribution is to be rounded to next higher Rupee.

ESI Corporation has issued a Circular on 22<sup>nd</sup> November, 2016, whereby a single challan for main code and multiple sub-codes can be used for payment of contributions.

As per information given by Hon'ble Minister of State for Labour & Employment in Lok Sabha on 22<sup>nd</sup> November, 2016 –

- \* ESI to bear expenses on super speciality treatment over and above the expenditure of State Government (ESIC Meeting dated 7<sup>th</sup> August, 2015).
- \* ESI to consider eligibility of pre-existing deceases, i.e., for malignancy and dialysis as prospective w.e.f. 30<sup>th</sup> August, 2016.
- \* ESI has revised eligibility for super speciality including children of insured persons with congenital deceases and genetic disorders.

The Standing Committee of the ESI Corporation in its 198<sup>th</sup> meeting held on 1<sup>st</sup> December, 2014, approved the setting up of a Sub-regional Office of ESI Corporation at Bhopal, which could not be opened due to non-availability of building. The Corporation has asked its Regional Office at Indore on 7<sup>th</sup> December, 2016 to post staff out of its existing strength and make other arrangements by initiating necessary action by separating relevant records and files, making banking arrangements, etc. and start the Sub-office at Bhopal.



The ESIC has notified on 20<sup>th</sup> December, 2016 a Scheme to Promote Registration of Employers/Employees (SPREE). This Scheme has been launched with the objective to provide social security to the workforce in the Country and is open for the period 20<sup>th</sup> December, 2016 to 31<sup>st</sup> March, 2017, which has been extended to 30<sup>th</sup> June, 2017. The salient features of the Scheme are as under :

- The employers registered under the scheme will be treated as covered from the date of registration or as declared by them.
- Newly registered employees will be treated as covered from the date of their registration.
- This will not have any bearing on actions taken/required under ESI Act prior to 20<sup>th</sup> December, 2016.

The Ministry of Labour has issued a Gazette Notification on 20<sup>th</sup> January, 2017, making amendments to Rule 56(2) of ESI (Central) Rules, 1950 increasing period of Maternity Benefit to insured women from 12 weeks to 26 weeks. Further, the facility of maternity leave of 12 weeks would be available to both the commissioning mother and adopting mother.

The ESIC has issued a circular on 13<sup>th</sup> February, 2017 clarifying that employers registered in the areas, where ESI facilities have been implemented between 1<sup>st</sup> April, 2016 to 5<sup>th</sup> October, 2016 shall pay full contribution from the date of implementation till 5<sup>th</sup> October, 2016 and thereafter at reduced rate of 3% (employer's share) and 1% (employee's share) till completion of two years from the date they are covered under the Scheme.

## **RAJEEV GANDHI SHRAMIK KALYAN YOJNA :**

"Rajeev Gandhi Shramik Kalyan Yojna" introduced w.e.f. 1<sup>st</sup> April, 2005 under which persons insured under ESI Act on leaving insurable employment in voluntarily or on account of closure of the factory or establishment, retrenchment or permanent invalidity arising out of non-employment injury, after being in an insurable employment and contributed under the Scheme for five or more years (reduced to three year w.e.f. 11<sup>st</sup> September, 2009), are entitled to claim unemployment allowance for a maximum period of twelve months during his/her entire service period. Medical facilities are also available to families of insured during this period. For availing unemployment allowance, the condition of permanent disability of 40% and more arising out of non-employment injury has been prescribed.

ESIC has amended certain provisions of Rajiv Gandhi Shramik Kalyan Yojna with effect from 6<sup>th</sup> September, 2016, which are as under :

Eligibility of payment of contribution has been reduced from three years to two years.

Duration of unemployment allowance has been increased from 12 months to 24 months with 50% of last average daily wages payable during first 12 months and 25% of last average daily wages payable from 13<sup>th</sup> to 24<sup>th</sup> month.

Limitation period for submission of claims for benefits has been increased from 9 months to 12 months.

The IP/IW can undergo short duration courses upto six months to upgrade his/her skill from the advanced Vocational Training Institutions under DGET, MOL&E, Government of India.

## **INDUSTRIAL DISPUTES ACT, 1947 :**

The Government of Madhya Pradesh has notified The Madhya Pradesh Labour Laws (Amendment) and Miscellaneous Provisions Act, 2015 on 27<sup>th</sup> November, 2015. With this Notification, following changes have been made :-

For retrenchment, three months notice to a workman to be retrenched is now 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).

Now 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).

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

From 27<sup>th</sup> 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 29<sup>th</sup> August, 2008, the State Government has increased paid holiday to nine by adding Vishwakarma Jayanti.

Labour Department of the State vide Notification dated 28<sup>th</sup> June, 2014, has revised upwards retirement age of workmen from 58 years to 60 years by amending serial No. 14-A in Annexure to M.P. Industrial Employment (Standing Orders) Rules, 1963 with effect from 25<sup>th</sup> October, 2014, according to which this Act and the Rules do not apply to Micro Industries. These will apply to establishments employing more than 50 workmen.

## **Factories Act, 1948 :**

Considering our request, the State Government vide Order dated 23<sup>rd</sup> 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 24<sup>th</sup> June, 2016 conditions for ensuring Safety of Women Workers required to work between 8.00 PM to 6.00 AM.

The State Government has notified on 27<sup>th</sup> November, 2015 The Madhya Pradesh Labour Laws (Amendment) and Miscellaneous Provisions Act, 2015 whereby –

- The power given to the Chief Inspector to exempt factories from provisions of Sections 51, 52, 54 and 56 has been withdrawn (Section 65(2)).
- An adult worker may be allowed to work more than 48 hours in a week (Section 65(3)) subject to the following :-
  - a) Total number of hours in a day shall not exceed twelve and the spread over inclusive of interval of rest shall not exceed thirteen hours in a day.
  - b) Total number of working hours in a week including overtime shall not exceed 60 hours.
  - c) No worker will be allowed to work overtime for more than seven days at a stretch and total hours of overtime in a quarter shall not exceed one hundred and twenty five hours.
- Every worker who works in a factory for 180 days in a calendar year (Section 79) will be allowed during the same calendar year leave with wages :
  - a) One day for every 20 days of work performed to an adult worker.
  - b) One day for every 15 days of work performed to a child worker.
- The working of 180 days will include days of layoff, maternity leave to female workers (not exceeding twelve weeks) and the leave earned in the year prior to that in which leave is enjoyed.

Rule 18A of the M.P. Factories Rules, 1962 amended on 9<sup>th</sup> September, 2016 to authorize any person or agency authorized by Government of India to conduct inspection subject to certain conditions.

The State Government appointed Dr. P. D. Narya as Chief Inspector of Factories in the State vide order dated 11<sup>th</sup> July, 2016. He was replaced by Shri Satish Kumar Barde vide Notification dated 27<sup>th</sup> April, 2017.

## **BUILDING & OTHER CONSTRUCTION WORKERS WELFARE CESS ACT, 1996:**

The State Government has notified on 27<sup>th</sup> 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 24<sup>th</sup> 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)).

The manner in which appeal is to be preferred has been notified on 24<sup>th</sup> June, 2016.

## **MADHYA PRADESH INDUSTRIAL RELATIONS ACT, 1960 :**

The State Government vide Notification dated 14<sup>th</sup> August, 2007 has removed eleven categories of industries (including textile industry) from the purview of Madhya Pradesh Industrial Relations Act, 1960 w.e.f. 17<sup>th</sup> August, 2007 by invoking section 1 (4) of this Act.

## **MATERNITY BENEFITS ACT, 1961 :**

Medical Bonus payable to a working woman under section 8 of the Act has been increased to Rs. 4000 w.e.f. 2<sup>nd</sup> April, 2008. The Central Government is empowered to raise this amount to maximum of Rs. 20,000.

The Union Ministry of Law & Justice has notified the Maternity Benefit (Amendment) Act, 2017 on 28<sup>th</sup> March, 2017. According to the amended Act, the maternity benefit available to women employees has been extended to 26 weeks from the present 12 weeks. For the establishments having more than 50 employees, the facility of crèche is also to be provided and the employer shall allow four visits a day to the crèche by women including interval for rest. Extension of twelve weeks of maternity leave to the 'commissioning mother' and the 'adopting mother' from the date the child is handed over.

## **PAYMENT OF GRATUITY ACT, 1972 :**

With an amendment to Payment of Gratuity Act w.e.f. 3<sup>rd</sup> 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 24<sup>th</sup> May, 2010, the ceiling on amount payable under the Act has been increased to Rs. 10.00 lakh.

## **MADHYA PRADESH PROFESSIONAL TAX ACT, 1995 :**

With effect from 1<sup>st</sup> April 2013, the exemption limit applicable to salaried employees of Rs. 1,80,000 per annum continues.

## **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 9<sup>th</sup> December, 2013.

## **APPRENTICES ACT, 1961 :**

With effect from 29<sup>th</sup> September, 2014, the apprenticeship allowance payable under Rule 11 (1) clause (a) (b) (c) (d) of Apprenes Act has been revised as under :-

During 1<sup>st</sup> year of training - 70% of Minimum Wages notified by respective State or UT.

During 2<sup>nd</sup> year of training - 80% of Minimum Wages notified by respective State or UT.

During 3<sup>rd</sup> year of training - 90% of Minimum Wages notified by respective State or UT.

The Government of India revised the Apprenticeship Allowance payable under Apprenticeship Rules, 1992 with effect from 19<sup>th</sup> December, 2014, as under :-

Graduate Apprentices	:	Rs. 4,984/- p.m.
Sandwich Course (Students from Degree Institutions)	:	Rs. 3,542/- p.m.
Technician Apprentices	:	Rs. 3,542/- p.m.
Sandwich Course (Students from Diploma Institutions)	:	Rs. 2,890/- p.m.
Technician (Vocational Apprentices)	:	Rs. 2,758/- p.m.

On 5<sup>th</sup> April, 2017, the Government has notified amendments to Rule 7A(2) of Apprenticeship Rules, 2015 and substituted "8<sup>th</sup> class pass" by the words "5<sup>th</sup> class pass".

The Ministry of Skill Development & Entrepreneurship has issued a Notification on 31<sup>st</sup> October, 2016 stating that from 1<sup>st</sup> November, 2016, stipend payable to apprentices shall be paid to their bank accounts only.

## VOLUNTARY COMPLIANCE SCHEME OF THE STATE GOVERNMENT :

The State Government has notified on 7<sup>th</sup> October, 2014, Voluntary Compliance Scheme (VCS) for the benefit of industrial and commercial establishments. A unit opting for the Scheme has to file two Annual Returns and maintain only one Register in respect of 16 labour laws. Those joining the Scheme have to provide security deposit in the form of Bank Guarantee/Cash Deposit for 5 years ranging between Rs. 5,000/- to Rs. 50,000/- based on number of workers, which may be revised after three years. Notification regarding Alternate Forms for maintaining Registers and Records and Furnishing Returns under the Scheme has been issued on 24<sup>th</sup> June, 2016.

## PRADHAN MANTRI ROJGAR PROTSAHAN YOJNA :

On 9<sup>th</sup> August, 2016, Ministry of Labour & Employment has notified Scheme Guidelines for Pradhan Mantri Rojgar Protsahan Yojna. The Scheme is operational from 9<sup>th</sup> August, 2016 and provides to incentivize employers registered with EPFO for job creation by the Government paying 8.33% contribution of employers to the Employee Pension Scheme in respect of new employees having a new Universal Account Number (UAN) for a period of three years. For the Apparel Sector, the Government will also be paying 3.67% of Employees Provident Fund Contribution of such employees.

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

The Ministry of Labour & Employment vide its Notification dated 21<sup>st</sup> 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.

## 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.

## EMPLOYMENT IN TEXTILE SECTOR :

The direct employment in the textile industry during previous six years has been as under :-

Country as whole	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
a. Public Sector Units – Central	21251	19883	19384	19384	20790	
State	59710	57771	57456	57456	55830	
b. Co-operative Sector	87437	88597	88704	88721	85155	894272
c. Private Sector	689754	698311	696633	700618	712742	
d. SSI – Units	54085	53874	53677	54268	54710	55398
e. Weaving Mills (Non-SSI)	31557	33403	34205	34205	43783	43817
f. EOUs	7272	6484	4800	5174	4800	
g. Power Looms	5745942	5833457	5917510	6187500	6308161	
<b>State of Madhya Pradesh:</b>						
a. Public Sector Units – Central	713	711	353	353	1184	
State	1559	1559	1559	1559	1559	
b. Co-operative Sector	1800	1786	1786	1786	1786	67164
c. Private Sector	53412	55146	59062	59325	62682	
d. SSI – Units	163	133	310	342	340	340
e. Weaving Mills (Non-SSI)	420	420	420	420	463	463
f. EOUs	1041	358	353	358	358	
g. Power Looms	295543	312133	316697	333562	333563	

Mill-wise Employees on Rolls as on 31<sup>st</sup> March, 2017, are given in Annexure – XII.

## TEXTILE WORKERS REHABILITATION FUND SCHEME :

This Scheme provided for payment of interim relief to workers, who have been rendered jobless as a consequence of permanent closure of any particular portion or entire textile unit in which they were employed. Workers were entitled to get relief to the extent of 75% of wage equivalent in the first year, to the extent of 50% of wage equivalent in the second year and to the extent of 25% of wage equivalent in the third year. The position of disbursement under the Scheme as on 31<sup>st</sup> March, 2017, is as under :-

	India as a Whole			Madhya Pradesh		
	As on 31.03.15	As on 31.03.16	As on 31.03.17	As on 31.03.15	As on 31.03.16	As on 31.03.17
No. of Mills	94	95	96	5	5	6
Workers eligible	147905	150563	152383	19800	19800	21620
Workers paid	116958	117696	119799	19033	19033	21753
Amount paid (Rs. in Crore)	316.20	317.98	325.98	53.08	53.08	60.46

Workers of closed Hukamchand Mills Ltd., Indore, Shri Binod Mills Ltd., Ujjain (including Bimal Mills), Shree Synthetics Ltd., Ujjain, Bharat Commerce & Industries Ltd., Nagda, Hind Syntex Ltd., Dewas and Shree Sajjan Mills Ltd., Ratlam were paid under the Scheme.

The Ministry of Textiles vide its Notification of 6<sup>th</sup> April, 2017, has discontinued w.e.f. 1<sup>st</sup> April, 2017, the Textile Workers Rehabilitation Fund Scheme (TWRFS), which came into existence with effect from 15<sup>th</sup> September, 1986, since the benefits under Rajiv Gandhi Shramik Kalyan Yojna provides unemployment allowance for the employees covered under ESI drawing salary/wage upto Rs.15000 p.m. as against Rs.3500 p.m. under TWRFS.

## TEXTILE SECTOR SKILL COUNCIL :

The Textile Sector Skill Council (TSC) was set up on 22<sup>nd</sup> 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 standardised 76 jobs, which cover more than 80% of the workers in the Industry. 3.75 lakh youth have been trained in the textile trades and 70% of the trainees have been provided the jobs.

## 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.

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## POWER

The Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000, which is in force with effect from 3<sup>rd</sup> July, 2001 alongwith provisions of the Electricity Act, 2003 and Rules made thereunder regulate the electricity generation, transmission, distribution, supply, captive power generation, determination of power tariff etc., in the State.

### POWER TARIFF 2017-18 :

The Madhya Pradesh Power Management Co. Ltd. and the three DISCOMs submitted their Annual Revenue Requirements and Tariff proposals for 2017-18 to MPERC in January, 2017. The Commission invited comments/suggestions on these proposals by issuing Public Notices in Newspapers on 7<sup>th</sup> February, 2017, latest by 2<sup>nd</sup> March, 2017. The Electricity Consumers' Society and the Association submitted comments/suggestions in last week of February, 2017. Public hearings were held at Jabalpur, Indore and Bhopal on 4<sup>th</sup>, 7<sup>th</sup>, and 9<sup>th</sup> March, 2017 respectively. At Indore hearing, our case was presented by Shri P. L. Nene, President, Electricity Consumers Society, who submitted various suggestions. In the meantime, MPERC issued an Order on 30<sup>th</sup> March, 2017 that Tariff Order of 2016-17 including the terms and conditions shall continue to apply till Tariff for 2017-18 is issued. However, the MPERC notified Tariff for 2017-18 on 31<sup>st</sup> March, 2017, which has been made applicable from 10<sup>th</sup> April, 2017.

A comparative Statement of Tariff (HV-3.1:Industrial) applicable to Textile Industry for the years 2016-17 and 2017-18 is given below :-

S.No (1)	Item (2)	2016-17 (3)		2017-18 (4)	
1	<b><u>Fixed Charges</u></b> (Rs./KVA of Billing Demand) 11 KV Supply 33 KV Supply 132 KV Supply 220 KV / 400 KV Supply	Rs. 300.00 470.00 560.00 590.00		Rs. 300.00 510.00 610.00 620.00	
2	<b><u>Energy Charges (Rs./Unit)</u></b> 11 KV Supply 33 KV Supply 132 KV Supply 220 KV / 400 KV Supply	Upto 50% LF Rs. 6.20 6.10 5.70 5.45	In Excess of 50% LF Rs. 5.55 5.10 4.85 4.65	Upto 50% LF Rs. 6.60 6.50 6.05 5.65	In Excess of 50% LF Rs. 6.00 5.50 5.25 5.00
3	<b><u>Power Factor Incentive on EC</u></b> AboveUpto 95% 96% 96% 97% 97% 98% 98% 99% 99% -	1% 2% 3% 5% 7%		1% 2% 3% 5% 7%	
4	<b><u>Power Factor Penalty</u></b> For each 1% decrease in averagemonthly 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	

(1)	(2)	(3)	(4)
5	<b><u>Load Factor Incentive</u></b> LF < = 75% LF > = 75%	No incentive 0.10% for every 1% increase in LF above 75% on EC for incremental consumption above 75% L.F.	No incentive No incentive
6	<b><u>Annual Minimum Consumption</u></b> 11 KV / 33 KV 132 KV / 220 KV	1200 Unit / KVA 1800 Unit / KVA	1200 Unit / KVA 1800 Unit / KVA
7	<b><u>Billing Demand</u></b>	Actual Maximum KVA or 90% of CD whichever is higher	Actual Maximum KVA or 90% of CD whichever is higher
8	<b><u>Load factor calculation</u></b>	<u>Monthly Cons. X 100</u> No. of Hrs. in BillingMonth X Demand X P.F	<u>Monthly Cons. X 100</u> No. of Hrs. in BillingMonth X Demand X P.F
9	<b><u>Time of Day Surcharge/Rebate</u></b> 6 PM to 10 PM Surcharge 10 PM to 6 AM Rebate	Normal Rate of E.C. 20% of Normal E.C.	Normal Rate of E.C. 20% of Normal E.C.
10	<b><u>For excess demand :</u></b> Energy Charges Fixed Charges	No Extra Charge (i) 1.30 times the charges for demand over 105% of CD when MD is upto 125%.  (ii) 2 times the charges (when MD exceeds 125%) for demand recorded over and above 15% of CD in addition to (i) above.	No Extra Charge (i) 1.30 times the charges for demand over 105% of CD when MD is upto 125%. (ii) 2 times the charges (when MD exceeds 125%) for demand recorded over and above 25% of CD in addition to (i) above.
11	<b><u>Delayed Payment Surcharge</u></b>	@ 1.00% p.m. or part thereof on outstanding amount.	@ 1.00% p.m. or part thereof on outstanding amount.

Rebate of 10% in Energy charges is applicable for incremental monthly consumption with reference to consumption of 2015-16 same month.

A Rebate of Rs.2.00 per unit is applicable to captive consumers who reduce their captive consumption and take power from DISCOM as per formula given in Tariff Order.

A Rebate of Re.1.00 per unit or 20% whichever is less would be available to new HT consumers for a period of five years from date of connection provided these connections are served to green field projects only.

## WHEELING CHARGES & CROSS SUBSIDY SURCHARGE ON OPEN ACCESS :

Vide its Order dated 31<sup>st</sup> March, 2017, the MPERC fixed wheeling charges of 25 paise per unit for the year 2017-18. This order also prescribed cross subsidy surcharge, which is difference between category wise average tariff minus scenario wise cost per unit. Additional Surcharge on open access consumer (Rs./unit) has been levied in current year, which is to be worked out by dividing cost of energy surrendered due to open access by open access units.

The Electricity Consumers' Society has gone into appeal against abnormal hike in Cross Subsidy Surcharge in Tariff Order of 2015-16 at Appellate Tribunal for Electricity. The final hearing in the matter was completed on 12<sup>th</sup> April, 2017. The Tribunal has pronounced the judgement on 24<sup>th</sup> May, 2017 and has dismissed the appeal filed by Open Access Users' Association on our behalf through Electricity Consumers' Society. However, the Tribunal has directed the MPERC to prepare in a time bound schedule, a road map for reduction of cross subsidies amongst the various categories of consumers.

The MPERC instead of reducing the Cross Subsidy Surcharge, has increased the same in its Tariff Order for 2017-18 notified on 31<sup>st</sup> March, 2017 and also levied additional surcharge on Open Access Consumers.

## **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. This is based on quarterly fuel cost and the cost allowed by the Commission in the Tariff Orders of 2016-17. The rates of FCA charges have been 4 paise per unit in the 1<sup>st</sup> and 2<sup>nd</sup> quarter, and 14 paise per unit in 3<sup>rd</sup> and 21 paise/unit in 4<sup>th</sup> quarter of 2016-17.

FCA Charges of 16 paise/unit have been levied for the first quarter April-June, 2017 of the current fiscal year 2017-18 and 11 paise/unit for the second quarter, i.e., July-September, 2017.

## **POWER TARIFF 2017-18 FOR SEZ PITHAMPUR :**

The MPERC vide its Order dated 10<sup>th</sup> April, 2017, has issued tariff order for 2017-18 for Special Economic Zone (MPAKVN), which is as under :-

Category	2016-17		2017-18	
	Fixed Charges per KVA	Energy Charges per KVA	Fixed Charges per Unit	Energy Charges per Unit
11 KV Supply	Rs. 160.00	Rs. 3.45	Rs. 170.00	Rs. 3.70
33 KV Supply	Rs. 199.00	Rs. 3.33	Rs. 206.00	Rs. 3.65

## **ELECTRICAL INSPECTION FEES :**

Notification dated 29<sup>th</sup> November, 2011 issued by the Energy Department prescribes inspection fees payable for various classes of installations. As per Notification dated 14<sup>th</sup> August, 2015, inspection and testing of electrical installations only above 33 Kilo Volt will be carried out. On 27<sup>th</sup> May, 2017, the State Government has notified Levy of Fees for Inspection and Approval of Electrical Installation (Madhya Pradesh) Rules, 2017.

On 2<sup>nd</sup> June, 2017, a Notification has been issued by the State Government notifying Levy of Fees for Inspection & Approval of Electrical Installations (Madhya Pradesh) Rules, 2017 and authorising Chief Engineer (Electrical Safety) & Chief Electrical Inspector, Superintending Engineer (Electrical Safety) & Dy. Chief Electrical Inspector, Executive Engineer (Electrical Safety) & Divisional Electrical Inspector, Assistant Engineer (Electrical Safety) & Assistant Electrical Inspector and Sub Engineer to execute functions under Section 162 of the Electricity Act, 2003.

## **ELECTRICITY SUPPLY CODE – 2013 :**

The new MP Electricity Supply Code, 2013 came into force w.e.f. 30<sup>th</sup> August 2013, whereby earlier MP Electricity Supply Code, 2004 was replaced. First amendment to the Code was issued on 23<sup>rd</sup> October, 2015 in respect of requisition for new supply/additional supply of energy, reduction of contract demand, etc.

## **ELECTRICITY DUTY :**

Madhya Pradesh Vidyut Shulk Adhiniyam, 2012 came into effect from 26<sup>th</sup> April, 2012. As per this Act, 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 1<sup>st</sup> 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.



The State Government, Energy Department vide its Notification dated 4<sup>th</sup> March, 2014, exempted High Tension Consumers, who take new connections from Electricity Distribution Companies of the State within 5 years from 4<sup>th</sup> 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

According to one of the conditions of this Notification, the exemption will not be available for the units/consumers presently connected with the Electricity Distribution Companies of the State.

Vide another Notification dated 18<sup>th</sup> June, 2014, 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. As per Notification dated 8<sup>th</sup> January, 2016, any person getting benefit of exemption from payment of Electricity Duty under Notification dated 1<sup>st</sup> March, 2002 and Notification dated 24<sup>th</sup> March, 2007 shall continue to get such exemption till completion period specified in said Notifications.

## ENERGY DEVELOPMENT CESS :

Energy Development Cess was revised to 15 paise per unit w.e.f. 10<sup>th</sup> 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. However, as per Notification dated 11<sup>th</sup> January, 2013, the Cess is now not payable on self-consumption by any person owning or operating a captive generating plant. The cess is being levied on open access purchase of electricity as per clarification issued by Chief Engineer (Electrical Safety) & Chief Electrical Inspector on 18<sup>th</sup> June, 2013. The Association has represented against this clarification, but the Government is silent in the matter.

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

Energy Department of the State has notified these Rules on 24<sup>th</sup> 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 3<sup>rd</sup> October, 2014 and Dr. Gautam Kothari, President, Pithampur Audyogik Sangthan and Hon. Secretary, Electricity Consumers Society has been nominated as a Member for a period of three years.

## RENEWABLE ENERGY PURCHASE OBLIGATION

MPERC vide its Orders dated 19<sup>th</sup> November, 2010 amended on 8<sup>th</sup> May, 2015 and again amended on 28<sup>th</sup> September, 2015, has levied Renewable Energy Purchase Obligation (REPO) on captive consumers and open access consumers w.e.f. financial year 2010-11. The quantum 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

On 13<sup>th</sup> May, 2015, the Hon'ble Supreme Court in the matter of Hindustan Zinc Limited v/s Rajasthan Electricity Regulatory Commission (RERC) has upheld the Regulations made by RERC. Thus REPO applicability on Captive and Open Access Power Consumers is held to be well within the ambit of Electricity Act, 2003.

## CONSERVATION OF ENERGY – PAT :

The Government of India has notified on 30<sup>th</sup> March, 2012 Perform, Achieve and Trade (PAT) Scheme. The designated consumers covered under the Scheme were required to achieve the specific energy reduction target by the financial year 2014-15 and were to submit the verified report that they have complied with PAT requirements by 26<sup>th</sup> February, 2016.

Energy cost in the textile industry accounts for 5-17% of the total production cost. The Mills, which have minimum annual energy consumption of 3000 tons of oil equivalent are required to comply with the provisions of the Scheme. Initially in PAT Cycle, 90 Designated Consumers have been identified from various States, for which targets have been notified. Textile Sector has been categorized on the basis of four sub-sectors, i.e., Spinning, Processing, Composite and Fibre. Energy consumption of these Designated Consumers is about 1.20 million tons of oil equivalent/year. Textile plants are further subdivided into two categories, i.e., captive power plant based plants and non-captive, i.e., grid connected plants. By the end of first PAT Cycle, the energy savings of 0.066 million tons of equivalent is expected to be achieved by textile sector, which is 0.99% of total energy saving target under PAT Cycle-I.

The Ministry of Power has issued – “PAT Scheme – Normalisation Document and Monitoring & Verification Guidelines – Textile Sector”. The Ministry also notified Energy Conservation (Energy Consumption Norms and Standards for Designated Consumers, Form, Time within which, and Manner of Preparation and Implementation of Scheme, Procedure for issue of Energy Savings Certificates and value per Metric Ton of Oil Equivalent of Energy Consumed) Rules, 2012, which were amended and notified on 31<sup>st</sup> March, 2016.

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## PERFORMANCE OF MEMBER MILLS

### 2016-17

### ANNEXURES

1. Installed Capacity	:	Annexure – I
2. Import of Raw Material	:	Annexure – II
3. Consumption of Raw Material	:	Annexure – III
4. Production of Spun Yarn, etc.	:	Annexure – IV
5. Production of Fabric	:	Annexure – V
6. Production of Knitted Garments	:	Annexure – VI
7. Processing of Fabric	:	Annexure – VII
8. Export of Spun Yarn, etc.	:	Annexure – VIII
9. Export of Fabric, Knitted Garments, Cotton / Cotton Waste, etc.	:	Annexure – IX
10. Turnover	:	Annexure – X
11. Contribution to Exchequer	:	Annexure – XI
12. Employees on Rolls	:	Annexure – XII
13. Power Purchase and Generation	:	Annexure – XIII

## ANNEXURE – I

### INSTALLED CAPACITY AS ON 31<sup>ST</sup> MARCH, 2017.

Sr. No.	Name of Unit	Spindles	Rotors	Auto Looms	Knitting Machines	Stenter Machines	Others
1	Anant Spinning Mills	1,31,808	-	-	-	-	-
2	Bhaskar Industries Pvt.Ltd.	14,688	3,104	304	-	2	-
3	Candor Textiles Pvt. Ltd.	-	-	-	-	2	-
4	Century Denim	8,400	1,920	112	-	1	-
5	Century Yarn	24,960	-	-	-	-	-
6	Deepak Spinners Limited	38,736	-	-	-	-	-
7	Dhar Textile Mills Limited	3,840	1,296	-	-	-	-
8	Grasim Industries Limited (Staple Fibre Division)	-	-	-	-	-	V.S.F. 1,62,425 Tons
9	Hind Syntex Limited	36,768	-	-	-	-	-
10	Kamal Cotspin Pvt. Ltd.	31,200	-	-	-	-	-
11	Kohinoor Elastics Pvt.Ltd.	-	-	100	-	-	-
12	Jaideep India Pvt. Ltd.	25,200	-	-	-	-	-
13	Madhumilan Industries Ltd.	23,264	-	-	-	-	-
14	Mahima Purespun	50,400	-	-	4	-	-
15	Maral Overseas Limited	78,864	-	-	74	2	-
16	Mohini Fibres Pvt. Ltd.	-	-	-	-	-	Technical Textile
17	Nahar Spinning Mills Limited	1,27,776	-	-	-	-	-
18	National Textile Corporation Ltd. -Burhanpur Tapti Mills	51,264	-	-	-	-	-
19	New Bhopal Textile Mills	48,528	-	-	-	-	-
20	PBM Polytex Limited	21,984	-	-	-	-	-
21	Pratibha Syntex Limited	58,080	1,560	-	65	3	-
22	Prem Textiles (Intl.) Pvt.Ltd.	12,500	576	70	-	2	-
23	Ramesh Textiles India Pvt.Ltd.	-	-	24	-	-	-
24	Raymond Limited	36,396	-	113	-	7	-
25	Ritspin Synthetics Limited	25,752	2,400	-	-	-	-
26	Sagar Manufacturers Pvt.Ltd.	1,15,680	-	-	-	-	-
27	Satyam Spinners Pvt.Ltd.	15,336	-	-	-	-	-
28	SEL Manufacturing Co.Ltd.	2,20,800	3,480	-	250	-	-
29	Sheshadri Industries Ltd.	34,560	-	-	-	-	-
30	S. Kumars Limited	5,760	336	60	-	3	-
31	Spentex Industries Ltd.	63,696	-	-	-	-	-
32	SRF Limited	5,652	-	16	-	-	-
33	STI India Limited	71,040	-	-	31	-	-
34	Swastik Spintex Ltd.	5,760	600	-	*-	-	-
35	Texpert Intertational	3,088	216	-	-	*-	-
36	Vardhman Fabrics	1,15,008	5,640	820	-	5	-
37	Vardhman Yarns	3,05,376	-	-	-	-	-
38	Vikram Woollens	9,984	-	-	-	-	-
39	Vippy Spinpro Ltd.	-	3,168	-	-	-	-
40	Wearit Global Ltd.	24,864	-	-	-	-	-

## ANNEXURE – II

### IMPORT OF RAW MATERIAL

Sr. No.	Name of Unit (who responded)	Cotton Kgs.	MMF Kgs.	Wool Kgs.	Others
1	Anant Spinning Mills	20,15,779	6,14,830		
2	Grasim Industries Ltd. (SFD)				1,62,062 Tons Pulp
3	Hind Syntex Limited				2,187 Kgs. Yarn
4	Maral Overseas Limited	22,72,245	1,47,870		2,17,162 Kgs. Yarn
5	Nahar Spinning Mills Ltd.	31,37,527			
6	Pratibha Syntex Limited	8,41,062	97,022		
7	Raymond Limited			27,77,966	
8	Spentex Industries Limited		42,940		
9	SRF Limited				7,136.50 Tons Caprolactum
10	STI India Limited	99,876			
11	Vardhman Yarns	30,55,684	34,43,063		

## ANNEXURE – III

### CONSUMPTION OF RAW MATERIAL.

Sr. No.	Name of Unit (who responded)	Cotton Kgs.	MMF Kgs.	Wool Kgs.	Others
1	Anant Spinning Mills	3,80,87,744	1,73,193		
2	Bhaskar Industries Pvt.Ltd.	1,13,52,849			
3	Century Denim		62,86,105		
4	Century Yarn	57,52,319			
5	Dhar Textile Mills Limited	19,37,285			
6	Grasim Industries Limited (SFD)				1,51,590 Tons Pulp
7	Hind Syntex Limited	1,96,236	81,83,645		2,835 Kgs. Yarn
8	Kamal Cotspin Pvt. Ltd.	32,88,372			
9	Maral Overseas Limited	2,30,83,423	16,96,835		
10	Nahar Spinning Mills Limited	2,81,19,468	5,99,376		
11	National Textile Corporation Ltd.				
12	- Burhanpur Tapti Mills	31,66,652	24,91,859		
13	- New Bhopal Textile Mills	23,45,000	17,58,000		
14	PBM Polytex Limited		46,68,777		
15	Pratibha Syntex Limited	1,50,65,601	70,26,065		
16	Prem Textiles (International) P.Ltd.	30,81,774			11,83,532 Kgs. Yarn
17	Raymond Limited		31,44,223	15,33,513	
18	Sagar Manufacturers Pvt.Ltd.	2,37,80,159			
19	Satyam Spinners Pvt.Ltd.	6,94,648	7,64,069		
20	Sheshadri Industries Ltd.	24,59,442			
21	S. Kumars Limited	10,66,663			10,65,590 Kgs. Yarn
22	Spentex Industries Ltd.	69,31,177	1,02,52,311		10,95,863 Kgs. Yarn
23	SRF Limited				23,942.5 Tons Caprolactum
24	STI India Limited	42,62,489	21,23,169		1,21,517 Kgs. Yarn
25	Swastik Spintex Ltd.	11,55,691			
26	Vardhman Fabrics	3,26,09,422	45,67,503		
27	Vardhman Yarns	6,66,26,886	1,10,26,064		
28	Vippy Spinpro Ltd.	94,77,078			

## ANNEXURE – IV

### PRODUCTION OF SPUN YARN.

Sr. No.	Name of Unit (who responded)	Cotton Kgs.	100% Non-Cotton Kgs.	Blended Cotton / MMF Kgs.	Blended Wool / MMF Kgs.	Fibre etc.
1	Anant Spinning Mills	1,67,76,759		1,36,88,360		
2	Bhaskar Industries Pvt.Ltd.	1,05,51,845				
3	Century Denim	54,86,807				
4	Century Yarn	40,68,970				
5	Dhar Textile Mills Limited	14,99,745				
6	Grasim Industries Limited (Staple Fibre Division)					1,50,121 Tons VSF 95,918 Tons Sod. Sulphate
7	Hind Syntex Limited		49,90,386	31,23,390		
8	Kamal Cotspin Pvt. Ltd.	27,53,097				
9	Maral Overseas Limited	2,07,93,943				
10	Nahar Spinning Mills Limited	1,99,22,998				
11	National Textile Corporation Ltd. -Burhanpur Tapti Mills	22,78,085	1,05,383	27,74,795		
12	New Bhopal Textile Mills	15,29,000		21,88,000		
13	PBM Polytex Limited	32,00,304				
14	Pratibha Syntex Limited	1,12,91,205		44,47,771		
15	Prem Textiles (International) P.Ltd.	26,07,906				
16	Sagar Manufacturers Pvt.Ltd.	1,63,76,110				
17	Satyam Spinners Pvt.Ltd.	5,53,709	7,40,524			
18	Sheshadri Industries Ltd.	18,33,650				
19	S. Kumars Limited		10,26,018			
20	Spentex Industries Ltd.	41,72,778	35,67,162	88,40,298		
21	SRF Limited					23,982 Tons Yarn 24,114 Tons Chips
22	STI India Limited	33,12,442	18,55,057	4,89,221		
23	Swastik Spintex Ltd.	8,69,298				
24	Vardhman Fabrics	3,15,93,614	79,60,103			
25	Vardhman Yarns	3,90,28,900	10,84,502	1,81,31,989		
26	Vippy Spinpro Ltd.	86,81,416				

## ANNEXURE – V

### PRODUCTION OF FABRIC.

Sr. No.	Name of Unit (who responded)	Woven			Knitted Kgs.
		Cotton Mtrs.	Blended/ Non-Cotton Mtrs.	Blended/ Wool/MMF Mtrs.	
1	Bhaskar Industries Pvt. Ltd.	3,01,09,948			
2	Century Denim	1,67,07,183			
3	Maral Overseas Limited				45,42,257
4	Pratibha Syntex Limited				5,26,50,000
5	Prem Textiles (International) P.Ltd.	61,63,151			
6	Raymond Limited			58,25,097	
7	S. Kumars Limited		15,22,100		
8	SRF Limited		17,082 Tons		
9	STI India Limited				12,38,390
10	Vardhman Fabrics	16,90,02,577	3,73,90,584		

## ANNEXURE – VI

### PRODUCTION OF KNITTED GARMENTS.

Sr.No.	Name of Unit (who responded)	No. of Pieces
1	Pratibha Syntex Limited	4,31,00,000

## ANNEXURE – VII

### PROCESSING OF FABRIC.

Sr. No.	Name of Unit (who responded)	Quantity
1	Century Denim	1,17,90,931 Mtrs.
2	Maral Overseas Limited	56,10,538 Kgs.
3	Pratibha Syntex Limited	57,62,550 Kgs.
4	Prem Textiles (International) Pvt. Ltd.	12,94,163 Kgs.
5	Raymond Limited	43,16,816 Kgs.
6	S. Kumars Limited	29,51,900 Kgs.
7	Vardhman Fabrics	2,23,32,236 Kgs.

## ANNEXURE – VIII

### EXPORT OF SPUN YARN, ETC.

Rs. in Lakh

Sr. No.	Name of Unit (who responded)	Cotton	100% Non-Cotton	Blended Cotton / MMF	Blended Wool / MMF	Total
1	Anant Spinning Mills	36,381.78				36,381.78
2	Bhaskar Industries Pvt.Ltd.	1,495.03				1,495.03
3	Grasim Industries Limited (SFD)		56,536.00*			56,536.00
4	Kamal Cotspin Pvt. Ltd.	2,404.33				2404.33
5	Maral Overseas Limited	17,769.42				17,769.42
6	Nahar Spinning Mills Limited	23,464.74				23,464.74
7	PBM Polytex Limited	3,853.22				3,853.22
8	Pratibha Syntex Limited	1,897.54		1,248.17		3,145.71
9	Sagar Manufacturers Pvt.Ltd.	21,226.40				21,226.40
10	Spentex Industries Ltd.		5,383.01	11,344.11		16,727.12
11	SRF Limited		281.07			281.07
12	Vardhman Fabrics	4,351.57		1,475.65		5,827.22
13	Vardhman Yarns	39,069.57		17,510.18		56,579.75
14	Vippy Spinpro Ltd.	837.03				837.03

\*Viscose Staple Fibre

## ANNEXURE – IX

### A - EXPORT OF WOVEN FABRIC

Rs. in Lakh

Sr.No.	Name of Unit (who responded)	Cotton	Woollen/MMF	Cotton/MMF Non-Cotton	Total
1	Bhaskar Industries Pvt.Ltd.	8,082.99			8,082.99
2	Century Denim	1,924.97			1,924.97
3	Raymond Limited		9,006.41		9,006.41
4	S. Kumars Limited			597.94	597.94
5	Vardhman Fabrics	1,107.34		8,043.92	9,151.26

## ANNEXURE – IX

### B – EXPORT OF KNITTED FABRIC (GREY / PROCESSED)

Sr.No.	Name of Unit (who responded)	Value Rs. in Lakh
1	Maral Overseas Limited	8,027.14



**ANNEXURE – IX****C - EXPORT OF KNITTED GARMENTS/MADE-UPS.**

Sr.No.	Name of Unit (who responded)	Nos. in Lakh	Value Rs. in Lakh
1	Pratibha Syntex Limited	414.87	53,005.20
2	Prem Textiles (International) Pvt. Ltd.		9,820.00

**ANNEXURE – IX****D - EXPORT OF COTTON/COTTON WASTE.**

Sr.No.	Name of Unit (who responded)	Value Rs. in Lakh
1	Kamal Cotspin Pvt.Ltd.	16.75
2	Maral Overseas Limited	381.33
3	PBM Polytex Limited	129.31
4	Spentex Industries Limited	775.47
4	Vardhman Fabrics	16.64

**ANNEXURE – X****TURNOVER.**

Sr.No.	Name of Unit (who responded)	Value Rs. in Lakh
1	Anant Spinning Mills	66,582.98
2	Bhaskar Industries Pvt.Ltd.	95,000.00
3	Century Denim	18,071.97
4	Century Yarn	9,593.20
5	Dhar Textile Mills Limited	1,805.32
6	Grasim Industries Limited (SFD)	2,25,867.00
7	Hind Syntex Limited	8,909.00
8	Kamal Cotspin Pvt. Ltd.	7,738.80
9	Maral Overseas Limited	57,774.66
10	Nahar Spinning Mills Limited	41,619.66
11	National Textile Corporation Ltd. -Burhanpur Tapti Mills	9,350.36
12	New Bhopal Textile Mills	6,346.53
13	PBM Polytex Limited	7,882.58
14	Pratibha Syntex Limited	81,749.00
15	Prem Textiles (International) Pvt.Ltd.	11,992.00
16	Raymond Limited	57,547.36
17	Sagar Manufacturers Pvt.Ltd.	36,743.35
18	Satyam Spinners Pvt.Ltd.	2,811.00
19	Sheshadri Industries Ltd.	2,940.62
20	S. Kumars Limited	8,705.08
21	Spentex Industries Ltd.	27,892.10
22	SRF Limited	49,893.20
23	STI India Limited	4,697.85
24	Swastik Spintex Ltd.	1,271.92
25	Vardhman Fabrics	1,52,657.19
26	Vardhman Yarns	1,37,184.71
27	Vippy Spinpro Ltd.	9,806.90

## ANNEXURE – XI

### CONTRIBUTION TO EXCHEQUER.

Rs. in Lakh

Sr. No.	Name of Unit (who responded)	Excise/ Custom/ Service Tax	CST/VAT/ET	Other Taxes I.Tax/TDS, etc.
1	Anant Spinning Mills	598.99	249.60	
2	Bhaskar Industries Pvt.Ltd.	418.00	246.35	152.00
3	Century Denim	110.80	63.08	78.08
4	Century Yarn	41.57	158.78	22.64
5	Dhar Textile Mills Limited	0.93	35.50	5.72
6	Grasim Industries Limited (SFD)	18,844.00	6,378.00	18,629.00
7	Hind Syntex Limited	1,076.03	6.87	
8	Kamal Cotspin Pvt. Ltd.	1.85	106.44	67.90
9	Maral Overseas Limited	227.81	338.38	437.76
10	National Textile Corporation Ltd. - Burhanpur Tapti Mills	0.28	142.93	22.62
11	- New Bhopal Textile Mills	0.79	122.34	23.58
12	PBM Polytex Limited	20.06	17.00	22.87
13	Pratibha Syntex Limited	134.24	1,063.11	1,383.34
14	Prem Textiles (International) P.Ltd.	17.62	61.57	187.29
15	Raymond Limited	132.26	328.41	155.23
16	Sagar Manufacturers Pvt.Ltd.	24.10	379.12	419.46
17	Satyam Spinners Pvt.Ltd.	14.53	64.30	20.02
18	Sheshadri Industries Ltd.	2.26	35.92	5.83
19	S. Kumars Limited	7.94	39.51	
20	Spentex Industries Ltd.	328.00	342.59	28.51
21	SRF Limited	3,526.74	284.01	143.32
22	STI India Limited	12.25	15.52	87.22
23	Swastik Spintex Ltd.	0.47	34.76	3.93
24	Vardhman Fabrics	396.74	492.49	326.56
25	Vardhman Yarns	910.20	887.05	220.98
26	Vippy Spinpro Ltd.	8.41	172.55	113.64

## ANNEXURE – XII

### EMPLOYEES ON ROLLS.

Sr. No.	Name of Unit (who responded)	Staff	Workmen				Total
			Permanent	Temporary	Trainee	Badli	
1	Anant Spinning Mills	171	2030				2201
2	Bhaskar Industries Pvt.Ltd.	437	1895		117		2449
3	Century Denim	97	496			267	860
4	Century Yarn	51	281			98	430
5	Dhar Textile Mills Limited	9	103	15	41	15	183
6	Grasim Industries Limited (SFD)		1785		39		1824
7	Hind Syntex Limited	101	16		104	1418	1639
8	Kamal Cotspin Pvt. Ltd.	21	193				214
9	Maral Overseas Limited	333	980	706	837		2856
10	Nahar Spinning Mills Limited	250	1420				1670
11	National Textile Corporation Ltd. - Burhanpur Tapti Mills	70	71			810	951
12	- New Bhopal Textile Mills	27	15	667		68	777
13	PBM Polytex Limited	105	346			1	452
14	Pratibha Syntex Limited	1064	6703		125		7892
15	Prem Textiles (International) Pvt.Ltd.	128	804			40	972
16	Raymond Limited	468	2416			157	3041
17	Sagar Manufacturers Pvt.Ltd.	184	133		284	569	1170
18	Satyam Spinners Pvt.Ltd.	20	10	185			215
19	Sheshadri Industries Ltd.	52	180	22		39	293
20	S. Kumars Limited	129	365	21	88		603
21	Spentex Industries Ltd.	125	1133	647	253		2158
22	SRF Limited	84	419			2	505
23	STI India Limited	135	713		102		950
24	Swastik Spintex Ltd.	22	39				61
25	Vardhman Fabrics	685	3374		529		4588
26	Vardhman Yarns	372	1998	468			2838
27	Vippy Spinpro Ltd.	58	53		11		122

## ANNEXURE – XIII

### POWER PURCHASE & GENERATION.

Sr. No.	Name of Unit (who responded)	Purchased		Own Generation	
		Connected Load KVA	Units Consumed	Capacity KVA	Units Generated
1	Anant Spinning Mills	23,847	10,26,61,385	250	3584
2	Bhaskar Industries Pvt.Ltd.	8,400	5,56,46,552	3500	40,585
3	Century Denim	5,400	2,98,68,078	8091	62,000
4	Century Yarn	3,000	2,07,59,264	4,582.5	-
5	Dhar Textile Mills Limited	750	36,14,120		
6	Hind Syntex Limited	3,850	2,83,41,921		
7	Kamal Cotspin Pvt. Ltd.	2,050	1,23,68,050		
8	Maral Overseas Limited	2,000	1,33,50,975	1845+11 MW	6,51,49,655
9	Nahar Spinning Mills Limited	24,908	9,77,66,840	19,100	93,720
10	National Textile Corporation Ltd.				
	- Burhanpur Tapti Mills	3,500	2,71,56,625		
11	- New Bhopal Textile Mills	3,300	2,02,77,000		
12	PBM Polytex Limited	2,100	1,27,95,800	3,250	80,820
13	Pratibha Syntex Limited	10,000	7,58,41,000		
14	Prem Textiles (International) Pvt.Ltd.	2,205	1,13,60,042	757.5	20,669
15	Raymond Limited	8,500	23,52,800	11.50MW	5,82,13,395
16	Sagar Manufacturers Pvt.Ltd.	10,000	5,75,80,935		
17	Satyam Spinners Pvt.Ltd.	500	36,61,800	380	491
18	Sheshadri Industries Ltd.	3,000	79,70,722		
19	S. Kumars Limited	1,650	80,09,984	880	42,571
20	Spentex Industries Ltd.	7,400	5,26,97,472		
21	SRF Limited	12,000	7,50,61,134	6,000	11,03,555
22	STI India Limited	10,050	2,50,11,420	735	12,610
23	Swastik Spintex Ltd.	500	26,27,042		
24	Vardhman Fabrics	8,000	5,72,58,000	40,000	19,38,94,600
25	Vardhman Yarns		90,88,000	38,437	23,03,72,000
26	Vippy Spinpro Ltd.	1,550	98,27,595	1,395	8,79,797

# 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

