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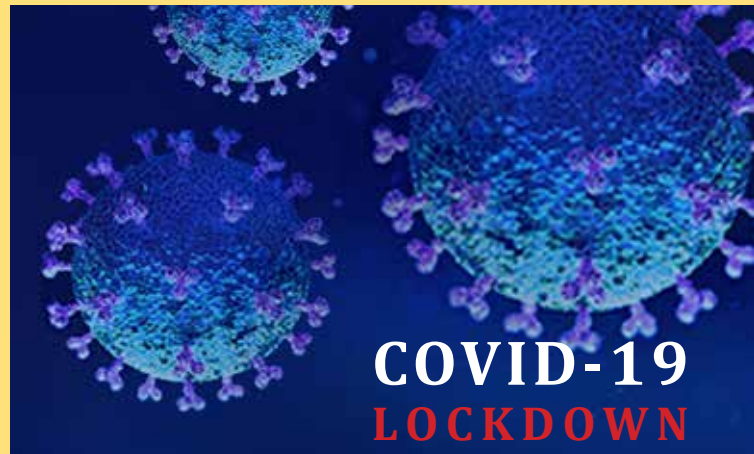
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CHAIRMAN'S MESSAGE



Dear Friends,
We are living in an era in which countries around the world have introduced some sort of restrictions (e.g. lockdowns) that are restricting both private and public life.

A report by Organisation for Economic Cooperation and Development (OECD) - March 2020 stated that "For each month of containment, there will be a loss of 2 percentage points in annual GDP growth". This is due to the fact that our actions to prevent the spread of the virus (i.e. confinement or social distancing) are simultaneously necessary for the wellbeing of the society but may prove detrimental to the economy.

Back in India, the perils of COVID-19 have left our entrepreneurs in a state of enormous and unprecedented shock. The uncertainties range from immobility, concerns regarding manpower retention, managing cash flows and above all getting the manufacturing activity going, even partially to meet with various business obligations.

The Government is making all possible efforts, as it should, to contain the spread of the Corona Virus. The challenge is indeed daunting as, on the one hand, the need of the hour is to guarantee "safe living" and on the other hand is the equally important need to restart the various services so as to ensure 'livelihood' to thousands of displaced workers.

Impact of Corona Virus on Textile Industry

Globally, the textile industries are hit at different rates in every region by the spread of the Corona Virus. There is little information about the specific impact of the crisis on the global textile industry to this date.

However, a recent survey undertaken by the ITMF in 2 phases, about the impact of the Corona-pandemic on the global textile industry points out that the biggest headaches for the textile companies are massive cancellations or postponement of existing orders, the lack of new incoming orders and grave uncertainty regarding the future.

The international value chains

are disrupted making efficient production impossible and more costly. The longer the crisis lasts, it is more likely that liquidity becomes the central challenge. Therefore, it is critical to have enough and quick access to additional capital that allows companies to be kept alive.

In the Indian context, a study coordinated by TEXPROCIL to find the impact of COVID-19 on 'Cash, Inventory, Payments and Order Position' received response of 319 textile companies across the value chain with operations in almost all parts of India, with higher representations from Tamil Nadu, Haryana, Maharashtra and Gujarat. The study's findings reported experiences in India similar to the findings of the ITMF survey.

The main concerns expressed by Indian exporters also related to postponement or cancellation of orders, absence of new demand and a liquidity crisis. Most of the respondents reported exhausting their working capital and almost half the respondents reported holding little/no cash in hand, underlining the gravity of their crisis.

CHAIRMAN'S MESSAGE

CONTINUED FROM PAGE 1

TEXPROCIL suggestions

Friends, we strongly believe that a constant dialogue needs to be maintained with the Government both at the Centre and the State to find solutions to the various issues and identify steps that are "essential" to meet with the challenges posed by this unprecedented crisis.

In an effort to remain engaged with the stakeholders the Ministries of Commerce & Textiles held meetings with industry representatives and Export Promotion Councils on the E-platform.

TEXPROCIL's Committee of Administration also met over Video Conferencing on 7th April to take stock of the prevailing situation & deliberate on the urgent steps required to mitigate the hardships arising out of the Lock Down.

The Council listed all its suggestions relating to the Ministry of Home Affairs, RBI, Ministry of Finance, Ministry of Commerce and Industry, Ministry of Labour, Electricity Boards in respective states, and ECGC, amongst others.

Representations have been made at various levels in the Government including the Prime Minister's Office with a request to consider them favourably.

Some of the issues requiring urgent consideration by the Government were highlighted as follows:

1. Due to lockdown in India shipping lines are unable to issue any Bills of Lading from shipping lines and thus unable to send to their customers to clear the goods lying at Ports.

Banks are not able to negotiate any documents as no courier service working and lack of staff

Employees are not at all able to move outside due to lock down. Physical presence of important staff is needed at office to handle documentation part and other routine important issues with banks like submitting the documents etc.

In this connection the following needs to be considered

- a) Permit shipping line offices to function Pan India between 9 to 3 pm at least.
 - b) Courier services to be allowed to operate domestic and internationally to handle such documentation
 - c) Banks should have sufficient staff to handle such documentation and negotiate documents.
 - d) Atleast 15% of total staff should be allowed to attend office daily with issuance of priority pass for movements for such companies which are essential
2. Extend payment period by banks against import L/CS.
 3. No cancellation charges should be levied on foreign currency contracts.
 4. Banks should extend interest subvention beyond 31st March & include Cotton Yarn in the list of products.
 5. The foreign trade policy has been extended for one year along with all the Schemes including MEIS. Cotton Yarn which is not included in the scheme so far should now be included under MEIS. Further Cotton Yarn should also be included in ROSCTL/ RODTEP Scheme as & when these schemes replace the MEIS Scheme.
 6. Include Cotton Fabrics under ROSCTL Scheme.
 7. Need forbearance from Banks to enhance working capital requirements by at least 25 % to tide over the present crisis.

Audio Message sent by Hon'ble Minister of TEXTILES

TEXPROCIL is grateful to the Hon'ble Union Minister of Textiles, Smt. Smriti Zubin Irani, for standing with the textile and clothing industry in this hour of crisis. The Hon'ble Minister recorded a message addressed to all overseas importers/ buyers to adhere to the dictum of "Commerce with Compassion" by not cancelling even a single order which is already

placed with the Indian Textile & Apparel manufacturers on account of COVID-19.

The Council sent this message to leading buyers of cotton yarn, fabrics and home textiles across the World. This message was also sent to leading Textile Associations.

We are happy to note that there has been an overwhelming response to this message.

Government Response

The Government has announced some relief measures to mitigate the hardships of farmers, weaker sections of society.

However, a comprehensive package for trade & industry is yet to be announced. We hope that it is done at the earliest so that industrial and commercial activity can be revived & losses could be minimised.

Way forward

Friends, the crisis that we face today is unprecedented in its scale as both the developed & developing countries have been severely affected. Businesses are badly affected & many retail stores have shut down. Inventory has been piling up and sales are at a standstill. Both production and consumption have been disrupted.

Recent online interactions with the Ministry of Commerce & Textiles indicate that the Government is seriously considering various options to permit partial resumption of production and address issues relating to cash flows.

It is imperative that timely action is taken to protect jobs and our share in the overseas markets so that when the demand for goods rises sharply in the Post- COVID19 era, India is well placed to take advantage of the emerging opportunities.

Dr. K. V. Srinivasan
Chairman

:: TEXPROCIL ::

COVER STORY

The current global situation
in the wake of COVID-19

TACKLING CORONAVIRUS (COVID-19)
CONTRIBUTING TO A GLOBAL EFFORT



OECD Report, March 26, 2020, 'Tackling the coronavirus (COVID-19)' states that, "For each month of containment, there will be a loss of 2 percentage points in annual GDP growth". According to this report, industries around the world will be hit at a different rate but overall, GDP will decrease in every region reached by the Corona virus.

The negative impact on GDP is expected on account of the actions to prevent the spread of the virus (i.e. confinement or social distancing) are simultaneously necessary to the society and detrimental to the economy. The impact is very strong because confinement in all parts of the world leads

to reduced consumption and lower production everywhere; triggering contraction in supply and demand at the same time on the whole planet. The contraction rate of the economy is nevertheless different across industries and regions. Especially in Europe and the USA, which have become the two hotspots of the Corona-pandemic, but also in other regions of the world the restrictions are much tougher than three weeks ago when the first ITMF Corona-Survey started

Group, also stand out to help finance the economy during the crisis. The goal is to maintain the global output at certain level to help all countries going back to their pre-crisis path of GDP as fast as possible.

ITMF Corona-Survey

The ITMF Corona-Survey took place in two phases – for a week starting March 13 for phase 1 & starting March 28 for phase 2. During this period countries around the world introduced some sorts of restrictions (e.g. lockdowns) that are restricting both private and public life. Most relevant for the textile industry around the world is the fact that all sorts of 'offline' stores are closed and sales of textile products in most parts of the world came to an abrupt stop or are reduced significantly. Online sales also experienced lower sales since the start of the crisis.

The survey findings presented the impact on orders and expected turnover for 2020. It was able to capture the main challenges companies are currently faced with and gave a brief instance on the opportunities, if any, existing in these dramatic times.

The OECD expects many businesses to close in the next few months, resulting in a reduction of 15% or more in the level of output throughout the advanced economies and major emerging-market economies. The general response of government around the world mostly corresponds to OECD's economic recommendation (i.e. recapitalizing health and epidemiological systems, mobilising all macro-economic levers (i.e. monetary, fiscal, and structural policies), and supporting employment and businesses. Inter-governmental bodies, such as the World Bank



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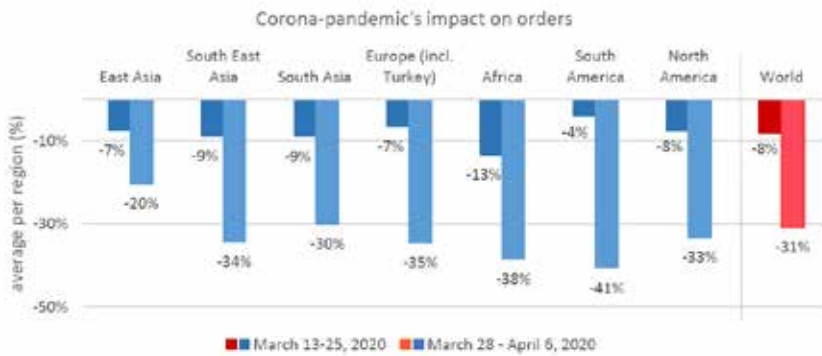
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COVER STORY

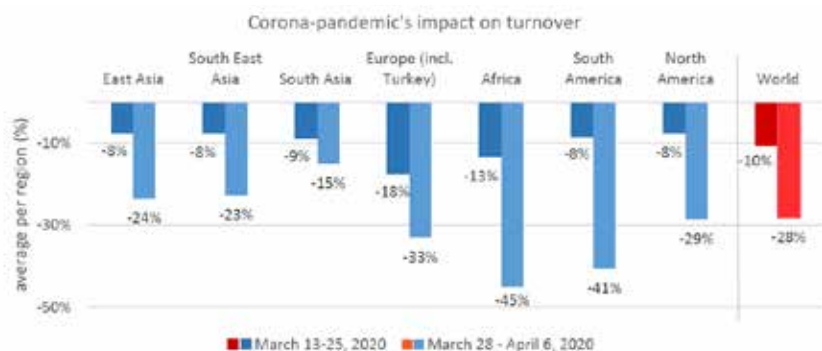
The current global situation in the wake of COVID-19



The results show that Orders plummeted on average by -32% globally compared to 'only' -8% in the first survey. In this second survey, only very few companies reported about additional orders since the start of the crisis. Those who received additional orders are companies (mostly apparel companies) that were capable to switch quickly from producing conventional textile products to medical textiles.

It is interesting to note that orders in East Asia dropped visibly less (-20%) than in all the other regions (-30% to -41%). It can be assumed that this region which was hit first by the Corona-crisis also recovers first from it. Especially China and Korea were able to contain the epidemic successfully. In the last 2-3 weeks, most Chinese textile companies have ramped up production. Likewise, 'offline' retail stores have reopened, and consumption is picking up again.

Companies across the globe are expecting that turnover will be -29% lower on average in 2020 compared to 2019. This is significantly lower than the -11% in the first survey.



Few of the companies that were able to increase orders during the Corona-crisis so far are also expecting turnover to be higher in 2020 compared to last year.

Challenges

The biggest concerns of all companies are the massive cancellations and/or postponements of existing orders and the lack of new incoming orders and the uncertainty about the future. Many companies have either halted

production completely or they have reduced it significantly, because of lack of orders and/or because of government regulations.

Those companies that still have enough orders and are allowed to produce have put measures in place that protect their workforce and allows them to continue production.

International value chains are disrupted making efficient production impossible and more costly.

The longer the crisis lasts the more companies point out that liquidity is the central challenge. Therefore, many companies highlight that it is critical to have enough and quick access to additional capital that allows them to keep the company alive.

Opportunities

Only very few companies were in the situation to switch to the production of medical textiles (especially Personal Protective Equipment (PPE) like for example masks or protective suits).

In China, the domestic market will provide some relief to suppliers of this market.

Textiles with healthcare and protection functions will play a more important role in the future. Producers of fibres, fabrics and end-products catering to this market will benefit from this new trend.

Some companies expressed their hope that they will emerge stronger from this crisis after having streamlined all their internal processes.

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

COVER STORY

The current global situation in the wake of COVID-19

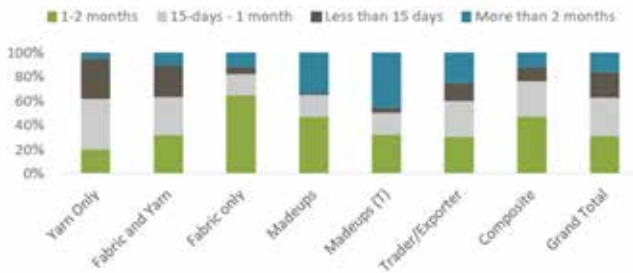
Indian Survey

TEXPROCIL coordinated a survey on the 'Cash, Inventory, Payments and Order Position' of Indian companies in the post COVID 19 era. Around 319 companies from CITI, SIMA, TEXPROCIL responded to the quick survey.

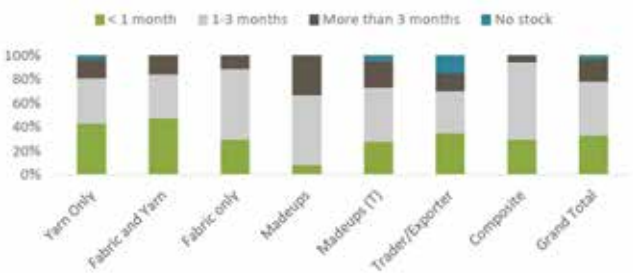
Responses were from all parts of the value chain barring cotton farmers & ginners. All company sizes with turnover ranging from 50 – 500 crore and beyond recorded their responses.

These companies have operations in almost all parts of India, with higher representations from Tamil Nadu, Haryana, Maharashtra and Gujarat.

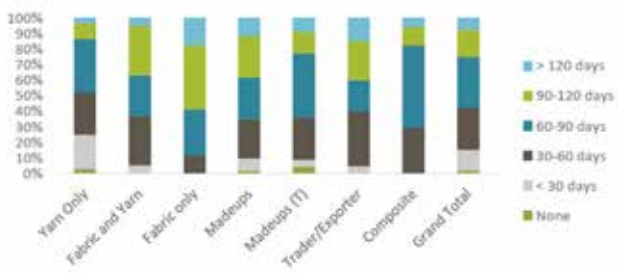
Stock (finished goods): Most units were carrying between 15-60 days of stock. Fabric & Madeup units were carrying more stock.



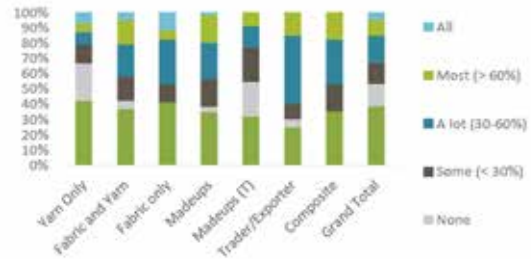
Raw material: Most responding units were carrying stocks between 1-3 months of raw material. Spinning & Madeup units were carrying more stock.



Account Receivables (A/R): Most units had between 60-90 days account receivables. Fabric units had the longest outstanding.



Order Position: Lack of clarity is the most common issue. If larger downstream players can take the lead in confirming orders, this could lead to more certainty in the value chain, and set off a positive reaction.



Order Cancellations: Cancellations are coming from Bangladesh, Europe, USA and China. A significant number of exporters have said there are no cancellations. China has restarted production.

Working Capital: Most units had nearly exhausted their Working Capital limits.

Cash in hand: Half the units had no cash by the end of April as reported across industry-sub-group & size.

Most common requests from the government

- Partial Wage Subsidy/ Government to pay wages
- Based on ESI Wages
- Government to pay part/all wages/salaries
- Waiver/Postponement of Interest and Principal Repayment
- Expanding Working Capital Limits
- Waiver of fixed Electricity Charges (demand etc.)
- Postponement of electricity charges
- Free cancellation of forwards (exports)
- Enabling processing of export documents
- Open cargo movement for exports

Way forward

The textile companies are under enormous uncertainty because no one has ever experienced anything similar. And the recovery depends on so many variables like the intensity and duration of the crisis, reactions of governments, companies and consumers, etc. around the world. The supply chain has to be assessed in terms of sourcing practises and also market access. Also, new markets should be looked at in view of product requirements rising in the medical and protective textile segments. It is certainly a good time to look holistically at one's business model and question all internal processes.

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TRADE FACILITATION

TEXPROCIL Suggestions to the Government

TEXPROCIL's Committee of Administration also met over Video Conferencing on 7th April to take stock of the prevailing situation and deliberate on the urgent steps required to mitigate the hardships arising out of the Lock Down.

The Council listed all its suggestions and made representations at various levels in the Government including the Prime Minister's Office with a request to consider them favourably.

Suggestions on support for the Exporters to face the situation arising out of lockdown on account of COVID-19 are as follows:

Ministry of Home

1. Permit shipping line offices to function Pan India between 9 to 3 pm at least so that essential documents like Bill of Lading can be obtained and send to customers so that they can clear goods arriving at Ports.
2. Courier services to be allowed to operate domestic and internationally to handle such documentation.
3. At least 15% of total staff should be allowed to attend office daily with issuance of priority pass for movements for such companies.

RBI

1. To extend 3% Interest Equalization Scheme beyond March 31, 2020 for one year till March 31, 2021.
Include Cotton Yarn under the scheme.
2. To allow cancellation of Forward contracts without any penalty/charges.
3. To grant a minimum one year moratorium on all term loans and interest including interest

on working capital (Cash Credit/ Packing Credit / PCFC) to be repaid over the next 36 months . This will not have any adverse impact on the Profit & Loss Accounts of the banks.

4. All L/C payments maturing from March 22, 2020 to May 31, 2020 to be converted into Term Loans payable monthly over a period of 24 months.
5. Repo rate reduction announced by RBI to be immediately passed on to all the Term Loans and Working Capital loans.
6. To extend 3% Interest Subvention of 3% on all export credits for all products for 12 months.
7. Additional 25% FB Working Capital for 12 months to be reduced monthly over a period of the next 12 months. Banks should be advised to do this at the General Manager (GM) level instead of going through the complete approval procedure which is time consuming.
8. Allow additional 90 days for export payments to be received even against discounted LCs / CAD documents.
9. Increase working capital limits by 25% without collateral.
10. Packing Credit period for existing loans and export bill realisation be extended by six months.

Ministry of Labour

1. To extend complete waiver of Employer's contribution of EPF / ESI for 3 months. There will be no strain on the Government.
2. MNREGA benefits should be restricted to Non-ESI and Non-EPF workers. This is needed to encourage labourers to go back to

the factories when the lockdown opens .

3. 50% salaries /wages to be borne by the Government for the lock down period . (4) Direct ESI to continue to extend all the benefits during March, April and May 2020 without any interruption while waiving the contributions as it has a corpus of Rs.90,000 crores.

Ministry of Commerce

1. To increase export benefits by 3% across all the products to recapture markets.
2. Extend the RoSCTL Scheme to export of Cotton Fabrics.
3. Include Cotton Yarn under MEIS as the Present Foreign Trade Policy has been extended up to 31.3.2021 and also include it under the RoSCTL Scheme,

Ministry of Finance

1. To increase Customs duties on all products excluding basic raw materials including from FTA countries for 6 months to promote Make in India .

Electricity Boards in respective States

1. Fixed electricity charges should not be charged for the lockdown period.
2. Electricity duty should be waived for three months .

ECGC Ltd

ECGC Ltd should extend Policies / Covers to the exporters at lower premium rates as the financial standings of the foreign buyers have declined substantially post- COVID 19 .

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JOIN US... NOW!

& avail of our Membership Benefits

To know more, please write to us on email:

info@texprocil.org

TRADE NOTIFICATION

MEMBERSHIP SATISFACTION SURVEY

Dear Member,									
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.									
COMPANY INFORMATION									
Name of the Company		:							
Contact Person & Designation		:							
TEXPROCIL Membership (RCMC) No.		:							
Email Address & Website		:							
1) Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.* 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? Tick (✓)						YES	<input type="checkbox"/>	NO	<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>						Suggestions:			
3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? Tick (✓)						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? Tick (✓)						YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? <i>(use additional sheet if required)</i>						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 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)