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ROLE OF TUF SCHEME IN THE GROWTH OF INDIAN TEXTILE INDUSTRY

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Chairman's Word

At the outset, I condemn one of the most heinous terrorist attacks on our Army in Pulwama district killing 44 CRPF jawans! I on behalf of the entire T&C Industry pay our sincere homage to the slain jawans and pray to the Almighty that departed souls may rest in peace. I also convey our deepest condolences to the bereaved families in this hour of grief.

The Government has taken a slew of measures in the Interim Budget for 2019-20 to safeguard the interest of Indian farmers and the middle-class segment of the Indian economy. The measures will ease down the pressure to some extent on Indian farmers and middle-class segment of the economy. Though, the Finance Minister has not given anything substantial for the manufacturing sector, especially textile industry, but increasing consumption power of a common man through various initiatives announced in the budget will surely spurt growth of the Indian economy.

The Government has decreased the outlay for the Textile Sector in the present budget from the revised estimate of Rs 6943.26 crores to 5831.48 crores. Under A-TUFS, the budget allocation has been steeply decreased from Rs. 2300 crores to Rs. 700 crores. Last year only about 30% of the budget could be used due to low disbursements, however, to clear the carried forward obligations, a much higher allocation will be needed. The budget for ROSL has also been reduced significantly which is a cause of worry for the industry as this would lead to working capital blockages and delay in ROSL receipts. Further, textile industry has been expecting upward revision in ROSL rates which would need more funds.

Other important announcements include 2% interest subvention for Micro, Small and Medium Enterprises (MSMEs) loans with a ticket size of 1 crore has given a big thrust to MSMEs to boost employment and economic growth; a few banks exiting PCA, relaxation for MSMEs on funding and interest rates will also benefit 80% of the T&C industry which falls under MSMEs. Procurement of Cotton by CCI under Minimum Price Support (MSP) has been increased from Rs. 924 crores to Rs. 2018 crores. Government has done this to double the income of the farmers. However, industry is requesting to the Government to introduce Direct Subsidy System for the cotton farmers to ensure no direct impact on cotton prices.

CITI has issued a press release drawing government's attention to focus on MMF Sector to achieve US$ 300 billion textile and apparel market by 2025 since growth of cotton is limited due to limited availability of land. China's share in the export of value-added products (Fabric, Apparel and Home Textiles) from total MMF products is 85% as against ours 65%. Fibre and Yarn constitute only 7% of their total exports whereas it is 22% in ours case. Thus, it is only logical that India must concentrate on increasing exports of value-added products along the value chain. The value addition will increase our export numbers and also create jobs which is required to make the Hon'ble Prime Minister's Make in India programme successful.

CITI has also issued a press release on India's declining export of cotton yarn and fabric exports in the last couple of years. The Indian Spinning Sector achieved highest growth in export of cotton yarn US$ 4,570 mn. in 2013-14. However, in 2017-18 it has been reduced to US$ 3,443 mn registering a decline of 25%. In the same period fabric exports has declined by 7% from US$ 4,941 mn to US$ 4,598 mn. The subdued export growth in cotton yarn and fabric sector is due to differential duty treatment in various export markets in comparison to its counterparts who have the advantage of either low tariff rates or zero duty access due to FTAs with importing countries. Moreover, India's apparel sector is also not in a position to support the surplus capacities that cotton yarn and fabric sectors have developed over the period of time. India exported raw cotton worth US$ 1894 million in 2017-18 which it could have converted into value added goods and have helped economy generated more employment, foreign exchange and better remuneration to our farmers. The exports of garments have declined from US$ 17.4 billion in 2016-17 to US$ 16.7 billion in 2017-18 which is a great cause of concerns for the primary segments of the value chain. We have requested the Government to include cotton yarn under MEIS and increase MEIS from 2% to 4% for export of fabrics. It is estimated that exports of fabrics can increase by US$ 1 billion p.a.

I also welcome the decision of Duty Drawback Committee increasing drawback rates on some of the MMFs from 1.5% to 1.9%. We have requested the Government to also increase the drawback rates for Viscose Staple Fibre at par with other MMFs.

The textile industry is optimistically waiting for the Cabinet Committee announcements with regard to policy changes and incentives, which is very crucial to revive the industry and take it to a higher growth trajectory.

Sanjay K. Jain

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COVER STORY

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MONTHLY UPDATE

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The Indian textiles and clothing industry, the second largest employment provider, next only to agriculture was plagued with outdated technology in the post globalised era (1990s). The high rate of interest, wafer thin margins and frequent recessions faced by the industry were the root causes for the same. With an objective to boost productivity, quality, investment, employment in the Textiles Sector and to make the industry globally competitive, the Ministry of Textiles launched its flagship programme, Technology Upgradation Fund Scheme (TUFS) for the Textile industry on April 1, 1999. TUFS is a credit linked scheme implemented through the notified leading agencies by reimbursement of subsidy claims on eligible investment. The scheme has so far has propelled an investment of more than Rs. 3.2 lakh crores and released a subsidy amount of Rs. 26,829 crores.

The scheme was initially approved upto 31st March 2004 and subsequently extended up to 2007. In 2007, the scheme was further extended with modifications such as additional capital subsidy of 10% for the segments of processing, technical textiles and garments and was termed as Modified TUFS (M-TUFS). Due to its overwhelming response, the fund got exhausted and therefore, the scheme was suspended during 29.06.2010 - 27.04.2011. The Restructured TUF Scheme (R-TUFS) was launched with effect from 28 April 2011 and in vogue upto 31 March 2012. The R-TUFS scheme was revised and the Revised Restructured TUFS (RR-TUFS) was implemented with effect from 1st April, 2012. RR-TUFS extended attractive benefits for all the segments except spinning (only 2% interest subsidy) especially for Shuttleless Looms that was provided 6% interest subsidy and 15% capital subsidy. M-TUFS, R-TUFS and RR-TUFS provided 5% interest subsidy for second-hand Shutleless Looms with specified vintage life.

Amended Technology Upgradation Fund Scheme (A-TUFS) came into effect from 13th January 2016 and provided only capital subsidy for all the machines. Spinning was excluded under A-TUFS. Segments such as garmenting and technical textiles are eligible for capital subsidy at the rate of 15% subject to a cap of Rs. 30 crore. Segments such as weaving, knitting, processing, Jute, Silk and Handloom get capital subsidy at the rate of 10% subjected to a cap of Rs. 20 crore. Ministry of Textiles also launched Scheme for Production and Employment linked Support for Garmenting Units (SPELSGU). Under this, an extra 10% capital subsidy will be provided to the garmenting and made-ups units.

TUF scheme has made a significant contribution in the overall growth of textile industry and created new jobs for around 15 million people especially for the rural masses and women folks during the last two decades. The Industry witnessed 9% growth in exports as against 1% during pre-TUFS period. Indian global textile trade share increased from 3% to 5.2%.

However, the frequent changes made in the guidelines and complications created in the procedures made the industry to face severe challenges in the recent years. The delay in the enlistment of eligible machinery under A-TUFS, trouble in i-TUFs software, cumbersome procedures involved in Joint Inspection, delay in processing voluminous documents, etc., caused undue delay for the disbursal of A-TUFS subsidy. In the total A-TUFS budget outlay of Rs.5,151 crores, only Rs.5.5 crores amount has been disbursed during the last 3 years. It is essential to design a fast track system for the speedy disbursal of pending subsidies.

In the case of long pending subsidies of committed liabilities under M-TUFS and R-TUFS, the third party study entrusted to NABCONS has become a failure after a period of two years. The IMSC in its earlier meetings had already approved the committed liabilities of 2,196 left out cases under List II. Similarly, 336 left out cases under List I including CCI cotton dispute cases and 878 cases under R-TUFS where banks failed to claim the capital subsidy and partial subsidies or made excess claims, the liabilities had already been verified and approved. In the list of 5,585 cases under M-TUFS, majority accounts got closed and received the subsidy. For the remaining cases, the nodal agencies could be advised to file the claim enclosing the copy of the original loan sanctioned letter and subsidy calculation sheet duly signed by the TUF cell authority with in a given time frame. In the case of technical textiles,136 projects got affected as UIDs were not allotted under R-TUFS. In this case also, the IMSC at its meeting held on 26.05.2013, it was decided to disburse the subsidy. Majority of these projects were the anchor projects of Technology Mission on Technical Textiles. Hence, it is essential to consider all these cases.

Hon'ble Prime Minister was kind enough to realise the urgent need for addressing the financial stress caused by TUFS, allotted Rs.17,822 crores earmarking Rs.12,671 crores for committed liabilities of all old schemes and Rs.5,151 crores for the Amended Technology Upgradation Fund Scheme (A-TUFS) and extended the scheme till 31st March 2022. Hence, there is adequate budget allocation available for clearing all the pending subsidies and make several thousands of textile units financially healthy, remain globally competitive and achieve a sustained growth rate.

Dr S Sunanda
Secretary General - CITI

TECHNOLOGY UPGRADATION FUND SCHEME

BENEFITS, OPPORTUNITIES AND CHALLENGES

Dr. K. Selvaraju
Secretary General
Southern India Mills' Association (SIMA)

The Technology Upgradation Fund Scheme is probably the first specific financing scheme launched by the Government of India for modernization and technology upgradation of the Indian textile industry. It is termed as the flagship programme of the Ministry of Textiles. The textile industry being highly capital intensive and working on a wafer thin margin of 3 to 6% over decades could not upgrade the technology and achieve a sustained growth rate due to high cost of funding in India. Therefore, TUF Scheme was launched by the Government of India with effect from 1.4.1999 providing initially 5% interest subsidy for a period of five years and later got extended and provided both capital and interest subsidy. Table 1 gives the summary of all the five schemes along with the TUF benefit extended for different segments.

Table 1 – Segment-wise Scheme Benefits

Segment	TUFS (1.4.99- 1.3.07	MTUFS (1.4.07 – 28.6.10)	RTUFS (28.4.11- 31.3.12)	RRTUFS (1.4.12 to 2.1.16)	ATUFS (13.1.16 – 1.3.22)
Spinning	5% IR	4% IR	4% IR	2% IR	None
Weaving	5% IR 5% IR or 20% CS (powerloom)	**Pre & Post loom m/c** 25% CS or 5% IR **New loom** 5% IR or 20% MMS (powerloom) **2nd hand shuttle less loom** 5% IR or 20% MMS (powerloom) Organised sector: 5% IR	**Pre & Post loom machine** 25% CS or 5% IR **New loom & 2nd hand shuttle less loom** 5% IR or 20% MMS (powerloom) New shuttleless loom 5% IR + 10% CS Prep: 5% IR	**New preparatory m/c** 5% IR **New shuttleless loom** 6% IR + 15% CS or 30% MMS **2nd hand shuttleless loom** 2% IR or 8% MMS	10% CS (upto Rs.20 cr. For individual unit)
Knitting	5% IR	5% IR	5% IR	5% IR	10% CS (upto Rs.20 cr)
Processing	5% IR	5% IR + 10% CS	5% IR + 10% CS	5% IR + 10% CS	10% CS (upto Rs.20 cr)
Technical Textiles	5% IR	5% IR + 10% CS	5% IR + 10% CS	5% IR + 10% CS	15% CS (upto Rs.30 cr)
Garmenting	5% IR	5% IR + 10% CS	5% IR + 10% CS	5% IR + 10%CS	15% CS (upto Rs.30 cr.) Extended upto 25% under special export package
SSI textile & Jute Industry	5% IR or 15 % CLCS	5% IR or 15% MMS	5% IR or 15% MMS	5% IR or 15% MMS	10% CS (upto Rs.20 cr)
Note: IR - Interest Rate, CS - Capital Subsidy, CLCS – Credit Linked Capital Subsidy, MMS – Margin Money subsidy					

During the last two decades, there were five types of schemes in vogue with different combinations of subsidies that aimed at strengthening the weakest links in the textile value chain, viz., weaving and processing and the emerging segment, viz., technical textiles. While revising the Schemes, higher benefits were given to the weaker segments, viz., weaving, processing, Technical Textiles and the labour intensive Garmenting Sector.

Realizing the benefits of TUF scheme, the Government continue to extend the scheme in all the plan periods. The scheme was suspended for around ten months during 29.6.2010 to 27.4.2011 for want of funds. The scheme has so far attracted around Rs. 3.14 lakh crores investments and the Government has disbursed Rs.27,000 crores of TUFS subsidy.

Progress of TUFS

Table 2 gives the details of the progress of the TUFS from its inception. The Indian textile industry had been passing through a long drawn recession during 1999-2003 and therefore, the response for the TUF Scheme was not encouraging during these four years and the scheme could attract investments amounting to only Rs.12,212 crores. *(table 2 see next page)*

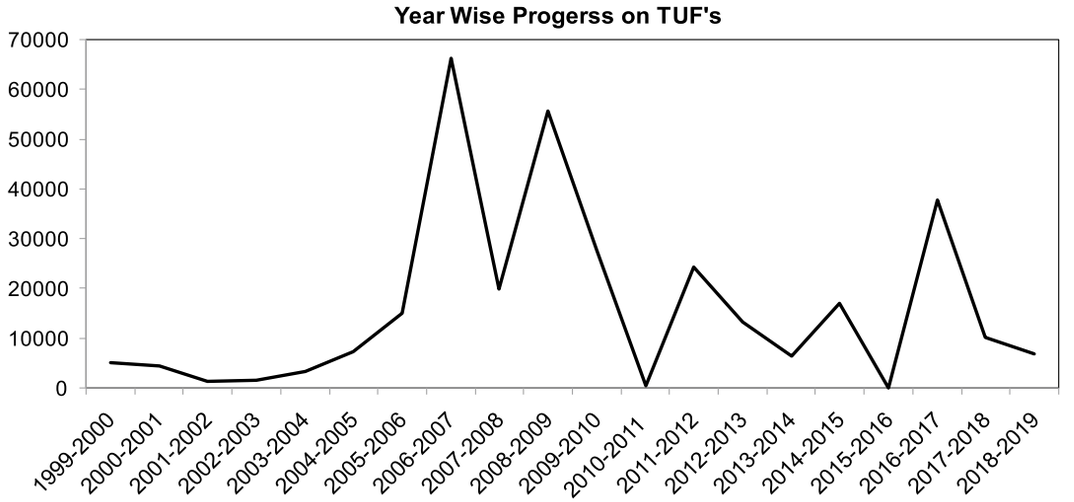
The industry revived from 2003 onwards and took full advantage of the TUFS Scheme thereafter. The investments under TUF Scheme doubled year after year and reached a record level of Rs.66,233 crores during 2006-2007. There was a panic in the industry that the Government might close the scheme with the 10th plan and therefore, the response was exponential. Fig.1 depicts the progress of TUFS from its inception.

The Scheme was modified and got extended for the 11th plan period. Due to overwhelming response, the scheme exhausted the budgeted subsidy well before the plan period and therefore, the scheme was kept in abeyance for 10 months during 2010-11; hence, investments during the year was the lowest. In addition, there was an unprecedented volatility in cotton price and suspension of yarn exports that resulted in erosion of textile industry working capital to the tune of Rs.11,000 crores. The Government had to intervene and announce a debt restructuring package of Rs.35,000 crores to revive the industry from the recession during this year.

Table 2 - Year-wise Progress of TUFS (as on 30.11.2018) *(Amount in Rs. Crores)*

Sr. No.	Year	No. of cases	Project cost	Term loan sanctioned amount	Subsidy Released (by MoT)
1	1999-2000	309	5074	2421	1
2	2000-2001	616	4380	2090	70
3	2001-2002	444	1320	630	200
4	2002-2003	456	1438	839	202.59
5	2003-2004	884	3289	1341	249.06
6	2004-2005	986	7349	2990	283.61
7	2005-2006	1078	15032	6776	485
8	2006-2007	12589	66233	29073	823.92
9	2007-2008	2260	19917	8058	1143.37
10	2008-2009	6072	55707	24007	2632
11	2009-2010	2352	27611	6612	2885.98
12	2010-2011 *	256	397	254	2784.18
13	2011-2012	1794	24364	13619	2937.82
14	2012-2013	2163	13154	8276	2151.58
15	2013-2014**	585	6387	4328	1730
16	2014-2015	4005	17021	10769	1884.31
17	2015-2016	...	...	....	1393.19
18	2016-2017	8797	37831.25	22519.74	2621.98
19	2017-2018	2248	10169.03	6208.71	1906.1
20	2018-2019	1785	6833.04	4594.88	443.1
Total		**49679**	**313506.32**	**155406.29**	**26828.79**

Fig.1 Progress of TUFS



Note: 2015-16 Data not available

The Modified TUF Scheme (M-TUFS) was closed on 28th June 2010 due to non-availability of fund and the scheme was revised and announced as R-TUFS that came into effect from 28th April 2011 and the Scheme was closed on 31st March 2012. In order to attract more investments in the independent weaving and processing segments, the R-TUF Scheme brought cap (spinning 26%, weaving 13%, processing 21%, garmenting 8% and others 32%) for each segment. This resulted in imbalance and the demanding sectors like composite mills with weaving and processing and also the technical textiles classified under others category got affected. The industry demanded carving out the surplus funds left with other segments and extend the benefit for atleast Technical Textiles. However unfortunately due to technical reasons the same could not be done.

Later, the Scheme was revised, restructured and announced as RR-TUF Scheme that was in existence during 1st April 2012 to 12th January 2016. Under RR-TUF Scheme, spinning was given only 2% subsidy (as this segment had availed maximum benefit) resulting significant drop in investments. Several hundreds of units were hoping that the Scheme would continue till the end of 11th Plan and therefore such units delayed in filing the applications on time and were not allotted UIDs. After lot of representations, the IMSC allowed migration of RR-TUFS UID wait list cases to Amended TUF Scheme.

The A-TUF Scheme that came into effect from 13th January 2016 and would be in vogue till 31st March 2022, substantially reduced the subsidies and brought cap on eligible subsidy. 2 to 6 percent interest subsidy extended under RR-TUF Scheme got dispensed with and the spinning was totally excluded. Thus, the frequent changes in the policies could not facilitate the required ambience and confidence for the industry to plan their investment properly.

Meanwhile various State governments also announced attractive Textile Policies and gave both interest and capital subsidies apart from power subsidy and other benefits to attract investments. This affected all the old mills and particularly States like Tamilnadu (the largest textile manufacturing State) could not offer such subsidies resulting in an unhealthy competition. In addition, the huge backlog in the subsidies from both State and Central Government schemes affected the investments and the financial viability of the mills in the country.

Benefits of TUFS

The study conducted by Wazir Advisors on the impact of RTUFS & RRTUFS schemes has highlighted the following as the major benefits of TUF scheme:

The textile industry could achieve 9.3% CAGR under original TUF Scheme, 4.1% CAGR during M-TUFS, 6.3% growth rate during R-TUFS, 15.1% growth during RR-TUFS periods. Though the industry faced severe recession owing to global melt down during 2008-09, high volatility in cotton prices and suspension of cotton yarn exports during 2010-11, drastic reduction in export benefits from the year 2013 onwards, the industry could mitigate the challenges and achieve the aforesaid growth rates. However, the industry could not grab the opportunities and achieve the potential growth rate mainly due to the undue delay in releasing the subsidy and complications brought in the guidelines of the scheme from 2007-08 onwards.

The industry could improve the value addition due to better quality and more value added products produced by the industry taking advantage of the upgraded technology. India's textiles and clothing exports was US$ 9.1 billion during 1997-98 and the same got increased up to US$ 40 billion. Table-3 shows export growth for major textiles & apparel products.

Table 3 - Export Growth for Major Textiles & Apparel products

CAGR	Yarn	Fabric	Apparel	Home Textiles	Technical Textiles	Others	Total
Pre TUFS	-10%	-1%	8%	-4%	-2%	52%	1%
TUFS	8%	6%	9%	12%	12%	12%	9%
MTUFS	15%	12%	7%	7%	25%	-3%	9%
RTUFS	11%	13%	18%	11%	47%	15%	15%
RR TUFS	5%	3%	7%	8%	9%	2%	6%
Overall TUFS	9%	7%	9%	10%	21%	3%	9%

Table 4 - Average Export Growth % of competing countries

Country	TUFS	MTUFS	RTUFS	RRTUFS	Overall TUFS Period
India	10.5%	7.1%	19.4%	3.6%	8.8%
China	11.5%	6.9%	17.7%	4.8%	9.4%
Turkey	8.3%	2.6%	14.3%	5.2%	6.6%
Bangladesh	11.0%	17.0%	15.4%	12.3%	13.0%
Pakistan	8.9%	1.7%	17.0%	0.5%	5.9%
Vietnam	19.6%	19.5%	26.0%	7.8%	17.7%
World	6.2%	3.6%	16.9%	3.0%	5.6%

India's global competitiveness improved considerably due to TUF Scheme and the global textiles & clothing trade share increased from 3% to 5.2%. Table 4 shows the average export growth of competing countries.

India's textiles & clothing export has been higher than the world average throughout the TUFS period. India could achieve higher growth rate when compared to even China in the M-TUFS and R-TUFS periods. Fig.2 shows India's share in global exports.

India's spinning sector became the most cost competitive in the world and could achieve 25% to 30% global share in cotton yarn exports. However, it got reduced and stagnated after 2013-14 as cotton yarn was not extended any export benefit while all other textile products were provided with several incentives including MEIS, IES, RoSL etc.

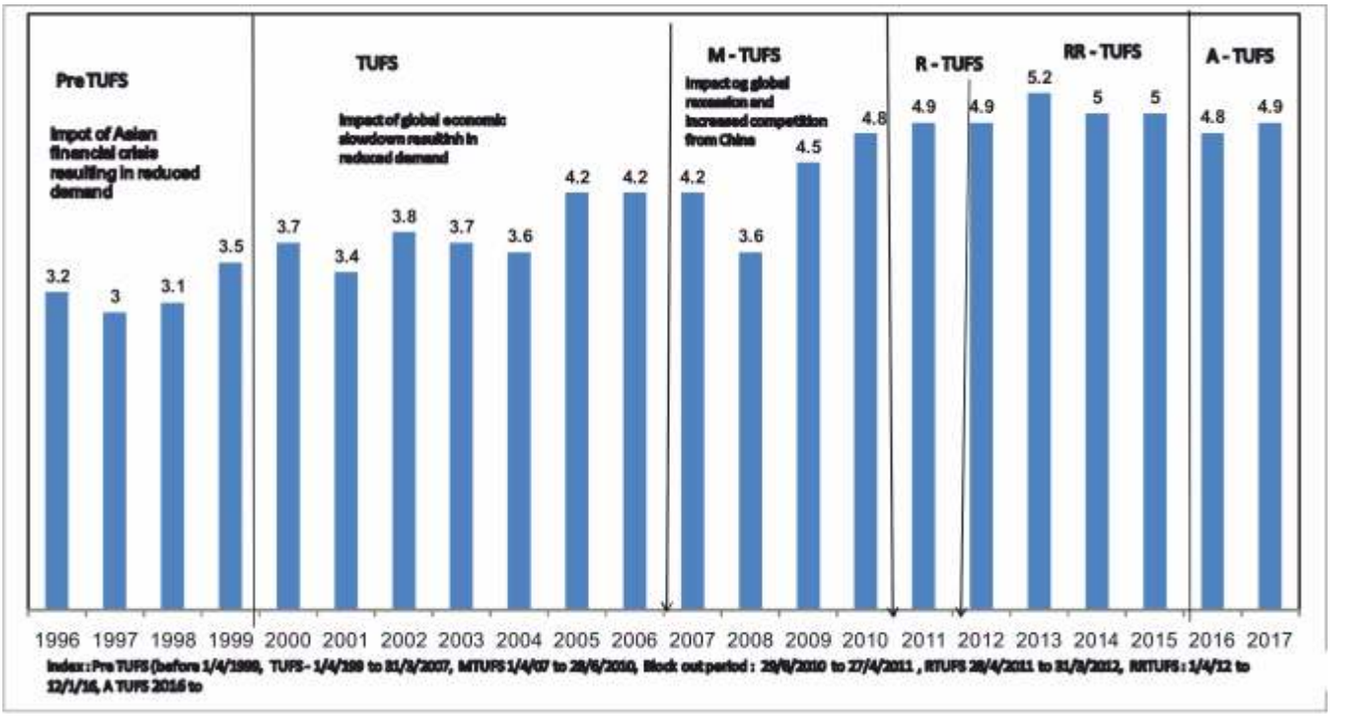
India's cost competitiveness has improved in fabric manufacturing also and brought cost of production less than several countries like China, Brazil, etc.

TUFS has contributed over 75% of overall investments since the launch of the scheme.

The employment has been steadily growing after the introduction of TUF Scheme (CAGR 5% under TUFS – 1% under MTUFS, 2% under TUFS and 2% under RR TUFS). During MTUFS period, India could not compete with the China as China got integrated into WTO and phased out quota.

Wage rates for workers also increased steadily under TUFS regime. The CAGR of wages during the original TUFS period increased by 4%, 11% during MTUFS period, 9% during R-TUFS period and 13% during RR-TUFS period onwards. This was possible due to value addition, increased productivity and enhanced

Fig.2 India's share in global exports (%)



profitability. The industry could also achieve scale of operation after the implementation of TUFS.

Since the TUF Scheme is credit linked and any unit becoming NPA would not be eligible to receive the subsidy, the repayment of loans and interest were prompt, thus greatly benefiting the financial institutions.

TUF investment could create new jobs to more than 15 million people during the last two decades.

TUFS - Issues and Challenges

The TUF Scheme guidelines and the services by MoT were industry-friendly till 2007. The Textile Commissioner was acting as a single window for resolving various TUFS related issues and therefore, the Scheme was going on smoothly. From 10th plan onwards, the ring fencing system was introduced and the decision making powers even for bank related issues was referred to IMSC. Earlier, the Office of the Textile Commissioner was constantly monitoring the banks and TUFS Cell, ensured making proper claims and therefore, the industry could get the TUFS subsidy on time. Occasionally there was delay due to shortage of funds; never the disbursement was delayed due to procedural complications.

The industry started feeling the financial crunch with the blackout period when the TUFS was kept in abeyance during 29.6.2010 to 27.4.2011. The Ministry of Textiles had earlier given retrospective effect during 2007 when the scheme was kept abeyance and MTUFs was announced. Similar hopes were given to the industry when the scheme was under suspension during the aforesaid period and therefore, the industry made an investment of Rs.23,450 crores with the estimated subsidy of around Rs.3000 crores. The Government had also announced that the TUF scheme would be in operation throughout the 11th Plan period. The TUF scheme was suspended without giving any prior notice with effect from 29th June 2010 by sending a circular only to the banks. Though the industry bodies, State governments, Union Ministers, State Chief Ministers, and banks made numerous representations, the Government was very rigid on this front and closed the window. Therefore most of these projects have become financially unviable especially in the States like Telangana and Andhra Pradesh.

The TUF arrears got accumulated every year from 2007 after the introduction of MTUFS and currently there is a backlog of around Rs.9,000 crores. The NDA Government favourably considered the pleas made by the industry and allocated Rs.17,822 crores including Rs.5,151 crores for ATUFS and extended the scheme for the entire 13th Five year Plan Period. The various new guide lines brought under ATUFS like mandatory enlistment of Textile Machinery manufacturers by providing various documents, cumbersome joint inspection procedures, uploading of several hundreds of pages of reports/documents, inscribing sixteen digit numbers in all machines, iTUFs teething problems, etc., made the scheme implementation impractical. So far only around Rs.6 crores subsidy has been disbursed as against around Rs.1500 crores to be disbursed. This has created a panic situation amongst the industry that is reeling under crisis due to poor market conditions.

The specific issues relating to TUF are narrated below:

Committed Liabilities – NABCONS Study

9,303 cases amounting to Rs.6000 crores of TUFS subsidy benefits under M-TUFS and R-TUFS could not get the TUF subsidy primarily due to the mistakes committed by the banks. Though the industry strongly recommended at the first IMSC meeting held on 5th October 2016 to clear the subsidy based on the data available with the Office of the Textile Commissioner by constituting a Special Task Force as carried out earlier (comprising of representatives of financial institutions, Office of the Textile Commissioner and industry), the IMSC decided to refer the matter to a third party and entrusted the study to NABCONS. Even after the period of two years the study could not be completed as NABCONS did not plan the study properly in consultation with the Office of TXC.

Considering the undue delay and the current status of several textile units that are predominantly in the MSME segments, it suggested that the Ministry of Textiles could constitute a Special Task Force to review the data already available with the Office of TXC and disburse the subsidy. Except MTUFS committed liabilities cases, MTUFS and RTUFS left out cases and also for all other cases the IMSC had already approved the data available with the Office of the TXC and therefore the issue could be resolved in a time bound manner.

Clearance of TUFS subsidies for CCI Cotton dispute case mills

At the advice of the Ministry of Textiles, CITI/SIMA mediated between Cotton Corporation of India (CCI) and some of the textile mills, who could not honour the contract of high cost cotton procured during the period 2010-11 and got blacklisted under TUFS.

As per the terms and conditions, the mills would become eligible to get the subsidies once they remit 51% of the amount due to CCI. For the mills that fulfilled this condition, CCI has recommended the Textile Commissioner to clear the subsidy. It may be noted that

at the 4th IMSC meeting held on 4th September 2014 of RR-TUFS, the committee had advised the MoT to restore the TUF benefit immediately after receiving the recommendation from CCI.

Therefore, the IMSC could consider these cases as special and clear the TUFS subsidy at the earliest so that the remaining mills would also come forward to settle the dispute with CCI that help CCI to reduce its losses.

Left out technical textiles cases under R-TUFS

The sectoral cap brought by the Ministry of Textiles under R-TUFS seriously affected several technical textiles projects and composite units as all such cases were brought under "others" category. Consequent to the continuous plea from the industry, the Ministry of Textiles convened the 7th IMSC meeting of TUFS on 26.5.2013 with the main agenda of reviewing sectoral caps under R-TUFS and considering allocation of necessary funds for technical textiles as the sector was considered to be the sunrise sector and also to make the first ever Technology Mission on Technical Textiles announced by MoT, a reality.

The IMSC, after detailed deliberations, suggested carving a fund of Rs.438 crores of subsidy unutilized by the remaining sectors and allocate to "others" category so that the same would be in line with the recommendations of TAMC and in accordance with provision for review mentioned in para 6 (xvii) of the GR dated 28.4.2011 on TUFS. Thus, in principle, a decision was taken by the IMSC to enhance the sectoral cap in respect of "others" category. But MoT did not implement the decision of IMSC.

There are 136 projects amounting to Rs.2,586 crores (TUFS loans Rs.1,935 crores) with a committed liability of Rs.526 crores got affected due to non-allocation of UIDs under R-TUFS. Therefore, these cases need to be considered favourably and the subsidy to be released.

Modernization of spinning sector

The spinning segment is the backbone of the Textile Industry but has not been given benefits under ATUFS due to over capacity of spindleage. Although the Indian spinning sector is relatively more modernized when compared to other segments and availed more benefits under TUFS, MTUFS and RTUFS, the spinning sector still has around 57% of the machines that are more than 10 years old. The replacement of old spinning machines is required within ten years of the installation in order to:

Meet the stringent quality requirements of high speed knitting and weaving machines

Achieve higher productivity

Have appropriate on-line production and quality monitoring/auto levelling facility

Conserve energy

Add value added pre and post spinning machines like auto leveller draw frames, combers, precision assembly winder, auto coner, two-for-one twister, yarn singeing machine, etc.

Have retrofit kits like compact spinning, ring frame auto doffer with or without link coner (automation of manual jobs), etc., and

Compete with the new spinning mills and additional spinning capacities (expansion) being created taking advantage of the State Textile Policies that offer 8% to 10% cost benefits for a period of 6 to 8 years.

Prevent permanent closure of 15 mn. Spindles that are more than 15 years old and overdue for modernisation and there by sustain the annual consumption of 150 lakh bales cotton being produced in the country, 3 lakh direct jobs and indirect jobs of peopled employed in the downstream sectors and the lively hoods of several lakhs of cotton farmers.

As per RBI data, the profit margin of spinning industry is only 3 to 6% (when the utilisation is more than 95%) and at the same time, this sector is highly capital intensive. In the list of stressed industries, textile industry comes 3rd after steel and power. Further, due to high rate of interest, high transportation cost (cotton produced in one State, yarn produced in some other States and yarn consumed in some other States), high power cost in India, 3.5% tariff rate for Indian yarns in different countries, over 36% duty levied on Indian yarn in Bangladesh, etc., the spinning industry does not have a level playing field in the international market.

Therefore, only the modernisation and replacement of machines in spinning segment could be included under ATUFS by extending 10% capital subsidy. The estimated budget implication for modernising 15 million spindles in the next five years is around Rs.2,250 crores. The estimated direct GST revenue generation to the exchequer works out to Rs.9,000 crores per year. Table 5 shows implications of modernising old / obsolete spinning machines.

Table 5 - Implications of modernising old/obsolete spinning machines

No. of working spindles	**46 Mn.**
Total spindles supplied by the machinery manufacturers during the last 17 years (2000-2017)	33 Mn.
No. of spindles supplied for modernisation	5 Mn.
No. of spindles supplied for expansion/green field project	28 Mn.
Age of the machines: less than 5 years	11 Mn.(24%)
Age of the machines: upto 10 years	20 Mn. (43%)
Age of the machines: upto 12 years	27 Mn. (58%)
Age of the machines: upto 15 years	31 Mn. (67%)
Age of the machines: more than 15 years (need to be modernised)	**15 Mn. (33%)**
Investment required for modernisation ***(State-of-the-Art Technology: Blowroom to Winding)[15Mn.xRs.25,000]***	Rs.22,500 Crores
Financial implication to the Government	***Rs.2,250 Crores***
Sustaining/Protection of job: Direct	3 lakh people
Sustaining/Protection of job: Indirect *(upto Garments/Made-ups)*	250 lakh people
Proposed no. of bales of cotton consumed	150 lakh bales
Proposed sale price of finished products *(garment/made-ups)* [150x170x0.7x1000]	Rs.1,78,500 Crores
Additional GST remuneration (GST @5%)	***~Rs.9,000 Crores***

Conclusion

The Government has envisaged to increase the textile business size (2017: US$ 150 Bn) to US$ 350 Bn by 2025 and estimated Rs.7.15 lakh crores as the investment requirement for the same. Table 6 gives capacity addition and investments in textile industry by 2025.

Considering the various challenges like high interest rate, huge tariff barriers in all the major markets, high power cost, infrastructural deficiencies, high transaction cost, low return on investment, etc., the Technology Upgradation Fund Scheme should continue with enhanced benefits, adequate fund allocation, industry friendly and consistent policy guidelines, enabling ease of doing business, etc., for the Indian textiles and clothing industry to have a level playing field in the globalized environment and achieve its potential growth rate.

Table 6 - Capacity Addition and Investments in Textile Industry by 2025

Sector	Machinery Requirement	(Rs.Crs)
Spinning	50 Million Spindles	1,25,000
Weaving	5 lakh shuttleless looms	23,939
Knitting	50,000 M/cs	15,000
Processing	2000 units with one lakh metres/day each and 1000 units with 50 tons/day knits/yarns /fibres	2,50,000
Garment	50 Lakh m/cs	75,000
Total		**7,15,000**

INTERIM BUDGET 2019-20 HIGHLIGHTS

Interim Budget 2019-20 was presented in Parliament on February 1, 2019 by the **Union Minister for Finance, Corporate Affairs, Railways & Coal, Shri Piyush Goyal.** The country witnessed its best phase of macro-economic stability during the last five years. From being the 11th largest economy in the world in 2013-14, India is now the **6th** largest in the world and poised to become a **Five Trillion Dollar Economy** in the next five years and aspire to become a **Ten Trillion Dollar Economy** in the next 8 years.

Besides introducing a major Scheme for the farmers, the interim budget provided tax sops and sets the Developmental Agenda for not only improving 'Ease of Doing Business' rankings but also aspire to improve 'Ease of Living' in the long run.

Growth & FDI

A stage for high growth in decades to come, has now been set, after a wave of next generation path breaking structural reforms over the last five years, including introduction of Goods and Services Tax (GST) and various regulatory reforms. Owing to such a stable and predictable regulatory regime, growing economy and strong fundamentals, India could attract massive amount of as much as **$239 billion of Foreign Direct Investment (FDI) during the last 5 years,** when most of the FDI was allowed to come in through the automatic route.

Fiscal Deficit

The fiscal deficit has been brought down to 3.4% in 2018-19 RE from the high of almost 6% seven years ago. The Current Account Deficit (CAD), against a high of 5.6% six years ago, is likely to be only 2.5% of GDP this year.

MSME Sector

The announcement of 2% interest subvention for Micro, Small and Medium Enterprises (MSMEs) loans with a ticket size of 1 crore has given a big thrust to MSMEs to boost employment and economic growth.

A few banks exiting PCA, relaxation for MSMEs on funding and interest rates will benefit 80% of the T&C industry which falls under MSMEs.

A. Textile and Apparel Sector

- The outlay for textile sector has reduced from revised estimate of Rs 6943.26 crores to 5831.48 crores.
- The fund allocation for various Textile Schemes is given in the table below:

High-Quality Yarns Produced with High Flexibility

http://l.ead.me/bayVeZ

Ring Spinning Machine G 37

The ring spinning machine G 37 produces flexibly high-quality ring yarns. Yarn parameters can be easily changed on the operating unit. Energy-efficient components save energy. The individual spindle monitoring system ISM basic increases the efficiency of the machine and can safe about 3% personnel cost.

www.rieter.com

The Comfort of Competence

RIETER

Schemes	2018-19 Budget Estimates (Rs. crore)	2018-19 Revised Estimates (Rs. crore)	2019-20 Budget Estimates (Rs. crore)
Remission of State Levies (ROSL)	2,164	3,664	1,000
Amended Technology Upgradation Fund Scheme (A-TUFS)	2,300	623	700
Central Silk Board	501	601	730
Procurement of Cotton by Cotton Corporation under Price Support Scheme	924	924	2,018

Major Schemes

Pradhan Mantri KIsan SAmman Nidhi (PM-KISAN)

New Scheme- namely "*Pradhan Mantri KIsan SAmman Nidhi (PM-KISAN)*" to extend direct income support at the rate of **Rs. 6,000 per year** to farmer families, having cultivable land **upto 2 hectares** is announced.

Under this Government of India funded Scheme, Rs.6,000 each will be transferred to the bank accounts of around 12 crore Small and Marginal farmer families, in three equal installments. This programme would be made effective from 1st December 2018 and the first installment for the period upto31st March 2019 would be paid during this year itself.

'Pradhan Mantri Shram-Yogi Maandhan'

To provide pensionary benefits to at least 10 crore labourers and workers in the unorganized sector a new Scheme called '*Pradhan Mantri Shram-Yogi Maandhan*' is announced. Within next five years it would be one of the largest pension schemes of the world. A sum of Rs.500 crore has been allocated for the Scheme. Additional funds will be provided as needed.

MGNREGA

- An allocation of Rs.60,000 crores for MGNREGA, have been made in Budget Estimates 2019-20 Additional allocations will be made, if required.

Pradhan Mantri Gram Sadak Yojana (PMGSY)

- Pradhan Mantri Gram Sadak Yojana (PMGSY) is being allocated Rs.19,000 crore in BE 2019-20 as against Rs.15,500 crore in RE 2018-19. During the period 2014-18, a total number of 1.53 crore houses have been built under the Pradhan Mantri Awas Yojana
- By March, 2019, all households will be provided with electricity connection. Till now, 143 crore LED bulbs have been provided in a mission mode which has resulted in saving of Rs.50,000 crore for the poor and middle class.

Ayushman Bharat

- World's largest healthcare programme, Ayushman Bharat, to provide medical treatment to nearly 50 crore people in the country

Ujjwala Yojana

Ujjwala Yojana aiming delivery of 8 crore free LPG connections

Integrated Child Development Scheme (ICDS)

Allocation for Integrated Child Development Scheme (ICDS) is being increased from Rs.23,357 crore in RE 2018-19 to Rs.27,584 crore in BE 2019-20.

Tax Benefits

- Individual taxpayers having taxable annual income up to Rs.5 lakhs will not be required to pay any income tax. Persons having gross income up to Rs. 6.50 lakhs are not required to pay any income tax if they make investments in provident funds, specified savings and insurance etc.
- This tax benefit of Rs. 18,500 crore is proposed to be provided to an estimated 3 crore middle class and small taxpayers comprising self employed, small business, small traders, salary earners, pensioners and senior citizens.
- TDS threshold on interest earned on bank/post office deposits is being raised from Rs. 10,000 to **Rs.40,000.** TDS threshold for deduction of tax on rent is proposed to be increased from Rs. 1,80,000 to Rs.2,40,000 for providing relief to small taxpayers.
- **Businesses comprising over 90% of GST payers will be allowed to file quarterly return.**

Others

- The Department of Industrial Policy and Promotion will now be renamed as the Department for Promotion of Industries and Internal Trade.
- National Artificial Intelligence Portal will also be developed soon as a part of the National Programme on 'Artificial Intelligence'.
- Government e-Marketplace (GeM), created by the present Government two years ago, resulted in average savings of 25-28% and the platform will now be extended to all CPSEs. Transactions of over Rs. 17,500 crore have taken place so far.

TEXTILE SECTOR SKILL COUNCIL

Skill India

TSC PERFECTING SKILLS

N·S·D·C National Skill Development Corporation
Transforming the skill landscape

Indian Textile Industry provides revenue which is 27% of the total foreign exchange, mainly through textile exports. It contributes nearly 14% of the total industrial production of the country. Indian textile industry is also the largest in the country in terms of employment generation and currently generates employment to more than 35 million people.

To remain competitive in the open market, it is essential that the industry gets skill labor. GoI has taken strong initiatives to support skilling of workforce.

TRAINING DATA UPDATE FOR FY 2018-2019

PARTICULARS	NUMBER CERTIFIED IN THE YEAR	NUMBER CERTIFIED IN JAN-19
No. of Persons Certified	**20,399**	**1,257**
Mill Sector:	**5,479**	**114**
Fresh:	5,229	114
RPL:	250	-
Handloom Sector:	**14,920**	**1,143**
Fresh:	1,696	494
RPL:	13,224	649
No. of Trainers Certified	**356**	-
No. of Training Partners (Affiliated)	**15**	**4**
No. of Assessors Certified	**1,171**	-

Name of Training Provider	Total Certified
MILL SECTOR	
RSWM LIMITED (Sutlej)	577
Sona Yukti Private Limited	280
Rajasthan Textile Mills	190
Deepak Spinners	175
Himatsingka Sedie Ltd.	147
NIFT TEA Knitwear Fashion Institute	145
Spentex Industries Limited	142
Mahima Purespun	123
HANDLOOM SECTOR	
Valeur Fabtex	4314
Chanu Creations	4253
Sreeja Educational and Welfare Society	1867
Institute of Skill Crafts	1178
SEL Resources	498
Industree Skills Transform Pvt Ltd	376
Indian Institute Of Enterprenuership	322
Manav Vikas Sanstha	237

SNAPSHOT OF THE ACTIVITIES

ROZGAR MELA AT AMETHI (UP)

TRAINING OF TRAINERS ASSESSMENT AT SIMA COIMBATORE

NBCFDC TRAINING AT ASSAM

PMKVY RPL ASSESSMENT IN VARANASI

ONGOING PMKVY RPL PROGRAM AT MALEGAON MAHARASHTRA

NBCFDC SELECTION COMMITTEE MEETING AT ANDHRA PRADESH

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TEXTILE SECTOR SKILL COUNCIL

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MINISTRY OF TEXTILES SCHEME OUTLAY		Actuals2017-2018			Budget Estimates2018-2019			Revised Estimates2018-2019			Budget Estimates2019-2020		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	Total Scheme budget	**5846.3**	**8.98**	**5855.28**	**7030.99**	**37.37**	**7068.36**	**6827.01**	**37.37**	**6864.38**	**5718.57**	**30.39**	**5748.96**
1	Amended Technology Upgradation Fund Scheme(ATUFS)	1904.95	...	1904.95	2300	...	2300	622.63	...	622.63	700	...	700
2	Procurement of Cotton by Cotton Corporation under Price Support Scheme	102.68	...	102.68	924	...	924	924	...	924	2017.57	...	2017.57
3	National Handloom Development Programme	126.06	8.98	135.04	100	37.37	137.37	110.53	28	138.53	115	20	135
4	Handloom Weaver Comprehensive Welfare Scheme (HWCWS)	24.98	...	24.98	19	...	19	10.05	...	10.05	20	...	20
5	Yarn Supply Scheme	199.84	...	199.84	150	...	150	157	...	157	195	...	195
6	Trade Facilitation Centre and Crafts Museum	0.98	...	0.98	0.76	...	0.76	5.5	...	5.5	3	...	3
7	Handloom Cluster Development Program - Handloom Mega Cluster	31.81	...	31.81	35	...	35	21.5	...	21.5	40	...	40
8	Weavers Service Centre	42.8	...	42.8	34.2	...	34.2	44.9	...	44.9	42	...	42
9	Other Handloom Schemes	33.53	...	33.53	19.76	...	19.76	23.11	...	23.11	21.8	...	21.8
10	Training and Extension	21.85	...	21.85	19	...	19	19.44	...	19.44	18.5	...	18.5
11	Design and Technical Upgradation Scheme	66.43	...	66.43	41.8	...	41.8	61.35	...	61.35	70	...	70
12	Ambedkar Hasthshilp Vikas Yojana	6.99	...	6.99	3.8	...	3.8	3.8	...	3.8	6	...	6
13	Marketing Support and Services	43.54	...	43.54	34.2	...	34.2	40	...	40	45	...	45
14	Handicrafts Artisans comprehensive welfare scheme	15.69	...	15.69	13.68	...	13.68	15.2	...	15.2	26	...	26

source: indiabudget.gov

MINISTRY OF TEXTILES SCHEME OUTLAY		Actuals2017-2018			Budget Estimates2018-2019			Revised Estimates2018-2019			Budget Estimates2019-2020		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
15	Research and Development - Handicrafts	5.27	...	5.27	3.8	...	3.8	3.8	...	3.8	9.5	...	9.5
16	Human Resource Development- Handicrafts	13.86	...	13.86	11.4	...	11.4	18.8	...	18.8	26.15	...	26.15
17	Infrastructure and Technology Development Scheme	2.1	...	2.1	2.28	...	2.28	2.28	9.37	11.65	2.5	9.21	11.71
18	Development of other crafts in J and K	...	...	...	...	...	...	...	...	...	0.01	...	0.01
19	Handicraft Cluster Development Program - Handicraft Mega Cluster	8.28	...	8.28	30	...	30	13.5	...	13.5	30	...	30
20	Other Handicraft schemes	33.05	...	33.05	34.66	...	34.66	49.27	...	49.27	41.3	...	41.3
21	Hast Kala Academy	...	...	...	3.8	...	3.8	3.8	...	3.8	2	...	2
22	Integrated Wool Development Programme	29.14	...	29.14	11.45	...	11.45	5.3	...	5.3	29	...	29
23	Central Silk Board	542.5	...	542.5	500.61	...	500.61	600.61	...	600.61	730	...	730
24	Silk Mega Cluster	...	...	...	10	...	10	...	...	...	10	...	10
25	Scheme for Development of Jute Sector	97.9	...	97.9	19	...	19	19	...	19	25	...	25
26	Subsidy to Jute Corporation of India towards market operation	46.78	...	46.78	7.6	...	7.6	7.5	...	7.5	8	...	8
27	Others (IJIRA, COP JC)	4.5	...	4.5	1.54	...	1.54	1.54	...	1.54	1.55	...	1.55
28	Power Tex India	0.2	...	0.2	87.15	...	87.15	80.9	...	80.9	127.9	1.18	129.08
29	Integrated Scheme for Powerloom Sector Development	22.04	...	22.04	...	...	...	...	...	...	...	...	...

source: indiabudget.gov

MINISTRY OF TEXTILES SCHEME OUTLAY		Actuals2017-2018			Budget Estimates2018-2019			Revised Estimates2018-2019			Budget Estimates2019-2020		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
30	Group Workshed Scheme	21.53	...	21.53	...	...	...	...	...	...	...	...	...
31	Scheme for in situ upgradation of plain powerlooms	66.38	...	66.38	...	...	...	...	...	...	...	...	...
32	Comprehensive Powerloom Cluster Development Program - Powerloom Mega Cluster	0.76	...	0.76	25	...	25	20	...	20	25	...	25
33	Group Insurance Scheme	4	...	4	...	...	...	5.28	...	5.28	5	...	5
34	Integrated Processing Development Scheme	...	...	...	3.8	...	3.8	3.8	...	3.8	3.5	...	3.5
35	Scheme for Integrated Textile Parks (SITP)	40	...	40	30	...	30	20	...	20	20	...	20
36	Workers Hostel	0.91	...	0.91	0.76	...	0.76	0.76	...	0.76	1	...	1
37	Assistant to Textile Committee	26.94	...	26.94	11.4	...	11.4	40.4	...	40.4	30	...	30
38	Flatted Factory cum Incubators	3.94	...	3.94	3	...	3	1	...	1	4	...	4
39	Remission of State Levies (ROSL)	1830.57	...	1830.57	2163.85	...	2163.85	3663.85	...	3663.85	1000	...	1000
40	Pradhan Mantri Paridhan Rojgar Protsahan Yojna (PMPRPY)	12	...	12	10	...	10	0.02	...	0.02	0.05	...	0.05
41	Export Promotion Studies	1.57	...	1.57	0.9	...	0.9	1.74	...	1.74	1	...	1
42	Textile Labour Rehabilitation Scheme	1.41	...	1.41	1.5	...	1.5	1	...	1	1.5	...	1.5
43	Others (TRAs, COP)	9.29	...	9.29	8.66	...	8.66	9.22	...	9.22	10.2	...	10.2

source: indiabudget.gov

MINISTRY OF TEXTILES SCHEME OUTLAY		Actuals2017-2018			Budget Estimates2018-2019			Revised Estimates2018-2019			Budget Estimates2019-2020		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
44	Integrated Scheme for Skill Development	100	...	100	200	...	200	42	...	42	100.5	...	100.5
45	R and D Textiles	9.45	...	9.45	11	...	11	11	...	11	0.01	...	0.01
46	National Institute of Fashion Technology (NIFT)	30	...	30	30	...	30	29	...	29	29	...	29
47	Technology Mission on Cotton	...	...	...	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
48	Technology Mission on Knitwear	...	...	...	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
49	Technology Mission on Technical Textile	...	...	...	0.01	...	0.01	0.01	...	0.01	0.01	...	0.01
50	NER Textiles Promotion Scheme	239.98	...	239.98	90	...	90	90	...	90	124.98	...	124.98
51	Scheme for Usage of Geotextiles in North East	19.82	...	19.82	15	...	15	15	...	15	0.01	...	0.01
52	Scheme for Promoting Agro Textiles in North East	...	...	...	7.6	...	7.6	7.6	...	7.6	0.01	...	0.01

OTHER EXPENSES

1	Establishment Expenditure of the Centre	72.51	...	72.51	78.85	...	78.85	78.36	...	78.36	82	...	82
2	Other Central Sector Expenditure	-23.54	12.4	-11.14	...	0.52	0.52	...	0.52	0.52	...	0.52	0.52
	Total budget	**5895.27**	**21.38**	**5916.65**	**7109.84**	**37.89**	**7147.73**	**6905.37**	**37.89**	**6943.26**	**5800.57**	**30.91**	**5831.48**

source: indiabudget.gov

CITI'S PARTICIPATION

TEXTILE 4.0 CONFERENCE

7 FEBRUARY 2019, MUMBAI

TEXTILE 4.0 CONFERENCE

Mr. Sanjay Jain, Chairman CITI, addressing Textile 4.0 Conference

On behalf of TAI-Mumbai Mr. Sanjay Jain, Chairman CITI, Felicitating Mr. Suresh Kotak

Mr. V.C. Gupte, Chairman TAI Mumbai felicitating Mr. Sanjay Jain, Chairman CITI at Textile 4.0 Conference

GLOBAL INVESTORS MEET 2019

24 JANUARY 2019, CHENNAI

Mr. T. Rajkumar, Deputy Chairman, CITI addressing at Global Investors Meet 2019

Tamil Nadu Govt. felicitating Mr. T. Rajkumar, Deputy Chairman, CITI at Global Investors Meet 2019

CITI'S PARTICIPATION

CEO CONCLAVE TELANGANA

19 & 20 FEBRUARY 2019, HYDERABAD

WORLD HRD CONGRESS

15 FEBRUARY 2019, MUMBAI

Mr. Sanjay K. Jain, Chairman, CITI receiving "CEO with HR Orientation" ET NOW Award at the 27th Edition of World HRD Congress.

SALIENT FEATURES

TELANGANA TEXTILE POLICY

TELANGANA TEXTILE POLICY AND KAKATIYA MEGA TEXTILE PARK

TEXTILE SECTOR IN TELANGANA

- 60 lac bales of cotton production
- Long staple cotton fibre of Telangana best in quality
- Only 20% cotton processed in Telangana
- 2.5 lac people of Telangana origin working in textile clusters of Surat, Bhivandi etc
- Telangana & Warangal have a history of cotton and textiles

TELANGANA – TEXTILE AND APPAREL POLICY

- One of the Most progressive and aggressive textile policy with a fibre neutral stance
- Five heads under which incentive are offered: -
  - *Capital Assistance – 25% subsidy up to Rs 20 Cr (35% up to Rs 40 Cr for Technical Textiles)*
  - *Operating Assistance –*
    - Interest Subsidy – 8% per annum for 8 years
    - Power Subsidy – Rs 1-2.5 per unit (A1 – A5 project category)
    - SGST – 100% reimbursement for 7 years
    - Transport Subsidy – 25%-75% for 5 years
    - CETP O&M Subsidy – 25% - 75% for 5 years
  - *Infrastructure Assistance*
    - Land Price Rebate in textile / apparel parks – 50% rebate up to 20 lac / acre (75% rebate up to 30 lac for Technical Textiles) for first movers and anchor investors
    - Rental subsidy for Built up space – 25% for 5 years
    - Land rebate for Workers Dormitory – 60% rebate up to 30 lac per acre
  - *Assistance for Capability Building and Skill Development*
    - Government to train all required manpower at its own cost
    - One time assistance of Rs 3000 – Rs 5000 per person as Training subsidy
  - *Fibre to Fabric Incentive*
    - Additional 5% subsidy on capital and power on integrated units
- Customized incentives for Mega Projects (A5 category – Min Rs 200 Cr investment or generation of 1000)

KAKATIYA MEGA TEXTILE PARK

- India's largest integrated Textile Park
- 1200 acres in the first phase
- High quality infrastructure like dedicated 24x7 water, power, and road connectivity at doorstep
- 20 MLD Common Effluent Treatment Plant (CETP) with zero liquid discharge system
- Common facilities like workers' dormitories, warehouses, testing labs, expo centre
- Dedicated technical training centre
- Open for Units of cotton, synthetics, man-made fibres, as well as technical Textiles
- Ready to use plug and play infrastructure specifically for garmenting units
- Land price fixed at Rs 40 lakh per acre for early movers

CITI HAILS "COMPREHENSIVE SCHEME FOR THE DEVELOPMENT OF KNITTING & KNITWEAR SECTOR" AS HISTORICAL

New Delhi, Thursday, 28th February, 2019: Under the dynamic leadership of the Hon'ble Prime Minister of India, the Hon'ble Union Minister of Textiles, Smt. Smriti Zubin Irani today launched the much awaited "Comprehensive Scheme for the Development of Knitting & Knitwear Sector with various components under PowerTex India".

Shri Sanjay K Jain, Chairman, CITI welcomed the Scheme and hailed it as a historic step which would create value to the bottom of the pyramid. Since the Knitting and Knitwear Industry is predominantly MSME in size and mainly located in decentralised sector, the scheme will help to promote Knitting and Knitwear Sector and thereby achieve the inclusive growth in the country and is a positive step to fulfil our Honourable Prime Minister's Make in India dream.

CITI Chairman further stated that the scheme will enhance the sector's contribution to the nation building as Knitting and Knitwear Sector is one of the major segments of the entire textile value chain and contributes about 27% of the total cloth production and about 15% of knitted fabric is being exported besides export of knitted apparel. He further informed that the share of knitted garments in value terms is about 38% in overall export of clothing.

Mr Jain also pointed out that despite knitwear sector growing at a much faster pace than weaving, it had been neglected till date and all schemes were just targeted for handloom and powerloom Sector despite this segment being of similar nature and character. Today knitwear is in everyone's wardrobe in the form of innerwear, socks, tshirts, leggings etc and its clusters badly needed this support. He said the industry had no words to thank Hon'ble Prime Minister and Hon'ble Union Minister of Textiles for this great initiative which will change the structure of knitwear industry in the coming days. The main clusters to benefit from this announcement are Tirupur, Kolkata, Ludhiana, Kanpur and NCR.

The highlights of the schemes are as follows:

1. **Creation of new service centres** by providing financial assistance upto Rs 2 crores per knitting and knitwear service centers for adequate facilities for testing, trading, sample development, consultancy, trouble shooting, facilitation services to the knitting and knitwear clusters on PPP model with participation from industry/ association.
2. **Modernisation and upgradation of existing PSCs i**n the knitting and knitwear clusters by equipping the existing powerloom centers run by the TRAs or EPCs or any other textile association with requisite machinery for training/ testing purposes required for knitting and knitwear industries, financial assistanceupto Rs 20 lakh/ centre will be provided.
3. **Group Workshed Scheme for Knitting and Knitwear unit** to facilitate the establishment of group Workshed for modern knitting machines and/or Knitwear which will provide required scale of economy for business operations and improved working condition.
4. **Yarn Bank Scheme for Knitting and Knitwear** unit to interest free corpus fund to SPVs or consortium of knitting units to enable them to purchase yarn at wholesale rate and give the yarn to the small knitting units thereby avoiding middleman/ local suppliers brokerage on sales of yarn. The Govt. is providing interest free corpus fund upto Rs. 2 crore per yarn bank.
5. **Common facility Centre for knitting and knitwear units** to establish CFC in various knitting and knitwear clusters for providing common facilities like processing, dyeing, printing, design development, testing facilities, ETP, etc. The Govt. is providing the subsidy maximum upto Rs. 4 crores including the yarn depot per project.
6. **Pradhan Mantri Credit Scheme** to provide adequate and timely financial assistance to meet their credit requirements for investment needs for new entrepreneurs belonging to SC/ST and women category. The financial assistance is provided in the form of margin money subsidy at 25% basic cost of the eligible new machinery at ceiling of Rs 25 lakhs.

7. **Solar Energy Scheme** to alleviate the problem of power cut/ shortage, by proving financial assistance/ capital subsidy to small units for installation of solar photo voltaic plant to improve utility, efficiency, productivity, etc. Financial assistance upto 50% is provided for installation of on-grid solar photo voltaic (without battery) and off-grid solar photo voltaic (with battery). Enhanced benefits of 75% and 90% for SC/ST entrepreneurs in the cost of solar panels.

8. **Facilitation/ IT awareness/ publicity & Market Development assistance**

   Mr. Jain stated that the above schemes will also help to achieve the objectives of "Make in India" programme as it will facilitate investment, enhance skill development and build infrastructure for the development of Knitting and Knitwear Sector. He also observed that the scheme will help to promote innovation by bringing in latest designs, brands, skill development and upgradation.

   The Scheme will also help to achieve economic, social and environmental sustainability in the textile sector.

   Mr. Jain concluded by saying that the scheme was a long pending demand of the industry and will catalyse more investment and employment in textile industry and will provide base for export of knitted apparel's from the country.

SAD DEMISE OF SHRI. R.L TOSHNIWAL OF BANSWARA SYNTEX LTD.

SHRI R. L. TOSHNIWAL

(22.11.1933 - 21.02.2019)

One of the stalwarts of T&C Industry of India who helped the industry, especially MMF Segment, steered through difficult times on numerous occasions, passed away on Thursday, 21st February, 2019, due to prolonged age related illness.

He was the Architect of Indian Spinners' Association (ISA), the Associate Member Association of CITI and has served ISA as President for a very long time. He also served in the Committee of CITI during 2006-07, 2007-08 and 2008-09, respectively.

It is indeed a great loss to the textile industry. Absence of Shri Toshniwalji will be felt greatly and he will always be remembered for his immense contribution to the textile industry.

Office bearers and Committee Members of CITI extends their heartfelt condolences to the bereaved family members.

A Prayer Meeting was held on 23rd February, 2019 at 4pm to 5.30pm at K.C College, Churchgate, Mumbai.

FOCUS ON MANMADE TEXTILE SECTOR CRUCIAL TO ACHIEVE US$ 300 BN. TEXTILES AND APPAREL MARKET BY 2025

New Delhi, Monday, February 18, 2019: Mr. Sanjay Jain, Chairman, CITI stated that globally the fibre consumption is dominated by manmade fibres having 70% share in total fibre consumption while natural fibres constitute only 30%. Contrary to the global trend, fibre consumption in India is skewed towards natural fibres, especially cotton. He said that the growth of cotton is limited owing to limited agricultural land availability and price volatility. Hence, in order to achieve the desired growth target of US$ 300 billion market by 2025 it has become important for India to focus on manmade textiles along with cotton textiles.

Mr. Rakesh Mehra, Convenor, CITI's Sub-Committee on Man-Made Fibre & Yarn pointed out that the downstream industries in the MMF textile value chain – spinning and weaving, which is the largest employment generator in the entire value chain are facing acute stress due to high prices of domestic staple fibre relative to what our competitors get in other countries. This affects the export competitiveness of the domestic downstream MMF textile industry and also makes the industry venerable to imports of value added MMF products.

Mr Mehra also pointed out that anti-dumping duties in the beginning of the textile manufacturing chain hurt the down-stream industry. Presently, Anti-dumping Duty on PTA is Rs. 4 to Rs. 6 per kg and on VSF (Viscose Staple Fibre), the Anti-dumping duty is Rs. 12 per kg. India has huge and efficient capacities in the manufacturing of Polyester Staple Fibre and also Viscose Staple Fibre. Moreover, it may be noted that import of Manmade staple fibre in 2017-18 stood at 149 mn. kg which is less than 15% of the total manmade staple fibre consumption in India. Hence, Mr Mehra suggested that the Government may abstain from enhancing Custom Duties and levying Anti-Dumping Duties on Staple Fibres. This will allow the downstream industries along the value chain to grow.

Mr Sanjay K Jain, Chairman CITI expressed his concerns over rising imports of manmade textiles post implementation of GST. As indicated in the table below, in the post GST Regime import of Yarn, Fabrics and Garments has increased substantially.

India's Imports of Manmade Textiles (In US$ Mn.)

Category	Jul16- Jun 17	Jun17- Jul 18	% change
Fibre	342	359	5%
Filament	600	600	0%
Yarn	149	237	60%
Fabric	1,129	1,262	12%
Apparel	164	212	29%
Home Textile	123	143	16%
Other	142	145	2%
	2,650	**2,958**	**12%**

Data Source: CITI Analysis based of DGCI&S data

Mr. Jain pointed out that the inverted duty structure in the case of MMF textiles has lead to GST paid on Capital Goods, Services & certain Inputs being added to cost in the hands of the MMF Textile buyer. These taxes are not considered for calculation of refund of input tax credits. This has made MMF Textiles costlier to the extent of such un-refunded taxes. This will restrict further expansion in MMF textile value chain. The Refund of Input credits due to Inverted Duty is a tedious task and the smaller players are unable to avail it and even those are getting refund are facing liquidity stress. These issues are also responsible for Import of MMF Yarn and Fabric becoming viable and preferred.

Mr. Sanjay Jain said that analysis of China's Export of MMF Textiles and Clothing indicate that share of value-added products - Fabric, Apparel and Home Textiles is 85% as against ours 65%. Fibre and Yarn constitute 7% of their total exports whereas the corresponding number in our case is 22%. Thus, it is only logical to conclude that India must concentrate on increasing exports of value-added products along the value

chain. Countries like Bangladesh, Cambodia and Vietnam have made substantial gains in their exports of Apparel without really augmenting capacities in manufacturing Fibre and Yarn. The value addition will increase our export numbers and also create jobs which is required to make the Hon'ble Prime Minister's Make in India programme successful.

Mr Jain also suggested that Government of India must enter into Free Trade Agreements with major markets like the EU, USA, Canada and Britain for the export of MMF garments and fabrics out of India. Such benefits are available to Bangladesh, Vietnam and others. Growth seen in these countries is a result of such bilateral agreements. These countries do not even have Fibre manufacturing and have concentrated on the downstream industries alone.

Further, for the upliftment of the MMF sector, Chairman CITI requested the Government to reduce GST on MMF from 18% to 12% and GST on MMF raw material viz. PTA and MEG from 18% to 12%. Also, anti-dumping duty on PTA in the recently initiated sunset review may be discontinued. He also requested the Government to increase the import duty on MMF based spun yarn and Fabrics as huge surge of imports have been seen in this category post GST which is impacting spun yarn and fabric manufacturers in a big way.

INDIAN COTTON TEXTILES SUFFERING SERIOUS DISADVANTAGES DUE TO TARIFF ISSUES IN MAJOR MARKETS

New Delhi, Monday, February 11, 2019: Shri Sanjay Kumar Jain, Chairman CITI stated that India's cotton yarn and fabric exports are struggling because of the duty disadvantage faced by the Indian exporters in major markets. As indicated in the table below, there has been continuous decline in exports of cotton yarn and fabric during 2013-14 to 2017-18. India's exports of cotton yarn declined by 25% from US$ 4,570 mn. in 2013-14 to US$ 3,443 mn. in 2017-18. In the same period fabric exports declined by 7% from US$ 4,941 mn to US$ 4,598 mn.

India's Exports of Cotton Yarn and Fabric (Values in US$ Mn.)

	2013-14	2014-15	2015-16	2016-17	2017-18	% change
Cotton Yarn	4,570	3,957	3,624	3,353	3,443	-25%
Fabric	4,941	5,317	4,793	4,521	4,598	-7%

Data Source: CITI Analysis based on DGCI&S data

Mr. Jain pointed out that Indian spinning mills performed well in exports during 2013-14 when the cotton yarn was covered under schemes such as 2% incremental export incentive, 2% interest subvention and 3% focus market incentive and the sector could penetrate into alternate markets other than China. However suddenly all incentives were withdrawn leading the spinning mills high and dry.

CITI Chairman highlighted that China which is the largest importer of cotton yarn has shifted from India to Vietnam/Indonesia as they have duty free access while Indian yarn carries 3.5% import duty. From 2013 to 2017, there has been a decline in India's cotton yarn exports to China by 48% while exports from Vietnam and Indonesia has increased at a remarkable rate of 129% and 55% respectively in the same period as indicated in the table below:

China's Import of Cotton Yarn from Major Suppliers (Values in US$ Mn.)

Rank	Supplier	2013	2017	% change
1	Vietnam	910	2,088	129%
2	India	2,175	1,129	-48%
3	Indonesia	239	372	55%

Data Source: UN Comtrade database

The duty differential for cotton yarn for various countries is indicated in the table below:

Import duty by EU, China, Turkey and South Korea on India and its competitors on cotton yarn

Countries	EU	China	Turkey	South Korea
India	**4%**	**3.50%**	**5%**	**5%**
Bangladesh	0%	3.50%	0%	0%
Cambodia	0%	0%	0%	0%
Pakistan	0%	3.50%	3.20%	8%
Turkey	0%	3.50%		
Vietnam	3.2%	0%	3.20%	0%
Indonesia	3.2%	0%	3.20%	0%

He further stated that India's raw cotton is going to various markets at zero duty. India exported US$ 1894 mn. worth raw cotton in 2017-18. Exporting of raw cotton bales instead of value addition by converting to yarn and fabric is leading to loss of valuable foreign exchange, employment and better remuneration to farmers.

Mr. Sanjay Jain also pointed out that similarly fabric exports from India are at serious disadvantage vis-à-vis exports from competing countries due to duty differentials in leading exports markets. Markets like EU, China, Turkey and Vietnam impose an import duty in the range of 8-12% on Indian fabric while duty free access is given to countries such as Pakistan, Cambodia, Bangladesh and Cambodia.

Import duty by EU, China, Turkey and Vietnam on India and its Competitors on Cotton Fabric

Countries	EU	China	Turkey	Vietnam
India	**8%**	**10%**	**8%**	**12%**
Bangladesh	0%	10%	0%	12%
Cambodia	0%	0%	0%	0%
Pakistan	0%	0%	6.4%	12%
Turkey	0%	10%		12%
Vietnam	6.4%	0%	6.4%	
Indonesia	6.4%	0%	6.4%	0%

Chairman CITI said that falling of Indian cotton yarn and fabric exports is impacting the whole value chain from farmers, spinners to weavers/knitters as there is considerable exportable surplus in country but we are not able to be overcome the tariff disadvantage despite being competitive in both spinning and weaving. As per the Financial Stability Report by RBI, the stressed advanced ratio of textiles sector stood at 18.7 in September 2018. Further, he highlighted that growth in clothing has not been supportive to consume the extra capacity leading to pressure on the yarn and fabric capacities. The exports of garments has declined from US$ 17.4 billion in 2016-17 to US$ 16.7 billion in 2017-18.

Mr. Sanjay Jain requested the Government to cover cotton yarn under MEIS as this will boost India's exports and also help us penetrate new markets especially the African markets. Also the farmers will get better price for raw cotton. Mr Jain pointed out that Cotton Yarn is the only segment which is not covered under MEIS. Hence, despite abundant raw materials availability and second largest cotton spinning infrastructure in the world, the cotton yarn exports are struggling in the absence of Government support.

Chairman CITI requested the Government to enhance MEIS for fabric from 2% to 4% at par with Made-ups. Mr Jain pinpointed that the weaving sector is labour intensive like the Made ups and Garmenting sectors. Weaving is mostly carried out in the unorganised sector especially in the rural and semi-urban areas. The sector employs women labour substantially. Hence, if the MEIS rate for fabrics is increased from 2% to 4%,it is estimated that exports of fabrics will increase by US$ 1 billion p.a.

Shri Sanjay Jain, Chairman CITI stated that he is optimistic that the Government would consider the plea of the textile industry and resolve the issues of the textile and clothing sector on an urgent basis.

INTERIM BUDGET WILL BOOST TEXTILE CONSUMPTION AND LEAD TO INCLUSIVE GROWTH: CITI

New Delhi, Friday, February 01, 2019: Mr. Sanjay Jain, Chairman, CITI welcomes the Interim Budget 2019-20 announced by the Hon'ble Finance Minister, Mr. Piyush Goyal. **The Chairman stated that the budget is expected to give major impetus to the textile and apparel consumption by increasing the purchasing power of middle class and farmers.**

Mr. Jain further stated that the present budget has focused on empowering the rural India and the middle-class of the economy. The new announcements have highlighted the commitments of the present government to improve the ove rall socio-economic condition of the country by touching upon the healthcare sector, infrastructure, ease of doing business, more beneficial schemes for low income strata of the society by enhancing their purchasing power, protecting them through pension scheme, minimum income through MGNREGA, etc.

CITI Chairman's response to some of the key budget announcements are as follows:

A. MSME Sector

Chairman-CITI pointed out that the announcement of 2% interest subvention for Micro, Small and Medium Enterprises (MSMEs) loans with a ticket size of 1 crore has given a big thrust to MSMEs to boost employment and economic growth.

A few banks exiting PCA, relaxation for MSMEs on funding and interest rates will benefit 80% of the T&C industry which falls under MSMEs.

B. Textile and Apparel Sector

- The outlay for textile sector has reduced from revised estimate of Rs 6943.26 crores to 5831.48 crores.
- The fund allocation for various Textile Schemes is given in the table below:

Schemes	2018-19 Budget Estimates (Rs. crore)	2018-19 Revised Estimates (Rs. crore)	2019-20 Budget Estimates (Rs. crore)
Remission of State Levies (ROSL)	2,164	3,664	1,000
Amended Technology Upgradation Fund Scheme (A-TUFS)	2,300	623	700
Central Silk Board	501	601	730
Procurement of Cotton by Cotton Corporation under Price Support Scheme	924	924	2,018

- **For A-TUFS**, the budget allocation has been steeply decreased from Rs. 2300 crores to Rs. 700 crores. Last year only about 30% of the budget could be used due to low disbursements, however, to clear the carried forward obligations, a much higher allocation will be needed. The budget for **ROSL** has also been reduced significantly which is a cause of great worry to the industry as this could lead to working capital blockages and delay in ROSL receipts. Further the industry has been expecting upward revision in ROSL rates which would need more funds.
- The allocation for TUFS and ROSL is not sufficient to meet the requirements of the industry. Chairman hopes that the Government after general election, will enhance the allocation for ATUFS and ROSL in its final budget.
- **Procurement of Cotton by CCI under Price Support Scheme** has increased from Rs. 924 crores to Rs. 2018 crores. This move of the Government to doubling the income of the farmers is well appreciated by the industry. However, our request to the Government is to introduce Direct Subsidy System for the cotton farmers as it will ensure no direct impact on cotton prices
- Allocation for Central Silk Board has also been increased, which is a welcome step by the Government.

CITI PRESS RELEASES...

A. Farmers

Government will provide assured income support of Rs 6,000 per year for small and marginal farmers with landholding below two hectares, through direct cash transfer under the Pradhan Mantri Kisan Samman Nidhi scheme.

B. Middle Class:

- Individuals having income of Rs.6.5 lakh will not be required to pay any tax if they take full deduction of 80C on savings instruments like PPF etc.
- Standard deduction raised from Rs. 40,000 to Rs. 50,000 benefiting the salaried class.
- TDS threshold on interest earned on bank/post office deposits is being raised from Rs. 10,000 to Rs. 40,000. This will benefit small depositors and nonworking spouses.
- This will result in increase in the purchasing power of the middle class.

C. Others:

- Pension scheme for the workers in unorganised sector with monthly income up to Rs.15,000.
- Assured monthly pension of Rs. 3,000 on attaining the 60 years age.
- Rs. 60,000 crores allocated for MGNREGA
- Allocation for Skill Development and Livelihood reduced from Rs 604 crores to Rs. 523 crores.

Hence, CITI Chairman concludes that though the T & C industry is expected to be a major gainer due to the extra funds which flow into the hands of the section of the society where incremental marginal expenditure on clothing is very high, the industry hopes for greater allocation of funds for the two flagship programs of the Textile Ministry – ATUFS & ROSL.

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Man Made Fibre and Yarn Price in India (Rs. Per kg)

PRICE TRENDS (DOMESTIC)

Month / Year	Poly/Visc	Poly/Cott	VSF	PSF	VFY	NFY	PFY	Texturized Yarn
Apr-17	203.8	159.0	180.6	94.1	400.5	277.3	104.0	108.6
May-17	203.8	158.0	180.6	91.9	400.5	267.7	105.7	108.6
Jun-17	201.5	158.0	180.6	90.8	400.5	267.7	105.7	108.6
Jul-17	203.8	152.0	189.4	92.5	369.7	266.5	90.3	108.6
Aug-17	204.5	153.0	189.4	95.3	369.7	269.7	93.3	106.2
Sep-17	205.0	159.0	189.7	100.2	369.7	269.7	96.5	99.8
Oct-17	202.0	159.0	189.7	106.1	369.7	283.1	94.8	99.8
Nov-17	203.8	161.0	189.7	106.1	369.7	283.1	94.8	100.8
Dec-17	204.5	161.0	189.7	110.8	369.7	263.8	98.2	100.8
Jan-18	207.8	162	189	110.8	369.7	263.8	100.7	100.8
Feb-18	211.3	164	193	110.8	369.7	257.5	100.7	100.8
Mar-18	212.5	165	193	112.6	369.7	257.5	106.6	100.8
Apr-18	212.8	165	193	116.1	369.7	268.1	107.7	107.8
May-18	216	169	193	113.7	369.7	268.1	110	117.5
Jun-18	216.5	169	195.4	119	369.7	268.1	116.4	117.5
Jul-18	215.5	169	195.4	122.6	369.7	270.7	117.5	117.5
Aug-18	217	171	195.4	121.4	369.7	273.3	117.5	117.5
Sep-18	232.8	181	199.9	121.4	369.7	283.5	119.1	129.5
Oct-18	231.8	181	199.9	132	369.7	288.3	137.2	129.5
Nov-18	226.5	174	199.9	140.9	369.7	278.9	127.7	129.5
Dec-18	218	168	199.9	140.9	369.7	284.4	127.7	129.5

Change Over Previous Year

Month / Year	Poly/Visc	Poly/Cott	VSF	PSF	VFY	NFY	PFY	Texturized Yarn
Apr-17	21.4	-15.0	16.88	3.17	14.8	-8.39	12.3	12.43
May-17	20.1	-16.0	16.88	2.36	0.0	-11.7	15.2	12.43
Jun-17	18.0	-16.0	16.88	2.2	0.0	-6.37	15.8	12.43
Jul-17	18.4	-22.0	25.7	3.61	-30.8	-10.1	-0.1	12.43
Aug-17	17.2	-21.0	25.7	6.51	-30.8	1.99	2.8	10.03
Sep-17	3.0	-2.0	14.76	10.98	-30.8	1.99	6.0	3.58
Oct-17	2.0	-1.0	14.76	17.99	-30.8	11.08	4.3	3.58
Nov-17	4.3	1.0	14.76	17.99	-30.8	20.62	4.3	4.58
Dec-17	5.7	1.0	14.8	22.7	-30.8	-1.3	7.7	4.6
Jan-18	6.8	34.0	14.0	14.9	-30.8	-10.1	6.5	0.6
Feb-18	-1.8	0.0	18.1	10.0	-30.8	-23.4	-5.6	-7.8
Mar-18	4.3	2.0	12.4	10.7	-30.8	-25.1	-0.8	-7.8
Apr-18	9.0	6.0	12.4	22.0	-30.8	-9.3	3.7	-0.8
May-18	12.3	11.0	12.4	21.8	-30.8	0.4	4.4	8.9
Jun-18	15.0	11.0	14.8	28.2	-30.8	0.4	10.7	8.9
Jul-18	11.8	17.0	15.0	30.1	28.2	4.2	27.1	8.9
Aug-18	12.5	18.0	6.0	26.1	0.0	3.6	24.2	11.3
Sep-18	27.8	22.0	10.2	21.2	0.0	13.8	22.6	29.8
Oct-18	29.8	22.0	10.2	26.0	0.0	5.2	42.4	29.8
Nov-18	22.8	13.0	10.2	34.8	0.0	-4.2	33.0	28.8
Dec-18	13.5	7.0	10.2	30.1	0.0	20.6	29.5	28.8

Source: Ministry of Textiles

Cotton Fibre and Yarn Price in India (Rs. Per kg)

PRICE TRENDS (DOMESTIC)

Month / Year	Raw Cotton	Medium Staple	Long Staple	Extra Long Staple	Hank Yarn	Cone Yarn	Hosiery Yarn
Apr-17	111.8	93.6	120.1	145.5	250.0	204.0	225.8
May-17	112.6	95.3	122.7	142.7	250.0	202.0	225.8
Jun-17	111.6	95.0	120.7	142.4	250.0	202.0	225.8
Jul-17	111.1	94.8	119.9	141.0	257.7	197.0	225.8
Aug-17	110.1	93.2	119.9	139.6	264.2	185.8	216.5
Sep-17	103.1	90.9	107.4	132.7	261.6	182.6	204.5
Oct-17	103.0	94.0	104.8	128.4	261.6	185.6	204.5
Nov-17	103.7	95.7	104.4	128.7	261.6	187.6	204.5
Dec-17	112.4	101.6	114.9	141.6	261.6	195.4	204.5
Jan-18	111.52	99.47	115.65	140.74	267.36	193.37	217.75
Feb-18	109.63	99.26	112.27	137.37	267.36	191.37	217.75
Mar-18	108.2	95.68	113.4	135.96	267.36	192.37	217.75
Apr-18	106.7	95.05	116.35	118.89	263.07	201.14	217.75
May-18	113.14	97.37	121.27	143.7	265.07	213.75	217.75
Jun-18	123.38	106.86	131.39	123.38	269.65	219.68	238.5
Jul-18	124.08	107.07	132.38	158.32	269.65	219.68	238.5
Aug-18	124.23	108.83	132.09	154.24	269.65	219.68	238.5
Sep-18	121.04	107.07	127.11	151.29	269.65	218.68	238.5
Oct-18	122.1	109.18	128.23	148.62	269.65	220.68	238.5
Nov-18	121.1	111.15	124.36	145.81	271.86	220.68	239.25
Dec-18	118.2	108.97	120.64	142.43	271.86	222.68	239.25

Change Over Previous Year

Month / Year	Raw Cotton	Medium Staple	Long Staple	Extra Long Staple	Hank Yarn	Cone Yarn	Hosiery Yarn
Apr-17	20.7	18.14	21.6	22.6	21.8	17.9	28.8
May-17	16.7	15.33	19.1	14.9	21.8	15.8	28.8
Jun-17	6.2	7.46	5.1	5.2	14.8	15.1	21.5
Jul-17	-5.9	-1.54	-10.1	-8.9	20.1	4.7	4.0
Aug-17	-3.5	0.78	-7.7	-6.2	15.9	-6.6	-8.0
Sep-17	-9.4	1.48	-19.3	-18.4	16.0	-12.4	-13.0
Oct-17	3.7	9.41	-1.4	-1.5	16.0	-1.4	-4.5
Nov-17	1.8	8.94	-4.4	-4.6	17.7	2.6	3.8
Dec-17	7.2	10	3.3	9.4	17.7	10.4	-1.3
Jan-18	-0.1	2.3	-3.5	1.7	23.6	0.3	12.0
Feb-18	-3.5	3.0	-11.0	-4.5	18.8	-4.7	2.8
Mar-18	-5.9	-0.6	-10.8	-10.1	14.8	-13.6	-8.0
Apr-18	-5.1	1.4	-3.7	-26.6	13.1	-2.9	-8.0
May-18	0.6	2.1	-1.4	1.0	15.1	11.7	-8.0
Jun-18	11.8	11.9	10.7	-19.1	19.7	17.7	12.8
Jul-18	13.0	12.2	12.5	17.3	12.0	22.7	12.8
Aug-18	14.2	15.7	12.2	14.6	5.5	33.9	22.0
Sep-18	17.9	16.2	19.8	18.6	8.0	36.1	34.0
Oct-18	19.1	15.2	23.4	20.3	8.0	35.1	34.0
Nov-18	17.5	15.5	20.0	17.2	10.3	33.1	34.8
Dec-18	5.8	7.4	5.7	0.8	10.3	27.3	34.8

Source: Ministry of Textiles

India's Textile and Apparel Exports (In US Million)

Description	Dec'17	Dec'18	% change	Apr'17-Dec'17	Apr'18-Dec'18	% Change	% share of total Apr'17-Dec'17	% share of total Apr'18-Dec'18
Textiles and Made-ups								
Cotton								
COTTON RAW INCLD. WASTE	303	285	-6%	1042	1504	44%	4%	5%
COTTON YARN	351	286	-19%	2470	2978	21%	9%	11%
COTTON FABRICS, MADEUPS ETC.	481	491	2%	4030	4400	9%	15%	16%
	1,135	**1,061**	**-7%**	**7,542**	**8,882**	**18%**	**27%**	**32%**
Jute								
JUTE, RAW	2	1	-70%	11	9	-17%	0%	0%
JUTE YARN	2	1	-37%	15	12	-21%	0%	0%
JUTE HESSIAN	13	11	-17%	110	87	-21%	0%	0%
OTHER JUTE MANUFACTURES	12	14	14%	97	115	18%	0%	0%
FLOOR CVRNG OF JUTE	4	5	25%	34	39	14%	0%	0%
	33	**31**	**-5%**	**267**	**262**	**-2%**	**1%**	**1%**
Silk								
SILK,RAW	-	-		-	0		0%	0%
SILK WASTE	1	1	-4%	11	14	32%	0%	0%
NATRL SILK YARN,FABRICS,MADEUP	4	5	21%	41	44	8%	0%	0%
SILK CARPET	0	10		1	13	800%	0%	0%
	5	**16**	**216%**	**53**	**71**	34%	**0%**	**0%**
Wool								
WOOL, RAW	0	0		0	1	149%	0%	0%
WOLLEN YARN,FABRICS,MADEUPSETC	20	20	1%	132	156	18%	0%	1%
	20	**20**	**1%**	**132**	**157**	19%	**0%**	**1%**
Manmade								
MANMADE STAPLE FIBRE	41	45	11%	457	432	-5%	2%	2%
MANMADE YARN,FABRICS,MADEUPS	418	412	-1%	3556	3705	4%	13%	13%
	459	**458**	**0%**	**4,012**	**4,137**	3%	**15%**	**15%**
Others								
CARPET(EXCL. SILK) HANDMADE	125	123	-1%	1077	1106	3%	4%	4%
COIR AND COIR MANUFACTURES	24	24	-2%	238	222	-7%	1%	1%
HANDCRFS(EXCL.HANDMADE CRPTS)	147	151	3%	1342	1351	1%	5%	5%
HANDLOOM PRODUCTS	31	29	-7%	273	253	-7%	1%	1%
OTH TXTL YRN, FBRIC MDUP ARTCL	39	40	3%	302	338	12%	1%	1%
	366	**368**	**0%**	**3,233**	**3,271**	**1.2%**	**12%**	**12%**
Total Textiles and Made-ups	**2,018**	**1,954**	**-3%**	**15,239**	**16,780**	**10%**	**55%**	**60%**
Apparel								
RMG COTTON INCL ACCESSORIES	783	763	-3%	6116	6059	-1%	22%	22%
RMG MANMADE FIBRES	289	289	0%	3640	2691	-26%	13%	10%
RMG OF OTHR TEXTLE MATRL	247	299	21%	2382	2323	-2%	9%	8%
RMG SILK	7	12	67%	106	117	10%	0%	0%
RMG WOOL	11	11	2%	135	161	19%	0%	1%
Total Apparel	**1,337**	**1,374**	**3%**	**12,378**	**11,350**	**-8%**	**45%**	**40%**
Grand Total	**3,355**	**3,328**	**-1%**	**27,617**	**28,130**	**2%**	**1**	**100%**

Data Source: CITI Analysis based on DGCI&S, As extracted on 14th February 2019

Percentage change figures are rounded off

India's Textile and Apparel Imports (In US$ Million)

Description	Dec'17	Dec'18	% change	Apr'17 - Dec'17	Apr'18- Dec'18	% change	% share of total Apr'17 - Dec'17	% share of total Apr'18- Dec'18
Textiles and Made-ups								
Cotton								
COTTON RAW INCLD. WASTE	25	26	4%	851	507	-40%	16%	9%
COTTON YARN	2	1	-35%	25	17	-32%	0%	0%
COTTON FABRICS, MADEUPS ETC.	40	40	1%	361	378	5%	7%	7%
	67	**67**	**1%**	**1,238**	**902**	**-27%**	**23%**	**16%**
Jute								
JUTE, RAW	3	4	22%	33	26	-22%	1%	0%
JUTE YARN	3	4	17%	35	31	-13%	1%	1%
JUTE HESSIAN	2	2	4%	13	17	31%	0%	0%
OTHER JUTE MANUFACTURES	6	7	8%	46	46	0%	1%	1%
FLOOR CVRNG OF JUTE	0	0	-98%	1	1	-12%	0%	0%
	15	**17**	**12%**	**128**	**120**	**-6%**	**2%**	**2%**
Silk								
SILK,RAW	21	15	-29%	150	113	-25%	3%	2%
SILK WASTE	0	0	271%	1	2	87%	0%	0%
NATRL SILK YARN,FABRICS,MADEUP	7	5	-32%	45	38	-15%	1%	1%
SILK CARPET		-	0%	0	0		0%	0%
	27.4	**19.4**	**-29%**	**196.0**	**153.5**	**-22%**	**4%**	**3%**
Wool								
WOOL, RAW	25	31	27%	233	257	10%	4%	4%
WOLLEN YARN,FABRICS,MADEUPSETC	9	7	-17%	57	87	52%	1%	2%
	33	**38**	**15%**	**291**	**344**	**19%**	**5%**	**6%**
Manmade								
MANMADE STAPLE FIBRE	35	39	12%	272	356	31%	5%	6%
MANMADE YARN,FABRICS,MADEUPS	164	174	6%	1397	1665	19%	25%	29%
	199	**212**	**7%**	**1,669**	**2,021**	**21%**	**30%**	**35%**
Others								
CARPET(EXCL. SILK) HANDMADE	8	7	-4%	68	76	12%	1%	1%
COIR AND COIR MANUFACTURES	0	0	15%	6	3	-45%	0%	0%
HANDCRFS(EXCL.HANDMADE CRPTS)	69	60	-13%	612	594	-3%	11%	10%
HANDLOOM PRODUCTS	1	1	11%	7	12	66%	0%	0%
OTH TXTL YRN, FBRIC MDUP ARTCL	89	75	-16%	730	697	-4%	13%	12%
	166	**143**	**-14%**	**1,423**	**1,382**	**-3%**	**26%**	**24%**
Total Textiles and Made-ups	**507**	**497**	**-2%**	**4,945**	**4,923**	**0%**	**90%**	**86%**
Apparel								
RMG COTTON INCL ACCESSORIES	31	46	49%	235	402	71%	4%	7%
RMG MANMADE FIBRES	21	20	-2%	174	252	45%	3%	4%
RMG OF OTHR TEXTLE MATRL	20	17	-13%	124	157	27%	2%	3%
RMG SILK	1	1	102%	4	8	116%	0%	0%
RMG WOOL	2	2	14%	11	13	18%	0%	0%
Total Apparel	**73**	**86**	**18%**	**547**	**831**	52%	10%	14%
Grand Total	**580**	**583**	**1%**	**5,492**	**5,755**	**5%**	**100%**	**100%**

Data Source: CITI Analysis based on DGCI&S, As extracted on 14th February 2019

Percentage change figures are rounded off

MONTHLY EXPORT UPDATE ON TEXTILE AND CLOTHING (JANUARY 2019)

- India's textile and clothing exports were up by 8% from US$ **2928** mn. in January 2017 to US$ 3,150 mn. in January 2018. However, all commodity exports of India were up by 4% in January 2018 over the same month of previous year. Also, the share of textile and clothing in India's total exports remained constant at 12% in the same period.
- Cumulative textile and clothing exports during April'18- January 2019 was to the tune of USD **29,324** mn. as against USD **29,070** mn. in April'17 – January 2018 indicating an increase of 1%. During the April'18 - January 2019 textile exports were up by 8% while clothing (excluding textiles) declined by **-7%**.
- During April'18 – January 2019, the exports of two T&A subsectors have registered negative growth as compared to April'17–January 2018:
  - Apparel by **- 7%**
  - Jute Mfg. including Floor Covering by **- 2%**
- While export of other subsectors have increased:
  - Cotton Yarn/fabric/made-ups, Handloom Products etc by 11%
  - Man-made Yarn/fabric/made-ups etc. by 4%
  - Handicrafts excl. handmade carpet by 2 %
  - Carpets by 5

Monthly Export Updates of Textile and Clothing (Value in USD Mn.)

Export catagory	Jan-18	Jan-19	% Change	Cumulative (Apr'17-Jan' 2018)	Cumulative (Apr'18-Jan' 2019)	% Change
Cotton Yarn/Fabs./made-ups, Handloom Products etc.	849	890	5%	8,380	9,284	11%
Man-made Yarn/Fabs./made-ups etc.	404	420	4%	3,960	4,124	4%
Jute Mfg. including Floor Covering	29	26	-10%	285	278	-2%
Carpet	111	125	12%	1,190	1,244	5%
Handicrafts excl. handmade carpet	139	163	17%	1,481	1,517	2%
Sub-Total Textiles	**1,531**	**1,623**	**6%**	**15,295**	**16,447**	**8%**
Apparel	**1,397**	**1,527**	**9%**	**13,774**	**12,877**	**-7%**
Textile and Clothing	**2,928**	**3,150**	**8%**	**29,070**	**29,324**	**1%**
All Commodity	**25,409**	**26,360**	**4%**	**248,177**	**271,804**	**10%**
% of T&C in Total Exports	**12%**	**12%**		**12%**	**11%**	

Source: DGCI&S

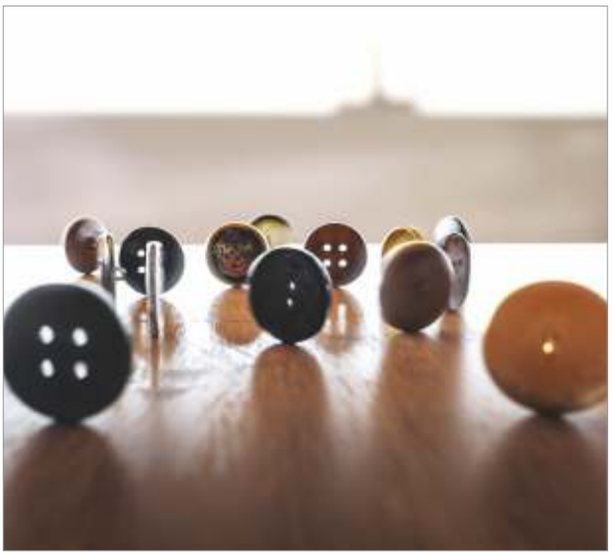
QUICK ESTIMATES OF IIP FOR TEXTILE AND CLOTHING SECTOR (T&C): DECEMBER 2018

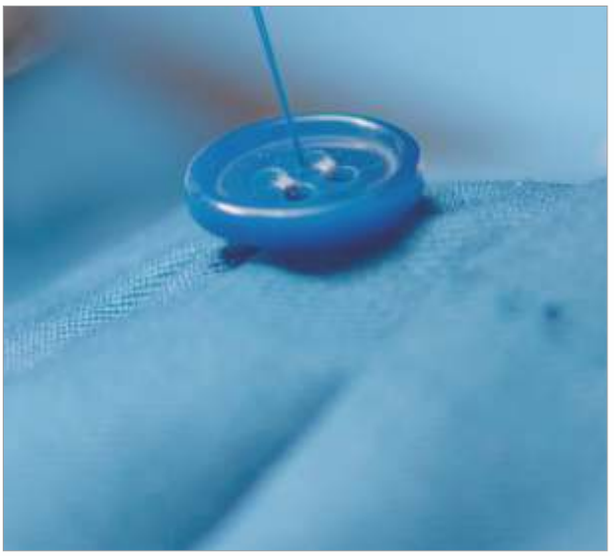
T&C in Index of Industrial Production (IIP): Growth Rates (%, Y-o-Y)

Sector	December-17	December-18	April - December 2018
Textiles	7.37%	-2.9%	1.8%
Wearing apparel	-11.72%	16.5%	9.4%
*T&C Sector**	0.5%	3.2%	4.19%

Source: CITI analysis based on Ministry of Statistics Planning & Implementation data

- The General Index for the month of December 2018 is **2.4** percent higher as compared to the level in the month of December 2017. The cumulative growth for the period April- December 2018 over the corresponding period of the previous year stands at **4.6** percent.
- Textiles (excluding apparels) were down by (-) **2.9** percent, Wearing Apparel was up by (+) **16.5** percent in December 2018 over the same month previous year.
- Cumulative change for April- December 2018 for textiles was up by (+) **1.8** percent and wearing apparel was up by (+) **9.4** percent over the same period previous year.





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Reimbursement of Worker's Training Cost

IS YOUR TEXTILE MILL AFFILIATED TO TEXTILE SECTOR SKILL COUNCIL (TSC)?

to get reimbursement of worker's training cost from state or central government skill development schemes

- Affiliated mills are entitled for reimbursement of Rs 15,096/- per trainee from the skill development schemes.
- Affiliated mills are also entitled to get Rs 1,700/- per worker to get their existing worker's skills certified (Recognition of Prior Learning, RPL).
- In addition, they would be eligible to participate in recently launched National Apprenticeships Promotion Scheme (NAPS). The scheme finances up to Rs 1,500/- towards stipend per month per apprentice for maximum one year. The maximum number of apprentices a mill can employ is 10% of total strength (including contract workers).

Till date, more than 350 textile mills are affiliated to TSC and availed benefits from the schemes. For further details please visit www.texskill.in or write to info@texskill.in.

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TEXTILE SECTOR SKILL COUNCIL
TSC
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