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1. TEXTILE INDUSTRY HAS OPPORTUNITIES IN INFRASTRUCTURE, HEALTHCARE: MINISTER

The Indian textile and clothing sector has several opportunities in the infrastructure and healthcare sectors, Union Minister for Textiles Smriti Zubin Irani has said. Inaugurating the Global Textile Conclave, organised virtually by the Confederation of Indian Textile Industry, the Minister said the Union Budget this year had proposed capital expenditure of ₹1 lakh crore in infrastructure projects next financial year and another ₹ 1 lakh crore in railways. The Jal Jeevan Mission of the Union Government was not only to provide clean drinking water but also to develop water bodies in rural areas. These were also markets for the textile industry to focus on. The National Mission on Technical Textiles was to enhance the research capabilities, technology and production of technical textiles in India. There were opportunities in Buildtech, Meditech, etc. “The PPE story of India is historic,” she said. There were about 1100 companies that make PPEs in India while there were none before the pandemic. “This strength should become the foundation for the textile industry's growth,” she said. The Production Linked Incentive scheme of the Centre highlighted some product lines where India needed to become self-reliant and globally competitive. The seven mega textile parks announced in the Budget should attract investments. However, the industry should also look at how the MSME units could benefit from these opportunities. The Minister urged the industry to look at the challenges and the need for good technology that was effective for the silk sector and diversification in the jute sector. In his message for the conference, Prime Minister Narendra Modi said the government was taking comprehensive measures for the textile industry. It had implemented several programmes to upscale infrastructure. Contribution of the textile sector was vital for building a self-reliant India. Integrating the industry with technology was a focus area. Indian textile industry should continue to innovate as well as research extensively to tap new markets. The impact of the pandemic showed how the industry could leverage on technology and convert challenges into opportunities.

(Source: The Hindu)

2. INDIA NEEDS TO BUILD ON MOMENTUM TO STRENGTHEN GLOBAL POSITION IN PPE MARKET

The pandemic saw India emerge as the world’s second largest manufacturer of PPE kits, after China. The Textile Ministry encouraged many manufacturers to venture into PPE production essential for the fight against COVID-19, says an India Today report. Initially, manufacturers were apprehensive about entering a completely new domain. They faced logistic issues like sourcing yarn from Ludhiana and moving products from one location to another during lockdown. Bigger manufacturers could easily pivot into PPE. However, smaller ones like the Noida-based Sunlord Apparel faced many issues.

Dealing with challenges

One major issue was the lack of knowledge amongst factory owners and workers about PPE manufacturing. As Indian manufacturers were not able to meet the required quality standards, the Textiles Ministry and industry chambers tried to educate them through Zoom calls. They also sent PPE samples to Coimbatore for testing in the early days. The Ministry also called manufacturers to ensure they faced no challenges in making PPE kits, says Rahul Mehta, former CMAI president. The PMO and Gujarat Chief Minister's office allowed Welspun India to set up masks and PPE overalls manufacturing facilities and built the required ecosystem. This included knowledge transfer, sessions on R&D and testing facilities in every state. This led to India's daily PPE suits production increasing to 500,000 with over 600 Indian companies now certified to manufacture PPEs. The Textile Ministry also collaborated with manufacturers to set up PPE factories and import the equipment. Single window procurement agencies like Hindustan Lifecare were set up to issue guidelines on PPE kits manufacturing.

Promoting medical textiles

Government agency for investment promotion and facilitation, Invest India estimates the global PPE kits market to be worth $52 billion (Rs 3.8 lakh crore) while the India market is worth $1 billion (Rs 7,300 crore). In this, the percentage of medical textiles is relatively less. Earlier, this market was largely dominated by China and Indian manufacturers faced a tough time convincing villagers to work in PPE manufacturing factories. Factories had to allow workers to stay on shop-floors to allay fears of catching the virus. This led to manufacturers like Matrix Clothing abandoning PPE kits manufacturing. Its abandonment has compelled the government and textile manufacturers to ensure a sustained quality and deliverability of medical textiles. In 2020, demand for face masks and PPE led to 30.4 per cent jump in China's textile exports, says General Administration of Customs. The government is also urging apparel manufacturers to aim for double digit share in global fabric exports. For this, the government proposes to upskill workers besides adopting latest technologies. It also proposes to set up seven mega textile parks across India. Exploring its collaboration with industry leaders, the government needs to build on this momentum to strengthen India's position in the global PPE market.

(Source: Fashionating World)

3. PLI SCHEME FOR TEXTILE SECTOR: RAYMOND CFO WELCOMES MOVE, SAYS WE WILL NOT GET DIRECT BENEFIT

In a bid to boost manufacturing and shore-up job creation, the government announced the expansion of the production linked incentive (PLI) scheme to the textile sector. Amit Agarwal, Group CFO of Raymond said that the scheme will bring importance to the sector. However, he said that as a company, Raymond will not be a direct beneficiary of the PLI scheme. "The PLI scheme is important for the textile sector. It reflects how the government and the whole economy is viewing the textile sector. So, it will have a rub-off effect. It will not impact us because it is based on the investments to be made and the incremental revenue. Overall, it will help the textile industry which is good for all of us," he said in an interview with CNBC-TV18. On the non-convertible debentures (NCD) allotment, Agarwal said that they have been allotted to the third party and not related party promoters. He also said that the NCDs will deleverage the balance sheet. "NCDs were allotted to third parties and has nothing to do with the promoter. These NCDs are on a long term basis and the

philosophy of the company is clearly on a path of deleveraging as we have demonstrated in the third-quarter numbers. If you see the nine months numbers, we have been able to reduce the net debt by over Rs 230 crore. This reflects our philosophy that we want to deleverage," he said. He also said that recoveries have been good in Q3 and revenues have gone up close to Rs 1,300 crore. He also remains bullish on the upcoming summer wedding season. "We see the summer wedding to be a strong point. We just had a wholesaler meet and we got a very good response from all those guys. We are very bullish about the summer trends," he said.
(Source: CNBC TV18)

4. MCA SIGNS PACT WITH CBIC FOR DATA EXCHANGE TO BOOST REGULATORY ENFORCEMENT

The move, expected to enhance ease of doing business, will use data analytics and artificial intelligence to improve regulatory enforcement. The Ministry of Corporate Affairs (MCA) has signed a Memorandum of Understanding (MoU) with the Central Board of Indirect Taxes and Customs (CBIC) for exchanging data such as import-export transactions and financial statements of companies registered in the country. The move, expected to enhance ease of doing business, will use data analytics and artificial intelligence to improve regulatory enforcement. The MoU will enable sharing of specific information such as details of Bill of Entry (Imports), Shipping Bill (Exports) summary from CBIC and financial statements filed with the Registrar by firms, and returns of allotment of shares for regulatory purposes. "In addition to regular exchange of data, the MCA and CBIC will also exchange with each other, on request, any information available in their respective databases, for the purpose of carrying out scrutiny, inspection, investigation and prosecution," the MCA said. Experts said the move could help prevent revenue leakages. "Earlier during 2020, the CBIC had signed a MoU with the CBDT and now has signed another with MCA. The key objectives here seem to sufficiently leverage the technological developments, and ensure that true and correct data is being furnished by the taxpayers to government bodies. Overall this definitely is a step in the right direction," said Abhishek Jain, tax partner at EY.
(Source: Business Standard)

5. MAHARASHTRA SPINNING MILLS SEEK SUBSIDY ON COTTON PURCHASE FROM CCI

Ashok Swami, chairman, Maharashtra State Co-op Textile Federation (MSCTF) said that the cooperative spinning mills in the state are finding it difficult to purchase cotton at the market rates since they have been in financial distress. The Cotton Corporation of India (CCI) has granted a subsidy of Rs 300 per candy to cooperative spinning mills in Maharashtra. The Corporation has also waived-off the security deposit of `2 lakh that the mills have to pay before participating in the e-auction process of the cotton body. The mills, however, say that this is not enough and have demanded a subsidy of Rs 2,500 per candy. Ashok Swami, chairman, Maharashtra State Co-op Textile Federation (MSCTF) said that the cooperative spinning mills in the state are finding it difficult to purchase cotton at the market rates since they have been in financial distress. "The recession in the textile industry since the past five-six years, higher electricity rates than other states, rising cotton prices and no increase in yarn rates, high-interest rates on bank loans in addition to the trade war between USA and China have adversely affected the yarn business," Swami said. Of the 150 spinning mills in the state, nearly 45 mills are closed, 70 are active and another 30 mills are in the process of construction. "Cotton prices have gone up above the minimum support price (MSP) of Rs 5,825 per quintal and are currently ruling between Rs 6,300 per quintal and Rs 6,400 per quintal in the open market. CCI is currently selling cotton at Rs 47,000 per candy and with transportation charges, it costs mills around Rs 48,000 per candy which is not affordable. Imported cotton attracts a duty of 10% which again is not affordable for mills," he added. "Cooperative spinning mills are not able to afford these rates and have therefore sought a subsidy of Rs 2,500 per candy. The CCI has granted a subsidy of Rs 300 per candy but this is not enough," he said. Of the total of 150 cooperative spinning mills in the state, only 70 mills are currently functional with an installed capacity of 14 lakh spindles daily. The annual cotton requirement is around 12-13 lakh bales and the sales turnover are Rs 2,500 crore annually. The state government has invested Rs 2,500 crore in these mills as shares capital. These mills give revenues to both the central and state government in the form of various taxes of Rs 200 crore to Rs 250 crore annually. Swami said both the CCI and the state government have agreed to forward the demand of spinning mills for more subsidy to the Centre.

(Source: Financial Express)