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TEXPROCIL Enewsletter



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**SOCIAL & LABOR CONVERGENCE**

**CHAIRMAN'S MESSAGE**



Dear Friends,  
Friends as we are all aware, the country is in the throes of a General Election with political parties vying with each other to gather the attention of the electorate. The results of the elections will be available from 23rd May, 2019 and we hope to make fresh submissions on increasing exports of our products to the new Government.

Even as we prepare to make our presentations to the new Government, three developments of considerable significance merit our attention as we move forward. The first is the remarkable strides made by Bangladesh in recent years, especially in its efforts to forge backward linkages with upstream industries for producing fabrics and yarns. The second relates to the FTA signed by Pakistan and China on 28th April, 2019 wherein duty free access has been granted to cotton yarn exported from Pakistan. The third relates to an interesting workshop organised by the Cotton

Corporation of India (CCI) on the theme 'Developing a comprehensive roadmap to incentivise production of Extra Long Staple (ELS) cotton and Suvin' on 23rd April, 2019 at Mumbai.

All these three activities have major implications for the future growth and direction of textile industry and exports from India and would need the urgent attention of the new Government.

**Made in Bangladesh**

While Bangladesh has made rapid strides in apparel production becoming the 2nd largest supplier of garments to the world after China, it has also rapidly linked up with the upstream segments like fabric production by upgrading technology and expanding capacity. A good example is the advancements it has made in denim production by making timely investments in washing and dyeing techniques becoming the largest supplier of denims to EU and USA.

Bangladesh too has its share of challenges that include lack of sufficiently skilled and experienced workforce, and lack of policy

support regarding gas and electricity amongst others, which reports suggest is leading to an increase in production cost by an average of 8% per annum, while the buyers remain unwilling to increase prices of goods.

However, in order to sustain growth, the Bangladeshi manufacturers have been fast adopting innovation by concentrating on technology-driven manufacturing to get better prices and enter high-value market. To overcome the lack of sufficiently skilled and experienced workforce, Bangladesh is also looking towards improving its market attractiveness and allowing foreign investments to gain knowledge and expertise.

The Indian entrepreneurs can draw major lessons from the Bangladeshi experience and look towards improving the quality & productivity by using similar technology and adopting sustainability practices. For instance, Bangladesh now uses laser technology in denim wash and design instead of water and stone wash, as part of its efforts to foster sustainability practices in manufacturing.

## CHAIRMAN'S MESSAGE

## CONTINUED FROM PAGE 1

The new Government to take office after 23rd May, 2019 should look at extending the ROSCL Scheme to the fabric sector without any further delay as it will enable the manufacturers in India to reduce production costs, especially electricity and fuel costs which form a major component of manufacturing cost. This will go a long way in making India a hub of fabric manufacturing in South Asia by counter balancing the strides made by our competitors.

### FTA signed by Pakistan and China

The other development of Pakistan cementing an FTA with China to further enhance bilateral trade between the two countries on 28 April, 2019 has major implications for India's exports especially of cotton yarn. China has agreed to allow Pakistan to export Cotton Yarn duty-free. They are thus helping Pakistan's spinning mills become more cost efficient and competitive. China also wants to relocate its textile units to Pakistan to benefit from Pakistan's low paid and well-experienced textile labor and duty free access to the EU.

Considering that India has a large spinning sector, exports are critical to ensure capacity utilisation. It is thus very necessary to maintain the competitiveness of the spinning sector and hence there is a need to extend the ROSCL to yarn exports as well.

### Traceability of Indian cotton

Traceability of Indian cotton formed an important agenda of the one day conference on "Developing a comprehensive roadmap to incentivise the production of Extra Long Staple (ELS) Cotton and Suvin" organized by the Cotton Corporation of India on 23rd April 2019 at Mumbai.

The conference proceedings highlighted the need for the government and the textile sector to undertake joint efforts to reduce contamination in cotton for the benefit of the textile industry. One of the long pending suggestions for reducing contamination level in cotton is to mandate the packaging of farm fertilizers / pesticides in coloured poly propylene bags instead of white bags/sacks as at present. This will ensure early detection of the strands / particles which otherwise go unnoticed. The Council has taken up this matter in the past and will pursue with the new Government as it can substantially reduce the contamination level.

Experts also emphasised on the need for branding Indian cotton and increasing cotton yield & productivity, which is currently 550 kg per hectare compared to 1,200 to 1,500 kg in other cotton growing countries. Towards this end they expressed the profound need for adopting a Mission Mode and developing a community approach to fill the gap between Long and Extra Long Staple cotton.

Suvin, one of India's heritage extra-long-staple (ELS) cotton, is in high demand in Japan, where it has been branded "Suvin Gold". However, this variety of cotton has 'special needs', as it is currently grown in very small quantity, therefore, is expensive and not commercially viable. This situation needs to be changed by incentivising farmers, running community programs and ensuring sustainable production.

Facing challenges from the MMF sector, the cotton textile sector will need to take some seminal steps to keep its market share from being eroded in the coming years.

### Union Budget 2019-2020

Friends, amongst the first tasks before the new Government will be to formulate the Union Budget 2019-2020. Towards this end, every year the Council also forwards Pre-Budget Proposals to the Government based on inputs received from the members. As in the past, this year also the Government has sought suggestions from the Council in its exercise of formulating the next Union Budget for 2019-20. The Council has therefore solicited suggestions from member companies related to Customs, Central Excise and on the Union Budget with adequate justification/statistics. It is our sincere appeal to all our members to respond, at an early date, as it will help consolidate the suggestions to be sent to the new Government.

### Way forward

Friends, all of us await the formation of the new Government. Continued need to focus on labour-intensive exports such as textiles and clothing will remain a priority. Thus, a zero rate for taxes on all exports; formulating WTO compatible schemes that focus not merely on product / market-specific incentives but on regional or cluster subsidies benefiting all producers; promoting ease of doing business; actively and aggressively participating in global value chains through developing a focus on value addition and large-scale job creation, all remain as ongoing challenges and should find a prominent place in the Agenda for Action of the new Government.

**Dr. K. V. Srinivasan**  
Chairman

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## COVER STORY

## Social and Labor Convergence Project



**SOCIAL & LABOR  
CONVERGENCE**

For decades, almost all major brands – and now, almost every brand -- have subscribed to one or another factory social/labor compliance monitoring program. Timberland, for example, first launched its Code of Conduct in 1994. At first glance, this is good news as brands increasingly recognize their role to ensure that their factory partners promote worker safety and treat all workers with dignity and respect. Yet after decades of having these programs in place the industry has not yet fully moved the needle to protect workers' rights.

## THE CHALLENGE

The challenge is that most brands have adopted similar yet distinct supplier expectations and monitoring programs. Since most factories manufacture for multiple brands, most apparel, hometextiles and/or footwear factories are subjected to 25-50 social labor compliance audits every year. Each brand's factory partners dedicate significant time and resources to complete these very similar, and often duplicative, audits two to four times each month and have little, if any, time or resources to invest in sustainable solutions to key issues. As such, most factory partners are unable to proactively identify potential issues before they negatively impact workers, forcing them to be reactive and only address issues once they have become a problem.



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Edited & Published by:

Dr. Siddhartha Rajagopal

Editorial Team

N. Ravindranathan,

Rajesh Satam, A. Ravindrakumar,

Shailesh Martis, Sanjay Rane

*Ideas & contributions are welcome at:*

texprocil1@gmail.com; mktg@texprocil.org

**Editorial & Publishing Office at :**



TEXPROCIL

**The Cotton Textiles Export Promotion Council**

Engineering Centre, 5th floor, 9, Mathew Road,

Mumbai – 400 004. India.

Tel: +91 22 23632910 to 12

E-mail: info@texprocil.org

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**Resources spend**

There are dozens and dozens of different social standards (e.g. WRAP, BSCI, etc.) that often require more or less similar social audit questions. Retailers and brands have either chosen one of these standards and/or have developed their own company standards and audit systems.

In order to be compliant with the various requests from different customers, textile, apparel, hometextiles and footwear companies have to spend a lot resources and time on audits to be compliant with each and every standard put forward by their numerous customers. With time this multitude of audits requests has led to both a standard and audit fatigue.

Not only textile, apparel, hometextiles and footwear manufacturers, but also retailers and brands are more and more complaining about the amount of resources required to develop and/or audit the social and working conditions either through their own audit teams or through third parties, so called certifying bodies (e.g. SGS, Bureau Veritas, etc.).

**Collaborative Action**


The industry was seen spending vast amounts of resources on audits, which are merely duplicative and not necessarily leading to change. To meaningfully improve labor conditions in global supply chains, need was felt to change the way industry works. A lot more is required to be done to create sustainable remediation. This gave rise to a collective belief that a Converged Assessment Framework will promote collaboration and in turn free up resources which can be redirected to tangible programs for lasting improvements on working conditions.



**COVER STORY**

**Social and Labor Convergence Project**

Vision	<b>Converged Assessment. Collaborative Action. Improved Working Conditions</b>			
Mission	Implement a Converged Assessment Framework that supports stakeholders' efforts to improve working conditions in global supply chains			
Industry benefits	Eliminate audit fatigue and duplication	Redirect resources to improvement actions	Greater comparability of social & labor data	
SLCP Specific Aims	Industry Adoption	Resources unlocked	Data access & comparability	Financial resilience
2023 Targets	25,000 verified assessments	\$130m for improvement actions	Industry's #1 source of verified S&L data	Self-sustaining through earned income



Designed for Impact there are clear benefits of a new and shared approach for manufacturers, but the benefit proposition for brands and retailers requires a diligent focus on the end goal. Given the broad support of active stakeholders from all parts of the value chain, has boosted the confidence that the time for all parties to embrace a converged process has finally come. While it will take significant levels of trust to achieve, the industry can no longer hold on to a process that clearly is not achieving its goal to improve worker conditions.

**Social & Labor Convergence Project**

The SLCP (Social & Labor Convergence Project) was founded as a result of the proliferation of audits on social and labor conditions in the textile, apparel and footwear industry. The SLCP (Social & Labor Convergence Project) is an industry-owned assessment and verification methodology. The core of the SLCP is the development of a simple, unified and effective industry-wide assessment tool.

The SLCP is a coalition of over 160 industry brands, retailers, manufacturers, NGOs, academic institutions and government agencies that believe we can improve working conditions when we join forces and create one single assessment for all, which will lead to more resources and improvements for everyone. A converged

assessment will allow resources that were previously designated for compliance audits to be redirected towards the improvement of worker conditions.

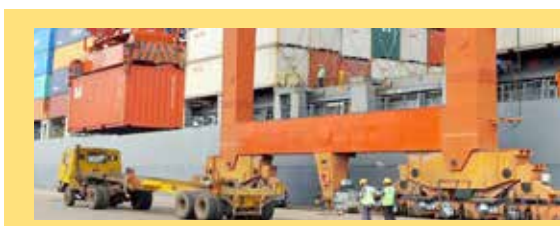
**What is SLCP?**

The Social and Labor Convergence Program (SLCP) developed a Convergence Assessment Framework (CAF), aiming to improve working conditions in global supply chains by eliminating the need for multiple social compliance audits. The CAF can reduce the need for current audit methodologies by delivering one verified data set that can be used by standards and brands.

**What are the benefits?**

The SLCP Verification Process provides the following benefits for facilities:

- Address audit fatigue by reducing the number of social audits
- Deeper dive to measure employment practices, thus improve working conditions & employee relations
- Redeploy resources towards improvement actions
- Foster trust and collaboration through the SLCP Verification Process



**Avail of more detailed information on EXIM POLICY at TEXPROCIL GREIVANCE REDRESSAL CELL email: ravikumar@texprocil.org**

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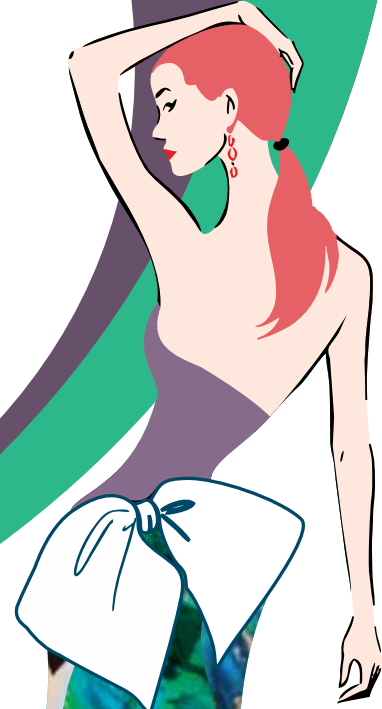


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## TRADE FACILITATION

## TEXPROCIL Welcomes all to India launch of the Social and Labor Convergence Program

E Serve No. 64 of 2019

May 07, 2019

**Sub: Invitation to the India launch of the Social and Labor Convergence Program**

Dear Member,

The Council takes great pleasure in inviting you to the launch event of the **Social and Labor Convergence Program (SLCP)**, an initiative led by the world's leading manufacturers, brands, retailers, industry groups, (inter)governmental organizations, service providers and civil society organizations.

The India operations are being launched in 4 cities with the Mumbai launch being hosted by The Cotton Textiles Export Promotion Council of India (TEXPROCIL). The event will be held on **June 5, 2019 from 9 am to 4.30 pm at The Gallery North (Level 02), Four Seasons Hotel Mumbai**, Plot no 1/136, Dr E. Moses Rd, Worli, Mumbai - 400 018

### What can be expected at the launch event?

Speakers from SLCP offices based in Netherlands and the United States will introduce themselves and help facilities and their business partners build their understanding of the SLCP process. SLCP will share their 2019 operations plans, manufacturers associations will talk about the benefits SLCP brings to facilities, and signatory brands and retailers will present their SLCP adoption plans.

### Who should come to the launch event?

Participation is open to representatives from facilities,

vendors and brands that operate in the home textile, apparel and footwear industry. As the focus will be on understanding the SLCP, and how to implement it within your own company, we recommend sending your decision maker and team members for CSR/sustainability/compliance. Attendance is limited to a maximum of 3 people per facility. Participation in the launch event helps facilities understand the benefits and decide whether they would like to participate in SLCP now or in the future.

### What is the cost to attend?

The event is free of charge.

### How to register for the event?

You can register for the event here:

<https://www.surveymonkey.com/r/SLCPLaunchIndia>

For more information please visit the SLCP website and for further details please contact:

Mr Shailesh Martis (shailesh@texprocil.org)  
Ms Mrunal Sawant (mrunal@texprocil.org)

Regards,

**Dr Siddhartha Rajagopal**  
Executive Director

:: TEXPROCIL ::

## COVER STORY contd. from Pg. 4

## Social and Labor Convergence Project

### SLCP - Progress so far

This initiative has secured almost 200 signatories in the years since it was launched. The mission of the SLCP is to develop a common assessment framework and data collection system, dramatically reducing audit-related costs and increasing industry efficiency.

Last year SLCP launched operations in mainland China and Sri Lanka with around 200 facilities participating in the process. This year they are starting operations in India, Taiwan, Mexico, Spain, Turkey and the United States with an estimated 1,250 facilities!

### SLCP - Launch in India

The India operations are being launched in 4 cities with

the Mumbai launch being hosted by The Cotton Textiles Export Promotion Council of India (TEXPROCIL).

The event will be held on June 5, 2019 from 9 am to 4.30 pm at Four Seasons Hotel (Mumbai), at Venue: The Gallery North (Level 02), Plot no 1/136, Dr E. Moses Road, Worli, Mumbai - 400 018.

TEXPROCIL takes great pleasure in inviting you to the launch event of the Social and Labor Convergence Program (SLCP). For more details you are requested to visit the SLCP website or write to Mr Shailesh Martis (shailesh@texprocil.org) / Ms Mrunal Sawant (mrunal@texprocil.org).

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# TRADE NOTIFICATION

# MEMBERSHIP SATISFACTION SURVEY

<b>Dear Member,</b>									
Kindly fill in your complete information below and respond to the questions below by tick (✓) marking appropriate response in the space provided or with suggestions in brief wherever necessary. We value your association with us and prompt feedback.									
<b>COMPANY INFORMATION</b>									
<b>Name of the Company</b>		:							
<b>Contact Person &amp; Designation</b>		:							
<b>TEXPROCIL Membership (RCMC) No.</b>		:							
<b>Email Address &amp; Website</b>		:							
1) <b>Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.*</b> 1= Excellent, 2=Good, 3 = Satisfactory, 4 = Needs Improvement, 5 = Not Availed (N.A.)									
Membership	Rate Here	Trade Development	Rate Here	Trade Promotion	Rate Here	Trade Services	Rate Here	Trade Intelligence	Rate Here
Procedure for New Membership	<input type="checkbox"/>	Publication: E-Newsletter	<input type="checkbox"/>	Intl. Fairs & Events	<input type="checkbox"/>	Certificate of Origin	<input type="checkbox"/>	Interactive Website	<input type="checkbox"/>
Membership Renewal	<input type="checkbox"/>	E-serve	<input type="checkbox"/>	Seminars & Workshops	<input type="checkbox"/>	Grievance Redressal Services	<input type="checkbox"/>	E-News Clippings	<input type="checkbox"/>
RCMC Amendment	<input type="checkbox"/>	Circulation Trade Enquiries/ Award	<input type="checkbox"/>	MDA/MAI Schemes	<input type="checkbox"/>	Information on Exim policy/ Amendment DBK	<input type="checkbox"/>	Information Disseminated	<input type="checkbox"/>
2) a. Are you generally satisfied with the services actively availed by your company and marked above? <b>Tick (✓)</b>						<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input type="checkbox"/>
b. If you have replied 'no' above, please suggest how the Council can improve the services <i>(use additional sheet if required)</i>						<b>Suggestions:</b>			
3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? <b>Tick (✓)</b>						Accessing new Markets	<input type="checkbox"/>	Generating additional business	<input type="checkbox"/>
<i>Others (Pls. Specify):</i>						Making new Contacts (Trade Enquiries)	<input type="checkbox"/>	Any Others	<input type="checkbox"/>
4) How is your company benefitting from the Export Facilitation services being provided by the Council?						Information on Export Policy / Procedures	<input type="checkbox"/>	Responses to various EXIM queries	<input type="checkbox"/>
<i>Others (Pls. Specify):</i>						Redressal of Trade related grievances	<input type="checkbox"/>	Any Others	<input type="checkbox"/>
5) Have you recommended TEXPROCIL Membership to other companies? <b>Tick (✓)</b>						<b>YES</b>	<input type="checkbox"/>	<b>NO</b>	<input type="checkbox"/>
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? <i>(use additional sheet if required)</i>						<b>Suggestions:</b>			

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

**Join Us... Now! Avail info. on Membership Benefits on email : [info@texprocil.org](mailto:info@texprocil.org)**



## TRADE NOTIFICATION

## TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

The Annual Renewal Subscription for the financial year 2019-2020 for existing members has become due for payment from 1st April, 2019, 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/-

**Note: GST Invoice will be issued on receipt of payment.**

### Note for Members:

- Members are also requested to submit the CA Certificate as per the format given below certifying the Export Turnover for the financial years 2017-2018 & 2018-2019 i.e. the amount of actual FOB value of exports of Cotton Textiles excluding Readymade Garments and Handloom Textiles.
- Members may note that the eligibility criterion of annual export turnover is minimum Rs. 2 Crore. Those not fulfilling the criteria will automatically be renewed as RTE i.e. Registered Textile Exporter.
- RTEs are not required to submit the CA certificate.

### Format of Chartered Accountant Certificate to be submitted by Members only:

#### CHARTERED ACCOUNTANT CERTIFICATE (on C.A.'s Letter Head)

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s. \_\_\_\_\_ (Name and full address of the Member) having IE code No. \_\_\_\_\_ have exported Cotton / Cotton Yarn / Cotton Fabrics / Cotton Madeups (Excluding Handloom Items / Readymade Garments and Silks, etc.) during the financial year 2017-2018 & 2018-2019 as follows:

Sr. No.	Description	2018-2019 (Rs. FOB Value)	2017-2018 (Rs. FOB Value)
1	Cotton		
2	Cotton Yarn		
3	Cotton Fabrics		
4	Cotton Made-ups		
	TOTAL		

(Stamp & Signature of Chartered Accountant)  
(Membership No. of Chartered Accountant)  
(Firm Registration No. of Chartered Accountant)

PLACE:

DATE:

### Note to Members & RTEs whose RCMC has expired on or before 31.03.2019:

Please apply immediately for renewal of RCMC with the following documents (self-attested copies) on mail or upload them online through member login from TEXPROCIL's website:

- [1] Copy of Importer-Exporter Code (IEC) of the company
- [2] In case of Manufacturer Exporter, a copy of Manufacturing Licence
- [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 and newly appointed.

**Members may obtain RCMC & Renewal documents online through member login on TEXPROCIL's website. The procedure is as follows:**

- Go to the Membership Login Menu and click on 'Enter Now' at Membership Management Program
- Since you are already registered member of the Council, you need to choose Registered Member at Member login page between New Member and Registered Member.
- Once you click on Registered Member, you should type your email id registered with the Council for the login purpose as User Name and type company's Importer Exporter Code (IEC) code as password.
- You can view all the details of your company and can get RCMC, renewal documents etc. by clicking on 'Company Details'.
- You can also upload your export returns online.

**(For any further queries please write to Mrs. Smita Dalvi on email : [smita@texprocil.org](mailto:smita@texprocil.org))**