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### **CHAIRMAN'S MESSAGE**



### Dear Friends,

As we near the end of another fiscal year (2018-2019), we have some excellent news as the Government

has decided to reimburse the embedded State & Central level embedded taxes for Garments and Made- Ups. This is a historical decision as exports of the highly labour intensive and value added segment of the complex textile value chain has become "Zero Rated". This augurs well for the industry & trade as it will be able to overcome the intense competitive pressures from nations having a cost advantage on account of various factors including preferential access. The Garment and Made- Ups Sector should now rise up to the faith imposed in them by the policy makers by providing higher employment generation and increase exports by making a quantum leap.

At the same time we appeal to the Government to extend the facility of reimbursement of Central & State level embedded taxes to the Yarn and fabric sectors so that the entire value chain in India can grow in a robust manner.

# Withdrawal of GSP benefits by USA

The last week also saw the USA withdrawing India's participation in the Generalized System of Preferences (GSP), a preferential trade deal with developing countries. Currently, there are 120 beneficiary countries in the American GSP, including Pakistan, Sri Lanka, and Afghanistan.

According to the US, India has failed to give "assurances that will provide equitable and reasonable access to its markets in numerous sectors". According to them, while India is trading duty-free in the US, American products are paying import taxes.

India's termination from the GSP may not be commercially significant

for the Textile & Clothing Sector but sends out a signal that any request for preferential access will have to be matched by corresponding offers of granting reciprocal access.

Reports also suggest that during the recently held India - China bilateral discussions, China is seeking duty free access for 80% of the Indian tariff lines.

With India's domestic market holding great allure & promise for the outside world, gaining preferential access in overseas markets without accommodating requests for similar access to the home market will become increasingly difficult.

We hope that the Government will overcome these challenges with some imaginative & astute negotiations

### 16th Intl. Istanbul Yarn Fair, Turkey

On the export promotion front, the Council participated in the 16th International Istanbul Yarn Fair held during February 28 to

## CHAIRMAN'S MESSAGE

March 2, 2019 in Istanbul, Turkey. The market continues to be lucrative for Indian cotton textiles products under the purview of Council. 10 Indian companies participated in the fair through TEXPROCIL. The Council also had a booth for itself which served as an information centre. The Council's booth also saw a steady stream of visitors. Discussions at the fair have shown that Turkey holds good promise for Indian Textile Exports.

However, the issue of arbitrary tariffs imposed by Turkey on Imports of Cotton Yarn & Fabrics continue to severely restrict the scope for increased exports from India. The Council has taken up the matter with the Government at various levels & we hope the issue will receive due attention as exports can be substantially increased to Turkey if it strictly abides by the common external tariffs agreed with the EU as part of its Customs Union and the WTO Agreements . The present tariff increases are not justified as they have not been imposed either as part of an Anti - Dumping or Safeguards investigation.

# Preview in Daegu 2019, South Korea

The Council's Vice Chairman Shri Manoj Patodia along with the Executive Director led discussions with leading trade associations and international trade visitors during the Council's participation in the Preview in Daegu 2019 fair held during March 6-8, 2019 in Daegu, South Korea. The market provides huge scope for export of Cotton textiles from India. The overall export of T&C into South Korea in 2017-18 achieved a level of US\$ 384 million out of which the Cotton textile (Yarn / Fabrics / Madeups) exports stood at US \$ 220.15 million during this period.

In view of the current potential for exports of Cotton Yarn, Fabrics and Made ups to South Korea, 26 Indian companies had participated in the fair through TEXPROCIL. Under the Indo-Korea FTA, there is zero duty on import of fabrics, made ups, home textiles and garments into South Korea from India, thereby offering greater market access for Indian textiles into this market.

Fruitful discussions were held with the Daegu Textile Industries Association and a three pronged strategy is being worked out in terms of selling raw materials, like Fabrics, sending semi- finished products like duvet covers which can be then finished and packed in Daegu and finally sending finished goods like bedding, mattresses, pillow cases, towels, table linen etc.

By following this strategy, we hope that in the coming months we would be able to increase exports of Made-Ups to South Korea in the same manner as Grey Cotton Fabrics

#### Way forward

**CONTINUED FROM PAGE 1** 

Friends with the Government addressing the taxation issues to a very substantial extent we should not afford to lose any more time and rise up to face the challenges around us. It is time now for us to recalibrate our strategies and focus on creating opportunities for increasing our trade by taking recourse to value addition. Stepping up investments and rejuvenating our marketing efforts by focussing on newer emerging markets should be the logical second step. A third step is to overcome the headwinds of sluggish demand by making timely changes to our product offerings and maintaining our market share.

All these steps would require a high level of dedication and determination on the part of all of us as entrepreneurs and together we can achieve high levels of export performance in the near future matching the pace of growth of our competitors.

Dr. K. V. Srinivasan Chairman :: TEXPROCIL ::

JOIN US... NOW!

& avail of our Membership Benefits

To know more, please write to us on email:

info@texprocil.org

For more information on Global Textile Markets, Please contact us on Email : info@texprocil.org



# **COVER STORY**



Recycling of Plastic Bottles into Yarn & Fabric - An idea whose time has come!

Recycling of PET bottles has grown to become Rs 3,500-crore industry and nearly 70 per cent of PET waste is reprocessed in India, as per recent report by National Chemical Laboratory, Pune. The study has revealed that 70 per cent of PET waste in India is recycled. It also found that, of the 900-kilo tonnes of PET made in India annually, 65 per cent is recycled at registered facilities, 15 per cent in the unorganised sector and 10 per cent is reused at homes.

Pervasive and largely non-biodegradable, plastic continues to be one of the planet earth's greatest pollutants. While banning plastic is a significant step yet there exists a larger issue of burden on landfills and oceans. The answer may lie in reinventing what we discard into what we wear—clothing made from recycled plastic.

#### Plastic Recycling into yarn and fabric

The recycling of the plastic bottles into the yarn and fabric involves the conversion of plastic bottles, that are a non-degradable waste which is increasing the waste and one of the reasons for global warming, into a useful product that is fiber and



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further can be used for making yarn and into fabric.

Today, the utilization of recycled materials is matterof-fact, although in virtually no other sector is it quite as advanced as it is in the case of the manufacture of manmade fibers. The clothing industry is a heavy user of resources and continues facing the blame of being an equally heavy polluter. It is a consumer industry that by its nature encourages people to buy and discard clothing according to the fashion of the day rather than in terms of durability or environmental impact.

Post-industrial (PI) recycling has been practiced for years, and the first recycled-content products textile contained primarily or exclusivelv PI materials, which would include trimmings left on the cutting room floor in apparel and other textile product manufacturing facilities. In recent years, post-consumer (PC) content has increased as more and more consumer recycling programs have been established in communities across the United States and in other countries worldwide.

#### **RECYCLING FACTS**

- 10 plastic bottles = 1 pound of polyester fiber
- 1 ton (2000) lbs of plastic bottles recycled saves 3.8 barrels of oil
- 1 million plastic bottles recycled saves 250 barrels of oil
- 1 million plastic bottles recycled eliminates 180 metric tons of CO2 emissions from being released into the atmosphere
- 10% of all US oil consumed (2 mn. barrels/day) is used to make plastics
- Recycling plastic bottles takes 8 times less energy than to produce an equivalent amount of new ones
- 150 fleece garments made from recycled plastic bottles save 1 barrel of oil
- 500 t-shirts made from recycled plastic bottles saves 1 barrel of oil
- 50 back packs made from recycled plastic bottles saves 1 barrel of oil
- Supplying the plastic bottles that Americans consume each year requires 47 million barrels of oil and releases 1.0 bn. pounds of CO2 into the atmosphere

## COVER STORY contd. from Pg. 3

## Recycling of Plastic Bottles into Yarn & Fabric - An idea whose time has come!



#### **Fiber & Yarn Construction Capabilities**

- ★ FIBERS: All natural & manmade fibers & blends
- ★ OPEN-END: .4Ne. to 14Ne. or .67Nm to 23.6Nm. in singles & plies
- ★ DREF SPUN: Customized solutions & proprietary capabilities
- ★ TWISTING: Up to 16 components

# How plastic is converted into yarn to weave or knit fabric?

Converting it into garment or home furnishing products is an interesting transition. It actually happens by re-melting the PET bottles and then thick material is pressed through spinnerets, leaving them as filaments - just like in case of the production of virgin synthetic fibres. Filaments can be used as endless yarns or curled and cut into length-defined fibres for spinning. After weaving, the fabric is converted into garment, preferably fleece pullovers, jackets or sweatshirts.

The processing of the melt from

recycled material can in principle be carried out in the same way as in the case of utilizing new granulate. The filaments are cooled, drawn, textured and wound following melting and spinning.

The recycling applications in yarn manufacturing include: staple fibers, carpet and textile filaments as well as nonwovens. As examples, the number of 2-liter PET bottles required for specific applications is roughly as follows: 5 for a T-shirt, 20 for the filling of a winter jacket, 20 for a sweater, 35 for a sleeping bag and 40 for 1 m2 of carpeting.

The overall trend is moving away from simple fillers to more differentiated products with higher value added. These include, for example, spun-dyed FDY filaments.

The recycled PET thread or yarn can be used either alone or together with other fibres to create a very wide variety of fabrics. Traditionally these fabrics were used to create strong, durable and rough products, such as jackets, coat, shoes, bags, hats and accessories. However, these fabrics are too rough on the skin and could cause irritation. Therefore, they are not used on any clothing that may irritate the skin, or where comfort is required. But in today's new eco-friendly world, there has been more of a demand for "Green" products. As a result, many clothing companies have started looking for ways to take advantage of this new market and new innovations in different ways to process the fabric, to use the fabric, or blend the fabric with other materials for better finish so as to be more wearer-friendly.

#### Advantages - What is saved?

A vast number of applications and performances offer quality levels at least equal to virgin polyester equivalents, but with considerable resource/cost savings for the environment.

## **PRESS RELEASE**

## TEXPROCIL Welcomes Scheme to Rebate State & Central Embedded Taxes to the Textiles Sector



The Cabinet has on March 7, 2019, approved the Scheme to Rebate State and Central Embedded Taxes for the Made ups and Apparel sectors. Welcoming the scheme, Dr. K.V. Srinivasan, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL) said, "Rebate of State

and Central Taxes will improve the competitiveness of made ups products in the export markets." Presently, the ROSL scheme refunds specified State taxes but does not refund Central taxes.

Dr. Srinivasan pointed out that exporters of made ups especially home textiles from India face huge disadvantage in leading export markets due to high import duties as compared to imports from other competing nations. The Scheme will go a long way in helping the exporters in overcoming this disadvantage and to increase exports, according to the Chairman, TEXPROCIL.

However, Dr. Srinivasan pointed out that State and Central taxes are applicable on Cotton Yarn and Fabrics also as in the case of Made ups and Apparels. He urged the Government to cover Cotton Yarn and fabrics also under the Scheme.

Dr. K.V. Srinivasan extended his thanks to the Hon'ble Prime Minister of India, Shri Narendra Modi and the Hon'ble Union Textiles Minister, Smt Smriti Zubin Irani for announcing this scheme to rebate State and Central taxes which will lead to an increase in exports of textiles & clothing and employment generation.

:: TEXPROCIL ::

### COVER STORY contd. from Pg. 4

Applications seeking faster growth include fashion, sportswear, underwear, technical clothing, work wear, medical garments, outdoor clothes, furnishings and accident prevention textiles. Other advantages include

- Landfill: an estimated 8 plastic drink bottles are kept out of landfill for each metre of polar fleece made from 80% recycled PET bottles
- Fossil fuels: virgin polyester is derived from petroleum, so it saves on fossil fuels
- Thirty 1.5 liter bottles make one kilo of recycled PET yarn
- 25 drink bottles go into each jacket: for about 150 garments made, it saves a barrel of oil and avoid half a ton of toxic air emissions compared to making it out of virgin polyester.

### **Newer Applications**

Finished product finds application in spinning of yarn, stuffing of toys and

# Recycling of Plastic Bottles into Yarn & Fabric - An idea whose time has come!

other life style products like pillows, quilts, mattresses and furniture, non-woven carpets and fabrics, automotive non-woven roofing insulation, medical & packaging textile, geo textile, fur fabrics and other technical textiles.

Recycled PET bottles used for a range of items can be recycled back into bottles, but at present the fibre market is the major outlet for recycled PET fibres from recycled PET bottles are used to make a range of items: finer fibres are used for clothing; coarser yarns are used for carpeting

### India joins the Trend

In India as well there are companies, which have put up PET phase capacities. Though it is still early, buyers have started showing interest. Some of the buying offices are looking at recycled PET as an alternate to man-made fibre. Apart from making yarn out of PET, manufacturers are now looking at developing fabric with the PET recycled yarn for further product development in home furnishing items like for rugs and carpets. Fabrics made out of PET bottles are getting popular with consumers especially for industrial garment and sportswear.

The concept is already spreading, despite the technology being expensive, on account of the environment friendly preposition attached to it. This has led to an increase in demand for PET recycled textiles, as was experienced by **TEXPROCIL** during its recent visits to developed textile markets like Germany, Japan, and South Korea. Hence, the quote by Victor Hugo, "Nothing can withstand the force of an idea whose time has come..." inspires us to say that recycling of plastic bottles into yarn and fabrics is an idea whose time has come!

#### :: TEXPROCIL ::



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

### TRADE PROMOTION

### Important notification regarding Scheme to Rebate State & Central Embedded Taxes

E Serve No. 26 of 2019 March 11, 2019 Circular No.EPS/75/2018-19

#### **To: Members of the Council**

Sub: Scheme to Rebate State and Central Embedded Taxes

#### Dear Member,

Kindly refer to our Circular No. EPS/74/2018-19 dated March 8, 2019 informing you about a new Scheme called as "Scheme for Rebate of State and Central taxes and Levies (RoSCTL) for the Made-ups and Apparel Sector.

In this regard, the Ministry of Textiles have now issued Notification No.14/26/2016-IT (Vol.II) dated 8th March, 2019 to notify the rates of RoSCTL.

A copy of above Notification is available at Council (email: ravikumar@texprocil.org) for your information.

Please note that the rates will be effective from 7.3.2019 and shall be valid till 31.3.2020. Further, the scheme will implemented through a scrip based system similar to the MEIS.

We would request you to please take a note of the above and do the needful.

In case, you need any clarification in this regard, please get in touch with Shri A. Ravi Kumar, Joint Director, TEXPROCIL.

Regards,

### Dr. Siddhartha Rajagopal Executive Director

:: TEXPROCIL ::

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



# TRADE NOTIFICATION

# **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 O	Compan	у	:						
Contact Person & Designation		:							
TEXPROCIL Membership (RCMC) No.			:						
Email Address & Website		:							
<ol> <li>Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.*</li> <li>1= Excellent, 2=Good, 3 = Satisfactory, 4 = Needs Improvement, 5 = Not Availed (N.A.)</li> </ol>									
Membership	Rate Here	Trade Development	Rate Here	Trade Promotion	Rate Here	Trade Services	Rate Here	Trade Intelligence	Rate Here
Procedure for New Membership		Publication: E-Newsletter		Intl. Fairs & Events		Certificate of Origin		Interactive Website	
Membership Renewal		E-serve		Seminars & Workshops		Grievance Redressal Services		E-News Clippings	
RCMC Amendment		Circulation Trade Enquiries/ Award		MDA/MAI Schemes		Information on Exim policy/ Amendment DBK		Information Disseminated	
<ol> <li>a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓)</li> </ol>			YES		NO				
b. If you have replied 'no' above, please suggest how the Council can improve the services (use additional sheet if required) Suggestions:									
<ol> <li>How is your company benefitting from the Exhibitions / BSMs being organized by the Council? Tick (✓)</li> </ol>			Accessing new Markets		Generating additional business				
Others (Pls. Specify):				Making new Contacts (Trade Enquiries)		Any Others			
4) How is your company benefitting from the Export Facilitation services being provided by the Council?			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 Membership to other companies? Tick (✓)				YES		NO			
6) Do you have any other suggestions to offer regarding TEXPROCIL Member Services? (use additional sheet if required)				Suggestions:					

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

# Join Us... Now! Avail info. on Membership Benefits on email : info@texprocil.org

### TRADE NOTIFICATION

### TEXPROCIL MEMBERSHIP ANNUAL RENEWAL SUBSCRIPTION

The Annual Renewal Subscription for the financial year 2018-2019 for existing members has become due for payment from 1st April, 2018, 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.

### For New Registration Fee Structure is as follows:-

Type of Membership	Amount (Rs.)	GST @ 18%	Total Amount (Rs.)
Member (with Voting Right) (including Rs.6000/- as Entrance Fee)	17000/-	3060/-	20060/-
Registered Textile Exporter (including Rs.3000/- as Entrance Fee)	9000/-	1620/-	10620/-

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 2016-2017 & 2017-2018 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 2016-2017 & 2017-2018 as follows:

Sr. No.	Description	2017-2018 (Rs. FOB Value)	2016-2017 (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 31.03.2018:

Please apply immediately for renewal of RCMC with the following documents:

[1] Copy of your Import-Exporter Code (IEC)

- [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 Form 32 or DIR-12 or Board Resolution for those who have resigned and newly appointed.

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