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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

Recycling of Plastic Bottles into Yarn & Fabrics

- An idea whose time has come!
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**

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 ::

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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
Plastic Recycling into yarn and fabric

The recycling of plastic bottles involves converting plastic waste into fiber and fabric. This process is necessary due to the increasing waste and the resulting impact on global warming. Plastic continues to be one of the planet's greatest pollutants, with the answer possibly lying in reinventing discarded material into wearable clothing. Recycling plastics into yarn and fabric is a beneficial process as it reduces waste and makes use of available resources.

Recycling of PET bottles has grown to become a 3,500-crore industry in India, with nearly 70% of PET waste reprocessed. The study indicates that 70% of PET waste in India is recycled. Post-industrial recycling, which includes trimmings from apparel and textile facilities, and post-consumer recycling, which includes consumer waste, have increased with the establishment of recycling programs.

Post-industrial (PI) recycling has been practiced for years, while post-consumer (PC) recycling has increased due to consumer awareness and recycling programs. The recycling of 10 plastic bottles can make 1 pound of polyester fiber. 1 ton of plastic bottles recycled saves 3.8 barrels of oil, and 1 million plastic bottles recycled eliminates 180 metric tons of CO2 emissions.

In conclusion, recycling plastic into yarn and fabric is a viable solution to the problem of plastic waste, offering benefits in terms of environmental impact and resource conservation.
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.
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.

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

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 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!
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 ::
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**

<table>
<thead>
<tr>
<th>Information</th>
<th>:</th>
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<tbody>
<tr>
<td>Name of the Company</td>
<td>:</td>
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<tr>
<td>Contact Person &amp; Designation</td>
<td>:</td>
</tr>
<tr>
<td>TEXPROCIL Membership (RCMC) No.</td>
<td>:</td>
</tr>
<tr>
<td>Email Address &amp; Website</td>
<td>:</td>
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1) Kindly rate the following services offered by Texprocil on rating of 1 to 5. in order to serve you still better.*

<table>
<thead>
<tr>
<th>Membership/Service</th>
<th>Rate Here</th>
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<tbody>
<tr>
<td>Procedure for New Membership</td>
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<tr>
<td>E-serve</td>
<td></td>
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<tr>
<td>RCMC Amendment</td>
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<table>
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<tr>
<th>Trade Development</th>
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<tbody>
<tr>
<td>Publication: E-Newsletter</td>
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<tr>
<td>E-serve</td>
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<tr>
<td>Circulation</td>
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<table>
<thead>
<tr>
<th>Trade Promotion</th>
<th>Rate Here</th>
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<tbody>
<tr>
<td>Intl. Fairs &amp; Events</td>
<td></td>
</tr>
<tr>
<td>Seminars &amp; Workshops</td>
<td></td>
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<tr>
<td>Trade Enquiries/Award</td>
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<table>
<thead>
<tr>
<th>Trade Services</th>
<th>Rate Here</th>
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<tbody>
<tr>
<td>Certificate of Origin</td>
<td></td>
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<tr>
<td>Grievance Redressal Services</td>
<td></td>
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<tr>
<td>Information on Exim policy/Amendment DBK</td>
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</table>

<table>
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<tr>
<th>Trade Intelligence</th>
<th>Rate Here</th>
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</thead>
<tbody>
<tr>
<td>Interactive Website</td>
<td></td>
</tr>
<tr>
<td>E-News Clippings</td>
<td></td>
</tr>
<tr>
<td>Information Disseminated</td>
<td></td>
</tr>
</tbody>
</table>

2) a. Are you generally satisfied with the services actively availed by your company and marked above? Tick (✓) YES NO

b. If you have replied ‘no’ above, please suggest how the Council can improve the services *(use additional sheet if required)*

Suggestions:

3) How is your company benefitting from the Exhibitions / BSMs being organized by the Council? Tick (✓)

Others (Pls. Specify):

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Accessing new Markets</th>
<th>Generating additional business</th>
<th>Making new Contacts (Trade Enquiries)</th>
<th>Any Others</th>
</tr>
</thead>
</table>

4) How is your company benefitting from the Export Facilitation services being provided by the Council?

Others (Pls. Specify):

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Information on Export Policy / Procedures</th>
<th>Responses to various EXIM queries</th>
<th>Redressal of Trade related grievances</th>
<th>Any Others</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>Type of Membership</th>
<th>Amount (Rs.)</th>
<th>GST @ 18%</th>
<th>Total Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member (with Voting Right)</td>
<td>11000/-</td>
<td>1980/-</td>
<td>12980/-</td>
</tr>
<tr>
<td>Registered Textile Exporter</td>
<td>6000/-</td>
<td>1080/-</td>
<td>7080/-</td>
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</tbody>
</table>

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

For New Registration Fee Structure is as follows:-

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

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:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>2017-2018 (Rs. FOB Value)</th>
<th>2016-2017 (Rs. FOB Value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cotton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cotton Yarn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cotton Fabrics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Cotton Made-ups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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)