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# M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWS LETTER OF THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

ASSOCIATION NEWS

1. A Representation was sent to the Hon'le Chief Minister of the State with copies to Hon'ble Labour Minister, Principal Secretary Labour and the Labour Commissioner on 28th August, 2023 with a request to consider following amendments to Sections 54, 55, 56, 59 & 65 of the Factories Act, 1948:



- To extend the number of hours of work up to twelve hours inclusive of rest intervals in any day subject to a maximum of 48 hours in a week.
- To extend the total number of hours of work without an interval to six hours to any group or class of description of factories.
- To increase the spread over up to 12 hours inclusive of workers intervals for rest in respect of any group or class.
- To amend Section 59(i) of the Act as under:
  - a). for more than nine hours in any day or for more than forty-eight hours in a week, working for six days in a week.
  - b). for more than ten hours in any day or more than forty-eight hours in a week, working for five days in a week,
  - c). for more than eleven and a half hours in any day working for four days in a week,
- To extend the overtime limit per quarter to one hundred and forty-four hours to allow factories to engage workers on overtime for an increased period of time in a quarter.  
Such amendments will help in attracting more investment, particularly in the Textile and Apparel Sector, leading to more employment.

RAW MATERIAL

1.The US Department of Agriculture (USDA) has estimated on 12th August, 2023 that World cotton production may decline to 114.12 million bales (217.7 kg) next season due to lower US and Uzbekistan crops, while consumption will be up at 116.94 million bales, mostly led by stronger consumption prospects in China more than offsetting lower use in Uzbekistan and ending stocks could be lower. China holds the key to prices as any drop in demand from the Communist nation could limit the upside to prices. The global cotton prices are expected to rule around 80 US cents a pound (Rs. 52,600 a candy of 356 kg) over the remaining part of 2023. As regards Indian production, the USDA estimates it lower at 326.58 lakh bales (170 kg) next season against the projected 333.00 lakh bales this season



However, the output this season has been estimated higher at 118.29 million bales with larger crops in Brazil and Argentina.

Million 480 Pound Bales

|               | 2021- 22 | 2022-23 | 2023-24 |
|---------------|----------|---------|---------|
| Op. Stock     | 86.26    | 85.64   | 94.13   |
| Production    | 115.66   | 118.29  | 114.12  |
| Import/Export | 43.20    | 37.05   | 43.86   |
| Consumption   | 116.00   | 110.48  | 116.94  |
| Clos.Stock    | 85.64    | 94.13   | 91.60   |

2.The International Cotton Advisory Committee's (ICAC) projections for cotton production 2023-24 season are 24.51 million tons (112.58 million US bales). The ICAC said consumption this season will likely be 23.79 million tons (109.27 million bales).The ICAC has forecast the season-average A Index for 2023-24 to range from 66 cents to 109 cents, with a midpoint of 85 cents per pound.

3.The Cotton Association of India (CAI) in its Meeting held on 14th August, 2023 maintained the cotton crop production forecast for the 2022-23 season at 311.18 lakh bales. In the last cotton season, the total cotton production was estimated at 307.05 lakh bales. The total cotton supply of 350.18 lakh bales consists of the opening stock of 24.00 lakh bales at the beginning of the cotton season on 1st October, 2022, crop for the season estimated at 311.18 lakh bales and the imports for the season estimated at 15.00 lakh bales. The domestic consumption for the season is estimated at 311.00 lakh bales. Exports for the season have also been retained at 16.00 lakh bales and the carry-over stock for the current season is estimated at 23.18 lakh bales. Cotton arrivals during the months of October, 2022 to July, 2023 are estimated at 296.80 lakh bales of 170 kgs. each.

4. The Southern India Mills' Association (SIMA) has called upon the Cotton Association of India (CAI) to avoid deviating from the estimate made by the Committee on Cotton Production and Consumption (CoCPC) being one of the active members of CoCPC to prevent any negative impact on the cotton market. SIMA Chief stated that the under estimate of crop size has impacted the cotton market and increased the cotton price by Rs. 3,000 per candy within few days.

Chairman, SIMA stated that the cotton arrival as per Cotton Corporation of India (CCI) has exceeded 318.58 lakh bales on 14th August, 2023 for the season 2022-23, whereas the CAI has projected the crop size as 311.18 lakh bales and the arrival as only 296.8 lakh bales. He opined that CAI might be projecting the estimate of the ginning production as the crop size of the Country and therefore, felt that CAI estimate could be ignored by the stakeholders and rely only on the CoCPC estimate.

5. In India, the export benchmark Shankar-6 cotton is currently ruling at Rs.



61,300, while unprocessed cotton (kapas) is ruling at Rs. 7,925 a quintal in Rajkot agri terminal market.

6. The textile industry is concerned about the Chinese exporters dumping cheap fibre and polyester in India ahead of the implementation of Quality Control Order (QCO) on a range of textile input materials. While bigger players have welcomed the QCO, micro, small and medium enterprises that lack a resilient supply chain are heavily dependent on imported raw material and are facing the double whammy of slowing exports and a raft of standards imposed on the industry. Cheap quality imports from China are being dumped into India. There is a difference of Rs. 5-7 per kg in case of polyester fibre. The Chinese are aggressively dumping fibre into India knowing fully well that the Government will come out with standards from 1st October, 2023.

7. As per reports, a recent study conducted by researchers from King's College, London, has shed light on substantial losses farmers face in Telangana's Nalgonda district due to BT cotton cultivation. The study unveiled that erratic monsoon increased failures of BT cotton crop yields. The failures in rainfed BT cotton have aggravated the risks, plunging farmers into financial losses.

8. The Ministry of Textiles on 28th August, 2023 has deferred the implementation of Cotton Bales (Quality Control) Order, 2023 till 26th August, 2024. Now it will be applicable from 27th August, 2024.

9. The Government of Madhya Pradesh has reduced the rate of Mandi Tax on Cotton from Rs. 1.50 to Re. 0.50 for every Rs. 100. This new rate is effective from 11th August, 2023 to 31st March, 2024.

## POWER

1. M P Power Management Company has advised DISCOMs to recover Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ 4.86% on energy charges only for one month commencing from 24th August, 2023.

2. The Ministry of Power has issued on 28th June, 2023 Carbon Credit Trading Scheme, 2023 under provisions of Energy Conservation Act, 2002

3. NTPC Renewable Energy Ltd., has secured a project to install 80 MW of Floating Solar Power project at Omkareshwar Reservoir in Khandwa District on 8th August, 2023. The Company will supply power generated from this station at Rs. 3.80 per unit to the State Distribution Companies.



## MAN POWER

1. Shri Ajaypal Singh, In-charge Director, Industrial Health & Safety of the State has been appointed as Chief Inspector of Factories w.e.f. 14th August, 2023.

2. The Minimum Wages payable to various categories of workmen in the State are likely to increase by Rs. 175.00 per month for the period 1st October, 2023 to 31st March, 2024.

3. Hon'ble Supreme Court in the matter of Assistant Provident Fund Commissioner, Gurgaon V/s G4 Security Services (India) Ltd., which has been decided on 17th August, 2023, held that definition of "basic wages" contained in Employees Provident Fund & Miscellaneous Provisions Act, read with Section 6 of this Act, excludes various allowances particularly, House Rent Allowance, conveyance allowance and washing allowance from the definition and as such no PF contribution are liable to be paid by the employer in the Fund. The appeal of APFC, Gurgaon was dismissed.



## LEGAL & TAXATION

1. On 29th August, the State Government has extended time limit for disposal of every pending appeal under the M P VAT Act and other allied Acts up to 31st March, 2024.

2. As per amendment dated 14th August, 2023 to The Madhya Pradesh Investment Facilitation Act, 2008-"Any entrepreneur, who fails to comply

with the conditions or the undertaking in the self-certification given to the Nodal Agency or the other department or authorities shall be liable for a penalty imposed by the Competent Authority, which may extend to fifty thousand rupees for the first failure and for the second or subsequent failures with a penalty which may extend to one lakh rupees."



3. As per Press Note dated 21st July, 2023 of the Department for Promotion of Industry & Internal Trade, the period of validity of Industrial License is being extended from three years to fifteen years for all kind of Licenses henceforth to be granted under Industries (Development & Regulation) Act in line with the validity of Licenses being issued for Defence items as a measure for Ease of Doing Business. An extension of three years may be granted by concerned Administrative Ministry/Explosive Section (DPIIT) as per the guidelines.

4. In a letter to Central Board of Indirect Taxes and Customs (CBIC), Chairman, PHD Chamber of Commerce and Industry requested to address IGST refunds paid on exports under Rule 96(10) of the Central GST Rules. "In cases of exports made on payment of IGST, the exporters claimed refund of IGST with the bonafide understanding that they are entitled to claim refund." Several exporters received recovery notices flagging their ineligibility in case of exports made on payment of IGST, leading to litigation. Hence, validity and legality of Rule 96(10) of the CGST Rules was challenged before the various High Courts. Several grounds for challenge to constitutional validity remain open and the issue is sub-judice before various High Courts. This is hindering exporters' ability to "conduct business with certainty and efficiency" and any delay in providing relief would have a critical and continuous impact on several industries in the Country. The lack of clarity and retrospective amendments in Rule 96(10) have created irreparable damage of the exporter community.

## EXPORT & IMPORT

1. The Central Government released the information relating to exports for the month of April-July, 2023 on 14th August, 2023. There has been overall negative growth in all the segments of the textile industry. The information relating to textile and apparel exports is as under:

| Value in US\$ Million                             |                    |                    |                 |
|---|--------------------|--------------------|-----------------|
| Exports   | April - July, 2022 | April - July, 2023 | % Change        |
| Cotton Yarn, Fabric, Made -ups, Handloom Products | 4,110.67           | 3,767.83           | (-)8.34         |
| MM Yarn, Fabric Made - ups, etc.                  | 1,764.10           | 1,551.12           | (-)12.07        |
| Jute Products                                     | 169.88             | 123.93             | (-)27.05        |
| Carpets   | 499.83             | 437.60             | (-)12.45        |
| Handicrafts, etc.                                 | 620.44             | 528.90             | (-)14.75        |
| <b>Textiles</b>                                   | <b>7,164.92</b>    | <b>6,409.38</b>    | <b>(-)10.54</b> |
| <b>Apparel</b>                                    | <b>5,871.80</b>    | <b>4,835.88</b>    | <b>(-)17.64</b> |
| <b>Textiles &amp; Apparel</b>                     | <b>13,036.72</b>   | <b>11,245.26</b>   | <b>(-)13.74</b> |
| All Commodities                                   | 1,59,318.26        | 1,36,218.47        | (-)14.50        |
| <b>% Share of T &amp; C</b>                       | <b>8.18</b>        | <b>8.26</b>        |                 |

- During July, 2023, Textiles Exports registered negative growth of 1.90% (\$1,663.10) over the same month of the previous year (\$1,695.26), while Apparel Exports registered negative growth of 17.37% (from \$1,381.14 in July, 2022 to \$1,141.17 in July, 2023).
- Exports of Textiles and Apparel during July, 2023 have registered negative growth of 8.85% over July, 2022.
- Cotton yarn, fabrics, and made-ups registered growth of 6.62% in July, 2023 (\$1,009.10 million) as against July, 2022 (\$946.48 million).
- Share of T&A has increased to 8.69% in July, 2023 from 8.02% in July, 2022





- During April-July, 2023, Indian Textiles Exports registered negative growth of 10.54% over the previous year, while Apparel Exports registered negative growth of 17.64% during the same time period.

2. According to Shri Sanjay Jain, Managing Director of TT Limited, garment exports were at a "sustained low" for a year. In volume terms, the decline was sharp. Retailers in the US market are destocking and demand is expected to revive. There are enquiries for garments for spring/summer 2024 for which shipments will begin early next year. Cotton yarn exports usually look up in September-October. India expects a good cotton crop next season. If cotton prices remain competitive, exports will revive.

Shri Siddhartha Rajagopal, Executive Director of Cotton Textiles Export Promotion Council, said, "Regarding cotton textile exports, the mood is cautiously optimistic. Demand looked better from China and if Indian cotton prices are reasonable, export of yarn and fabrics will look up. India has its strengths in cotton textiles and the challenge is to sustain the growth in cotton exports."

3. The import of raw cotton and waste decreased by 54.24%, whereas import of Textile yarn, fabrics, made-ups decreased by 24.67 % in July, 2023 as compared to the same month of the previous year. The details of imports in April-July, 2023 as compared to the same months of the previous year are under:

Value in US\$ Million

| Imports                             | April-July, 2022 | April-July, 2023 | % Change  |
|-------------------------------------|------------------|------------------|-----------|
| Cotton Raw & Waste                  | 468.46           | 287.19           | (-) 38.69 |
| Textile Yarn/Fabrics/Made-ups, etc. | 930.42           | 719.74           | (-) 22.64 |

4. The segment wise export of Technical Textiles during April- June, 2023 vis-a-vis April-June, 2022 have been as under:

Value in US\$ Million

| Segment          | April-June, 2022 | April-June, 2023 | % Change |
|------------------|------------------|------------------|----------|
| Agrotech         | 18.3             | 21.8             | 19.0     |
| Buildtech        | 1.9              | 1.1              | (-)46.0  |
| Clothtech        | 16.4             | 14.5             | (-)11.0  |
| Geotech          | 2.8              | 5.3              | 88.0     |
| Homotech         | 21.5             | 25.4             | 18.0     |
| Indutech         | 197.0            | 193.3            | (-)2.0   |
| Meditech         | 54.3             | 58.3             | 7.0      |
| Mobiltech        | 40.9             | 53.4             | 31.0     |
| Packtech         | 302.8            | 219.9            | (-)27.0  |
| Protech          | 15.4             | 25.1             | 63.0     |
| Sportech         | 6.2              | 6.8              | 10.0     |
| Speciality Fibre | 0.0              | 5.9              | 0.0      |
| Total            | 677.5            | 630.7            | (-)7.0   |

- Geotech was the fastest growing segment during April - June, 2023 as compared to April- June, 2022, with a growth rate of 88 % followed by Protech (63%).
- Mobiltech showed a growth rate of 31%, followed by Agrotech 19%, during April- June, 2023 as compared to April- June, 2022.
- Homotech showed growth of 18%. This segment has shown a declining trend for the last financial year.
- Packtech and Indutech are the largest exported products with an exports value of US\$ 219.9 million. and US\$ 193.3 million during April- June, 2023, respectively. However, the Packtech and Indutech exports have showed decline of 27% and 2% respectively.
- Total Technical textile exports consisted of fibre 1%, yarn 5%, fabric 33%, apparel 7% and made-up articles 54%.



5. As per the World Trade Statistical Review- 2023, India's share in World Textile exports in the year 2022 is 5.7%. The top ten exporters of textiles are as under:

| Country  | Value USD Bn. | Share in World Exports % |      |      |      |
|----------|---------------|--------------------------|------|------|------|
|          |               | 2000                     | 2005 | 2010 | 2020 |
| China    | 148           | 10.3                     | 20.2 | 30.4 | 43.6 |
| E U      | 71            | 3.4                      | 32.5 | 25.3 | 21.1 |
| Extra EU | 25            | 11.5                     | 11.3 | 9.0  | 7.4  |
| India    | 19            | 3.6                      | 4.1  | 5.1  | 5.7  |
| Turkey   | 15            | 2.4                      | 3.5  | 3.5  | 4.3  |
| USA      | 14            | 7.0                      | 6.1  | 4.8  | 4.1  |
| Vietnam  | 11            | 0.2                      | 0.4  | 1.2  | 3.2  |
| Pakistan | 9             | 2.9                      | 3.5  | 3.1  | 2.6  |
| Taipei   | 8             | 7.6                      | 4.8  | 3.8  | 2.5  |
| Korea    | 8             | 8.1                      | 5.1  | 4.3  | 2.4  |
| Japan    | 6             | 4.5                      | 3.4  | 2.8  | 1.8  |

Similarly in the World exports of clothing India's share is 3.1%. The top ten exporters are asunder:

Value in US\$ Million

| Country   | Value USD Bn. | Share in World Exports % |      |      |      |
|-----------|---------------|--------------------------|------|------|------|
|           |               | 2000                     | 2005 | 2010 | 2020 |
| China     | 182           | 18.2                     | 26.6 | 36.6 | 31.7 |
| E U       | 156           | 6.4                      | 29.3 | 26.9 | 27.1 |
| Extra EU  | 45            | 8.1                      | 8.6  | 7.5  | 7.7  |
| Beng.Desh | 45            | 2.6                      | 2.5  | 4.2  | 7.9  |
| Vietnam   | 35            | 0.9                      | 1.7  | 2.9  | 6.1  |
| Turkey    | 20            | 3.3                      | 4.2  | 3.6  | 3.5  |
| India     | 18            | 3.0                      | 3.1  | 3.2  | 3.1  |
| Indonesia | 10            | 2.4                      | 1.8  | 1.9  | 1.7  |
| Cambodia  | 9             | 0.5                      | 0.8  | 0.9  | 1.6  |
| Pakistan  | 9             | 1.1                      | 1.3  | 1.1  | 1.5  |
| USA       | 7             | 4.4                      | 1.8  | 1.3  | 1.2  |

## STATE OF INDUSTRY

1. The production of textiles is measured by the Index of Industrial Production, which has seen a continuous decline since March, 2022. As per the IIP data released by the National Statistical Office(NSO), the manufacturing Sector's output grew 3.1% in June, 2023. The index for manufacture of textiles, which was 107.8 in June, 2022 fell to 107.5 in June, 2023 showing a decline of 0.3 %. The Wearing Apparel Index too fell to 120.3 in June, 2023 from 156.9 in June, 2022 recording a negative growth of 23.3 %. The details of IIP are as under:

| Items           | For the Month |           | Cumulative       |                  | % Growth |
|-----------------|---------------|-----------|------------------|------------------|----------|
|                 | June, 2022    | June 2023 | Apr-June 2022-23 | Apr-June 2023-24 |          |
| General         | 138.3         | 143.4     | 136.9            | 143.00           | 4.5%     |
| Textiles        | 107.8         | 107.5     | 111.1            | 107.4            | - 3.3%   |
| Wearing Apparel | 156.9         | 120.3     | 142.9            | 108.2            | -24.3%   |

2. On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its Meeting on 10th August, 2023 decided to keep the policy repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.50 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate at 6.75 per cent.

3. Addressing the exhibitors at the 9th GartexTexprocess India - 2023 Exhibition on 4th August, 2023 Ms. Darshana Jardosh, Minister of State for Textiles said the Indian textile and clothing industry must adopt the concept of circularity to extend the life span of textiles by up-cycling, recycling, reusing, and reducing the textile waste, the focus of the Indian textile and clothing industry should be to create environmentally and socially equitable sector.



4. On behalf of the spinning mills, Chairman, Confederation of Indian Textile Industry (CITI), Shri T. Rajkumar appealed to the Hon'ble Prime Minister of India, Shri Narendra Modi to advise the Ministry of Finance to consider the case of the spinning segment as a special one and extend the following financial support:

- Extend a one-year moratorium for repayment of the principal amount;
- Convert three-year loans under ECLGS into six-year term loans;
- Extend necessary financial assistance to mitigate the stress on working capital, on a case-to-case basis.

He had a detailed meeting with the senior representatives of the Indian Banking Association (IBA) along with representatives of some of the member banks like SBI, HDFC, and Bank of Baroda on 10th August 2023.

5. The Chairman CITI, Shri T Rajkumar, as part of a delegation led by Shri R Gandhi, Hon'ble Minister of Handlooms and Textiles, Government of Tamil Nadu met Shri Piyush Goyal, Hon'ble Minister of Textiles on 14th August 2023. The delegation also met Secretary (Finance), Shri T V Somanathan, and Secretary (Textiles), Ms. Rachna Shah. The major discussion agendas were:

- Removal of 11% import duty on cotton at least from ELS cotton
- Increasing Cotton Production and improving Cotton Quality
- Resolving MMF Quality Control Order issues
- Ensure the smooth supply of raw materials at an internationally competitive rate and enhance global competitiveness.

The delegation submitted a memorandum seeking the following financial relief:

- Measures to mitigate the unforeseen challenges faced by the spinning sector,
- Provide two years moratorium for repayment of the principal amount,
- Conversion of ECLGS into six years term loan and
- Extending the additional working capital loan.

Government is likely to announce fiscal incentives for the ailing textile and apparel industry by the end of this year, partly to stave off the impact of a fall in overseas orders.

6. The Office of Textile Commissioner, Mumbai opened Access to the iTUFS portal for the stakeholders after completion of maintenance on 24th July, 2023. Stakeholders have been advised to reset / change their passwords to avoid any security breach and maintain process assurance in the system.

7. Ministry of Textiles has approved the Startup Guidelines for Technical Textiles under the banner of Grant for Research and Entrepreneurship across Aspiring Innovators in Technical Textiles (GREAT). Shri Rajeev Saxena, Joint Secretary Textiles, unveiled the plan during a press conference on 29th August, 2023, outlining a grant-in-aid of up to Rs. 50 lakh for a period of 18 months. The Guidelines seek to stimulate innovation in multiple sub-domains, ranging from agro-textiles and smart textiles to high-performance fibres and recyclable materials. The initiative aims to support startups in translating prototypes to commercialized technologies.

8. The Ministry of Textiles has notified Quality Control Orders (QCOs) for 31 technical textiles products including 19 Geo Textiles and 12 Protective Textiles, which will come into effect from 7th October, 2023. Besides, QCOs for 28 products including 22 Agro - Textiles and 06 Medical Textiles are also in the final stages of issuance and likely to be issued in September, 2023.

9. The Ministry of Textiles has extended the last date for for inviting applications from interested companies for PLI Scheme , covering MMF (Man Made Fibre) Apparel, MMF fabrics and products of Technical Textiles till 31st October, 2023 (inclusive).

10. As per National Accounts Statistics, 2023 released by the Ministry of Statistics & Programme Implementation, Textile, and Apparel & Leather Sector have highest Gross Value Added (GVA) of 30.2 percent in 2021-22 (as against overall 22.8 percent for manufacturing). The household segment (small enterprises) dominate the output scene. The share of textile in private

consumption expenditure has increased and it has immense potential to generate employment across regions. Some of the data related to Textile, Apparel & Leather Sector are as under:

|                    | 2011-12          | 2021-22          |
|--------------------|------------------|------------------|
| Gross Value Added  | Rs. 1,60,375 cr. | Rs. 3,60,523 cr. |
| GVA to Output      | 26.9 %           | 30.2 %           |
| Household in GVA   | -                | 55.1 %           |
| Employment         |                  | 205.44 lakh      |
|                    |                  | 2012-22          |
| CAGR of GVA        |                  | 8.44 %           |
| CAGR of Employment |                  | 0.14 %           |

11. According to the report on "Global Textile Yarn Market by Source (Chemical, Plant, Animal), Type (Artificial, Natural), Application (Apparel, Home Textile, Industrial), and Region (North America, Europe, Asia Pacific, Rest of the World) - Forecast to 2028" released by Research And Markets. com's, the textile yarn market is projected to grow from USD 14.4 billion in 2023 to USD 18.5 billion by 2028, at a CAGR of 5.1%. The report states that the increasing global population, coupled with urbanization trends, has a direct impact on the textile yarn market. As more people move to urban areas, the demand for textiles and textile products rises, creating a higher demand for textile yarns.

12. India Ratings and Research (Ind-Ra) opines headwinds will continue for the textile sector in financial year 2023-24 in view of demand pressures. The sector continued to exhibit a revenue decline in the first quarter of 2023-24. However, EBITDA margins have been buffered by a moderation in raw material prices. Led by the revenue decline, profitability is reeling under pressure, which coupled with significant capex plans has led to deterioration of credit metrics. This is reflected in Ind-Ra taking negative rating actions (rating downgrade or downward outlook revision) on 14 of the 45 textile entities reviewed in the past six months. Spinning and weaving segments have been the most affected. The sector outlook for financial year 2023-24 remains deteriorating.

13. As per the latest Technavio Market Research Report, the spinning machinery market size is expected to grow by USD 1,811.85 million from 2022 to 2027, progressing at a CAGR of 5.81%. APAC is estimated to contribute 92% to the growth by 2027. This is due to the demand from countries like China, India, and Bangladesh. The steady growth of cotton prices has been beneficial for spinning machinery manufacturers, enabling better production planning and cost estimation. In India, the cost of producing one pound of yarn is below 10 cents, making it a cost effective option compared to many other countries. Hence, these factors are expected to drive market growth during the forecast period. India has introduced a policy allowing 100% Foreign Direct Investment (FDI) under the automatic route. Companies investing in this sector must inform the Reserve Bank of India within 30 days of remitting the investment. This policy is anticipated to attract significant investments in the textile sector, resulting in increased demand for spinning.