1. **QCO ON POLYESTER YARN ADVANCES WITHOUT DEFERMENT NOTICE IN INDIA**
2. **GOVERNMENT ADDS 43 NEW PARTNERS TO IMPLEMENT SAMARTH, 5% HIGHER SUPPORT**
3. **PM MITRA PARK TO BE BUILT IN NAVSARI; GUJARAT TO SIGN MOU WITH CENTRE**
4. **INDIA TO CUT GST ON IMITATION ZARI THREAD FROM 18% TO 5%**
5. **TENGIVA LAUNCHES REVOLUTIONARY B2B TEXTILE PROCUREMENT SYSTEM**
6. **SUSTAINABILITY REPORTING: SEBI FIXES SCHEDULE FOR MANDATORY "REASONABLE ASSURANCE"**

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1. QCO ON POLYESTER YARN ADVANCES WITHOUT DEFERMENT NOTICE IN INDIA

Various segments of India's textile sector are in limbo regarding the government's deferment of the implementation of the Quality Control Order (QCO) on polyester filament yarn. As no notification for the deferment of the order has been issued, it means that the order has automatically come into effect despite assurances to the downstream industry. The government's leniency towards corporates has drawn criticism. However, manufacturers of polyester fibre and yarn, who have been advocating for limitations on sub-standard imports, have found relief in this development. Interestingly, some garment and fabric industry bodies have also expressed support for the implementation of the order. As part of its plan to uphold the high quality of textile products, the government implemented the QCO on polyester fibre, but postponed its application on filament yarns, such as partially oriented yarn (POY), full drawn yarn (FDY), and industrial yarn (IDY), until the end of June 2023. This means that polyester fibre cannot be produced, imported, stored, or sold without Bureau of Indian Standard (BIS) certification. Following the implementation of the QCO on polyester filament yarn, industry associations updated their members about the change. They also welcomed the latest development. R K Vij, President of The Textile Association (India), issued a letter to its members to inform them. TAI stated that the implementation of QCO on polyester yarn is a welcome step. It will restrict import of lower quality material in the country. "There is no need to import polyester yarn because we have surplus capacity. Huge supply of imported yarn is causing trouble for the domestic industry." He stated that this will ensure the production of better-quality fabrics and garments. The move was welcomed not only by the garment industry but also by the weaving industry. Lalit Thukral, President of the Society of Noida Apparel Export Cluster, stated that the industry would now have access to locally manufactured and imported materials that meet ISO quality standards. The restriction on low-cost, low-grade materials will serve as a deterrent to protect the domestic value chain. Ankita Singh, from garment brand Freecultr, informed its manufacturers and suppliers that the move will ensure availability of quality products which in turn will lead to improvement in overall quality in the entire value chain. It will increase the competitiveness of the domestic knitting industry and reduce dependence on imports. While the garment and weaving industries have expressed disappointment, Nikhil Jain from the Ludhiana-based company Swan Enterprises told "Small industry is the backbone of our economy, but the latest government decision doesn't reflect this. This move will increase concerns for MSME units." He suggested that the government should first implement quality control measures on garments and finished products. Enforcement on raw materials will promote the import of garments and finished products, which is not favourable for a garment industry predominantly run by MSMEs. Earlier, a large number of industry organisations and businesses campaigned against the implementation. The Southern Gujarat Chamber of Commerce and Industry initiated a memorandum, backed by twenty thousand weaving units, urging the government to defer the implementation. Other organisations representing weavers, such as the Federation of Gujarat Weavers' Welfare Association and the

Federation of Indian Art Silk Weaving Industry, also sent letters to the government. Many organisations met with key officials in the central government. They received sympathetic responses and assurances, but nothing concrete.
(Source: Fibre2Fashion)

2. GOVERNMENT ADDS 43 NEW PARTNERS TO IMPLEMENT SAMARTH, 5% HIGHER SUPPORT

The government has partnered with 157 textile industries, industry associations, 16 central and state government agencies and three sectoral organisations to undertake training programmes under Scheme for Capacity Building in Textiles Sector (SAMARTH). In a statement issued the textiles ministry said that 43 new implementing partners have been empanelled under under the scheme with an additional training target of 75,000 beneficiaries and 5% increment in support to implementing partners. “The funding pattern has also been revised with an increment of 5% in cost norms, which will give much needed additional financial support to industries imparting skill under this scheme,” the ministry said. Out of the skilling target of 4.72 lakh beneficiaries allocated so far, 1.88 lakh beneficiaries have been provided training. More than 85% of the beneficiaries trained so far under the scheme are women. More than 70% of the beneficiaries trained in organized sector courses have been provided placement, according to the statement. The scheme aims to incentivise and supplement the efforts of the industry in creating jobs in the organised textile and related sectors. SAMARTH also caters to the upskilling/ re-skilling requirement of traditional textile sectors such as handloom, handicraft, silk and jute.
(Source: The Economic Times)

3. PM MITRA PARK TO BE BUILT IN NAVSARI; GUJARAT TO SIGN MOU WITH CENTRE

In Gujarat, the Prime Minister Mega Integrated Textile Regions and Apparel (PM MITRA) Park will be built in the Vansi-Borsi village of Navsari district post the signing of a memorandum of understanding (MoU) tomorrow between the Centre and the state. The MoU signing ceremony will take place in Surat. Gujarat’s Chief Minister Bhupendra Patel and Indian Minister of Commerce and Industry, Piyush Goyal will attend the ceremony, the Gujarat government said in a press release. The Gujarat Industrial Development Corporation (GIDC) will develop the PM MITRA Park in Navsari. The land for the same, spanning an area of 462 hectares, has been allocated to the GIDC by the state government, in accordance with the guidelines of the central government. The government of India will provide an assistance of 30 per cent, i.e. up to ₹500 crore from the total outlay of ₹1,500 crore for infrastructure development. The Gujarat government, under the leadership of State Chief Minister Patel, is in the process of creating a Special Purpose Vehicle (SPV) for the construction of this park. The state government will have 51 per cent equity and the central government will have 49 per cent equity. This park will also see the development of common facility centres such as material handling facilities, training and skill development centres, and testing centres which will increase the productivity of all segments in the sector. In addition, an integrated textile value chain such as spinning, weaving, processing, dyeing, printing, and garment manufacturing at one location will reduce the logistics cost of the industry. The government of India has approved the establishment of 7 PM MITRA Parks for the textile industry in seven states namely Gujarat, Maharashtra, Tamil Nadu, Telangana, Karnataka, Madhya Pradesh, and Uttar Pradesh. These sites were chosen out of 18 proposals from 13 states. PM MITRA Parks are intended to aid in the establishment of

world-class industrial infrastructure to attract large-scale investment, including foreign direct investment (FDI). Many national and international players from the textile industry will establish their units in Gujarat. The state will get an estimated investment of ₹10,000 crore and generate 2-3 lakh direct and indirect employment opportunities in the textile and its allied sectors. Inspired by the farm to fibre to factory to fashion to foreign (5F) vision of Prime Minister Narendra Modi, the PM MITRA Parks are a significant step forward in realising the government's vision of making India a global hub for textile manufacturing and exports. These parks will enhance the competitiveness of the textiles industry by helping it achieve economies of scale as well as attract global manufacturing players to India.
(Source: Fibre2Fashion)

4. INDIA TO CUT GST ON IMITATION ZARI THREAD FROM 18% TO 5%

The Indian government is set to reduce the GST rates on imitation zari thread, which is extensively used in various handicrafts and traditional Indian garments. The GST Council has proposed to cut these rates from the current 18 per cent to 5 per cent on this textile intermediate product. The decision was made at the 50th GST Council meeting, which took place in New Delhi. The meeting was presided over by Finance and Corporate Affairs Minister Nirmala Sitharaman. Several measures were also recommended to streamline GST compliances, the Ministry of Finance said in a statement. In addition to the proposed tax rate reduction, the Council has also recommended the regularisation of past GST payments related to this issue on an 'as is' basis. The Council further decided to clarify that the supply of raw cotton, including kala cotton, by agriculturists to cooperatives falls under the taxable category via the reverse charge mechanism. This is also to be regularised for past periods on an 'as is' basis.
(Source: Fibre2Fashion)

5. TENGIVA LAUNCHES REVOLUTIONARY B2B TEXTILE PROCUREMENT SYSTEM

The release represented a major milestone in textile procurement since this system directly addresses the changing needs of the industry. Tengiva, a leading system provider for the textile supply chain, officially launched their groundbreaking B2B Textile Procurement System. The launch took place at the ITMA 2023 participation. This centralised system offers transparency, informed decision-making, and optimised processes for apparel brands, garment manufacturers, and all other companies sourcing textiles. The release represents a major milestone in textile procurement since this system directly addresses the changing needs of the industry. It acts as a hub for sourcing, connecting, and discovering new materials while enhancing agility, reducing time-to-market, and supporting supply chain interconnectivity.

Key features and benefits of the B2B Textile Procurement System

- Real-time information for production orders: Users gain access to real-time information on supplier stock levels and production capacities, enabling them to make informed sourcing decisions aligned with their production needs. It also allows for parent company profiles, facilitating sub-company management without compromising information security.
- Standardised information across suppliers: System information is standardized across all suppliers, ensuring a unified and consistent data format. This facilitates effective communication, shared data, and efficient connection and discovery based on specific needs. Additionally, the system enables swatch samples ordering directly from the client portal, significantly reducing sourcing time.

- Transparency and traceability: Tengiva's B2B Textile Procurement System prioritises transparency and traceability throughout the procurement process with a practical and agile approach to record-keeping. Stakeholders can gain a comprehensive view of their entire operations, allowing them to track orders, payments, and raw material sourcing for production.
- Centralised agreements database: The system features a centralized agreements database, ensuring secure storage and easy accessibility of all contracts, terms, and sales conditions. This centralised approach minimises the risk of errors or discrepancies in procurement, enables a deeper understanding of long-term commercial behavior, and reduces operational time for transversal business units.
- Seamless communication and control: A single platform for seamless communication between apparel brands, garment manufacturers, and suppliers. With access to stock information and complete oversight of materials in production facilities, businesses can make informed sourcing decisions. Having controlled access to the team and the rest of the supply chain enhances security and efficiency in procurement.

(Source: The Indian Textile Journal)

6. SUSTAINABILITY REPORTING: SEBI FIXES SCHEDULE FOR MANDATORY "REASONABLE ASSURANCE"

Market regulator SEBI has specified a "glide path" for the mandatory "reasonable assurance" of Core Business Responsibility and Sustainability Reporting (BRSR Core), which is a novel ESG reporting framework. From financial year 2023-24, the top 150 listed companies by market capitalisation would have to subject their BRSR Core to "reasonable assurance", SEBI said in a circular issued. In financial year 2024-25, the top 250 listed entities would have to adhere to this "reasonable assurance" norm; in 2025-26, it would be the top 500 listed entities; and by 2026-27 it would be the top 1,000 listed companies, SEBI has stipulated. It may be recalled that SEBI had recently brought in changes to its listing obligations and disclosure requirement (LODR) regulations to empower itself to specify the date on which this mandatory assurance norm will come into effect and the manner in which such assurance must be obtained from time to time. The SEBI move to stipulate a glide path for reasonable assurance of 'BRSR Core' is expected to provide comfort to investors, regulators and various ESG rating agencies. Put simply, BRSR Core brings out the critical elements of BRSR and mandates 49 parameters for ESG reporting. BRSR is intended to ensure quantitative and standardised disclosures on environment, social and governance (ESG) parameters to enable comparability across companies, sectors and time. Such disclosures will aid investment decisions. SEBI has updated its BRSR format and incorporated the BRSR Core's new key performance indicators (KPIs). From financial year 2023-24, the top 1,000 listed entities (by market capitalisation) would have to make disclosures as per the updated BRSR format. SEBI has now stipulated that ESG disclosures for value chain would be applicable to the top 250 listed entities (by market capitalisation) on a comply-or-explain basis from financial year 2024-25. The limited assurance on this would be applicable on a comply-or-explain basis from FY 2025-26. SEBI has now directed the boards of listed companies to ensure there is no conflict of interest with the assurance provider appointed for BRSR Core. For instance, it must be ensured that the assurance provider or any of the associates do not sell its products or provide any non-audit or non assurance service, including consulting services, to the listed entity or its group entities. SEBI has taken a path-breaking step by mandating reasonable assurance of BRSR Core, Aniket Sunil Talati, President, ICAI, said. "The SEBI circular on reasonable assurance is a testimony to the commitment of India towards ESG goals. ICAI worked very closely with SEBI on BRSR Core and ensuring that reasonable assurance is made mandatory to avoid green washing," Talati said. Through the Sustainability Reporting Standards Board, ICAI is ensuring that sufficient capacity is built in the chartered accountancy profession to undertake BRSR assurance, he added. Priti Savla, Chairperson, Sustainability Reporting Standards Board, said that ICAI is leading by example in the mission towards sustainability and is committed to ensuring that chartered accountants contribute significantly to the cause. Madhu Sudan Kankani, Partner, Deloitte India, said that the SEBI Circular on BRSR Core Framework for Assurance and ESG Disclosures for Value Chain signifies a significant step forward in improving the quality of ESG reporting in India. He said that the clear glide path for disclosure and assurance ensures that the top 1000 listed entities (by market capitalization), starting from the top 150, will be required to comply with the BRSR Core framework over the next few years. This will create a more standardized and comprehensive approach to ESG disclosures, leading to increased transparency and comparability across companies, Kankani added. "Overall, these developments in ESG reporting and assurance will contribute to building trust among stakeholders, promoting sustainable practices, and facilitating informed decision-making in the Indian business landscape", he said.

(Source: Business Line)