







A bi-monthly edition of THE COTTON TEXTILES EXPORT PROMOTION COUNCIL OF INDIA

Volume I. Issue No. 2 March - April 2021

INSIDE THIS ISSUE

e	
CONTENT	PAGE NO.
CHAIRMAN'S MESSAGE	1
EDITORIAL	3
COMMODITY UPDATE	
> Cotton Fabrics	4
> Cotton Madeups	7
FOCUS ON SUSTAINABII	
> Sustainable Textile Manu : Products & Processes	ufacturing
> Sustainability in Textile	
> Sustainability: Success	
behind Every Business > GHG mitigation in Texti	
> Good working condition	
are indispensable for a	
sustainable textile indu	stry
SPECIAL FEATURE	29
One District One Product	
A Transformational Initia	
POLICY TALKS	31
> Scheme for Manufactur	ing
under Bond > Advance Authorization	Scheme
> Brand Rate of Duty Dra	
> Relief Measures under	GST
ACTIVITY ROUND-UP	35
TEXPROCIL-The Facilitate	or
INNOVATION UPDATE	37
> Smart Textile Application	ons
DESIGN CORNER	39
> The Spring/Summer 20 New York Color Palette)21
TRADE NOTIFICATION	40
> Important Circulars to	
> Membership Satisfactio	
> Membership Subscripti Renewal F. Y. 2020 - 202	ion 21 -
Kenewai r. i. 2020 - 202	-1
An ISO 9001: 2015 Certified	l Company
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SPECIAL EDITION

FOCUS ON SUSTAINABILITY IN TEXTILES

Only by collaborating and embracing new ways of operating together, will it be possible to transform the industry and create prosperity for people, communities and the planet. (Read more in the Editorial Column on Page 3)



CHAIRMAN'S MESSAGE

WELCOME TO TEXPROCIL Indian Cottons, Global Reach !



Dear Friends,

The demand for eco-friendly sustainable products in the textile and apparel industry is on the

rise. The year 2021 is in a way becoming pivotal for the T&A industry as the world adjusts to the imperatives of dealing with a pandemic and realizes the vulnerabilities of lives and livelihoods. Not only the economic aspects of businesses are being redefined but the need to preserve the environment and in a way "save the planet" from carbon emissions, impact of climate change by conserving resources have assumed importance. Reports of many embracing "veganism" as a way of life are also on the rise.

The attempt to reduce environmental impact is seen not only in the

developed world as a major consumer of goods and services but also the developing countries as producing and sourcing centres. The emerging markets are under severe pressure to adopt sustainable manufacturing practices and put in place tracing protocols to map the origin of ecofriendly products.

This transforming landscape requires all of us to double our efforts to meet the requirements of a growing number of eco-conscious brands, suppliers and end-use consumers.

Many have held the T&A sector as being responsible for the spreading carbon footprint, depletion of water resources and production of pollutants – due to the use of dyes and chemicals.

The industry needs to renew itself and accept the accountability for making progress towards sustainability.

CHAIRMAN'S MESSAGE

The inclination to increasingly seek sustainable products is thus having a profound influence on the global demand as can be seen in the recent emerging trends.

Demand for Sustainable textiles

As per available reports, the global eco fiber market size was valued at USD 40.58 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 4.6% from 2020 to 2027. Asia Pacific dominates the market accounting for a 33.01% share in terms of revenue in 2019 owing to the growing demand for apparel and sustainable textiles. Rising concerns regarding the harmful impact of using regenerated fibers on the environment has led to a shift in preference toward bio-based alternatives, such as organic cotton, hemp, and other sources of eco fibers.

A recent report by Wazir Advisors shows that, globally home textiles are showing higher positivity in growth than the apparel segment, which however continues to dominate world trade. For instance, compared to the last two years, the US Home textile sales have entered a positive trajectory. China's share has reduced by 9% since 2019, whereas Vietnam and Bangladesh's share has gone up by 4% and 2%, respectively. India has also managed to gain 1% market share since 2019. In the EU market, top 5 suppliers have managed to increase their combined share by 4% in 2020, with Turkey emerging as the biggest gainer.

One of the key factors in India's performance in the bed linen, towel segment in the USA has been it's ability to supply eco-friendly products from natural fibres.

The emerging trends depict the need to strategize and meet the growing

demand for apparel and home textiles by using technological advancements. Market studies indicate that demand is rising for sustainable textiles offering properties such as antimicrobial, hypoallergenic, UV resistant, highly breathable, and highly absorbent finishes. Further, the rising consumer preferences for soft feel and smooth texture is expected to positively influence the consumption of household textiles including carpets and rugs, curtains, chair seating, sofa cushions, and covers, and other home furnishings made from eco-friendly fibres.

Continued from Page 1

Insights from India

Currently, as per the quick estimates released by the Ministry of Commerce, cotton textile exports reached a level of USD 1,064 million in April 2021 marking a growth of 26 per cent against the corresponding month of April 2019, wherein exports were valued at USD 844 million. The comparison of data for April 2021 has been made with April 2019 as the period from April 2020 represented the commencement of the lockdown period, worldwide.

The trend also brings about the fact that the natural fibre demand is recovering better over the regenerative ones and a lot more work needs to be done with regard to increasing the use of sustainable textiles in value added applications such as apparel and home textile segment.

Focus on Sustainability

The current issue of the bi- monthly TEXPROCIL E-newsletter focuses on 'sustainability in textiles' and brings to you articles written by 'experts' in the textile and clothing industry. These articles reflect the belief that as the global industry shifts towards the emerging economies of Asia Pacific

owing to the presence of low cost labor and an ample amount of raw materials, a lot of opportunities beckon Indian entrepreneurs. However, the industry faces challenges in exploiting them due to it's fragmented nature owing to the presence of a large number of MSME units that lack the capacity and the necessary infrastructure to meet the growing demand. This calls for concerted efforts to support the sector both in terms of increasing awareness on 'sustainability development' issues and also providing the necessary 'financial infrastructure' to scale-up operations.

At the Council, we continue to undertake various initiatives towards improving awareness on the sustainability aspects of doing business.

Way forward

Friends, as is well known, MSMEs serve asthebackboneofIndia'smanufacturing capabilities and are expected to make significant contributions towards the country's future development and growth. With the United Nations making it imperative to include ecofriendliness and social equity as a part of sustainable development goals, it is becoming increasingly vital to weave these aspects into our manufacturing and trading processes.

I am sure, with many of our textile MSMEs looking forward to actively pursuing the movement to achieve higher efficiency, lower costs, and waste reduction in their businesses, a template for 'Aatmanirbharta' or 'self-reliance' can be fostered which has also been envisioned as a national development goal.

Manoj Kumar Patodia Chairman

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EDITORIAL

Focus on Sustainability in Textiles



Dear Friends,

This issue of the digital edition of the bi-monthly Newsletter is the second in the series launched by TEXPROCIL in an effort to reach out to a diverse range of readers cutting across a wide range of spectrum spanning Government of-

ficials, Indian Missions abroad, independent analysts and members of trade and industry. The bi-monthly Newsletter seeks to focus on matters of interest pertaining to the India Textile industry and trade at large.

The second edition which dear reader you are now browsing focuses on "Sustainability Issues" in the textile industry.

As the world makes progress through the processes of industrialisation and attendant globalization, natural resources like quality of air measured in carbon footprints, green energy, conservation of water, disposal of waste, use of bio-degradable material, security and welfare of the workforce become important issues for investors, consumers and even government authorities.

The COVID-19 pandemic has highlighted the interconnectedness of our lives and the inherent uncertainty surrounding global economies, businesses and

CTEXPROCIL E-NEWSLETTER

Edited & Published by: Dr. Siddhartha Rajagopal Editorial Team N. Ravindranathan, Rajesh Satam, A. Ravindrakumar, Shailesh Martis, Sanjay Rane, Rakesh Chinthal

> Ideas & contributions are welcome at: info@texprocil.org

Editorial & Publishing Office at :



The Cotton Textiles Export Promotion Council Engineering Centre, 5th floor, 9, Mathew Road, Mumbai – 400 004. India. Tel: +91 22 4944 4000 / 23632910 to 12 E-mail: info@texprocil.org

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humankind. The contagion has heightened awareness of Sustainability issues moving it up the agenda of many managements, as of "utmost priority" as never before.

The companies that pass environment, social and corporate governance (ESG) thresholds are currently in great demand, receiving special attention whether in terms of priority lending from banking and financial institutions or consumer response with many showing a willingness to rethink on how, when and what they should buy keeping sustainability commitments of companies in mind. Sustainability issues are thus gaining increasing attention at all levels in the textile value chain.

Highlighting the growing importance of sustainability, the current issue of TEXPROCIL E-newsletter presents a series of articles written by various experts and executives in the textile industry engaged in implementing sustainability commitments.

The articles featured in the current issue point to the important role of stakeholders – that include brands, retailers, manufacturers, citizens, investors, and policy makers – in putting the textile and apparel industry on the sustainability pathway.

"Sustainable Textile Manufacturing: Products & Processes", the article written by Shri Umasankar Mahapatra and Shri Animesh Laha of Welspun India Ltd., highlights the carbon footprints created by conventional textile manufacturing processes and its supply chain system. This article provides information about raw material selection, manufacturing process, circular economy and certification requirements for sustainable development of textiles.

Sustainable Development Goals (SDGs) are based on three pillars - ethics, knowledge and perseverance. SDGs require the manufacturers to follow a holistic, balanced and practical approach. In his article titled "Sustainability in Textiles", Shri D K Sindwani of Vardhman Textiles Limited highlights their company's commitment to ensure that all their actions, from innovation to operations are structured to achieve Sustainability Goals.

In his article, "Sustainability: Success Story behind Every Business", Shri Tarun Pandey of Birla Century highlights the exemplary efforts made by their company Century Textile Industries Ltd. to promote sustainable manufacturing.

There is a potential to reduce the carbon footprint of our textile industry by more than 50% over this decade. In his article 'GHG mitigation in Textile sector", Shri Abhishek Bansal of Arvind Ltd. discusses strategies to reduce the green house gas emissions and improve energy consumption.

The increased focus on Social Compliance in the textile industry over the last two to three decades has played a significant role in raising awareness around working conditions in global supply chains. A Social & Labour Convergence Program (SLCP) has also been developed with the support of global brands and leading retailers and implemented as an industry-wide framework known as Converged Assessment Framework (CAF) to measure social and labor conditions in supply chains.

The article titled "Good working conditions are indispensable for a sustainable textile industry" penned by Ms. Sharon Hesp and her team Ms. Shelly Gottschamer and Ms. Vaishnavi Krishna Kumar at SLCP, provide a comprehensive narrative of the organisation's progress on the road to industry convergence.

SLCP is now actively being pursued in over 50 countries and has succeeded in driving collective efforts towards making improvements in achieving social sustainability goals.

Friends, the authors of all the articles featured in this edition are actively involved in the textile value chain and have shared "real world examples" of meeting with sustainability challenges. All of them strongly propagate the idea that only by collaborating and embracing new ways of operating together, will it be possible to transform the industry and create prosperity for people, communities and the planet.

Dr. Siddhartha Rajagopal Executive Director :: TEXPROCIL ::

Cotton Fabrics



Nikunj Bagadia, Chairman of Fabrics Subcommittee of TEXPROCIL and owner of Ken Enterprises, discusses the current situation facing the Indian cotton fabrics sector.

Sustaining the fabric market's demand in the new F.Y. 2021-22

++ KEY TRENDS TO WATCH ++

 There has been a rise of 25-30% in the cost of inputs for production
 Value addition, Innovation and Productivity are means to achieve growth
 There is a need to revive fabric demand in FY 2021-22

Over the past year with textile production capacity first dipping and then gradually increasing, it will take some time before we get back to pre-COVID levels. With the resumption of operations amidst continued challenges, the situation is slowly seen to be improving. But for an intermediate product like fabrics, factors like availability of raw material at the right price will go a long way in sustaining the demand in the market.

The 'Stay at Home' concept, brought on by the pandemic, led to a substitution in the form of online sales. The improved consumption of garments and home utilities in turn generated orders for fabrics for conversion. Wellness and hygiene were themes around which finished goods like apparel and home textiles flourished. However, with the advent of the second wave, the uncertainty persists as to how long this COVID-19 situation will last. For sure, as long as the uncertain situation stays, the PPE, safety care market or more aptly functional product market will continue to do well.

Coping with the challenges

During the past 4 months, despite an encouraging growth in order bookings there has also been a rise of 25-30% in the cost of inputs for production. The challenges are now being seen at almost all stages in the value chain with 10% duty imposed on raw cotton imports, volatility in the yarn pricing, uncertainty in deciding the pricing to take new orders at the weaving stage, challenges in procuring raw material for conversion at the cut and sew stage, increased prices of packaging material-paper, plastic and corrugation, increased freight rates amidst container shortages delaying the shipments among others.

While price pressures will persist in the post-COVID world, there has been a substantial rise in the choice of the endconsumer. Preferences are seen towards high-end selections such as sustainable raw material, novelty constructions (to encompass fresh design & style), special finishes and coats etc. It is therefore also becoming imperative to take a planned view of what goes into production and how adequate margin can be realised to sustain the business.

Let us not lose sight of V-I-P

While investment in new machinery becomes the new norm with the advent of technology, it is equally important to train and skill the man-force behind the machines. Skill development and training are seen as assets towards improving the overall productivity. Therefore, Value addition, Innovation and Productivity or V-I-P are seen as the means to achieve long term growth and should not be neglected. Value addition is about treating the most basic fabric and enhancing its final saleability. Product diversification or embellishments and finishing enhances the attractiveness and serviceability of the textile material. A range of new fabric finishes thus developed and manufactured will give an innovative edge to the textile sector in various applications.

Innovation is another key that can help the capacity utilisation in the weaving sector to pick up gradually. On the one hand, there is some post-crisis pent-up demand which should help boost certain business opportunities. On the other hand, demand for new applications and fashions is driving investments in new machinery in order to cope with the new or additional requirements this generates.

There is a clear trend towards more automation and the introduction of new and improved technologies that boost productivity and expand design capabilities are expected to stimulate business as well.

The recovery pace may differ from place to place. Consumer confidence has to be rebuilt – which will be important in getting the textile industry back up to speed – and this will take time. We can expect to see some light at the end of the tunnel going into the new financial year.

Need to Focus on Fabric Exports

Fabrics as we know is an important intermediate and also a significant value added product within the textile value chain which further gets converted into garments, home textiles, technical textile etc. As such it plays an important role when we speak of raw material processing in textiles. India caters to different categories of fabrics like grey, printed, dyed, denim, embroidered, specialty etc. and given this range of value added products we need to focus on increasing our fabric exports.

As manufacturers and exporters of fabrics, the last few months have been very volatile with a continuous hike in yarn prices which has made the weaving industry very nervous. Although the market was expecting a downward correction in the yarn prices in Feb/March, the reduction seems to be slowly visible only now.

On the domestic front due to the COVID surge and curfew in cities like Ahmedabad, Punjab, Delhi and Surat, fabric buying has completely stopped while on the international front, the scenario is not very bright with buyers from Bangladesh, Japan and Korea etc. not willing to absorb high fabric prices. This is a cause for concern for the industry as India's market share is moving to other countries. The information released in the media mentioning that yarn prices are coming down due to lower cotton prices has also dampened the spirit of downstream customers.

However given the current situation we should not lose our focus in increasing fabric exports in the coming year as some of the data over the past few months have been very encouraging.

Export Performance of Cotton Fabrics (*Note: Data tables referred below are available to download on the weblink given below the Page 5.*)

The overall export performance of cotton fabrics during financial year 2020-2021 was expected to be skewed due to the Corona pandemic (Table 1). However, the resilience of the industry is clearly visible from the month-wise data (Table 2) when fabric exports started showing positive growth from September 2020 onwards. The positive streak in monthly exports continued till the month of January, where the last recorded data is available.

There was an overall decline of 12.5% in the export of cotton fabrics for the period Apr 2020 to Jan 2021 as compared to Apr 2019 – Jan 2020. Among the top ten destination of cotton fabric exports, only the US, South Korea and Nigeria showed positive growth while traditional markets like Bangladesh and Sri Lanka showed a decline. Another point to note is that during the Apr to Jan period the share of the top ten countries increased from the normal average of 61% to 66%. (See Table 1 for more details).

An analysis of grey, dyed and printed fabrics shows that during the years 2015 to 2109, the CAGR showed positive growth while the year 2020 is clearly an outlier. The CAGR shows a decline for dyed and printed fabrics whereas grey has shown a positive CAGR of 0.37%. (See Table 3 for more details)

A comparison of knit, woven and denim fabric export performance is shown in Table 4. It can be seen that knit and denim fabrics have done well over a 5 year period showing good potential for an increase in exports. With more consumers moving towards athleisure and other functional apparel, knit fabrics will continue to play a significant role even in India's export performance.

Tariffs (of fabrics) in importing countries

Table 5 shows the ad valorem tariff rates between various importing / exporting countries. India has zero duties in Sri Lanka, Korea and Japan for fabrics. India has been able to make inroads into Korea in grey fabrics with the tariffs being zero under the India Korea Comprehensive Economic Partnership Agreement.

Similarly we need to focus our efforts in exports of grey fabrics to Japan. With the signing of the EU-Japan Free Trade Agreement, there is considerable potential for India to offer good quality grey and finished fabrics to Japan as per the required Standards.

Although the average duties of cotton fabrics in Vietnam is 7.5%, there are approx. 67 HS lines of knit and woven fabrics that have been accorded duty free status under the India ASEAN FTA from January 2019 onwards. The list of these HS lines is available in Table 7.

Focus on Exports

At the policy front, Texprocil has made several representations to the Government regarding fabric exports which when operationalised will assist the exporters at various levels and stages of exports. A list of such representations made is given in Table 6.

Over the past few years there has been a significant rise in import of weaving machinery in India but there has been no corresponding rise in fabric exports. In the last 5 years in Ichalkaranji alone, there has been an import of over 15,000 shuttleless looms from a base of 500 looms. During the lockdown period alone there were about 800 to 1000 new machines imported. I am sure that in the last year, there must have been substantial imports of various looms like wide-width looms, shuttleless looms and airjet looms etc in India. **Cotton Fabrics**

Despite a disruptive 2020, most companies plan to invest this year and/or in 2022. The most important reason to invest is to increase the level of automation and hence productivity. However even with world class machinery we have not been able to increase our cotton fabric exports from the given level of US\$ 2.2 billion. A case in point is that investment also needs to be made in terms of time spent in training and skill development of labour on these new advanced and high technology machines to achieve optimum output.

The coming year will hopefully see better capacity utilisation rates as well as output levels which should supplement our concentrated efforts in boosting fabric exports.

Fabric Demand in the wake of the 'Second Wave'

The resurgence of the second Covid-19 wave has the potential to disrupt fabric demand. With the closure of retail spaces, malls, shopping centres other than essentials in urban cities there is bound to be a delay in the pick-up of domestic demand. Lately, several state governments have imposed localized lockdowns to curb the rising cases of Covid-19 infections while several state governments have also gone in for weekend curfews

According to the Federation of Gujarat Weavers' Association (FOGWA), since the beginning of April, production of fabric in the State has gone down from around 5.50 crore metres to almost 4 crore metres per day. In Surat alone, production of grey fabric has gone down by 1 crore meters; from 4.5 crore meter to less than 3.5 crore meters per day.

Closer home, Ichalkaranji which is often referred to as the "Manchester of Maharashtra" and famous for its grey cloth production is also facing problems of its own with the resurgence of the Covid virus. The city with the presence of latest machinery in powerloom, air-jet, knitting and handloom exports fabric across the world but with the latest lockdown and curfew measures imposed in the country, the processing of the grey cloth which is generally sent to different cities like Surat, Ahmedabad, Mumbai, Bhiwandi and Delhi has also taken a hit. Due to sudden & unexpected rise of the second COVID wave, the movement in the markets have come to a screeching halt with major markets of Mumbai, Delhi, Ahmedabad & Surat being the worst affected.

Textile production has decreased in India's textile city of Surat with the onset of the second wave of the COVID-19 pandemic. The factors adversely affecting textile production and trade in the city are the restriction in working hours, migration of workers, and also many workers and textile traders testing Covid positive. The workers' strength in factories has gone down by an average of 25-30 per cent!

Ichalkaranji is seeing the migration of many workers as they do not wish to get stranded in case of a complete lockdown, which can potentially be imposed if the viral infections do not reduce. The traders from other states are therefore very hesitant to place orders in Ichalkaranji as supplies could be affected in case there is an exodus of a large number of migrant workers who are working in 13,000 small and big power loom factories.

The textile industry in Ichalkaranji was recovering after the strict lockdown last year and reduction in orders had severely hit the textile hub, but the fear of a complete lockdown and rise in Covid cases is driving migrant workers back. In many cases the owners of the factories have decided to provide food and shelter along with some advance payment to the migrant workers in an effort to

Kindly send your feedback on email: shailesh@texprocil.org ++ TRADE DATA++
 Please click the following link to access the data tables in the INDIA'S EXPORTS OF COTTON FABRICS

retain them thereby adding to the overall costs in an already profit deprived scenario.

The fabric industry was already hit by the increase in yarn prices for the past many months but the recent Covid surge and subsequent impact has led to the weaving job rates touching last year's bottom with the yarn rates also suddenly falling by approx. $10 \sim 15\%$. With the fluctuation in the yarn costs, the factory owners are hesitant to place orders in case if yarn prices go down further as it will then be difficult to recover the amount. Due to this the dealers from other textile producing cities like Surat, Mumbai, Bhiwandi, Delhi, Meerut and Kanpur are not placing any new orders. A few of them have also cancelled their orders due to rise in Covid cases.

In the case of exports, the increase in cotton yarn prices, coupled with an increase in prices of accessories and dyeing charges had made the manufacturing cost of fabrics costlier which further had an impact on the cost of the finished garments.

In the current scenario, the fabric importing countries are taking advantage of the situation in India by delaying further purchases and negotiating very low rates for yarns & fabrics leading to increased selling pressure on the manufacturers. Buyers of garments are being requested to reconsider the prices of garments due to the overall increase in the prices of fabric so as to achieve a win-win situation.

The second wave of Covid in India has potentially created a huge mismatch in fabric demand and supply due to reasons mentioned above and has also put severe pressure on the competitiveness of fabric exports. As mentioned in my earlier article, fabric exports had maintained a positive growth since the month of September 2020 and I sincerely hope that we don't lose the momentum in the wake of the new Covid surge!

The need to revive the fabric demand

The Indian textile companies may experience a significant revenue decline in the first half of 2020-21 due to the economic slowdown following restrictive measures to curb the spread of the COVID-19 pandemic.

With multitude of issues facing the sector, including the delayed production cycle, shortage of labourers, and unlikely revival of consumption demand, the revenue is likely to bottom out.

Due to the strong international media coverage of rising second wave of COVID in India, a lot of international fabric and garment buyers are reluctant to place short term orders with Indian vendors fearing lock down restrictions & failure to supply on part of the Indian vendors.

Also, textile players carry high debts on account of stretched working capital cycles with low cushion to borrow. These financial constraints can spread over a longer duration due to delays in collections and a higher inventory pending to be sold out.

Cotton Fabrics

The situation arising out of subdued domestic demand and declining export demand due to lockdowns in global markets on account of COVID-19 has come as a double blow for textile companies.

For the domestic demand to revive the textile companies may have to await the onset of buying season and reopening of retail spaces. On similar lines, the export demand would fairly depend on recovery of major economies such as the US and the UK.

However, there also seems to be a short-term opportunity for Indian companies to cater to those markets which were earlier catered by China and Bangladesh.

Apparently, the second wave of Covid-19 resurgence has potentially disrupted the fabric demand which continues to remain weak due to social distancing norms and the surge of the second wave of pandemic affecting the demand.

As per available reports, the woven fabrics production did show some improvement month-on-month at the beginning of the year despite remaining 21 per cent year-on-year lower. The demand for fabric exports saw contraction due to weak market sentiments and increased competition from Southeast Asian countries.

With the progression of the year, the gains for blended and knitted fabrics picked up pace, but for the woven fabrics recovery is expected to be delayed on account of micro-lockdowns and work-from-home culture.

Going forward, export demand for woven fabrics is expected to remain subdued over the first quarter of FY 2021-22 as the key destination countries continue to grapple with a second wave of pandemic.

The fabric exports remained muted at the year start, and recorded a 17 per cent decline year-on-year. Besides, demand for imported fabrics experienced an upsurge led by restocking by retailers. Imports in value terms almost doubled with higher shipments from China, Bangladesh and Vietnam.

Going forward, there is an anticipation of near-short term disruptions with the closure of retail spaces, malls, shopping centres other than essentials in urban cities, which are expected to delay the pick-up in domestic demand.

The ongoing economic slowdown is likely to contract the demand by 25-35 per cent across yarn, fabric and apparels in FY 2021-22 as compared to the previous fiscal.

In the fabrics sector, demand growth will depend on improvements in discretionary spending, and a gradual recovery in household income. Revival of demand will also depend on government measures to swiftly remove the obstacles in production and logistics along with incentivising the exports.

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Fabrics Sub-Committee at TEXPROCIL discusses in a collectively manner the current trends in the textile trade in order to bring out ideas useful to suggest the way forward for businesses. Kindly send your feedback on email: shailesh@texprocil.org



Cotton Madeups



Indian cotton madeups and home textile products have found acceptance in over 240 countries across the world. In the postpandemic era, the major source of demand is compared on the lines of export orders coming from the US and the non US market. Broadly, the non US market consists of the EU and the UK as well as other developed nations. It is seen that the sustenance of the US business is compensating the other parts of the world.

The US retail has stabilized and no more there is a pent-up demand as all consider, instead it has normalized. A look at the overall global trade data shows it has become apparent that India has gained share vis-à-vis China, which is a good sign. China is still struggling both from a raw material standpoint and from its own consumption. We feel that going forward the made ups businesses should definitely do well even as compared with apparel.

As 'home' has become the center stage – it has become the center of life and lifestyle. The work-from-home culture is the new norm and many people ask whether post-covid or post-vaccine will the people really come out? Yes... but not to that same extent.

A lot of time is being spent at home whether it is work, leisure or entertainment, people are becoming slowly conscious about their health and awareness, and hygiene also. The health and hygiene segment has also added up as a category in the product portfolio. This is also helping a lot of sectors, segments and product categories among textiles and the time is right to explore new opportunities and growth.

Been supported with the regulation, the logistics, and with the supply chain infrastructure, the industry should do well. Having said that, of late, the yarn prices are dampening the entire future of the export market. The reason being this season of the year, everyone quotes for the Christmas and the Fall season – which are the largest seasons in the year.

The yarn prices have soared to almost like more than 40 to 50 percent. The private sector are unable to get some part of some of our businesses which will hamper the exports in the future. Therefore this issue needs to be attended on priority to see that India's competence is prevailed. Otherwise the country stands to lose in the long run because once the business shifts it takes at least 2-3 years to come back.

India is well positioned and has performed well in the last three decades particularly in madeups and home textiles. The country has garnered almost 50% plus share in bedlinen segment which can be grown further. The fashion, utility, institutional, bedding and other parts of the bedding segment both hard and soft furnishing can be added up in exports and a lot can be done on the fronts of research, designing, and front-end marketing like never before.

Omni-channel should be looked at for growing the businesses. Firms need to make their distribution base and the research and development stronger. They need to see how consumers have the hold both in their experience as well as consumption. A frontend marketing is required keeping in mind the sustainable factor where regulations are going to change both in the EU and the US relating to reuse, renew and recycle. The industry has to closely watch these trends and quickly adapt those raw materials which are going to help gain the country's sustainability.

There lies a big opportunity and India is well poised on the raw material side both cotton and MMF. However, India is still expensive in MMF by almost 30% and that's the reason the downstream products have not been able to develop. The industry should strongly take this up to see that they have a level playing field in MMF because MMF consumes almost 70% of fiber overall and cotton is just 30%.

The sustenance of cotton fiber going forward is a big challenge due to the climatic change and the industry needs to support the farmers to see how they prevail, and promote the growing and cultivation of cotton crop. In summing up, it can be said that the demand is sustaining, but the industry needs to work hard in order to achieve a formidable position going forward.

:: TEXPROCIL ::





Cotton Madeups

In today's world, the need to build a healthy and sustainable lifestyle is undeniably greater than ever, and it all begins with **the place we spend most of our time: our homes.** This year, Intertextile Shanghai Home Textiles joined forces again with the **NellyRodi™** Agency to present the **design theme for 2021** – "BOUND" – together with three trends: COZY WARMTH, PAST FUTURE and BOLD, CLASH. Each trend is a reflection on the current environmental, economic, societal and identity changes, providing industry professionals with insight and inspiration about interior textiles.

2021 Trend Overview

The general design theme "BOUND" addresses the importance of recreating connections in a world full of radical transformation, resonating with the current global situation.

It states: "We must re-establish the dialogue between cultures and generations. Rediscover the harmony between man and nature. Rebuild the bridges that span the past and the present. Rethink the connection between humans and technology."

COZY WARMTH: colours are a soft, modest harmony of luminous pastels and natural beiges to create a cocooning atmosphere. Materials in this trend are voluminous, cosy, light and fluffy, such as angora, foamy polyamides, wool / acrylic / Lyocell blends and winter terrycloth with washed finishes.

PAST FUTURE: this trend results in a palette of natural, telluric tones combined with dark, mineral colours,

expressing the duality of hot and cold. Fabrics are wild and mineral – grainy crepes, rustic hemps, patinated leathers, 3D-treated denim, devoré linens and crackled jacquard.

BOLD CLASH: opulent and majestic, the palette in this trend shows regal gold, intense blue and flamboyant red, mixing with dark green and cameo pink. Maxi jacquards, button-padded velvets, precious braids, colourful faux furs and beaded floral embroideries are selected to achieve a wow effect.

2020 has been a year of unprecedented changes, and a challenging time for all businesses in our industry. Connections (for weaving new ties). Consideration (among people). Creativity (to work together and move the world forward). Today, these three ancestral mainstays find new expressions in these trends for creating sustainable balance.

Source: ITSH 2021-Press Release

:: TEXPROCIL ::



This is the story of an eco-innovator who upcycled the PPE Scrap, to make 700

Mattresses for COVID centres. With the eco-friendly mattresses, the designer aimed to resolve two pressing issues – waste management and lack of bedding at many COVID centres.

The designer's instincts were driven by a sense of social responsibility towards finding neat solutions for the problems encountered daily. This led to the idea of the eco-friendly mattress branded as 'Shayya' (which means 'mattress' in Sanskrit).

On the one side, the designer found that FLTCs (First Line Treatment Centres for COVID-19) in and around the locality were facing a shortage of mattresses. One mattress costing somewhere between Rs. 500 and Rs. 700 was needed to be replaced for each infected patient. On the other side, as a designer there was enough awareness of a lot of scrap being created while tailoring PPE kits.

These thoughts when fused together led to the estimation that these PPE scraps could be used to make mattresses. The designer's mind

Innovating for a Social Change PPE SCRAPS BRAIDED TO MAKE 'SHAYYA' BRAND MATTRESSES

also visualised the common hair braiding method and developed a simple technique to make these mattresses.

As a part of the technique, the scraps are braided together and more are added till the length reaches about 25 metres. These braids are then arranged in a zig-zag manner and the ends are tied together using more scrap cloth. The bed has to be at a length of 6 feet and width of 2.5 feet. No machine, thread or needle is required to make these mattresses. The material is waterproof and can be cleaned by washing well with soap and drying it out.

In addition to solving logistical and ecological challenges, the 'Shayya' mattresses are also creating jobs and boosting the local economy. So far, around 700 shayyas have been donated to old age homes, FLTCs and homeless shelters. To help further this initiative, the designer also provides online training for NGOs, students, and governing bodies. With own efforts been recognised by the United Nations, the designer hopes they will be replicated in the world at large.

To find out more about the Designer, the 'Shayya' mattress innovation & its Social Impact, kindly visit the following link: https://www.youtube.com/watch?v=A0FXs6xIHAc

Source: TheBetterIndia.com

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TRADE NOTICE

MANDATORY UPDATION OF IECs

IMPORTANT NOTE: Instructions by O/o DGFT on mandatory updation of IECs yearly between April–June

Reference is invited to DGFT's Notification No. 58/2015-2020 dated 12th February, 2021 whereby all IEC holders have been advised to update their Importer–Exporter Code (IEC) yearly between April to June.

In this regard, a video has been published on the DGFT Youtube Channel at the given link:

(https://www.youtube.com/watch?v=B5zrx5k8QC4) to provide easy step-by-step reference for all IEC holders concerned.

- The online process is automatic and no fees are charged for such updations.
- This process can be completed within 5-10 minutes if all details are correct or within 30 minutes otherwise.
- IECs not updated within this prescribed period would be de-activated (post June). Subsequently, firms who wish to re-activate their IEC (post de-activation for non-compliance), would be required to update the IEC. IEC shall be auto re-activated on updation after June.
- The objective of the given exercise is to prune out inactive IECs and incorrect IEC details.

Members are requested to kindly update the IEC details through the automatic DGFT online process at the earliest.

For further details kindly refer to <u>TEXPROCIL EServe No. 28 of 2021</u> dated April 14, 2021.

Avail of more detailed information on EXIM POLICY & PROCEDURES @ TEXPROCIL Please Contact: GREIVANCE REDRESSAL CELL on email: <u>ravikumar@texprocil.org</u> ntroducing



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TEXPROCIL **'Marketplace'** - the newest section being introduced on the Council's website (www.texprocil.org) will facilitate online generation of buyer leads and B2B business. The platform will act as **'Vocal for Local'** and enlist the companies interested in obtaining a global exposure to promote their businesses, products & services to worldwide buyers.

Online Marketplace will include a searchable company listing on Texprocil's website along with facility for the listed companies to upload their contact details, business & product information with photographs.

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FOCUS ON SUSTAINABILITY

Sustainable Textile Manufacturing : Products & Processes

Article By

Shri Umasankar Mahapatra & Shri Animesh Laha WELSPUN INDIA LTD.

FOCUS ON SUSTAINABILITY



TEXPROCIL E-NEWSLETTER, MARCH - APRIL 2021. PAGE 13.

Sustainable Textile Manufacturing: Products & Processes

Abstract:

Conventional textile manufacturing process and its supply chain system cause lot of harm to the environment. It consumes lot of water, energy and creates huge carbon foot print. Thus adopting sustainable manufacturing process is unavoidable to save the planet. More over stringent regulations by government agencies, certification process and awareness are key enabler in sustainable textile manufacturing. This article presents about raw material selection, manufacturing process, circular economy and different certification on sustainable development of textiles.

Introduction:

Textile is one of the oldest industry in the world, and is known as key contributor in national economy, employment generation and earning foreign exchange through export [1]. We use lot of textile products in our daily life in different forms - as clothes, carpets, towels, seat covers, filters, medical aids. In current pandemic situation personal protective equipment (PPE), which is part of medical textile, playing a great role in protecting us. These textile products sometime contribute severe impact on the planet throughout the product realization process (Fig. 1). Huge water is required for growing the fiber (natural) and/or during downstream processing, example; for cotton: 2500-3500 liters/kg, polyester: 100-200 liters/kg, wool: 200-300 liters/kg [2]. Polyester requires less water but it requires huge energy during melt extrusion and it is non-bio degradable; requires 20 to 200 years to degrade depending on grades. The micro plastic generated during washing of synthetic textile is the primary source of micro plastic pollution of ocean eco-system [3]. 90-95% of water used in wet processing of textiles, ends up as effluent, thus increasing effluent load & finally polluting water body [2, 4]. Also, textile industry is responsible for 3 to 6.7% of Global human caused carbon emission [4]. Considering the current situations like depleting natural resources, global warming, pollution and climate change etc. government is bringing new regulations and firms are getting motivated to adopt sustainable production process to reduce the pollution load.





What is Sustainability?

Sustainability is a systemic concept, relating to the continuity of economic, social, institutional and environmental aspects of human society (Fig. 2). It affects every level of organization, from the local neighborhood to the entire planet.



Sustainable Fiber:

Cotton is most used fiber in textile due to its comfort and breathability. Conventionally grown cotton requirs huge amount of water, fertilizer and pesticides. On the other hand, organic cotton do not require any harmful chemical based fertilizer and pesticides. Additional water, dyes and chemicals are required during subsequent processing. Genetically engineered, naturally colored cotton, can also save use of additional dyes and chemicals during processing [7].

There is increasing trend of using hemp, linen, nettle, bamboo, banana, kapok fiber etc. as alternative natural fiber. Many of these fibers are more sustainable than traditional cotton. Further use of recycled fibers from pre and post-consumer waste is also gaining high importance into sustainable product category. More recently development and use of bio-degradable polymer from renewable resources is also top most interest among researchers & industry personnel [Fig. 3].



Fig. 3: Degradable and sustainable polymers [8]

Sustainable Textile Production Practices:

Textile production process is energy intensive and consumes lot of water & chemicals. Especially, textile wet processing; Preparatory: scouring, bleaching, mercerization, Coloration: dyeing & printing and Finishing: softener, antimicrobial and oil & water repellent treatment etc. require lot of energy, toxic chemicals, and water. Thus wastewater generated during processing contains a broad spectrum of hazardous and toxic substances like acids, alkali, dyes containing harmful Azo groups, heavy metals, formaldehyde based or aromatic hydrocarbon based chemicals etc. which will add effluent load and finally will pollute the water body and related ecosystem. More over the residual chemicals on the product may also be harmful to the end user. Over the last few decades government and legislation body are bringing lot of regulations to improve the awareness and restricting the use of harmful chemicals for the benefits of human and environment. Hence adopting sustainable or ecofriendly production process is key enabler [9-11].

Fig. 2: Sustainability [6]



Sustainable Textile Manufacturing: Products & Processes

Reduction of water consumption, toxic synthetic based chemicals, energy, and time is must during process. People from various fields are coming up with new ideas, concepts to make the process sustainable in real sense. Use of enzymatic process (bio singing, bio-scouring etc.), natural and bio-based color, bio-extract for value added textile finishing, surface modification using different irradiation-based tools (corona, plasma, ultraviolet, laser etc.), super critical carbon-di-oxide dyeing, foam technology etc. are few approaches of reducing water, energy, chemical, and time consumption. These will help in reducing carbon foot print. Use of nano-materials for value addition in textiles will also reduce chemical add-ons on the fabric surface [9-12].

Traditional versus Green Supply Chain:

Supply chain system also plays a big role in implementing the sustainability into textile value chain. The materials and information flow in traditional supply chain is linear i.e. one end to the other. Each supply chain partner has limited information regarding, the carbon footprint and greenhouse gas emission etc. of the other partners. They only concerned about their own stake. On the other hand the green supply chain considers the environmental effects of all the processes and stakeholders are connected end-to-end (Fig. 4) [13].



Fig. 4: Traditional and Green Supply Chain [13]

Circular Economy in Sustainable Textile Manufacturing:

As per the 2020 Preferred Fiber and Materials Market report total Global fiber production was 111 million metric tons in 2019, which is all time high and expect to reach 146 million metric tons by 2030 to mitigate the demand [14]. On the other hand, around 85% of all textiles contribute to the waste generation after end of use, which eventually goes to landfill and pollute the environment over the years.



Fig. 5: Linear Economy Vs Circular Economy [15]

The linear economy system relies on "Take, Make, Consume & Discard" i.e. waste generation after use. In contritely to this, Circular Economy brought revolution in the textile manufacturing system. It helps to reduce the use of resources and minimize/eliminate waste generation by incorporation the

concept of repair, reuse and recycle [15]. Which will eventually reduce the need of fresh fiber intake.

Researchers and industry have adopted many approaches for recycling, use of re-melting, chemical and mechanical recycling are few examples. By using re-melting method people are recycling PET bottle into useful textiles. For example 12 bottles are required to make one polo t-shirt, similarly to make a shirt, trouser and jacket it requires 15, 18, and 24 bottles respectively [16]. By recycling PET bottle, load on land fill reduced at the same time reduction in need of resources & carbon foot print obtained simultaneously. However, true circularity will be achieved when we will be able to recycle textile to textile efficiently at large scale.

Quantifying Sustainability in Products & Process:

Over the years various frameworks, standards have been developed to quantify sustainability in textile products and manufacturing process. Sustainable Textile Production (STeP) and Higg Index are few well known tools among others [17, 18]. The other standards and test methods for sustainability in textiles are RSL (Restricted Substance List) testing, Oekotex, REACH, CPSIA (Consumer Product Safety Improvement Act), GOTS, Chemical tests for heavy metals and ecological toxicity, Eco-Textile Testing, Complete biodegradation tests and composting etc. At product level Life Cycle Assessment (LCA) is a good way to communicate sustainability objectively.

Conclusion:

Considering the current consequences adopting sustainable manufacturing process has become real need of the hour. It will help to reduce the need for fresh natural resources and reduce environmental impact. Use of true bio-degradable fiber will help in reduction in micro-plastic pollution and save ocean eco-system. Sustainable manufacturing process and circular economy system are key to save the planet.



Sustainable manufacturing process & circular economy system are key to SAVE THE PLANET !

Shri Umasankar Mahapatra & Shri Animesh Laha

WELSPUN INDIA LTD.



Sustainable Textile Manufacturing: Products & Processes

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Sustainability in Textiles

Article By Shri D. K. Sindwani VARDHAMAN TEXTILES LIMITED

FOCUS ON SUSTAINABILITY



Sustainability in Textiles



Larger than a principle of co-existence, Sustainability is a way of life that encompasses everything revolving around prosperity, fulfilment and development of Humankind & Mother Earth.

As a progressively responsible organization, at Vardhman, we have imbibed the principles of sustainability at the core of our operations. We firmly believe that our inner desire to protect the environment and minimize the negative impact of the operations is far greater a force than legislative compliance. We keep looking for technology and processes to reduce our carbon footprint besides working on creating eco-friendly products and taking initiatives to augment the positive impact of our presence.

We follow a top-down approach to ensure that each stage of our operations is aligned with Vardhman's Sustainable Development Goals. Each member of Vardhman Group is actively involved in identifying, analysing and implementing best practices to improve upon different Sustainability parameters. There are dedicated groups backed by technical teams which are working on reducing emissions, conserving water and energy, developing eco-friendly products and processes as also improving upon the social aspects. Alongside the team of officers, factory workers are provided equal opportunity to share their first-hand knowledge & expertise to give suggestions. We are committed to ensuring that all our actions, from innovation to operations are deep-seated in Sustainability. Vardhman has a well-defined framework for Sustainability.

Vardhman has a well-defined framework for Sustainability. We follow a holistic, balanced and practical approach wherein all three bottom lines – people, planet and profit are addressed. These pillars in simplified terms are – ethics, knowledge and perseverance. Every initiative or action taken is based on a long-term perspective and has to qualify the test of ethics and principles. Besides it has to be comprehensive in approach with all its aspects thoroughly analysed.

We walk an extra mile in making this sustainability journey a full circle by engaging our vendors and customers in our Sustainability Goals. Some of the initiatives taken towards environment conservation include:

1. Water Conservation and Replenishment

- With 9 STPs and 4 ETPs installed in different units, we have a total capacity to treat 45,500 KLD of water.
- There are 52 rainwater harvesting systems in place with a capacity to recharge 1.75 million kl of water annually.
- To reduce the consumption of water in textile processing, we keep bringing newer technologies.
- We have achieved a downward trend in consumption of water and are working on the principle to reduce, reuse and replenish.
- There are collaborative programs like Women+Water and India Water Partnership with GAP and cKinetics of which we are an active participant.



2. Energy Conservation and Green Energy

- We are working towards improving energy efficiency by adopting latest technology.
- Solar power systems with a capacity of 13.1 MW, capable of generating 24.70 million kWH/Annum of green power, subject to irradiance availability are installed in our units in Madhya Pradesh. Solar power kitchen automation equipment and solar water heaters in hostels, messes and residential colonies are also in place.
- To develop Energy Saving guidelines for the Indian Textile Industry, Vardhman Fabrics, Budhni (Madhya Pradesh) has been chosen as the model factory as per the MoU signed between the Government of India and the Government of Japan. The unit has overachieved the target given by BEE.
- Condensate recovered from steam consumption processes is put to reuse.





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Sustainability in Textiles

- Insulation of surfaces to minimise heat loss.
- APFC panels and harmonics mitigation system to improve quality of power.
- Old Screw-type compressors replaced with power-efficient centrifugal compressors
- Periodic energy audits are conducted for continual improvement.
- Level-III Energy Efficient Transformers installed for power saving.
- Compressed Air Distribution System optimization through automation.
- High-pressure compressors replaced with lower pressure compressors for reduction in power consumption.
- Bio-gas plants having a capacity of 120kg/day are operational at two locations.



3. Reducing Emissions

- We are utilizing husk as a bio-fuel in our boilers.
- Plantation of over 4.5 lac trees has been carried out.
- 4. Managing Chemicals and Waste
- A comprehensive list of restricted substances is in place which serves the requirement of the RSL of our customers.
- Hazardous chemicals are prohibited for use in operations.
- Chlorine bleaching has been replaced with peroxide bleaching.
- All the dyes and chemicals used are GOTS certified while the finished fabric is Oeko-Tex Class-I certified.
- The organization is registered on ZDHC InCheck & Gateway besides Clean by Design and CleanChain.
- Minimizing waste is a priority besides its safe disposal. We hand over hazardous and biomedical waste only to authorized bodies.

We have induced the approach of Sustainability deep into the manufacturing processes. The use of mechanical and sustainable finishes is preferred over chemical finishing.

Responsible sourcing to us is as significant as is the quality of manufactured products. We focus on organic, recycled and sustainable fibers and fabrics.

Our motive is to make the textile industry greener and cleaner. With the use of sustainable raw materials like BCI, Organic, FairTrade and recycled cotton besides natural fibres like wool, hemp, linen and silk, we have a wide range of green products. Our Green Fibres include:

- Natural Recycled and BCI cotton
- Man-made regenerated EcoVero, Modal, Tencel, ReFibra, LivaEco, bamboo, FSC – Viscose
- Synthetic Recycled polyester and recycled nylon

Through conscious and responsible choices at each stage of production, we are focusing on ethical fashion and sustainable textile manufacturing.

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Sustainability : Success Story behind Every Business

Article By Shri Tarun Pandey BIRLA CENTURY

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Sustainability: Success Story behind Every Business

When we think of industrial age and further revolution several rapid growth examples appear in front of us across the globe, but this growth is never complete without talk of sustainability in totality. Mankind has been taking always from nature without replenishing anything to nature. Days gone when everything was in plenty and now, we must think about our Ecosystem, i.e. Environment, Economy & Society. Abundance is not permanent, time has come to preserve our natural resources so that we may save our planet, Mother Earth. It is vital to think today about tomorrow!

We are bound to save our environment, economy & society so that our coming generations may have what we are using today as natural resources. Though some time back it was the feeling that sustainability is a costly affair and is all about showcasing only which small industry players can not afford. In fact, in long run sustainability is the only success formula for any business in present as well as in coming future. Gradually increasing awareness and commitments from several corners of the world based on United Nations directions & initiatives along with different NGO's and society's involvement made the platform to think accurately and aggressively. Brands are very aggressively focusing on this aspect globally. Now, in these days every sector is contributing towards sustainability.

India is progressing in terms of the manufacturing sector adopting sustainable practices.

- 1. India is becoming global sustainable manufacturing hub through adoption of green work practices and soon it may be green economy.
- 2. Indian government is focusing on "Vocal for local" and "Made in India" which are going to be proved milestones in Indian manufacturing journey.
- 3. Following are key actions by Manufacturing sector through initiatives of Govt. of India.
 - Use of Solar energy to reduce carbon footprint and cost reduction
 - > Optimum utilization of resources & various purchase keeping Green quotient in view.
 - Leveraging smart technology for greener solutions to manufacturing like use of robotics, Artificial Intelligence, machine learning, automation, fine tech technology adoption, cloud computing...etc are key innovations for sustainable green manufacturing practices. Packaging with natural or recycled items will save tremendous landfilling and problems of disposal.
 - Waste treatment and recycling is vital for entire supply chain to be sustainable.

Several initiatives and efforts are being done by Government as well as industry players and different agencies through their active participation in this matter, yet many challenges or hurdles are there to mitigate properly in textile industry. Lot many manufacturers face several common challenges as listed below.

- 1. To establish any best practice making entire team aware and responsible & to align everybody in the team is the biggest challenge specially towards sustainability.
- 2. Normally in textiles designers are trend setters for various products, colors, and fashion items but it is not necessary that they start with sustainable fashion or product. This is another biggest challenge in front of any textile manufacturer and we as a fabric supplier are dependent on our customers, various brands & retailers (merchants & designers...etc) in supply chain.
- 3. Industry players have a feeling that sustainable or green practices are costlier affair which again is the biggest challenge in front of green manufacturing as manufacturer are also dependent on various suppliers for supply of key raw materials.

Normally, textile manufacturers face some criticalities at times apart from few above mentioned challenges and we all have a great responsibility to work towards sustainable manufacturing. Overview of textile industry suggests that it is one of highly polluted industry after paint industry and normally textile industry has following key challenges or criticalities.

- Pollution from various manufacturing units
- Diverse regulation throughout textile supply chain
- Social responsibilities related aspects
- Safety aspects of workplace conditions
- Avoiding use of Toxic and hazardous dyes & chemicals
- Keeping transparency across the supply chain

Vocal for Local & Made in India are going to be proved milestones in Indian manufacturing journey.



DESKTOP VERSION

FOCUS ON SUSTAINABILITY

Sustainability: Success Story behind Every Business

Being pioneer in the field of Sustainability in textile industry we, CTIL-Birla Century have done lot many efforts like other key players and yet regularly adding several key aspects to remain ahead of others. We would like to highlight few such actions which may be useful for several other players small or big.

- 1. Meet customer's expectations with greater transparency and traceability
- 2. Keep workforce aware of all current issues pertaining to sustainability
- 3. Bring suppliers aligned to remain associated for such sacred efforts
- 4. Keeping Brand's drive in view participate in Higg Index and show strength with better score
- 5. FEM & FSLM modules from Higg Index will keep everybody updated all the time
- 6. Participation in several such programs will make the drive more stringent from industry layers

- Follow RSL as per guidelines from ZDHC, Oeko-Tex STD 100, Detox campaign.....etc
- 8. Push efforts to be framed as per GRI directives
- 9. Presently several Brands also involving manufacturers with their online monitoring which can be very useful for manufacturers to remain involved in initiatives for sustainability
- 10. Involving suppliers for green and clean raw material will help in making supply chain more and more responsible and transparent which is a key pivotal factor for wellbeing of industry.

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TO SAVE OUR PLANET MOTHER EARTH !!

It is vital... to think Today, about Tomorrow.

Shri Tarun Pandey CTIL - BIRLA CENTURY

GHG mitigation in textile sector

Article By Shri Abhishek Bansal ARVIND LTD.

FOCUS ON SUSTAINABILITY





GHG mitigation in textile sector

Textile production is one of the most energy intensive industries, and emits 1.2 billion tonnes of CO2 equivalent (CO2e) per year, which is more emissions than international flights and maritime shipping. Around 5% of total global emissions comes from the fashion Industry. Increase in anthropogenic emissions have led to Climate Change and its adverse impacts on Environmental and livelihoods.

Collective efforts by the Fashion Industry stakeholders can play a key role in Climate change mitigation and reducing its impact on climate change.



Majority of the emissions happen during the fibre production (for synthetic fibres) and cultivation (for natural fibres). Sustainable farming methods have proven to be less GHG intensive and reduce the carbon emissions during the cultivation of Cotton. Sustainable farming focusing on reduction/elimination of chemical inputs and regenerative farming methods can result in significant reduction of CO2 during farming. Similarly, for Synthetic fibers, the use of



recycled materials helps to avoid raw material extraction and processing, thus resulting into much lower carbon footprint. Use of recycled fibres can result in reduction of upto 50% CO2 emissions as compared to the virgin fibres. Use of recycled cotton can also bring down pressure on agriculture and promote Sustainable farming. Thus, raw material choices can help to define the carbon strategy and reductions for an organisation.

Sustainable dyeing and processing can also significantly reduce energy requirements during the fabric production steps. Advanced technologies like waterless dyeing or low impact dyeing can reduce the direct GHG emissions by upto 40% during the dyeing stage.

One of the key levers to reduce GHG emissions is shift to Renewable energy in the textile mills and garment factories. Renewable energy has become more accessible and affordable for the industries. Textile industries occupies significant area, thus making large solar installations feasible.





At Arvind, we have installed an 18 MW rooftop solar plant at single site in Gujarat, this is the **largest solar installation at single industrial facility in India**.



There are various investment options available for the industry to make a shift to renewable energy. On site generation also reduces transmission and distribution losses and other grid related charges. Several spinning mills have also invested in offsite wind power generation plants, which helps them to shift to renewable energy. The Industry also requires policy level support to be able to exploit the renewable energy potential fully. Current policy



challenges in several states have hampered the progress of renewable energy installations and usage by the Industry. Instead of promoting the renewable energy use in the Industry, the state renewable energy policies have created barriers in the way of large scale adoption of renewable energy. This puts the industry at risk of being classified as high carbon intensity as compared to its global peers in the countries providing incentives for renewable energy adoption.

DESKTOP VERSION



GHG mitigation in textile sector



The industry, however, still depends on solid fuels like coal, to generate steam/heat used in the textile dyeing and processing. India's reliance on coal as primary fuel increases the carbon footprint of the industry. Currently there are limited options for renewable energy to generate heat/steam for process usage. One of the options is to collect the agriculture waste/biomass and use it in industrial scale boilers to replace the coal consumption. This can also solve the problem of uncontrolled burning of biomass in the agriculture fields which leads to air pollution in several states of India. There are emerging technologies, which are promising to generate steam from the solar reflectors. However, technology is in initial days of development and is being piloted by a few textile companies.



Another low handing opportunity is promoting the resource efficiency in the industry. Efficient use of resources presents a significant opportunity to reduce the carbon, water, and chemical use in the fashion industry – it relies on readily available technology and also helps to save money over even the short term, because of the savings it delivers in costs for energy and materials. From fibre to finished garment, more than 30% of the material is generated at waste. There is an opportunity to minimise waste generation and upcycle the waste that will result in lower carbon footprint for the Industry.

Industry can also invest in technology up gradation, and moving to modern machinery delivering same output at a fraction of energy consumption. There is a potential to reduce the Carbon Footprint of our textile industry by more than 50% over this decade. However, this needs a strong policy support and collective action in the Industry to realise this goal.

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Good working conditions are indispensable for a sustainable textile industry

Article By

Ms. Sharon Hesp Ms. Shelly Gottschamer Ms. Vaishnavi Krishna Kumar

Social and Labor Convergence Program (SLCP)

FOCUS ON SUSTAINABILITY

5



Good working conditions are indispensable for a sustainable textile industry

FACTORY AUDT



Increased focus on SOCIAL COMPLIANCE

The increased focus on social compliance in the textile industry over the last two to three decades has played a significant role to raise awareness around working conditions in global supply chains. However, this compliance-focused approach has resulted in a massive proliferation of social audits, protocols, standards, and codes across the sector while the improvement of working conditions is yet to be seen.

The audit-heavy environment has become a drain on resources and a cause of audit fatigue for many stakeholders. The challenge is most acute on manufacturing facilities, who have found themselves subject to redundant and duplicative audits multiple times a year and yet, have no ownership over the audit data or outcomes.

Despite the positive intentions of social audits, the lack of collaboration and convergence across the sector has hampered efforts to improve social and labor conditions. The current divergent assessment methodologies limit opportunities for streamlining and transparency. The Social and Labor Convergence Program (SLCP) was established as a solution to this systemic problem.



SLCP is a non-profit driven initiative that has brought together diverse stakeholders who realized that while audits serve an essential purpose, audits alone do not create change. SLCP along with signatories and stakeholders developed and implemented an industry-wide framework to measure social and labor conditions in supply chains. The converged framework will help eliminate audit fatigue and redirect resources from auditing to improving working conditions and provide manufacturers with ownership of their own social and labor data.

SLCP signatories, comprising manufacturers, brands/retailers, audit firms, standard holders and more, worked together to develop and adopt an industry-wide assessment framework called the Converged Assessment Framework (CAF). The CAF is designed to replace all proprietary social audit programs with one single assessment to collect and verify social and labor data. The CAF includes a data collection tool and verification methodology that results in a high-quality verified data set with no value-judgment or scoring and facilitates data sharing across stakeholders. A single assessment framework eliminates the structural challenges of existing auditing efforts and allows manufacturers and brands to focus on social sustainability.

In line with the vision on facility ownership and accountability, it is up to the facility with whom they want to share the SLCP verified data set. The ability to share one single verified assessment eliminates the need for each buyer to conduct their own supplier audit and reduces costs for both the buyer and supplier. The verified data set is designed to be compatible with different standards or Codes of conduct, allowing brands and other stakeholders the flexibility to add scoring or interpretation to the data. It creates the enormous potential to compare data over time and across type of facilities, regions etc... The credible and comparable data from SLCP can also be a powerful input for governments and other stakeholders in policy discussions that drive action.



Good working conditions are indispensable for a sustainable textile industry

Increasing acceptance of SOCIAL & LABOUR CONVERGENCE PROGRAM



The increasing acceptance of SLCP verified data substantiates these benefits. Over 40 brands, retailers & organizations have publicly committed to accept SLCP in lieu of their own proprietary tools. There are several advantages that these organizations have experienced by adopting and implementing SLCP, such as building long-term relationships with suppliers and redeploying resources towards improvement programs.

SLCP signatories, numbering over 240 organizations and growing, are weaving SLCP into their internal systems and operations. As of 2020, over 70% of signatories have a plan in place to track & redeploy savings. The various benefits of using SLCP in their organizations have reinforced their commitment to creating tangible and lasting improvements to working conditions and workers' lives.

The disruptions caused by the ongoing global pandemic on supply chains and workers' lives have made a stronger case for industry collaboration and reliable data. In a recent survey, 72% of SLCP signatories indicate that SLCP has increased relevance in the post-pandemic world. As SLCP grows, it strives to work closely with many stakeholders, signatories and beyond to reach the intended goal of improving working conditions. SLCP is working on achieving this convergence by partnering with organizations to increase transparency, data comparison, and better buying practices. SLCP also believes that to achieve industry alignment and acceptance of SLCP data, the Converged Assessment Framework (CAF) must continue to evolve and improve by incorporating stakeholder inputs. As a result, SLCP recently collaborated with Better Work to release an updated version of the Converged Assessment Framework (CAF) to make the tool simpler, more user-friendly and better aligned with legislation. SLCP will soon launch jointly with Better Work in 3 key production countries. Based on the nominations received, SLCP is confident that it can continue to scale adoption in 2021.

SLCP has been operational since mid-2019. With already over 1800 SLCP verified assessments completed and over 2500 facilities registered on SLCP Gateway, the standardized SLCP approach is now active in over 50 countries. As more stakeholders align behind a common assessment framework, we move further ahead on the road to industry convergence and our collective efforts are better utilized to drive improvements in social sustainability.

For more information, please write to us on the SCLP email - info@slconvergence.org

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ONE DISTRICT ONE PRODUCT - A Transformational Initiative



One Product (ODOP) is an initiative which is seen as a transformational step forward towards realizing the true potential of a district, fuel economic growth and generate employment and rural entrepreneurship, taking us to the goal of Aatmanirbhar Bharat. One District One Product (ODOP) initiative is operationally merged with 'Districts as Export Hub' initiative being implemented by DGFT, Department of Commerce, with Department for Promotion of Industry and Internal Trade (DPIIT) as a major stakeholder.

ODOP is basically a Japanese business development concept, coined as 'Isson Ippin Undō' meaning one village one product (OVOP) movement. The Japanese regional development program began in Ōita Prefecture in 1979 when the then-governor Morihiko Hiramatsu advocated the program. Implementation started in 1980.

Communities selectively produce goods with high added value. One village produces one competitive and staple product as a business to gain sales revenue to improve the standard of living for the residents of that village. Among them are shiitake, kabosu, greenhouse mikan, beef, aji, and barley shōchū. Over 300 products have been selected. Over time, the program has been replicated in other Asian Countries as well. Prime Minister Thaksin Shinawatra of Thailand initiated a similar program, One Tambon One Product.

Background

Earlier, the export promotion, as a subject was dealt by only the Central Government without any active, credible mechanism involving the State or District level stakeholders into the decision making process to promote goods and services produced at the grassroots level. The export promotion activity had to be decentralized to boost local production and make Districts active stakeholders in driving export growth of local products/services. This will also help in filling the existing gaps and bottlenecks in exporting identified products/services from the Districts.

The objective is to enable MSMEs, farmers and small industries to get benefit of export opportunities in the overseas markets and shift focus on District led Export Growth for self-sufficiency and self- reliance. It should attract investment in the District to boost manufacturing and exports and provide ecosystem for Innovation/ use of Technology at District level to make the exporters competitive. It should also help reduce transaction cost for the exporter at various stages of export cycle and generate employment in the District. The focus on the Districts should also provide platforms for wide and global reach of products and services from the district through E-commerce and Digital marketing.

About the Scheme

The Department of Commerce through DGFT is engaging with State and Central government agencies to promote the initiative of One District One Product. The objective is to convert each District of the country into an Export Hub by identifying products with export potential in the District, addressing bottlenecks for exporting these products, supporting local exporters/manufacturers to scale up manufacturing, and find potential buyers outside India with the aim of promoting exports, promoting manufacturing & services industry in the District and generate employment in the District.

To increase exports and take export promotion to the District level, Department of Commerce through the Director General of Foreign Trade (DGFT) is engaging with State / UT Governments to implement the said initiative in all districts of the country in a phased manner, with the objective of mobilizing the potential of each district of the country to achieve its potential as an export hub. Under the initial phase of the ODOP programme, 106 Products have been identified from 103 districts across 27 States.

ODOP Objectives

- Preserve and develop the local crafts and promote traditional art
- Increase incomes and local employment which will in turn result in decline in migration for employment
- Improve product quality and develop local skills
- Transform local products in an artistic way through packaging, branding
- Connect production with tourism through live demos and sales outlets for gifts and souvenirs
- Resolve issues of economic difference and regional imbalance
- Take the idea of ODOP programme to national and international levels after successfully implementing it at the state level

Financial Assistance under ODOP

The ODOP programme provides aid in the form of following major schemes:

- Common Facility Centre (CFC) Scheme Under this scheme, financial assistance of up to 90% of the project cost of a CFC would be provided by the state government.
- Marketing Development Assistance Scheme Under this scheme, financial assistance will be provided to participants of national and international fairs/ exhibitions for display and sale of their products selected under ODOP programme.
- Finance Assistance Scheme (Margin Money Scheme)– Under this scheme, a certain margin of the project cost will be paid to the applicants in the form of subsidy to setup the project.

SPECIAL FEATURE

ONE DISTRICT ONE PRODUCT - A Transformational Initiative

Skill Development Scheme – Under this scheme, skilled artisans will be trained through RPL (Recognition of Prior Learning) and will be certified through relevant Sector Skill Councils (SSCs) while the unskilled artisans will be provided a 10-day training and an advanced toolkit which will be free of cost.

Rationale

Every District has products and services which are being exported, and can be further promoted, along with new products / services, to increase production, grow exports, generate economic activity and achieve the goal of Aatmanirbhar Bharat, Vocal for local and Make in India. Department of Commerce, through Directorate General of Foreign Trade (DGFT) is working with the State / UT Governments in a phased manner to achieve this objective.

In this context, One District One Product (ODOP) initiative has now been merged with the earlier 'Districts as Export Hubs' - the first such initiative of Government of India which tries to target export promotion, manufacturing and employment generation at grass root level and has made States and Districts accountable for the export growth from the Districts in the country.

Export promotion was never a focus area in the rural areas or far fledged areas of the country. Through this initiative, Government of India intends to contribute to the Aatmanirbhar mission by significantly increasing the manufacturing and exports from urban areas while focusing on generating interest and economic activity in the rural hinterland and small towns in the country to push new businesses to export.

Approach

In the initial phase, product/services (GI products, agricultural clusters, toy clusters etc.) with export potential in each District have been identified and institutional mechanism in the form of State Export Promotion Committees (SEPC) at the state level and District Export Promotion Committees (DEPCs) at the district level are being created to provide support for export promotion and to address the bottlenecks for export growth in the Districts.

Specific action plan to grow exports are being finalized by the DEPC in each District through District Specific Export Action Plans. State export strategy/policy and state agricultural plans are also being finalized by the States/UTs. The District-wise export data is now being generated by the ICEGATE/DGCIS to track the export performance from each District.

Expected Impact of the Scheme

Coordinated and synergized effort towards trade and export promotion by the Central Government, State Governments and the District administration would enhance manufacturing activities, promote goods and services exports, support MSMEs and local artisans/craftsmen, broaden coverage of e-commerce linkages with Districts, promote GI products, improve logistics & agricultural sectors and support employment opportunities in the Districts, leading to wide-ranging economic benefits, including investment, manufacturing & export growth. The creation of institutional framework in the form of SEPC and DEPC will further consolidate the efforts for export promotion and trade facilitation through single window to provide accessible information and support to exporters. The implementation of District Export Action Plans will lead to improvement in trade logistics and infrastructure, information dissemination among local business to scale up and start exporting. The quantifiable targets identified in the DEAPs will guide the various government agencies both at the Center and the State/UT to work collectively to resolve issues faced by the exporters of the District.

District wise baseline data has been started from September 2020 onwards. This will help in monitoring the progress made in terms of export performance from the Districts.

In the next 3 to 5 years, it is targeted that export growth of double digits is registered from 500 Districts of the country, with significant growth in the exports of identified products/services from each District.

Way Forward

The District Export Action Plans notified by the DEPCs in each District will be translated into tangible action on ground and adequate support will be provided by the Department of Commerce/DGFT to assist States/Districts in this regard. DGFT has developed a "Developing Districts as Export Hubs" Portal to monitor the progress under this initative.

A database of all potential exporters in each District will be developed and an interface with the Indian Missions abroad will be built to provide them access to exporters in each District for them to market it outside India and find potential buyers. DGFT's District Export hub portal will be developed to further assist local industry to seek information specific to the products identified in the District and showcase their products.

State/ UTs Government will be assisted by DGFT in preparing an annual "Export Ranking Index" of different districts in a particular State/ UT to rank each district on its export competitiveness. A "District as Export Hub" Mobile App for easy access of Export related information under this initiative is also being planned.

Thrust to Make in India

The ODOP programme and the various sub schemes launched by the Government will focus on promoting local manufacturing by giving a much-needed support to Micro, Small and Medium Enterprises (MSMEs). The programme is particularly supportive in providing quality training to the youth and in turn generate employment in the state.

The ODOP programme provides a holistic solution to the makers of the products. Making the lives of common people better, the programme is an empowering example of the country's efforts towards Make in India initiative.

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Policy & Procedures Update



Scheme for Manufacturing under Bond By A. Ravi Kumar, Joint Director, TEXPROCIL

An overview

To attract investments into India, strengthen the initiative of "Make in India" and to promote "Ease of Doing Business", the Government has launched a scheme called

as "Manufacture and other operations in a Customs Bonded Warehouse".

Scheme

Under this scheme, which is based on Section 65 of the Customs Act, 1962, a manufacturing unit can import goods (both inputs and capital goods) under customs duty deferment with no interest liability. There is no investment threshold or export obligation. The duties are fully remitted if the goods resulting from such operations are exported. Import duty is payable only if the resulting goods or imported goods are cleared in the domestic market (ex-bonding).

WTO compatible

Schemes such as Special Economic Zones (SEZs), Export Oriented Units (EOUs), Export Promotion Capital Goods (EPCG) etc. were introduced with the broad objective of promoting manufacturing and exports from the country. However, these schemes has been challenged by the US before the World Trade Organization (WTO) and therefore the focus of the Government has now shifted to the scheme of "Manufacturing in Customs Bonded Warehouse". This scheme is WTO-complaint as it is not contingent upon exports.

Advantages of Bonded Warehousing

- (i) Single Point ApprovaL: Commissioner of Customs act as the single point of contact for all approvals.
- (ii) **Common Form:** Common application form cum approval form for a licence for private bonded facility and permission for manufacturing and other operations.
- (iii) Unlimited period of warehousing: Capital goods and noncapital goods (raw-materials, components etc.) can remain warehoused until clearance or consumption.
- (iv) No geographical restriction: New manufacturing facility can be set up or an existing facility can be converted into a bonded manufacturing facility irrespective of its location in India.
- (v) Easy compliance: Maintain all records of manufacturing and other operations digitally in a single format.

Eligibility for applying for manufacture and other operations in a bonded warehouse

The following persons are eligible to apply for manufacture and other operations in a bonded warehouse -

(i) A person who has been granted a licence for a warehouse under Section 58 of the Customs Act, in accordance with Private Warehouse Licensing Regulations, 2016. (ii) A person can also make a combined application for licence for a warehouse under Section 58, along with permission for undertaking manufacturing or other operations in the warehouse under Section 65 of the Act. The persons mentioned have to be a citizen of India or an entity incorporated or registered in India.

Operation under the scheme

(i) Capital Goods

A unit licensed under Sections 58 and 65 can import capital goods and warehouse them without payment of duty. Manufacture and other operations in a bonded warehouse is a duty deferment scheme. Thus both BCD and IGST on imports stand deferred till they are cleared from the warehouse for home consumption or are exported. The capital goods can be cleared for home consumption on payment of applicable duty without interest. The capital goods can also be exported after use, without payment of duty. The duty deferment is without any time limitation.

(ii) Inputs/ Raw -materials

Inputs/raw materials can be imported and deposited in the licensed warehouse without payment of BCD and IGST. The import duties (both BCD and IGST) stand deferred till they are cleared from the warehouse for home consumption. No interest liability arises when the duties are paid at the time of ex-bonding the resultant goods. The duties (without any interest) are to be paid only when the resultant goods are being cleared for home consumption.

(iii) Export of finished Goods

When finished goods are exported, in addition to the waiver of BCD + IGT on the imported goods used, the GST on the finished goods can be zero-rated.

Export benefits under FTP and Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 (IGCR)

The eligibility to export benefits under FTP or IGCR would depend upon the respective scheme. A unit operating under Section 65 can avail any other benefit, if the benefit scheme allows.

Validity of the Licence

The licence and permission granted is valid unless it is cancelled or surrendered. No renewal of the licence is required.

Procedure for surrender of licence

A licensee can surrender the licence granted to him by making a request in writing to the Principal Commissioner of Customs or Commissioner of Customs, as the case may be. On receipt of such request, the licence will be cancelled subject to payment of all dues and clearance of remaining goods in such warehouse.

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Policy & Procedures Update

Advance Authorization Scheme - An option to reduce cost

An overview

The facility of the Advance Authorization Scheme can be used by textile exporters if they use imported inputs in the manufacture of export products. The scheme can be used by the exporters of Yarn, Fabrics and Made ups (including home textiles).

Scheme

Advance Authorization Scheme allows duty free import of inputs for production of export products. In addition, fuel, oil, catalyst which is consumed / utilized in the process of production of export product can also be imported duty free.

Duty Exemption

Duty Exemptions are allowed by the Customs department against valid Advance Authorisations issued by the Regional offices of DGFT based on applications filed online by the exporters.

Relevance of the Advance Authorisation scheme to exporters of Cotton Yarn

The Union Budget for 2021-22 has imposed a Basic Customs Duty (BCD) of 5% and an AIDC (Agricultural Infrastructure and Development Cess) of 5%. In addition, there is a SWS (Social Welfare Surcharge) of 10% on the aggregate of BCD Plus AIDC. If Cotton Yarn is imported against an Advance Authorisation, BCD, AIDC and SWS are exempted (effectively zero customs duty).

Details of Duties exempted

Imports under Advance Authorisation are exempted from the payment of all types of Customs duties including IGST, Compensation Cess and AIDC. Pre-import condition to avail exemption from IGST and Compensation Cess for imports under Advance Authorisation has been removed.

Value Addition

Minimum value addition required to be achieved under Advance Authorisation is 15%.

Eligibility

Manufacturer Exporters and Merchant Exporters with Supporting Manufacturers are eligible to avail the benefit of the Advance Authorization Scheme.

Options available to an Advance Authorization holder

An Advance Authorization holder have got an option to export first (before effecting imports) by using imported inputs / indigenously procured inputs. Alternatively, the Authorization holder can import first and then export the resultant products.

Non-transferability of Advance Authorizations

Advance Authorisation as well as material imported under Advance Authorisation cannot be transferred even after the completion of export obligation. However, the finished products manufactured out of duty free inputs can be sold in the domestic market by the Authorisation holder after the fulfilment of the export obligation.

Admissibility of Drawback

Exports against Advance Authorizations are not eligible for the All

Industry Rates of Duty Drawback. However, there is a provision for refund of the duties paid on imported or indigenous inputs used in the export product through the Brand Rate mechanism in terms of the Rules framed by the Department of Revenue.

Execution of Bond / LUT

The Advance Authorization Holder is required to execute a Bond / LUT with the Regional Authority and also with the Customs before the clearance of the first consignment against the Authorization. If the Export obligation have been completed before imports, then the RA gives a Bond Waiver to the Authorization holder.

Validity period for import and Revalidation of Authorisation

Validity of an Advance Authorisation for imports is 12 months from the date of issue of the Authorisation. There is a provision for two revalidations of six months subject to the prescribed conditions in this regard.

Export Obligation (EO) Period and its Extension

The Export Obligation must be completed within a period of 18 months from the date of issue of Authorisation. There is a provision for two extensions of six months each subject to the payment of the prescribed composition fees.

Redemption / Export Obligation Discharge Certificate (EODC)

After the completion of exports and imports, the Authorisation holder should submit online application for EODC / Redemption. If the Export Obligation has been fulfilled, the Regional Authority would issue the EODC / Redemption Certificate to Authorisation holder.

Regularisation of Bona fide Default

In case of shortfall in the fulfilment of the prescribed export obligation, such shortfall need to be regularized by paying customs duty with interest by following the procedure as laid down by the Hand Book of Procedure.

Advisories to the Exporters operating under the Advance Authorization Scheme

For smooth operation under the scheme, exporters are advised as follows:

- (i) The Advance Authorization No. and date must be mentioned on all the shipping bills related to the export obligation.
- (ii) The description of the export product on the shipping bills related to the export obligations should tally with the description of the export product mentioned on the Advance Authorization.
- (iii) The description of the inputs used in the export products must be mentioned on the relevant shipping bills related to the export obligation. The description of the inputs must match with the description on the relevant Bill of Entry.

(For any clarifications on the Advance Authorisation Scheme please contact TEXPROCIL on email: ravikumar@texprocil.org)

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Policy & Procedures Update

Brand Rate of Duty Drawback - An option for refund of duties

All Industry Rates of Duty Drawback

All Industry Rates of Duty Drawback (AIR) have been fixed by the Department of Revenue, Ministry of Finance for various export products. The Department has fixed the Drawback rates as a percentage of the fob value of exports or at the rate per unit quantity of the export products, as the case may be, after considering various factors such as incidence of the customs and excise duties on the inputs used in the export products, average export prices, import intensity etc.

Brand Rate of Duty Drawback

If an exporter feels that the All Industry Rates of Duty Drawback does not fully neutralize the duties incurred on the export products, he has got an option to go for the Brand Rate of Drawback. Under this scheme, exporters are granted refund of the amount of Customs and Central Excise duties incidence actually incurred by the export product.

Brand Rate of duty drawback can be claimed on the basis of actual incidence of duties under Rules 6 or 7 of Customs and Central Excise Duties Drawback Rules, 2017 (Drawback Rules, 2017). Further, there is also a facility under which an exporter can request for a provisional Brand Rate.

Application for the fixation of Brand Rate of Duty Drawback

Application for the fixation of Brand Rate of Drawback shall be filed by the exporter with the Customs Commissionerate having jurisdiction over the port from where the goods were exported. In case, exports have taken place from more than one port, exporter can file the Brand Rate application with the Principal Commissioner/ Commissioner of Customs having jurisdiction over any one of the port of exports.

The application should be filed within 3 months from the date of "Let Export Order". There is a provision for extension of this time limit upto a maximum of one year.

The application should include details of materials/components/ input services used in the manufacture of goods and the duties/ taxes paid on such materials/ components/input services.

Processing of application and issue of Brand Rate letter

On receipt of the Brand Rate application, the Principal Commissioner/ Commissioner of Customs shall verify the details furnished by the exporter and determine the amount/rate of Drawback. Where the exporter desires that he may be granted Drawback provisionally, the jurisdictional Commissioner may determine the same, subject to the condition that the exporter executes a general bond, binding himself to refund the Drawback amount granted to him, if it is found later that the Duty Drawback was either not admissible to him or a lower amount was payable. Generally, the validity of the Brand Rate letters are for a period of one year.

Details on the Shipping Bills

Exporters opting for claim of Brand Rate shall declare the figure "9807" as an identifier in the shipping bill under the Drawback details. After this figure, the tariff item number of goods as shown in column (1) of the Drawback Schedule shall be declared followed by the character "B".

Anti-Dumping and Safeguard Duties

Since Anti-Dumping Duty and Safeguard Duty are not taken into consideration while fixing All Industry rate of drawback, the drawback of Anti-Dumping Duty and Safeguard Duty can be claimed only through the Brand Rate mechanism. This would necessarily mean that drawback shall be admissible only where the inputs which suffered Anti-Dumping Duty or Safeguard Duty, as the case may be, were actually used in the goods exported as confirmed by the verification conducted for fixation of Brand Rate.

Advisory to the exporters regarding Brand Rate Application

Following documents should be attached along with the application for the fixation of Brand Rate (as per the format specified in the Drawback schedule):

- (1) DBK-I,DBK-II/IIA and DBK-III/IIA Statements (specified in the Drawback Schedule)
- (2) Letter seeking condonation of delay in case the application is filed beyond the time-limit of 3 months ,
- (3) Attested photocopies of the Drawback Shipping Bills/Export Promotion Copies, Bills of Lading.
- (4) Legible photocopies of duty paying documents mentioned in DBK-II/IIA and DBK-III/IIIA Statements.
- (5) In case, any Bill of Entry/Central Excise Invoice has been assessed provisionally, the reason for provisional assessment may be specified. Besides, a Declaration not to claim revision of Brand Rate of drawback in case the duty is upwardly assessed in final.
- (6) Disclaimer Certificate from the manufacturer in case, the Brand Rate application is filed by a merchant exporter.
- (7) Drawback Working Sheet.
- (8) Value Addition Statement.
- (9) A copy of the Advance Licence.
- (10) A brief description of the manufacturing process with a flow chart.

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The Brand Rate letter is thereafter issued to the exporter.



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Policy & Procedures Update

Relief Measures to Taxpayers under GST announced by the Government on May 1, 2021

The Government has announced various relief measures for taxpayers under GST on May 1, 2021 in view of the challenges faced by the taxpayers in meeting the statutory and regulatory compliances under the GST law due to the outbreak of the second wave of COVID-19. The Measures are as follows:

1. Reduction in rate of interest:

Concessional rates of interest in lieu of the normal rate of interest of 18% per annum for delayed tax payments have been prescribed in the following cases

- a. For registered persons having aggregate turnover above Rs. 5 Crore: A lower rate of interest of 9% for the first 15 days from the due date of payment of tax and 18% thereafter, for the tax payable for tax periods March 2021 and April 2021, payable in April 2021 and May 2021 respectively, has been notified.
- b. For registered persons having aggregate turnover upto Rs. 5 Crore: Nil rate of interest for the first 15 days from the due date of payment of tax, 9 per cent for the next 15 days, and 18 per cent thereafter, for both normal taxpayers and those under QRMP scheme, for the tax payable for the periods March 2021 and April 2021, payable in April 2021 and May 2021 respectively, has been notified.
- c. For registered persons who have opted to pay tax under the Composition scheme: NIL rate of interest for first 15 days from the due date of payment of tax and 9 per cent for the next 15 days, and 18 per cent thereafter has been notified for the tax payable for the quarter ending 31st March, 2021, payable in April 2021.

2. Waiver of late fee

- a. For registered persons having aggregate turnover above Rs.
 5 Crore: Late fee waived for 15 days in respect of returns in FORM GSTR-3B furnished beyond the due date for tax periods March, 2021 and April, 2021, due in the April 2021 and May 2021 respectively;
- b. For registered persons having aggregate turnover upto Rs. 5 Crore: Late fee waived for 30 days in respect of the returns in FORM GSTR-3B furnished beyond the due date

for tax periods March, 2021 and April, 2021 (for taxpayers filing monthly returns) due in April 2021 and May 2021 respectively / and for period Jan-March, 2021 (for taxpayers filing quarterly returns under QRMP scheme) due in April 2021.

3. Extension of due date of filing GSTR-1, IFF, GSTR-4 and ITC-04

- a. Due date of filing FORM GSTR-1 and IFF for the month of April (due in May) has been extended by 15 days.
- b. Due date of filing FORM GSTR-4 for FY 2020-21 has been extended from 30th April, 2021 to 31st May, 2021.
- c. Due date of furnishing FORM ITC-04 for Jan-Mar, 2021 quarter has been extended from 25th April, 2021 to 31st May, 2021.

4. Certain amendments in CGST Rules:

- a. Relaxation in availment of ITC: Rule 36(4) i.e. 105% cap on availment of ITC in FORM GSTR-3B to be applicable on cumulative basis for period April and May 2021, to be applied in the return for tax period May 2021. Otherwise, rule 36(4) is applicable for each tax period.
- b. The filing of GSTR-3B and GSTR-1/ IFF by companies using electronic verification code has already been enabled for the period from the 27.04.2021 to 31.05.2021.
- 5. Extension in statutory time limits under section 168A of the CGST Act:

Time limit for completion of various actions, by any authority or by any person, under the GST Act, which falls during the period from 15th April, 2021 to 30th May, 2021, has been extended upto 31st May, 2021, subject to some exceptions as specified in the notification.

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Policy Amendments

(i) Exports & Imports allowed without furnishing bonds to the Customs

Exporters and Importers can furnish an undertaking to the Customs authorities in lieu of the bonds till June 30, 2021 .(Ref : CBIC Circular No. 09/2021- Customs dated May 8, 2021).

(ii) Restructuring facility for MSME borrowers

The validity of the facility of restructuring of existing loans / advances available to the MSME borrowers without a downgrade in the asset classification have been extended (Ref: Notification No. RBI/2021-22/32 dated May 5, 2021).

(iii) Customs clearance of Oxygen Concentrators for personal use

Customs clearance of Oxygen Concentrators imported for personal use through post, courier or e-commerce portals as gifts allowed till July 31, 2021 (Ref: DGFT Notification No.4 / 2015-20 dated April 30, 2021).

(iv) Extension in validity of RCMCs

RAs of DGFT will not insist upon valid RCMCs (in cases where the same has expired on or before March 31, 2021) from the exporters while applying for incentives / authorizations till September 30, 2021 (Ref : DGFT Trade Notice No. 4/2021-22 dated 10.5.2021).

:: TEXPROCIL ::

Avail of more detailed information on EXIM POLICY & PROCEDURES @ TEXPROCIL Please Contact: GREIVANCE REDRESSAL CELL on email: <u>ravikumar@texprocil.org</u>

ACTIVITY ROUND-UP

TEXPROCIL - The Facilitator !

The Council in its role to facilitate the growth in exports of Cotton and Cotton textiles from India took proactive steps through sensitizing the government on the various suggestions received from the industry. In the wake of pandemic led restraints to travel and hold physical events, the Council also organised online events aimed at promoting trade and disseminating vital information on trade related issues amongst it's member companies.

Virtual Meetings with Government Officials

The Council attended a series of meetings with Government officials as below:

- Meeting with the O/o. Hon'ble Prime Minister of India on March 23, 2021
- Meeting with Hon'ble Minister of Commerce & Industry and Railways on March 22, 2021
- Webex Meeting with Ministry of Commerce on March 11, 2021
- Meeting with Hon'ble Minister of Commerce & Industry and Railways on April 21, 2021
- Meeting with Hon'ble Minister of Textiles and Women & Child Development on April 23, 2021

Some of the important suggestions made by the Council during these meetings are as below:

- 1. To notify the RODTEP rates at the earliest for Cotton textiles products such as Made ups / Garments, Fabrics and Yarn.
- 2. To announce the same RoSCTL rates (as notified earlier) for Made ups and Garments under the RODTEP scheme.
- 3. To consider removal of 10% duty imposed on cotton imports imposed in the Union Budget for 2021-22, comprising 5% Basic Customs Duty (BCD) and 5% Agriculture Infrastructure Development Cess (AIDC) as it would result in imports of ELS cotton varieties like Egyptian Giza and the US Pima that are being used for value added exports becoming expensive.
- 4. To draw attention to the difficulties faced on account of container shortages at ports which were seriously affecting export shipment. The issue relating to steep increase in freight rates was also highlighted.
- 5. To dispense with the requirement of maintaining the Average Export Obligation under the EPCG scheme

Along with the various suggestions made, the Council has also sent the supporting data compiled on exports in terms of loss of opportunities. We await a favourable consideration of our suggestions made during these meetings.

On-line Seminars and Workshops

> India-Brazil Virtual BSM on March 11. 2021

India-Brazil Virtual BSM, helped to understand the potential of Brazilian T&C market and requirement of textiles from India. 11 Indian suppliers participated from Indian side and held B2B meetings with around 50 Brazilian buyers. The meeting was supported by the Consulate General of India in Sao Paulo, Sinditecidos SP, Blumenau and Brazilian Association of Textile Retail (ABVTEX).

Online Seminar on 'Eradication of Child Labour' on March 30, 2021

Online Seminar on 'Eradication of Child Labour' helped focus on the eradication of Child and Forced labour. The meeting emphasized steps to be taken by industry associations and Export Promotion Councils that the cotton textile products like 'cotton' and 'thread / yarn', which are under the purview of the Council with regard to exports are quickly de-listed from the USDoL List of items produced by using child labour. The online seminar was organised by TEXPROCIL with support received from Employers Federation of Southern India (EFSI), Ethical Trade Initiative (ETI) and the Southern India Mills' Association (SIMA).

TEXPROCIL Seminar on 'Training & Skill Development' on April 7, 2021

The Council with support received from the Textile Sector Skill Council (TSC) organised a Virtual Seminar on "Training and Skilling: A Win-Win Strategy for Employer and Employee" on 7th May. Experts from TSC presented the various schemes launched by the Government of India including the Pradhan Mantri Kaushal Vikas Yojana – 3.0 (PMKVY – 3.0) Scheme under the Skill India Program. An important component of these schemes is that companies participating in them will also receive remuneration for undertaking the training or skilling activity, thereby providing a Win-Win situation for both the employee as well as the employer.

Overall, the Seminar was well attended and proved very useful going by the responses and Q&A segment at the end of the Session.

:: TEXPROCIL ::



ACTIVITY ROUND-UP

TEXPROCIL - The Facilitator !



Advertisement Package for promoting products and solutions in the E-publications of TEXPROCIL

Dear Madam/Sir,

As a part of TEXPROCIL's knowledge sharing initiatives, the Council is coming up regularly with various E-publications. The circulation of these publications, averaging to over 3000 avid readers, includes the Council's strong database of 2,000 nos. membership comprising manufacturers, exporters, traders of Indian cotton fibre, yarn, fabrics and madeups range of products. The readership database also includes the contacts of textiles trade associations, government representatives, foreign missions, etc. which are being updated from time to time.

The Council has planned to offer an 'Advertisement Package' for the various E-publications with a view to enhance the exposure of products and solutions being offered by various entities. We request you to kindly consider the advertisement opportunity as per details attached.

E-publication details are as follows:

1. **E-Newsletter** – Published every fortnight – Launch of New Volume in the last fortnight of January 2021.

2. **IBTEX** – Published daily – Includes news clippings on articles of interest in T&C appearing in various publications.

Advertisement Package details are given below this column.

For further clarifications you may like to advise your office to kindly write to Mr. Rakesh Chinthal, IT Officer/ Mr. Rajesh Satam, Joint Director on email: rakesh@texprocil.org / rajesh@texprocil.org / <a h

For queries related to booking your advertisement kindly write to Mrs. Mrunal Sawant on email: <u>mrunal@texprocil.org</u>.

We look forward to receiving your enquiries / confirmation for availing the advertisement opportunity in E-publications of TEXPROCIL.

Regards,

Dr. Siddhartha Rajagopal Executive Director :: TEXPROCIL ::

ADVERTISEMENT PACKAGE (For Advertisement in TEXPROCIL E-PUBLICATIONS)

TEXPROCIL E-NEWSLETTER (FORTNIGHTLY)				
Ad. Option	One Issue	Six issues	Twelve Issues	Twenty Four Issues (BEST OFFER)
Double Spread	Rs. 12,000	Rs. 61,200	Rs. 1,15,200	Rs. 2,16,000
Quarter Page	Rs. 2,000	Rs. 10,200	Rs. 19,200	Rs. 36,000
Half Page	Rs. 3,000	Rs. 15,000	Rs. 28,500	Rs. 54,000
Full Page	Rs. 5,000	Rs. 25,500	Rs. 48,000	Rs. 90,000
IBTEX E-NEWS CLIPPINGS (DAILY)				
Ad. Option	Three Months	Six Months	Twelve Months Twenty Four Mon (BEST OFFER)	
Click-on-Logo	Rs. 15,000	Rs. 25,000	Rs. 50,000	Rs. 90,000

For more information please contact:

Rajesh Satam, Joint Director

The Cotton Textiles Export Promotion Council 5th floor,

Engineering Centre, 9, Mathew Road, Mumbai – 400 004 India T. 91-22- 2363 2910 to 12 F. 91-22-23632914

Email rajesh@texprocil.org

Website www.texprocil.org

INNOVATION UPDATE

Smart Textile Applications for Apparel & Home Textiles



Smart textiles have always fulfilled a variety of functions - be it fashion, warmth, protection and support. With the growing trend in enhancing beauty through healthy means, customers request for apparels and home textiles containing not only their original basic characteristics, such as warmth and comfort, but also ones that carry extra functions, including cleaning, perfuming, changing appearance, protection, or correction of body odours and keeping the more natural and healthier life.

About Cosmetotextiles

Cosmetotextile is a concept of releasing cosmetic ingredient to the human skin. Though the term "Cosmetotextiles" is new but it originated from Ayurveda which is an ancient medical treatise, summarizing the art of healing and is practiced in India for more than 5,000 years. The technology of Cosmetotextile is at the neonatal stage.

AYURVASTRA (A miracle mediherbal cloth)

'Ayurvastra' is a branch of the ancient form of medicine called 'Ayurveda'. 'Ayur' is a Sanskrit term meaning health, 'Veda' means the wisdom and 'Vastra' is cloth or clothing. Ayurvastra involves an ancient technique of dyeing textiles using medicinal herbs. Ayurvastra is made from organic cotton fabric that has been permeated with special herbs and oils that promote health and cure special diseases depending upon the blends of embedded herbs and oils. Ayurvastra is used by Ayurveda health clinics in the treatment of a broad range of diseases such as diabetes, skin infections, eczema, psoriasis, hypertension and high blood pressure, asthma, arthritis, rheumatism and even some forms of cancer.

Post-Covid Demand

The Covid-19 pandemic has caused consumers to focus increasingly on beauty and wellness and will benefit the market for cosmetotextile products. Widespread changes in daily routines brought about by the pandemic and government measures imposed to stem its spread – such as the wearing of face masks, social distancing and working from home – have led to an increased focus on beauty and wellness, especially among younger consumers. They consider skin care and body care to be indispensable aspects of their overall wellbeing, and cosmetotextile products could have a significant role to play in achieving this.

Textile Construction

On contact with human body and skin, Cosmetotextiles are designed to transfer an active substance for cosmetic purposes. The principle is achieved by simply imparting the cosmetic and pharmaceutical ingredients into the fabric of the clothing so that with the natural movements of the body, the skin is slowly freshened, revitalized or cured according to the ingredient used.



Variety Applications

Cosmetotextiles combine the benefits of cosmetics with the functionality of textiles, and products made from cosmetotextiles represent an extremely convenient way of applying cosmetic substances, fragrances and health promoting minerals to the skin.

Indeed, the range of cosmetotextile products available is broad, and it includes products designed to slim the silhouette, moisturise the skin, reduce the appearance of cellulite, and promote a sense of well-being through the use of fragrances.

Such smart fabrics provide a convenient method of applying cosmetic substances, fragrances and health promoting minerals to the skin.

TEXPROCIL - Indian Cottons, Global Reach !

INNOVATION UPDATE

Smart Textile Applications for Apparel & Home Textiles



Consequently, cosmetotextiles are used in a vast range of products, including hosiery, athleisure apparel, casual apparel, sportswear and home textile products such as bedding and curtains.

Marketing Challenges

Despite their popularity, a number of factors prevent cosmetotextile products from enjoying the same success in generating sales as other product categories in the health, beauty and wellness market. Many consumers are confused as to where to purchase cosmetotextile products while others are unaware that the products even exist, as consumer awareness is raised by word of mouth and endorsements rather than by targeted advertising.

Reflecting this, very few of the brands which have experimented in the development of cosmetotextile products in recent years have enjoyed meaningful revenues from them and have therefore not committed to investing further in product development or sales and marketing.

As a result, the number of companies which are active in the field remains small and sales of clothing with cosmetic functionality remain modest. Still, there are good reasons for optimism about the future for cosmetotextile companies.

Arguably, the companies which have enjoyed the greatest commercial success in the field of

COSMETOTEXTILE TYPES (APPLICATION BASED)

- Moisturizing
- Whiten & Antiwrinke
- Aromatic & Perfumes
- Slimming & keep fitAntimicrobial & Antifungal
- UV protection
- Relaxing & pressure release
- Energizing & refreshing

cosmetotextile products are those which focus solely on this area and have established dedicated production and research and development facilities. **Future Prospects**

Innovation is key, and much investigation is being conducted into the development of active substances and high-performance microcapsules derived from natural formulations rather than synthetic formulations. There is also much scope for environmentally sustainable cosmetotextiles based on natural formulations. The use of natural formulations is gaining in importance as consumers are becoming increasingly aware of environmental sustainability and are actively seeking plant-based products.

Looking to the future, there is much potential for innovative cosmetotextiles not least - because consumers have become increasingly focused on wellness as a result of the COVID-19 pandemic. Indeed, consumers consider skin care and body care to be indispensable aspects of overall wellness and so cosmetotextile garments could have a significant role to play in achieving this.

:: TEXPROCIL ::

DGFT 'COVID-19 Helpdesk' for 'International Trade related Issues'

Dear Members,

DGFT has put in place a 'COVID-19 Helpdesk' to support and seek suitable resolutions to issues arising in respect of International Trade. DGFT has issued Trade Notice No. 02 / 2021-22 dated April 26, 2021 in this regard.

As per the Trade Notice, Exporters, Importers and other stakeholders can submit information in the 'COVID-19 Helpdesk' on issues related to the Department of Commerce/DGFT, Import and Export Licensing Issues, Customs clearance delays and complexities arising thereon, Import/Export documentation issues, Banking matters etc.

Helpdesk would also collect and collate trade related issues concerning

other Ministries/Departments/Agencies of Central Government and State Governments and will co-ordinate to seek their support and provide possible resolution(s).

The copy of DGFT Trade Notice No. 02/2021-22 dated April 26. 2021, is circulated by TEXPROCIL vide EServe No. 32 Dated April 26, 2021 (click here). The process to be followed to submit the information have been specified in the Trade Notice.

You are requested to please take a note of the above and do the needful. **Regards**,

Dr. Siddhartha Rajagopal

Executive Director | TEXPROCIL

Avail of more detailed information on EXIM POLICY & PROCEDURES @ TEXPROCIL Please Contact: GREIVANCE REDRESSAL CELL on email: <u>ravikumar@texprocil.org</u>

DESIGN CORNER

THE SPRING/SUMMER 2021 NEW YORK COLOR PALETTE

A RANGE OF SHADES INSPIRED BY THE BEAUTY OF NATURE SUPPORTS FLEXIBILITY AND REINVENTION

Published for the fashion industry by the Pantone Color Institute, Pantone's trend forecasting and color consultancy, this season's report features the top 10 standout colors, as well as current takes on the five core classics for their new spring/summer collections.

According to Pantone Color Institute experts, colors for Spring/Summer 2021 New York emphasize our desire for a range of color that inspires ingenuity and inventiveness – colors whose versatility transcend the seasons and allow for more freedom of choice - colors that lend themselves to original color statements and whose flexibility easily adapts to our new and more fragmented lifestyle.

"Offering a range of shades illustrative of nature, colors for Spring/Summer 2021 underscores our desire for flexible color that works year-round. Infused with a genuine authenticity that continues to be increasingly important, colors for Spring/Summer 2021 combine a level of comfort and relaxation with sparks of energy that encourage and uplift our moods," said Leatrice Eiseman, Executive Director of the Pantone Color Institute.

THE SPRING/SUMMER 2021 TOP 10 COLOR PALETTE:

Shades illustrative of nature coupled with new core classics come together to create a palette inspiring ingenuity and inventiveness.

PANTONE 14-1050 Marigold	PANTONE 15-4020 Cerulean	PANTONE 18-1248 Rust	PANTONE 13-0647 Illuminating	PANTONE 18-4140 French Blue
			10% 50% 50% 50%	123. 125. 235. TO-
A comforting golden orange infused yellow lends a warming presence.	The color of the sky on a serene, crystal clear day.	An earth inspired brown emblematic of Autumn leaves uncharacteristic of a spring palette.	Friendly and joyful, an op- timistic yellow offering the promise of a sunny day.	A stirring blue hue that awakens a vision of Paris in the springtime.
PANTONE 13-0117 Green Ash	PANTONE 16-1529 Burnt Coral	PANTONE 16-5938 Mint	PANTONE 17-3628 Amethyst Orchid	PANTONE 18-2043 Raspberry Sorbet
			12L 12L 12L	
A mentholated Green that cools and soothes.	Inviting Burnt Coral ex- presses conviviality.	Tasty mint refreshes and restores.	The floral shaded amethyst orchid introduces a unique touch	Vivifying Raspberry Sorbet tantalizes.

THE SPRING/SUMMER 2021 CORE CLASSICS:

Core hues whose versatility transcends the seasons and allows for more freedom of choice.

PANTONE 19-4016 Inkwell	PANTONE 17-5104 Ultimate Gray	PANTONE 11-0110 Buttercream	PANTONE 14-1127 Desert Mist	PANTONE 16-0632 Willow
			E E	
A deep and intense black- ened blue.	Quietly assuring and reliable gray encouraging composure.	Smooth Buttercream is an easy and effortless delicious off-white.	Invoking images of shifting powdery sands.	A canopy of green that reveals and conceals.

GET THE NEW YORK SPRING/SUMMER 2021 PALETTE

The New York Fashion Week Spring/Summer 2021 color palette is now available in Pantone Connect : **PANTONE.COM :: TEXPROCIL ::**

TRADE NOTIFICATION

Important Circulars to Members

E-Serve No.: 57 | Date: May 19, 2021 | Circular No. EPS/23/2021-22 Sub : E-EPCG Module for Policy/Procedure relaxation

Dear Member,

DGFT has introduced an online E- EPCG Committee module on its website for receiving applications seeking relaxations in the Policy/ Procedure in terms of para 2.58 of the FTP 2015-20. DGFT has issued Trade Notice No. 05/2021-22 dated May 19, 2021 in this regard.

Exporters can log into the portal, fill the required details in the form, upload the necessary documents and submit the application after paying the requisite fee. The entire processing of the application and communication of the decision of the Committee would be carried out online. No manual submission of the applications will be allowed henceforth.

A copy of Trade Notice No.05/2021-22 dated May 19, 2021 is enclosed herewith. (Click here)

You are requested to please take a note of the above and do the needful.

In case, you need any further clarification in the matter, please get in touch with Shri A. Ravi Kumar, Joint Director.

Regards,

(Dr. Siddhartha Rajagopal) Executive Director

::TEXPROCIL::

E-Serve No.: 56 | Date: May 19, 2021 | Circular No. EPS/22/2021-22

Sub : Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021.

Dear Member,

The Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No. 10/2021-22 dated May 17, 2021 to notify changes introduced through the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021 (IGCR).

The major changes in the Customs (Import of Goods at Concessional Rate of Duty) Amendment Rules, 2021 are as follows :

(1) Job work : The facility of carrying out job work have been covered under the ambit of IGCR. The scope of the job work facility has been extended to an importer who is a manufacturer but without a complete manufacturing facility. Also, 100% out-sourcing for manufacture of goods on a job-work basis has been permitted for importers who do not have any manufacturing facility at all.

(2) Capital Goods : An option has been given to the importers to import capital goods for a specified purpose at a concessional rate of duty and after having put such capital goods to use for the said purpose, clear the same after payment of the differential duty and interest, at a depreciated value, with permission from the jurisdictional Customs Officer.

The Directorate General of Systems (DG Systems), CBIC, is in the process of automating and facilitating online submission of compliances prescribed in the rules through the ICEGATE portal, thereby obviating the need for furnishing paper based documents to the Customs Officer.

A copy of Circular No.10/2021-22 dated May 17, 2021 is enclosed herewith (<u>Click here</u>).

You are requested to please take a note of the above and do the needful.

In case, you need any further clarification in the matter, please get in touch with Shri A.Ravi Kumar, Joint Director.

Regards,

(Dr. Siddhartha Rajagopal) Executive Director ::TEXPROCIL:: E-Serve No.: 54 | Date: May 18, 2021 | Circular No. EPS/20/2021-22 Sub : Request for Udyam Registration Number

Dear Member,

As you are aware, with regard to the MSME (Udyam Registration), the following are the provisions:

(i) Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof.

(ii) On registration, an enterprise (referred to as "Udyam" in the Udyam Registration portal) will be assigned a permanent identity number to be known as "Udyam Registration Number".

(iii) An E-Certificate, namely, "Udyam Registration Certificate" shall be issued on completion of the registration process.

The Council is in the process of compiling details of its members who are MSMEs.

In case, you are registered as an MSME, we would request you to please send us your UDYAM REGISTRATION NUMBER on the email IDs <u>smita@texprocil.org</u> / <u>info@texprocil.org</u> in the following format:

Name of the Exporter :

Udyam Registration Certificate Number :

Date of Udyam Registration Certificate :

Name of the Products manufactured (Yarn / Fabrics / Made ups) :

We solicit your support and co-operation in the matter.

Please ignore this email, if you have already sent us your Udyam Registration Certificate Number or a copy of your Udyam Registration Certificate.

Regards,

(Dr. Siddhartha Rajagopal) Executive Director

::TEXPROCIL::

E-Serve No.: 52 | Date: May 17, 2021 | Circular No. EPS/19/2021-22

Sub : Special GST Refund Disposal Drive (15.5.2021 to 31.5.2021)

Dear Member,

CBIC has launched a "Special GST Refund Disposal Drive" from May 15, 2021 to May 31, 2021 for processing and disposal of all pending GST refund claims on priority.

In this regard, CBIC has issued Instruction dated May 15, 2021 to all the Principal Commissioners of Central Tax formations to focus on timely disposal of all pending GST refund claims in order to provide immediate relief to business entities, especially MSMEs, in these difficult times of second wave of the COVID-19 pandemic.

Please note that while processing the pending refund claims, necessary steps will be taken by the field formations of GST to ensure that all the relevant Rules, Acts, Notifications, Instructions are followed.

A copy of CBIC Instruction No. dated May 15, 2021 is enclosed herewith (<u>Click here</u>).

You are requested to please take a note of the above and do the needful.

In case, you need any further clarification or guidance with regard to the submission of the required documents, preparing reply to the department etc. please get in touch with Shri A.Ravi Kumar, Joint Director, TEXPROCIL.

Regards

(Dr. Siddhartha Rajagopal) Executive Director ::TEXPROCIL::

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP SATISFACTION SURVEY

Dear Member,

Kindly fill in your complete information below and respond to the questions below by tick (\checkmark) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback. COMPANY INFORMATION

Name of the Company	:						
Contact Person & Designation	:						
TEXPROCIL Membership (RCMC) No.	:						
Email Address & Website	:						
 Kindly rate the following services of 1= Excellent, 2=Good, 3 = Satisfactor 			_		erve you	still better.*	
Membership Rate Trade Here Development	Rate Here	Trade Promotion	Rate Here	Trade Services	Rate Here	Trade Intelligence	Rate Here
Procedure Publication: for New E-Newsletter Membership		Intl. Fairs & Events		Certificate of Origin		Interactive Website	
Membership E-serve Renewal		Seminars & Workshops		Grievance Redressal Services		E-News Clippings	
RCMC Circulation Amendment Trade Enquiries/ Award		MDA/MAI Schemes		Information on Exim policy/ Amendment DBK		Information Disseminated	
 a. Are you generally satisfied with the by your company and marked about the by your company and marked about the by your company and marked about the base of th		-	ailed	YES		NO	
 b. If you have replied 'no' above, pleat can improve the services (use additional services) 				Suggestions:			
 How is your company benefitting fro being organized by the Council? Tick 		xhibitions / BS	Ms	Accessing new Markets		Generating additional business	
Others (Pls. Specify):				Making new Contacts (Trade Enquiries)		Any Others	
 How is your company benefitting fro services being provided by the Counc 		xport Facilitati	ion	Information on Export Policy / Procedures		Responses to various EXIM queries	
Others (Pls. Specify):				Redressal of Trade related grievances		Any Others	
5) Have you recommended TEXPROCIL companies? Tick (✓)	Membe	ership to other		YES		NO	
6) Do you have any other suggestions to Member Services? (use additional sh			PROCIL	Suggestions:			

*Kindly ignore this feedback form, if you have already responded.

TRADE NOTIFICATION

TEXPROCIL MEMBERSHIP Annual Renewal Subscription

The Annual Renewal Subscription for the financial year 2021-22 has become due for payment from 1st April 2021. **The Annual Renewal Subscription charges are as follows:**

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right)	11000/-	1980/-	12980/-
Registered Textile Exporter	6000/-	1080/-	7080/-

We would request you to kindly renew your membership by sending us the Annual subscription for the year 2021-2022 by way of Multicity cheque or Demand Draft in favour of 'The Cotton Textiles Export Promotion Council' payable at Mumbai or by Neft Transfer as per below bank details:

Account Name	The Cotton Textiles Export Promotion Council
Bank	Axis Bank Ltd.
Branch	Charni Road Branch, Mumbai-400004
Account No.	920010074659407
IFSC Code	UTIB0002274

After transferring the payment, send the details of online payment along with a scanned copy of Bank Payment Advice by Email in the following format on: smita@texprocil.org

Company Name	
Registration No.	
GST No.	
UTR No.	
Date of Transaction	
Name of Bank	
Amount of Transfer	
WhatsApp No.	(To receive handy and timely information from TEXPROCIL)

Renewal of RCMC

On expiry of Registration-Cum-Membership Certificate (RCMC) on or before 31.03.2021, following steps to be followed:

Upload self-attested scanned copies of the following documents online on TEXPROCIL's website (www.texprocil.org) through Member login and send a renewal request by Email on the Email ID smita@texprocil.org (In case the RCMC has expired) :

- [1] Copy of your Import-Exporter Code (IEC)
- [2] In case of Manufacturer Exporter, a copy of Manufacturing Licence (MSME/SIA)
- [3] In case of changes in Partners, a copy of revised deed of partnership
- [4] In case of changes in Directors, a copy of DIR-12 or Board Resolution for those who have resigned or newly appointed.
- [5] Copy of old RCMC
- [6] Copy of GST Registration Certificate (if not submitted earlier)
- [7] Payment advice of Annual Subscription for the year 2021-2022

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Alternatively, send self-attested scanned copies of the above documents by Email on: smita@texprocil.org

We solicit your support and co-operation in the matter and request you to please renew your membership with the Council at the earliest. This will also enable you to avail of uninterrupted benefits under the Foreign Trade Policy 2015-20 which has now been extended till September 30, 2021.

:: TEXPROCIL ::