



# M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWS LETTER OF  
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

Volume XIX No. 6

Indore, JANUARY 2024 • Pages 4

Price Rs. 5/-



## ASSOCIATION NEWS

1. The Labour Department of the State has proposed revision of Minimum Wages payable to Workers/Employees as on 1st October, 2019. The two Notifications dated 6th October, 2023 and 13th October, 2023, were published in the State Gazette. If the monthly Minimum Wages are revised on the basis of above Notifications, then the Minimum Wages will increase as follows.



	Minimum Wages in Rs. per Month			
	Unskilled	Semi skilled	Skilled	Highly Skilled
Proposed w.e.f 1.10.2019	9,575	10,571	12,294	13,919
Proposed D A from 1.4.2020 to 1.10.2023	1,875	1,875	1,875	1,875
Total payable from 1.10.2023	11,450	12,446	14,169	15,794
Present wages on 1.10.2023	9,835	10,682	12,060	13,360
Proposed Increase	1,625	1,764	2,109	3,434
Other Benefits like PF, ESI, Leave, Bonus, Gratuity, Etc.	650	706	844	974
Total Increase	2,275	2,470	2,953	3,408
Increase %	23.15	23.15	24.50	25.50

The proposed increased wages are more than present wages in Rajasthan, Uttar Pradesh, Gujarat, Punjab and Jharkhand. On 9th December, 2023, we have submitted our Representation stating that the Industry is passing through a very difficult phase. The mills, which were running 24x7 have resorted to about 20 percent cut in their production, exports are down by about 15 percent, as such, it is not possible to absorb this increase at present. Moreover, many mills have already closed in the past. The State on

one hand is setting up a Textile Park, inviting industries to the State for investment and on the other hand taking such steps, which will deter fresh investment and industry may move to other States providing more incentives and having lower wages.

2. An informative Road show was organised on 13th December, 2023 at the Hotel Marriott, Indore to create greater awareness among the textile community regarding India's most anticipated textile event, Bharat Tex 2024. Organised by a Consortium of 11 Textile Export Promotion Councils and supported by the Ministry of Textiles, this Road show set the stage for the grandeur that awaits India's upcoming biggest textile expo 'Bharat Tex' scheduled from 26th – 29th February 2024 at Bharat Mandapam and Yashoboomi, New Delhi, India.

The Road show showcased the richness and diversity of India's textile industry with the presence of the entire textile value chain featuring key textile companies like Bhaskar Denim, Maral Overseas, Prem Textiles, Pratibha Syntex, Vardhman Textiles and Deepa Textiles to name a few. The event was well organised with the support of The Madhya Pradesh Textile Mills Association (MPTMA). Shri Akhilesh Rathi, Chairman, MPTMA assured support from the Association's member companies in and around the State. The dignitaries at the Road show included Shri Siddharth Rajgopal, Executive Director, TEXPROCIL; Shri Akhilesh Rathi, Chairman MPTMA; Shri Rajiv Saxena, Joint Secretary, Ministry of Textiles, Government of India; Shri Navneet Mohan Kothari (IAS), Managing Director, MPIDC and others.



3. Vardhman Textiles donated Science Laboratory costing Rs. 25 lakh for the Education of Children of Government School in tribal area at Bineca Village under its CSR activities, which was inaugurated by Shri S Pal, Director, M P Locations of the Group. In addition, Benches, tables, water cooler and toilet were also made available to the school. Congratulations.





## RAW MATERIAL

1. As per International Cotton Advisory Committee (ICAC) report dated 1st December, 2023 global cotton production for 2023-24 is estimated at 24.914 million tons, marking a 0.9 per cent decrease from the November, 2023 report, yet still slightly higher compared to the previous crop (+0.28 per cent).



Worldwide cotton consumption increased by 2.54 per cent in the month and is expected to rise by 1.13 per cent compared to 2022-23, reaching 23.945 million tons. Consequently, consumption is projected to be 3.89 per cent below the available supply.

At the 81st Plenary Meeting held in Mumbai, ICAC projected that in 2023-24, India's share in global production will fall by 2% to 21% but will continue to command the second position in the top list of cotton producers. Meanwhile, India's share in consumption is estimated to remain at 21 percent, the same as 2023-2024. Consumption at the top producer, China, will be down by 2 percent to 30 percent.

India's area under cotton is projected to slip marginally.

However, globally the trend is likely to reverse from 32 million hectares in 2022-23 to 33 million hectares in 2023-24. It was stated, that the role of price volatility is largely influencing cotton plantations around the world. It was further stated that in 2022-23, World trade would hit 8 million MT and is projected to grow to 9.2 million MT in 2023-24. In 2023-24, the top exporting country the United States is likely to see a fall in its share of exports globally to 29 percent from 34 percent in 2022-23. Further the US is likely to witness a rise in production from 72,000 MT last year to 103,000 MT in 2022-23. This will be across top producers in this category like Egypt, India, and China. India is likely to dominate the consumption in this category, even as demand declines from 1,59,000 MT last year to 1,50,000 MT in 2022-2023.

2. As per US Department of Agriculture's (USDA) release dated 8th December, 2023, the global December 2023-24 cotton balance sheet includes lower consumption and higher ending stocks than last month. World consumption is projected 1.6 million bales lower, largely due to a 1.0 million-bale reduction in China. Turkey's consumption forecast is 400,000 bales lower, and the United States and Mexico are also down, while Bangladesh is up 100,000 bales. Global production is forecast 540,000 bales lower than in November as reductions for the United States, Turkey, and Mexico more than offset a 200,000-bale increase for Pakistan. World trade is down only slightly as larger expected imports by China up 500,000 bales nearly offset reductions in Turkey, Pakistan, and Bangladesh. Larger expected exports by Turkey are more than offset by a 300,000-bale reduction for Brazil and smaller reductions elsewhere. World 2023-24 ending stocks are forecast 900,000 bales higher this month, with China's projected stocks up 1.5 million bales. Total projected global stocks of 82.4 million bales are 72 percent of use.

Million 480 Pound Bales

	2021-22	2022-23	2023-24
<b>Opening Stock</b>	77.65	76.34	82.83
<b>Production</b>	114.55	116.64	112.92
<b>Import / Export</b>	43.00	37.69	43.15
<b>Consumption</b>	116.23	111.52	113.73
<b>Closing Stock</b>	76.34	82.83	82.40

3. Cotton Outlook's forecast of global raw cotton output in 2023-24 for December, 2023 has been raised by 75,000 tons to 24,159,000 tons as decreases for the United States and smaller producers were more than offset by higher figures for China, the African Franc Zone and Uzbekistan. World consumption has been reduced by 296,000 tons, to 23,600,000 tons owing to adjustments for China, the United States and others. Thus, the margin by which output is expected to exceed consumption in 2023-24 has widened to 559,000 tons, compared with 188,000 a month ago.

4. The Cotton Association of India (CAI) revised its cotton production

estimate for the current 2023-24 season to 29.40 million bales. This downward revision was attributed to damage in Haryana caused by pink bollworm infestation and farmers uprooting plants. Additionally, north Maharashtra is expected to see a significant 25 percent decline in cotton production due to inadequate rainfall.

5. The import duty on cotton in India has an impact on shipment of Supima Cotton to India, according to Mr. Mark Lewkowitz, President and Chief Executive Officer of Supima. Mr. Lewkowitz, who was in Coimbatore on 11th December, 2023 to take part in the Cotton Day - 2023 programme organised by Cotton USA, told that the duty was a disincentive for brands that wanted to source products made of Supima cotton in India. The production of Suvin (Indian extra-long staple cotton) is very less and there is nothing (in India) to protect by imposing duty on Supima, the extra-long staple U.S. cotton. The duty is taking away opportunities for Indian textile mills. Globally there is a shortage in availability of extra-long staple cotton this year.

6. Cotton prices in India have declined to a two-year low on slack demand due to economic woes in western nations, particularly the US and UK. There is practically no demand for cotton despite a low crop, which is in the range of 300 lakh bales (of 170 kg), including the carryover stock from last year. But the demand for garments in western countries is slack due to economic troubles.

7. As per reports, surge in cotton supplies within spot markets, coupled with dwindling purchases from textile mills, has led to a decrease in prices for the latest cotton season. The Cotton Corporation of India (CCI) has witnessed a slight increase in procurement as a result. Cotton traders have reported a daily arrival of around 40,000 quintals in the spot markets of Madhya Pradesh, with CCI securing over 60 per cent of this quantity. The diminishing demand for cotton has raised alarm among farmers and ginners. In the Madhya Pradesh spot markets, cotton is currently (26th December) trading at Rs. 54,000 per candy, contrasting sharply with the Rs. 62,000-Rs. 63,000 per candy observed in October.

8. As per reports, pilot project launched this April to boost cotton production in 10 States (Uttar Pradesh, Haryana, Punjab, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh and Karnataka) is likely to be extended for a year beyond March 2024. Cotton production in these states is projected to grow at 20-25%, a substantial increase at a time, when all-India cotton production has been on a downhill slide. Adoption of best agronomy practices; quality seeds and high-density planting systems have contributed to this growth. This special project during 2023-24 was started engaging 15,000 farmers in 10 States. The final outcome of data would be analyzed/evaluated in January, 2024 by Indian Council of Agricultural Research (ICAR). The estimated rise in production from the pilots could help India strengthen its cotton exports ecosystem and provide a boost to the Country's standing in the global cotton export markets, where it has increasingly faced challenges from other cotton products exporting countries such as Bangladesh and Vietnam. India's cotton yield had risen 44% to 554.4 kg per hectare in 2007-08 from 307.7 kg per hectare in 2001-02, it has since declined. In 2023-24, India's cotton yield is likely to be 429.10 kg per hectare.

## POWER

1. M P Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ Zero (0) percent on energy charges only for one month commencing from 24th December, 2023.

2. On 7th December, 2023, the Madhya Pradesh Electricity Regulatory Commission (MPERC) has notified, First Amendment to Electricity Supply Code, 2021, which has been made effective from 8th December, 2023.

3. On 13th December, 2023 the MPERC has dismissed the Petition filed by three Discoms under Clause 17 read with Clause 7(A) 6 of MPERC (Grid Interactive Renewable Energy System and Related Matters) Regulations, 2022 and under Clause 6.40 of Madhya Pradesh Electricity Supply Code, 2021 for seeking levy of grid support charges on all categories of consumers.





## LEGAL & TAXATION

1. In the matter of M/s Suncraft Energy Private Limited (MAT 1218 of 2023) Calcutta High Court held that before directing the appellant to reverse the Input Tax Credit, the Department should have taken an action against the supplier. Unless and until the Department is able to bring out the exceptional case, where there has been collusion between the supplier and respondent, no proceedings can be initiated against the appellant. The Department filed the SLP against the order issued by Hon'ble High Court. However, Hon'ble Supreme Court has dismissed the SLP filed by the Department and upheld the order of Hon'ble Calcutta High Court.



2. Union Finance Minister has announced in the Lok Sabha that a Bench of GST Appellate Tribunal will be opened in Indore. This will be the second Bench in the State after Bhopal.

3. Central Board of Indirect Taxes & Customs on 28th December issued Notification Extending the time limit specified under sub-section (10) of section 73 for issuance of order under sub-section (9) of section 73 of the said Act, for recovery of tax not paid or short paid or of input tax credit wrongly availed/utilized for the financial years 2018-19 and 2019-20 till 30th April, 2024 and 31st August, 2024 respectively.

## EXPORT & IMPORT

1. The Central Government released the information relating to exports for the month of November, 2023 on 15th December, 2023. There has been overall negative growth in all the segments of the textile industry except Cotton yarn, fabric, etc. The information relating to textile and apparel exports during the period April – November, 2023 is as under:

Value in US\$ Million

Exports	Apr.- Nov. 2022	Apr.-Nov. 2023	% Change
Cotton Yarn, Fabric, Made- ups, Handloom Products	7,113.48	7,731.52	5.72
MM Yarn, Fabric Made - ups, etc.	3,291.85	3,053.16	(-)7.25
Jute Products	302.65	233.71	(-)22.78
Carpets	932.77	914.98	(-)1.91
Handicrafts, etc.	1,165.51	1,048.81	(-)10.01
<b>Textiles</b>	<b>13,006.26</b>	<b>12,982.18</b>	<b>(-)0.19</b>
<b>Apparel</b>	<b>10,360.63</b>	<b>8,846.82</b>	<b>(-)14.62</b>
<b>Textiles &amp; Apparel</b>	<b>23,366.89</b>	<b>21,828.60</b>	<b>(-)6.58</b>
All Commodities	2,98,214.54	2,78,796.10	(-)6.51
<b>% Share of T &amp; C</b>	<b>7.84</b>	<b>7.83</b>	

● During November, 2023, Indian Textiles Exports registered a growth of 1.63 percent over the same month of the previous year, while Apparel Exports registered a negative growth of 14.92 percent during the same time period.

● Cumulative Exports of Textiles and Apparel during November, 2023 registered a negative growth of 5.91 percent over November, 2022.

● During April –November, 2023, Indian Textiles Exports registered a negative growth of 0.19 percent over the same period of previous year, while Apparel Exports registered a negative growth of 14.62 percent during the same time period.

● Cumulative Exports of Textiles and Apparel during April –November, 2023 have registered a negative growth of 6.58 percent as compared to April-November, 2022.

● The share of textile and apparel exports during April-November, 2023 decreased to 7.83 percent as compared to 7.84 percent of total exports of all commodities.



2. The import of raw cotton and waste decreased by 37.40 percent, whereas import of Textile yarn, fabrics, made-ups decreased by 7.55 percent in November, 2023 as compared to the same month of the previous year. The details of imports in April - November, 2023 as compared to the same months of the previous year are under:

Value in US\$ Million

Imports	Apr.- Nov., 2022	Apr.-Nov., 2023	% Change
Cotton Raw & Waste	1,302.45	469.28	(-) 63.97
TextileYarn/Fabrics/ Made-ups, etc.	1,832.01	1,546.74	(-) 15.57
<b>Total</b>	<b>3,134.46</b>	<b>2,016.08</b>	<b>(-)35.69</b>

3. Looking into the hike in interest rates in last one year or so, crossing the pre-Covid level, Shri Ajay Sahai, Director General, Federation of Indian Export Organisations (FIEO) has urged the Government to hike the Interest Subventions to 5 per cent for manufacturer MSMEs and 3 per cent for others.

4. As per information from Federation of Indian Export Organisations, the exports from Madhya Pradesh in last three years have been as under:

Value in US \$ Million

	2020-21	2021-22	2022-23
Total Exports	6,477.32	7,834.81	8,128.22
Textile Exports	1,198.95	1,904.64	1,058.51
<b>Composition:</b>			
Cotton Raw	3.74%	4.79%	-
MMF yarn, Fabric, Made-ups	4.13%	4.72%	3.64%
Cotton Yarn	5.36%	8.61%	4.16%
Cotton Fabrics, Made-ups	5.28%	6.19%	5.08%

5. The Director General of Foreign Trade (DGFT) by Trade Notice dated 26th December, 2023 has Extended the Date of Mandatory electronic filing of Non-Preferential Certificate of Origin through Common Digital Platform to 31st December, 2024.

6. The Ministry of Commerce has started an exercise to help Indian exporters keep proper documentation to deal with US countervailing duty cases on domestic products. As part of the exercise, teams of the Directorate General of Foreign Trade (DGFT) and Directorate General of Trade Remedies (DGTR) are working on a roadmap to work on the kind of documentation that needs to be maintained by Indian exporters.

7. The Synthetic and Rayon Textiles Export Promotion Council has sought higher duty drawbacks, Rebates of State and Central Taxes and Levies (RoSCTL), and Remission of Duties or Taxes on Export Products (RoDTEP) citing delays and steep increase in freight rates and insurance premium due to the crisis in the Red Sea. "As a result of the attacks, Ships are reportedly taking a 6000 nautical miles detour around Africa which means an additional 15 days transit time that is causing steep increase in freight rates and insurance premium,"

## STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 12th December, 2023, India's industrial output (General Index) surged 11.7 per cent in October, 2023 down from 5.8 percent in September, 2023. The Index for Manufacture of Textiles, which was 102.3 in October, 2022 increased to 109.0 in October, 2023 showing an increase of 6.5 percent. The Wearing Apparel Index fell to 98.5 in October, 2023 from 103.7 in October, 2022 recording a negative growth of 5.0 percent. The details of IIP are as under:

Items	For the Month		Cumulative		Growth
	Oct., 2022	Oct., 2023	Apr-Oct. 2022-23	Apr-Oct. 2023-24	Apr-Oct. 2023-24
General	129.5	144.7	134.3	143.5	6.9%
Textiles	102.3	109.0	107.4	107.6	0.2 %
Wearing Apparel	103.7	98.5	103.8	103.8	-20.2 %



2. On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) of Reserve Bank of India at its meeting held on 8th Dec., 2023 decided to:

- Keep the policy Repo Rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.50 per cent.

- The Standing Deposit Facility (SDF) rate remains unchanged at 6.25 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate at 6.75 per cent.

3. The QCOs (Quality Control Orders) are killing the industry says Shri Rakesh Mehra, Chairman, Confederation of Indian Textile Industry (CITI). "The Government should have started with QCOs for garments. That is left open (for imports) and it has introduced QCOs for fibre. This has led to fibre prices going up. What should be good quality is what touches the skin. But that (garment and fabrics) is imported without quality control. One has to do a deep study on prices and imports. The industry is for QCOs and good quality, but it should be introduced first at the garment stage."

According to Shri Bhradesh M. Dodhia Chairman, Synthetic & Rayon Textile Export Promotion Council (SRTEPC) Industry is unable to import MM Fibres under Advance Authorisation Scheme for overseas orders, where customers specify the speciality fibres to be used. There is no clarity on this and it is leading to lot of confusion. The surge in imports of value added products is ridiculously high. QCOs should be implemented across the value chain at the earliest..

4. The Government is planning to approve setting up of 10-11 testing laboratories across the Country to ensure high quality of cotton and textiles for both the domestic consumers as well as for the export markets, Union Textile Minister Shri Piyush Goyal said on 16th December, 2023, "I have discussed with the Textile Ministry and the Consumer Affairs Department, who will work together with the Bureau of Indian Standards (BIS) for setting up high quality cotton and textile testing laboratories, with an investment of about USD 6-7million,"

5. Shri Piyush Goyal, Union Textile Minister said at the presentation of Apparel Export Promotion Council awards to RMG exporters on 8th December, 2023, the Government is pushing for the expansion of textile exports to USD 100 billion led by growth in exports of Ready Made Garments (RMG) from USD 16 billion to USD 40 billion, which will have the potential to be a game changer for the textiles industry and create a value-added proposition. With the Government taking every possible step to promote exports such as entering into free trade agreements and promoting the brand India, Commerce Ministry has asked apparel exporters to procure raw materials from Indian players, reduce dependence on "opaque" foreign suppliers, and guard against "predatory" pricing. For the long-term health of the whole textile ecosystem in the Country, it is necessary to build domestic supply chain capacities by supporting each other.

6. The theme of Texcon-23 organised by the Confederation of Indian Industry on 14th December, 2023 at New Delhi was 'Making India a Global Textile Manufacturing Hub: A Paradigm Shift'. Speaking at the function, Chief Guest Smt. Jardosh, Union Minister of State for Textiles said, "The attentiveness of domestic markets, and increased investment in textiles will act as key drivers in creating an environmentally conscious and an equitable textile sector." She emphasized that India must concentrate on export promotion to achieve self-reliance and to capitalize on the 'China plus one' market scenario. Ms. Shubhra, Trade Advisor for the Ministry of Textiles, stated that the targets set for the Indian textile sector are very achievable. She mentioned that the Government has implemented numerous measures to enhance the industry's competitiveness.

7. Ms. Prajakta L Verma, Joint Secretary, Ministry of Textiles, Government of India, during her address at the 2nd Sustainable Textiles Summit organized by PHDCCI in New Delhi on 20th December, 2023 underscored the imperative of traceability, recycling, and the promotion of sustainable practices within the textile industry. She shed light on the paradoxical nature of the textile industry, being the second-largest global employer, yet also ranking as the second most environmentally polluting sector. She concluded by calling for increased awareness and compliance with Environmental, Social, and Governance (ESG) principles, emphasizing the importance of distinguishing between fear-driven compliance and genuine

concern for workers. She also provided insights into ongoing efforts, including an upcoming scheme focused on sustainability and circularity, targeting capacity building for MSMEs and awareness creation. This scheme involves stakeholder consultations, resource efficiency assessments, and budgetary interventions, with a suggestion to align with the World Bank's RAMP initiative for the inclusion of Indian MSMEs.



8. The Empowered Group of Secretaries has asked the Department for Promotion of Industry & Internal Trade to amend Guidelines in the Production Linked Incentive (PLI) Scheme for some sectors including Textiles – to bring them up to speed. PLI projects for Textile Products, which fell behind due to delays in securing statutory approvals, would get a one-year extension of gestation period for investment from 31st March, 2024 to 31st March, 2025 and hence, the last year of incentive release could be extended to 31st March, 2030.

9. On 22nd December, 2023 International Textile Manufacturers Federation (www.itmf.org)) has published its International Textile Industry Statistics (ITIS) on productive capacity and raw materials consumption in the short-staple organized (spinning mill-) sector in virtually all textile-producing countries in the World. The global number of installed short-staple spindles has grown from 225 million units in 2021 to 227 million units in 2022 and installed open-end rotors increased from 8.3 million in 2021 to 9.5 million in 2022. This constitutes the strongest growth ever recorded in this market with investment disproportionately targeting Asia. The number of installed air-jet spindles continued to increase in all regions in 2022. The substitution between shuttle and shuttle-less looms continued in 2022. The number of installed shuttle-less looms increased from 1.72 million in 2021 to 1.85 in 2022, while installed shuttle looms reached 952 thousand. Total raw material consumption in the short-staple organized sector slightly decreased from 45.6 million tons. Consumption of raw cotton and synthetic short-staple fibers decreased by 2.5 percent and 0.7 percent, respectively. Consumption of cellulosic short-staple fibers increased by 2.5 percent.

10. Kerala, Maharashtra, Madhya Pradesh, Rajasthan, Uttarakhand, Arunachal Pradesh, Nagaland, and the UTs of Andaman & Nicobar, Lakshadweep and Puducherry have been ranked 'fast movers' in the 'Logistics Ease Across Different State (LEADS) 2023' report released by the Union Commerce and Industry Minister on 16th December, 2023.

11. The Federation of Madhya Pradesh Chambers of Commerce & Industry (FMPCCI) and Chamber of Commerce & Industry of Smolensk Region, Russia have signed a Memorandum of Understanding (MOU) to promote exports of textiles and other products from Madhya Pradesh and to foster bilateral trade by identifying potential sectors.

