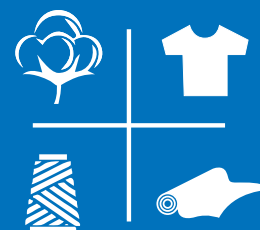


M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWS LETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION



Chairman :
Shri Akhilesh Rathi

Vice Chairman :
Shri Shreyeskar Chaudhary

Dy. Chairmen :
Shri Subhash Jain
Shri Siddharth Agrawal

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ASSOCIATION NEWS

1. A request was sent to Principal Secretary, Industrial Policy & Investment Promotion Department of the State on 25th Sept., 2023 for early release of Investment Promotion Assistance pending for long. It was also requested that if the claims are pending due to non-convening of State Level Empowered Committee, the same may be convened at the earliest.

2. The Commissioner of Industries of the State intends to convert leasehold land with industries to freehold and have asked for the suggestions from the Association in the matter. On 18th September, 2023, we have submitted our suggestions, which include:

- The Units, which are in operation for at least 10 years should be eligible for conversion. The Units, which intend to sell the land without operating the industry should not be considered for the conversion.
- The Government may collect 10 years lease rent from the units and convert the land to freehold. Conversion should not be linked to Collector's Guide lines.

The benefits accruing to units on getting freehold ownership of the land would be:

- Ownership without change of land use will increase production.
- Industrialists will be able to increase investment with long term planning.
- Industrialists will be able to change type of holding.
- Industrialists will be able to devote full time to increase production, thereby increasing employment.
- Departmental Officers will be able to devote their time on new projects and planning.

3. Sagar Multi Speciality Hospital at Bhopal constructed by Sagar Group (Sagar Manufacturers Pvt. Ltd.,) was inaugurated by the Hon'ble Chief Minister on 7th September, 2023. Shri Siddharth Agrawal, Managing Director (our Deputy Chairman) stated that with the launch of this Hospital, their vision of giving accessible and exceptional healthcare for all has become a reality. Congratulations.

4. Vardhman Textiles with the initiative of Shri S Pal, Director, M P Locations organized Artificial Limb Camp at Civil Hospital, Mandideep for 15 disabled persons. These persons will get a new lease of life with new limbs. Congratulations.

5. Sagar Manufacturers Private Limited Integrated Textile Industry has been adjudged as one of the Top Ten Spinning Mills in India in the year 2023 by Industry Outlook 2023 Award in acknowledgment of its unwavering focus and dedication to achieve excellence in quality and delivery in this field. Congratulations.



RAW MATERIAL

1. According to US Department of Agriculture (USDA) report dated 12th September, 2023, reduction in global production to 113.39 million bales and mill-use to 115.88 million bales have been seen in 2023-24 crop. Historical revisions, primarily those that lifted mill-use figures for China and Turkey across several recent crop years, resulted in a 1.0 million bales reduction in 2023-24 beginning stocks to 93.18 million bales.

The net effect of the changes to production, use and beginning stocks of 2023-24 is ending stocks reduction to 89.96 million bales. While lower than last month, this volume ranks among the top seven all-time, only behind the levels from last crop year, 2019-20 (affected by COVID), and the period of elevated Chinese reserves (2012-13 to 2015-16).

At the country-level, the largest updates for 2023-24 production included those for the U.S. (-8,60,000 bales to 13.10 million bales), India (-5,00,000 bales to 25.00 million bales), Greece (-2,30,000 to 1.10 million bales), Benin (-2,25,000 to 1.2 million bales), Burkina Faso (-2,25,000 to 0.70 million bales), Mexico (-1,75,000 to 1.10 million bales), and Egypt (-1,05,000 to 0.40 million bales). These reductions will partially offset by a higher forecast for Brazil (+5,50,000 bales to 13.80 million bales).

For 2023-24 mill-use, the largest changes were for Bangladesh (-3,00,000 to 7.70 million bales), India (-5,00,000 to 24.0 million bales), Mexico (-1,50,000 to 1.8 million bales), and Vietnam (-1,00,000 to 6.9 million bales). There were no additions to 2023-24 consumption estimates over 1,00,000 bales.

Million 480 Pound Bales

	2021- 22	2022-23	2023-24
Open. Stock	84.81	84.50	93.18
Production	115.62	118.70	113.39
Import/Export	43.20	37.15	43.27
Consumption	115.95	110.91	115.88
Clos. Stock	84.50	93.18	89.96

2. According to the International Cotton Advisory Committee's (ICAC) report dated 1st September, 2023, of the top five cotton producing countries in the 2023-24 season, four are having significant problems with weather. China has been experiencing very hot and dry conditions in their largest cotton growing region, Xinjiang. The Xinjiang region accounts for nearly 90% of all cotton produced in China, so a problem in this specific region spells big trouble for Chinese cotton. In addition, both India and to a lesser extent, Pakistan, are suffering from a rainfall shortage. These shortages have come at a time when





the crop in both countries needs water for continued boll development. If rain does not materialise, it could decrease yields and affect quality. The United States region of West Texas is once again suffering from a lack of rainfall. Still, if dry conditions continue to persist, yields and quality will suffer.

3. The Office of Textile Commissioner vide its Order dated 6th September, 2023 announced Minimum Support Price (MSP) of different varieties of cotton for the season 2023-24 (October-September). The MSP of major varieties is as under:

Class	Staple Length (mm)	Minimum Support Price	
		2022-23 Rs.	2023-24 Rs.
Short Staple	20 & below	5,580	6,120
Medium Staple	21.5-22.5	5,830	6,370
	21.5-23.5	5,880	6,420
	23.5-24.5	5,930	6,470
Medium Long Staple	24.5-25.5	6,080	6,620
	26.0-26.5	6,180	6,720
	26.5-27.0	6,230	6,770
Long Staple	27.5-28.5	6,280	6,920
	27.5-29.0	6,330	6,970
	29.5-30.5	6,380	7,020
Extra Long Staple	32.5-33.5	6,580	7,220
	34.0-36.0	6,780	7,420
	37.0-39.0	7,580	8,220

4. The Cotton Corporation of India (CCI) has projected a production of 342 lakh bales for cotton season 2022-23 (October to September) against 312 lakh bales in the previous season. According to Indian Cotton Federation 335 lakh bales have arrived in the market and it may reach 340 lakh bales for the cotton season 2022-23.

5. As per Ministry of Agriculture & Farmers Welfare, as on 15th September, 2023 about 123.22 lakh hectares (ha) area coverage under cotton has been reported compared to corresponding period of last year (127.29 lakh ha). Thus 4.07 lakh ha less area has been covered compared to last year. Higher area is reported from the States of Gujarat (1.30 lakh ha), Rajasthan (1.08 lakh ha), Madhya Pradesh (0.25 lakh ha), Odisha (0.19 lakh ha) and Haryana (0.16 lakh ha). Less area is reported from the States of Andhra Pradesh (2.44 lakh ha), Telangana (1.93 lakh ha), Karnataka (1.58 lakh ha), Punjab (0.80 lakh ha), Tamil Nadu (0.16 lakh ha) and Maharashtra (0.06 lakh ha).

6. Between 2000-01 and 2013-14, India's cotton production, in terms of lint, almost trebled from 140 lakh to 398 lakh bales of 170 kg each. This was significantly enabled by Bt technology. From 2002, farmers began planting genetically-modified (GM) cotton hybrids incorporating genes isolated from a soil bacterium *Bacillus thuringiensis* or Bt. The Bt genes coded for proteins toxic to the deadly *Helicoverpa armigera* or American bollworm insect pest. As the share of Bt hybrids in the Country's area sown under cotton touched 95%, average per-hectare lint yields more than doubled from 278 kg in 2000-01 to 566 kg in 2013-14. However, the gains didn't last. The production and yields falling after 2013-14, to 343.5 lakh bales and 447 kg/hectare in 2022-23. While Bt technology gave a huge impetus to production during the first decade-and-a-half of this century, the yield gains from it have been somewhat eroded by the emergence of new dominant pests, especially PBW. It only highlights the central role that new technologies – whether GM, next-generation insecticides or mating disruption – will have to play in sustaining the cultivation of this fibre.

7. On 22nd September, 2023 Shri S.K. Sundaraman, Chairman, South India Mills Association stated that India is among the top 10 textile manufacturers globally and the scope is more. The Government should remove the import duty on cotton at least for varieties that are not grown in the Country. In the case of Man Made Fibres (MMF) and speciality fibres, it should permit import through Advance Authorisation Scheme without insisting on quality control norms.

8. India has been a pioneering force within the Better Cotton Programme since its first Better Cotton harvest in 2011. It's the World's second largest cotton-producing country and has the largest number of farmers participating in the Better Cotton Programme. The results in this India

Impact Report 2014-2023 are impressive:

- Pesticide use has decreased by 53% on Better Cotton Farms in India
- Water usage for irrigation is down by 29%
- Farmers are saving money – their overall costs (excluding land rental) have reduced by 15.6%
- Women represented 15.5% of Field Facilitators in in 2021-22 – an increase from 10% just two years prior

None of these results would be possible without the dedication and commitment of partners in India.

9. Birla Cellulose - leading sustainability focused man-made cellulosic fibres producer - has announced a new product offering - Birla Viscose Ecosoft, a new variant of viscose, made exclusively from bamboo pulp. It offers significant benefits such as utmost comfort and lustrous drapes that are being sought by consumers in apparel purchases. This product will aid the textile industry to meet the processes adhere to high norms of quality and environmental responsibility.

POWER

1. M P Power Management Company has advised DISCOMs to recover Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ 1.78% on energy charges only for one month commencing from 24th August, 2023.



MAN POWER

1. The Employees' State Insurance Corporation has notified on 1st September, 2023 its decision to extend Atal Beemit Vyakti Kalyan Yojana for a period from 1st July, 2022 to 30th June, 2024 with enhanced rate of relief and relaxed eligibility conditions as notified in the Gazette of India, (Extraordinary), Part III – Section - 4 (Sl. No 436) dated 16th October, 2020, Sl. No. 15 dated 11th January, 2021.



2. The Employees Provident Fund Organisation has extended time limit for Employers' to upload wage details, etc. regarding pension on higher wages till 31st December, 2023.

3. The Minimum Wages payable to various categories of workmen have been increased w.e.f. 1st October, 2023 and are as under:

Category	Per Month			Wages per day Rs.
	Basic Rs.	D.A. Rs.	Total Rs.	
Unskilled	6500	3325	9825	378
Semi-skilled	7057	3625	10682	411
Skilled	8435	3625	12060	464
Highly Skilled	9735	3625	13360	514

LEGAL & TAXATION

1. Ministry of Finance vide its Notification No. 52/2023-Customs dated 5th September 2023 amended Notification No. 50/2017-Customs, dated 30th June, 2017 and extended the exemption on Basic Customs Duty (BCD) by changing the speed specification of the shuttleless looms from RPM to "Meters Per Minute" against the items in S.no. 460. The amended list is as given below :

- Shuttleless Rapier Looms [above 650 meters per minute];
 - Shuttleless Waterjet Looms [above 800 meters per minute];
 - Shuttleless Airjet Looms [above 1000 meters per minute];
 - Parts and components for use in the manufacturing of shuttleless looms
2. It has been decided by the GST Authority to impose a time limit of 30 days for reporting of invoices from date of invoice, on e-invoice portals," said an advisory issued by the GST e-invoice systems. "This time limit is applicable for taxpayers with AATO greater than or equal to Rs. 100 crore. Earlier the time limit proposed by the Central Board of Indirect Taxes and Customs (CBIC) was seven days.



3. The Andhra Pradesh High Court has ruled that the Goods and Services Tax (GST) Authorities cannot seize items in transit without first conducting an inquiry into the authenticity of the transaction, even if the original supplier does not have GST registration. The case relates to a trader who bought iron scrap from a company in Vijayawada, Andhra Pradesh, and subsequently sold it to another company based in Medak district, Telangana. The official can, however, initiate an inquiry against both the trader and the driver, providing them with an opportunity to establish their case.



4. The Central Government, on the recommendation of the Goods and Services Tax Council, vide Notification No. SO 4073(E) dated 14th September, 2023, has constituted State Bench of the Goods and Services Tax Appellate Tribunals. One of such Tribunals is to be located at Bhopal.

5. The Ministry of Finance has exempted payments made for goods imported through ocean freight from 5 per cent Integrated GST with effect from 1st October, 2023.

6. Federation of Indian Chambers Of Commerce & Industry (FICCI) has requested Adl. Secretary, GST Council to rationalize the GST rates on MMF yarns to 12 percent so that value chain remains competitive. There is a GST Inversion issue, hindering the growth of the MMF industry. High GST rate of 18% and 12% is applicable on Fibre and Yarn respectively for Viscose. GST blockage in MMF value chain hampers the growth of the industry.

EXPORT & IMPORT

1. The Central Government released the information relating to exports for the month of April-August, 2023 on 14th September, 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-Aug., 2022	April-Aug., 2023	% Change
Cotton Yarn, Fabric, Made-ups, Handloom Products	4,994.57	4,881.92	(-)2.26
MM Yarn, Fabric Made-ups, etc.	2,183.96	1,963.62	(-)10.09
Jute Products	211.96	156.26	(-)26.28
Carpets	604.08	555.55	(-)8.03
Handicrafts, etc.	765.85	670.60	(-)12.44
Textiles	8,760.42	8,227.95	(-)6.08
Apparel	7,105.65	5969.94	(-)15.98
Textiles & Apparel	15,866.07	14,197.89	(-)10.51
All Commodities	1,96,334.85	1,72,948.43	(-)11.91
% Share of T & C	8.08	8.21	

- During August, 2023, Indian Textiles Exports registered a growth of 13.98% over August, 2022, while Apparel Exports registered a negative growth of 8.15% during the same time period.
- Cumulative Exports of Textiles and Apparel during August, 2023 have registered a growth of 4.33% over August, 2022.
- Share of T&A has increased to 8.56% in August, 2023 from 7.64% in August, 2022
- During April -August, 2023, Indian Textiles Exports registered negative growth of 6.08% over the previous year while Apparel Exports registered a negative growth of 15.98% during the same time period.
- Cumulative Exports of Textiles and Apparel during April -August, 2023 have registered a negative growth of 10.51% as compared to April-August, 2022.

2. India's textiles and apparel sector is facing a double whammy. Companies have seen a steep drop in domestic sales — some claim a fall of up to 35%. To make matters worse, a dip in global demand has made exporters dump their unsold goods in the domestic market. While this situation has been on for a while, the latest hit has come from a dip in demand among Indian consumers. Almost 70 percent of India's garment exports go to the US and European markets, where high inflation and the Russia-Ukraine war have affected purchases. Unless we

improve productivity, we may not be able to compete with Bangladesh and Vietnam. These countries have lower wages and higher productivity. Since we cannot lower wages, we have to improve productivity.

3. According to Shri Siddhartha Rajagopal, Executive Director of Cotton Textiles Export Promotion Council, the demand was good for home-textile products. The growth in cotton textiles is led by made ups. Usually demand and exports pick up during the September-March period. Garment demand is also expected to revive in December-January this financial year. The situation is not rosy. But the growth will be sustained. We need to be focused on fibre availability.

4. The import of raw cotton and waste decreased by 74.67%, whereas import of Textile yarn, fabrics, made-ups decreased by 21.70% in August, 2023 as compared to the same month of the previous year. The details of imports in April-August, 2023 as compared to the same months of the previous year are under:

Value in US\$ Million

Imports	April-Aug., 2022	April-Aug., 2023	% Change
Cotton Raw & Waste	764.10	362.09	(-) 52.61
Textile Yarn/Fabrics/ Made-ups, etc.	1,195.08	935.75	(-) 21.70

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

Value in US\$ Million

Segment	April-July, 2022	April-July, 2023	% Change
Agrotech	24.3	28.9	19.0
Buildtech	2.6	1.5	(-)44.0
Clothtech	21.6	19.2	(-)11.0
Geotech	3.7	8.1	119.0
Hometech	28.5	34.9	22.0
Indutech	261.2	265.2	2.0
Meditech	72.3	78.4	9.0
Mobiltech	56.3	73.1	30.0
Packtech	400.6	305.7	(-)24.0
Protech	24.2	30.0	24.0
Sportech	8.8	9.2	4.0
Speciality Fibre	0.0	6.7	0.0
Total	904.2	860.8	(-)5.0

- Geotech was the fastest growing segment during April - July, 2023 as compared to April- July, 2022, with a growth rate of 119 % followed by Protech 24%.
- Mobiltech showed a growth rate of 30%, followed by Protech 24%, Hometech 22% and Agrotech 19% during April- July, 2023 as compared to April- July, 2022.
- Packtech and Indutech are the largest exported products with an exports value of US\$ 305.7 million. and US\$ 265.2 million during April - July, 2023, respectively. However, the Packtech exports have showed decline of 24% during the same period.
- Packtech was the largest exported segment representing 36% of exports in April- July, 2023.
- Total Technical textile exports consisted of Fibre 0.8%, yarn 4.9%, fabric 34.1%, apparel 5.8% and made-up articles 54.4%.

6. The Government on 26th September, 2023 extended the period of its flagship export promotion scheme Remission of Duties and Taxes on Export Products (RoDTEP) for a period of nine months ending 30th June, 2024. The RoDTEP Committee has again been constituted in the Department of Revenue to review and recommend the ceiling rates under the RoDTEP Scheme for different export sectors.

7. The Government is confident of achieving the textile and clothing export target of USD 100 billion by 2030, stated Ms. Darshna Vikram Jardosh, Minister of State for Textiles, while congratulating SRTEPC for introducing



MATEXIL (Manmade And Technical Textiles Export Promotion Council) in Mumbai on 12th September, 2023. She opined that MATEXIL will contribute significantly in realising the vision of the Government to achieve US\$ 100 billion exports by 2030.

8. The Government is looking at India's potential to become the World's largest textile hub by developing indigenous technology and textile machines for the Indian textile Industry, reducing dependency on imports and at the Free Trade Agreements to enhance the presence of India's textile sector globally. The much awaited conclusion of FTA with the UK is expected to boost the textile industry. We must scale up the indigenous textile technologies, and modern machines through R&D and innovation.

9. India's yarn exports observed a reduction in the average prices from January to May, 2023, facing a 15.89 per cent decrease compared to 2022. The low demand for garments globally led to this decline, with the average price dropping to \$2.91 per kg. Bangladesh, Turkiye and China remained the top markets, contributing over 50 per cent to India's yarn exports.

10. The Synthetic & Rayon Textiles Export Promotion Council has urged the Government to exempt quality control order on import of manmade fibre textile made under the Advance Authorisation. The Government has recently imposed quality control orders for various products including manmade fibre textiles products such as fibre and yarn.

STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 12th September, 2023, India's industrial output (General Index) surged 5.7 per cent in July, 2023 up from 3.7 per cent in June, 2023. The index for manufacture of textiles, which was 107.2 in July, 2022 marginally increased to 108.2 in July, 2023 showing an increase of 0.9%. The Wearing Apparel Index fell to 104.2 in July, 2023 from 134.4 in July, 2022 recording a negative growth of 22.5 %. The details of IIP are as under:

Items	For the Month		Cumulative		% Growth
	July, 2022	July, 2023	Apr.-Jul., 2022-23	Apr.-Jul., 2023-24	Apr.-Jul., 2023-24
Manu facturing	135.5	141.2	134.5	140.9	4 .8%
Textiles	107.2	108.2	110.2	107.4	- 2.5%
Wearing Apparel	134.4	104.2	140.8	107.4	-23.7%

2. The Ministry of Textiles has extended the last date 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).

3. The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) organised Export Award Function specially to felicitate its members exporting Technical Textiles on 12th September 2023 in Mumbai. The Council gave away around 24 Awards to the companies who have excelled in exports under different segments of the Technical Textiles. Smt. Darshna Vikram Jardosh, Minister of State for Textiles and Railways graced the occasion as Chief Guest.

4. According to the 45th Annual Report of the ITMF (International Textile Manufacturers Federation). This edition has focused on 2022, reveals an increase in machine deliveries for short staples (+27%), open rotors (+85%), and most significantly spindles for long staples (+195%). Machines are delivered mostly in Asia, but also in Europe and North America. The report mentions that deliveries of stretch-texturing spindles fell by 13% in 2022. This is related to texturing. China alone will account for 84% of supplies in this region, with Asia-Pacific estimated to account for 95% of those deliveries. Deliveries of shuttle less looms decreased by 23% in the weaving industry during the course of the year, with Asia-Pacific accounting for 77% of all deliveries. In specifics, air-jet machines decreased by 13%

and water-jet machines decreased by 38.4%. The electronic flat knitting machine market shrank by 24%. Deliveries of stenter machines decreased by 35% for finishing machines. The analysis, despite being less specific in this area, predicts that the fall has impacted all devices, from bleaching tools to beam and air-jet dyeing equipment.



5. The textile industry waste management market is poised to expand by US \$ 2.07 billion between 2022 and 2027, with a growth rate of 12 per cent throughout the forecast period, according to a report by market research and advisory company, Technavio. The report states that the market is driven by the growing awareness of sustainability and environmental protection, leading to increased adoption of eco-friendly materials like organic cotton, recycled polyester, and bamboo, which consume less water and energy during production. Additionally, the adoption of green manufacturing processes, exemplified by innovations like Adidas' Dry Dye technology, utilising pressurised carbon dioxide for dyeing instead of water, further propels the textile industry waste management market during the forecast period.

6. On 26th September, 2023 Indian Spinners Association elected Shri Prashant Mohta, Mg. Director, Gimatex Industries Ltd as President and Shri Prakash Maheshwari, Chief Executive, Corporate Affairs, RSWM Ltd as Vice President.

7. On 21st September, 2023 Southern India Mills Association elected Dr. S K Sundararaman, Mg. Director, Shiva Texyarn Ltd., as Chairman; Shri Durai Palanisamy, Executive Director, Pallava Textiles Pvt. Ltd., as Deputy Chairman and Shri S Krishnakumar, Mg. Director Sulochan Cotton Spinning Mills as Vice Chairman for 2023-24.

8. Mr. Sanghvi, Director of Laxmi Shuttleless Looms Pvt. Ltd., Ahmedabad has been elected as Chairman of India ITME Society.

9. On 29th September, 2023 Shri Rakesh Mehra, Chairman, Banswara Syntex Limited was elected as Chairman of Confederation of Indian Textile Industry (CITI). Shri Ashwin Chandra, Chairman Precot Limited and Shri Dinesh Nolkha, Mg. Director, Nitin Spinners Limited were elected as Dy. Chairman and Vice Chairman respectively.

10. In his keynote address at the 63rd Annual General Meeting of Textile Machine Manufacturers Association (TMMMA), Dr. Navneet Mohan Kothari, Managing Director, Madhya Pradesh Industrial Development Corporation, said: "Madhya Pradesh has already created the blueprint for achieving a US\$ 550 billion SGDP, whilst laying emphasis on technology-driven economy and with a focus on enhancing productivity in all the sectors including textiles. Madhya Pradesh recognizes the importance of this sector. Our State has bagged the highest amount of investment, to the tune of Rs 3,513 crore under the Production Linked incentive (PLI) Scheme for the textile sector, which is a clear exhibit of the investor's inclination for the State in this sector. The State has increased its value of textile exports from around Rs 1,378 crore in 2006- 2007 to Rs 15,537 crore in 2021- 2022 witnessing a growth of 11 times in exports alone."