

M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWSLETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION



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ASSOCIATION NEWS

1. The Association has submitted its suggestions for Pre-Budget Memorandum 2026-27 to the Confederation of Indian Textile Industry on 28th October, 2025. Our suggestions include:

- Allow refund of accumulated ITC on capital goods & services;
- Include Fuel used for generation of electricity under GST, so that industry gets refund of input tax reducing power cost;
- Set up Cotton Price Stabilization Fund with 5 % interest subvention to actual users. Margin money for cotton finance be reduced from 25 % to 10 % and stock limit be increased from three months to nine months to enable mills to purchase during season;
- Expedite new Scheme of Textile Technology Up-gradation;
- Review rates of Duty Drawback and RoDTEP. Particularly RoDTEP on knitted fabrics should be more than yarn;
- Continue the Scheme of Interest Equalization;
- Introduce Production Linked Incentive Scheme for cotton sector;
- Simplify Electricity Laws regarding levy of Additional Surcharge and other charges on power tariff;
- Reduce Hank Yarn Obligation to 15 %.

2. The CITI Cotton Development & Research Association (CITI-CDRA) organized a comprehensive training programme for cotton farmers and stakeholders on 9th September, 2025 at Sarwan village in Ratlam District. The programme placed a strong focus on advancing Extra Long Staple (ELS) varieties, clean cotton-picking practices and sustainable cotton production. The programme not only aimed at increasing productivity but also ensuring health, safety and wellbeing of farmers and their families. Importance of Integrated Pest Management (IPM), timely monitoring and preventive measures to enhance yield and income were also highlighted. About 170 farmers attended the programme. Representatives from Government Departments, seed and pesticide companies were also present.

3. Maral Overseas is awarded Five Star Rating Certificate by Labour Department of the State for Voluntary abidance of Labour Laws, fulfilment of labour welfare parameters and self-compliance of regulatory provisions. Congratulations.

RAW MATERIALS

1. As per International Cotton Advisory Committee (ICAC) press release dated 1st October, 2025 in 2025-26 cotton season, with world cotton lint demand and supply metrics for 2025-26 remaining comparable to last month — production at 25.43 million tons and consumption at 25.4 million

tons — the biggest development is in ending stocks, expected to be the lowest since 2011-12. The 3.8% decrease in stocks, to 15.37 million tons, is mostly being driven by China, whose 2024-25 ending stocks declined 9% to 7.89 million tons. The use of stocks is the primary reason China's imports fell 65% to 1.1 million tons. For 2025-26, China has announced that it will issue 200,000 tons of sliding tariff rate cotton import quotas to textile enterprises to meet their cotton needs, same as last year.

While the stocks outside China increased by 2% in the 2024-25 season, a major increase is reported by the USA, which ended the 2024-25 season with 9% higher ending stocks compared to the previous season at 817,000 tons. Apart from the USA, both Brazil and the West Africa region are also currently reporting higher ending stocks in the 2024-25 season. Price forecast ranges from 63 to 97 cents per pound, with a midpoint of 77.6 cents per pound.

2. The USDA Report dated 9th October, 2025 on Global cotton production in 2025-26 has not been released. The U.S. Government entered a shutdown on 1st October, 2025, consequence is that many economic reporting functions have been stopped.

3. As per White Paper on Cotton "Cotton 2040: Technology, Climate and Competitiveness" released by the Confederation of Indian Textile Industry (CITI) on Cotton Day 7th October, 2025- the Government should look at strengthening farm to factory practices in the cotton sector and adopt a multi-pronged strategy to build export-ready ecosystems and align cotton production with India's \$100 billion textile export target by 2030. It calls for promoting high-quality cotton cultivation through certified seeds and sustainable practices, and ensuring consistent quality through traceability systems and global certifications. Collaborative efforts between farmers, industry, and policymakers are key to ensuring that Indian textiles meet international standards in quality, sustainability, and ethical sourcing.'

4. As per President, Cotton Association of India (CAI), Cotton output for the 2025-26 season starting October, 2025 is likely to be between 312 and 335 lakh bales of 170 kg each, despite a dip in area and fears of excess rain hurting production in some regions. Arrivals of the new crop have picked up in mid - October across various States with the daily arrivals estimated at over 1 lakh bales and prices of raw cotton are trending below the Minimum Support Price (MSP) levels on weak demand.

The carry-forward stocks for 2025-26 season are estimated at 60.59 lakh bales over 39.19 lakh bales a year ago due to higher imports. The Cotton area this kharif season was down at 110 lakh hectares over 112.97 lakh hectares last year, as a section of farmers switched over to other crops such as maize and oilseeds.





CAI on 16th October, 2025 estimated pressing of 312.40 lakh bales, imports of 41.00 lakh bales and opening stock of 39.19 lakh bales, Consumption till end of the cotton season 2024-25 estimated at 314.00 lakh bales and exports at 18.00 lakh bales (28.36 lakh bales in previous season).

5. According to Ministry of Agriculture, Cotton acreage in the country stands at 110.03 lakh hectares in the current season, down from 112.97 lakh hectares a year ago. The area was 123.71 lakh hectares in 2023-24 and averaged 129.50 lakh hectares over the past five years.

The changing weather and rising temperatures have created conditions in which pests, most notably cotton's age-old nemesis, the pink bollworm, can thrive. It has also weakened the crop's ability to resist such attacks. These factors are pushing up the cost of cotton cultivation, while depressing yields, creating a perfect storm that is sapping margins for cotton growers. They are driving farmers toward more lucrative alternatives, precipitating a fall in cotton acreage, even in top cotton-growing states like Gujarat, and in turn further fueling cotton's decline. India's cotton production for the 2024-25 marketing year is projected to hit its lowest in over a decade and a half at just over 294 lakh bales. It marks the continuation of an over-decade-long fall in production from a peak of 398 lakh bales achieved in 2013-14.

6. The Secretary, Ministry of Textiles, Mrs. Neelam Shami Rao, has launched a decisive preparedness plan for the 2025-26 Kharif Cotton Season, including the highest-ever 550 procurement centres across 11 cotton-growing regions, digital farmer registration via the 'Kapas-Kisaan' app, and strict minimum support price (MSP) operational guidelines to ensure transparent, efficient, and farmer-centric procurement.

7. As per a Press release of Ministry of Textiles, recognising cotton as a critical sector for millions of farmers, the Ministry, in a meeting with cotton-growing states, the Cotton Corporation of India (CCI), and Ministry officials, outlined a national strategy aimed at ensuring hassle-free procurement, timely payment, and digital inclusion, while urging states to fully align with MSP operational norms. Procurement is scheduled in phases—Northern Zone (Punjab, Haryana, Rajasthan) from 1st October, Central Zone (Gujarat, Maharashtra, Madhya Pradesh, Odisha) from 15th October, and Southern Zone (Telangana, Andhra Pradesh, Karnataka, Tamil Nadu) from 21st October, 2025.

POWER

1. The M P Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ minus (-) 4.73 % on energy charges only for one month commencing from 24th October, 2025



MANPOWER

1. The Labour Commissioner has announced increase of Rs.25 per month in Variable Dearness Allowance w.e.f. 1st October, 2025 and as such wages payable for the Textile & Apparel Sector workmen from 1st October, 2025 are as under:



Category	Wages Rs. Per month			Wages/day Rs.
	Basic	D A	Total	
Unskilled	6,500	4,025	10,525	405
Semiskilled	7,057	4,325	11,832	438
Skilled	8,435	4,325	12,760	491
Highly Skilled	9,735	4,325	14,060	541

2. The Employees' State Insurance Corporation (ESIC) has issued detailed guidelines for the new Amnesty Scheme- 2025 for settlement of court cases and withdrawal of prosecution cases. Its a one-time dispute resolution initiative aimed at reducing the backlog of court cases, promoting compliance under the ESI Act, and enhancing ease of doing business. The launch of the Scheme was approved at the 196th meeting of ESIC held in Shimla under the Chairmanship of Dr. Mansukh Mandaviya, Union Minister for Labour & Employment and Youth Affairs & Sports on 1st October, 2025. The scheme provides an opportunity to employers and insured persons to settle disputes outside courts in a structured and transparent manner. It will

remain in operation from 1st October, 2025 to 30th September, 2026.

3. The Central Board of Trustees (CBT) on 13th October, 2025 approved a proposal to ease part withdrawals, allowing up to 100 % from the Employees Provident Fund (EPF). This will benefit more than 7 crore subscribers. In a statement, the Labour Ministry said that CBT decided to simplify the partial withdrawal provisions of EPF Scheme by merging 13 complex provisions into a single, streamlined rule categorised into three types namely, essential needs (illness, education, and marriage), housing needs and special circumstances.

4. The EPFO has started a campaign to enroll eligible employees. Employers can enroll all existing employees, who joined the establishment between 1st July, 2017, and 31st October, 2025, and who are alive and employed on the date of the declaration, but were not enrolled in the EPF scheme earlier due to any reason, whatsoever. In a major relief, the employee's share of provident fund contribution for the past period (from 1st July, 2017, to 31st October, 2025) shall stand waived, provided it was not deducted from the employees' wages. The employer is only required to pay their own share for such period.

LEGAL & TAXATION

1. Instruction No.'06/2025-26—GST dated 3rd October, 2025 issued by Department of Revenue stating that refund claims for zero-rated supplies filed on or after 1st October, 2025 be processed with system-based risk scoring: applications flagged as low-risk will receive 90% provisional sanction automatically upon FORM GST RFD-02 acknowledgement, while non-low-risk cases require detailed scrutiny.



2. The Director General of Foreign Trade (DGFT) vide its Notification No. 05/2025-26 dated 23rd April 2025 extended the imposition of condition of Minimum Import Price (MIP) of US\$ 3.5/Kg on the 4 HSN codes of knitted fabrics - 60019200, 60053600, 60053790, and 60053900. Now, the DGFT vide its Notification No.46/2025-26 dated 21st October 2025 has exempted the fabrics falling within the GSM range of 28 to 48 under HSN 60053600 from the applicability of the above MIP condition. However, the MIP requirement shall continue to remain in force for all other fabric types covered under the HSN codes notified earlier. Further inputs imported by AA Holders, EOUs, and units in SEZ shall be exempted from MIP condition subject to the condition that imported inputs are not sold in DTA.

3. The Central Board of Indirect Taxes and Customs (CBIC) has consolidated 31 separate customs duty Notifications into a single comprehensive document (Notification No. 45/2025-Customs dated 24th October, 2025), improving compliance clarity for importers and customs officers. The new notification, effective 1st November, retains existing benefits and duty exemptions, organising them into a unified, structured format. Importers, exporters and customs brokers will now need only one notification instead of consulting multiple notifications. This development, while technical in nature, is expected to improve the ease of doing business by streamlining customs procedures and avoiding duplication or conflicting serial references for businesses.

EXPORT & IMPORT

1. According to the quick estimates data released by the Ministry of Commerce & Industry on 15th October, 2025 India's textile and apparel exports contracted by 10.34 % in September, 2025 compared to the same month last year, declining to \$2,621.60 million from \$2,923.78 million in September, 2024.



- Exports of cotton yarn/fabrics/made-ups, handloom products etc. from India decreased by 11.66 % and Manmade yarn, fabrics and Made-ups by 2.34 % in September, 2025 over September, 2024.
- During April-September, 2025, cotton yarn/fabrics/made-ups, handloom products registered a negative growth of 2.57%.
- During September, 2025, Textiles Exports registered a negative growth of 10.45 % over the September, 2024, while Apparel Exports registered a negative growth of 10.14% during the same time period.



- During April-September, 2025 Textile Exports registered a negative growth of 1.85% over the same period of previous year, while Apparel Exports registered a growth of 3.42 % during the same period.
- Overall T&A registered a growth of 0.39 % during April-September, 2025. The information relating to textile and apparel exports during the period April-September, 2025 as compared to exports in same period of the previous year is as under:

Value in US\$ Million

Exports	Apr.-Sept. 2024-25	Apr.-Sept. 2025-26	% Change
Cotton Yarn, Fabrics, Made-ups & Handloom Products	5,949.52	5,796.39	(-)2.57
MMF Yarn, Fabrics, Made-ups, etc.	2,405.64	2,400.85	(-)0.20
Jute Products	179.83	189.83	5.56
Carpets	745.75	733.83	(-)1.60
Handicrafts, etc.	879.63	851.47	(-)3.20
Textiles	10,160.37	9,972.37	(-)1.85
Apparel	7,506.14	7,763.19	3.42
Textiles & Apparel	17,766.51	17,535.56	0.39
All Commodities	2,13,677.90	2,20,123.87	3.02
%Share of T & C	8.27	8.06	

2. India also witnessed a 23.87% rise in imports of cotton (raw and waste) in September, 2025 compared to September, 2024. During September, 2025, imports of Textile yarn, Fabric, Made-ups surged 16.62 % compared to September, 2024. The details of imports in April-September, 2025 as compared to the same period of previous year are as under:

Value in US\$ Million

Imports	Apr.-Sept. 2024-25	Apr.-Sept. 2025-26	% Change
Cotton Raw & Waste	477.38	676.71	41.75
Textile Yarn, Fabrics, Made-ups, etc.	1,197.13	1,317.11	10.02

3. The Import of Home Textiles by USA from its top suppliers during the period January to July, 2025 as compared to the same period of 2024 has been as under:

Value in US \$ M illion

Country	2024	2025	Change %
China	4,659.1	3,946.1	(-)15.3
India	1,637.7	1,734.4	5.9
Pakistan	829.1	850.3	2.6
Vietnam	233.2	315.8	35.4

China's market share is diminishing rapidly, especially from May, 2025 onwards, while both India and Vietnam are capturing the opportunity. Vietnam emerged as the fastest growing supplier. Many companies have moved away from high tariff regions to countries with preferential duty or duty free access to US. This has led to surge in exports from Vietnam.

4. India-European Free Trade Association (EFTA) Trade and Economic Partnership Agreement (TEPA) will come into effect on 1st October, 2025. The Agreement was signed on 10th March, 2024 at New Delhi. TEPA is a modern and ambitious agreement that incorporates, for the first time in any Free Trade Agreement (FTA) signed by India, a commitment linked to investment and job creation.

The Confederation of Indian Textile Industry (CITI) has high hopes about this Trade and Economic Partnership Agreement (TEPA) between India and the European Free Trade Association (EFTA), playing a significant role in expanding exports of Indian textile and apparel items in Iceland, Liechtenstein, Norway, and Switzerland, the four member states of the EFTA.

5. The Directorate General of Foreign Trade (DGFT) on 28th October, 2025, announced the electronic filing and issuance of Preferential Certificates of

Origin (CoO) for exports under the India-European Free Trade Association Trade and Economic Partnership Agreement (India-EFTA TEPA), effective 1st October, 2025.

6. The DGFT vide Public Notice No. 24/2025-26 dated 3rd October, 2025 extended date for filing Annual RoDTEP Return for 2023-24 with Composition Fee of Rs. 10,000 from 30th September, 2025 to 30th November, 2025.

7. Central Board of Indirect Taxes and Customs (CBIC) has issued Circular on 7th October, 2025 to simplify and expedite the registration of incentive bank accounts and IFSC codes for importers and exporters across various customs locations. Previously, exporters had to register their incentive bank account for IGST refunds and drawbacks at every port where they intended to transact a process that was governed by set timelines for approval by port officers.

8. The DGFT has launched Pilot Aayat Niryat Lab Setu, to integrate testing and inspection agencies for paperless, traceable export/import certifications; on boarding of agencies begins 4th November, 2025 and applicant testing submissions from 11th November, 2025. Exporters may use existing portal credentials or register anew; applications require product/sample details, digital signature (DSC or Aadhaar e-Sign), and online fee payment. Laboratories must complete on boarding, map payment gateway credentials, and assign user roles. Test reports will be downloadable and verifiable via a portal feature or QR code; helpdesk and outreach support will be provided.

9. The US is the single-largest market for India's textile and apparel exports, contributing nearly 28 % to the revenue of India's textile and apparel exporters. India's textile and apparel exports to the US in the financial year 2024-25 was nearly \$11 billion. The imposition of a 50 % US tariff on Indian goods effective 27th August, 2025 has emerged as a major hurdle for India's textile and apparel sector.

10. According to data released by the Apparel Export Promotion Council (AEPC) on 22nd October, 2025, exports to the United States — which account for 35% of Tamil Nadu's US \$ 4.5 billion annual apparel shipments — fell to US \$ 1.6 billion between April and September, 2025 compared with US \$ 1.74 billion in the same period last year. The slump coincides with President-elect Donald Trump's renewed push for "reciprocal tariffs" aimed at narrowing America's US \$ 36 billion textile trade deficit with India, including a proposed 25% duty on ready-made garments to "protect American jobs."

STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 29th October, 2025, India's industrial production growth improved to 4.0 % in September, 2025. IIP for the manufacture of textiles was up by 1.2 % in September, 2025 as compared to September, 2024. IIP for wearing apparel was down by 2.8 % in September, 2025 as compared to same month of last year. The details of IIP for the period April-September, 2025-26 as compared to those of same period of 2024-25 are as under



Items	For the Month		Cumulative		Growth Apr-Sept 2025-26
	Sept. 2024	Sept. 2025	Apr-Sept 2024-25	Apr-Sept 2025-26	
General	146.9	152.8	149.4	153.9	3.0%
Textiles	109.3	110.6	107.7	107.2	(-)0.5%
Wearing Apparel	103.7	100.8	113.2	114.8	1.4%

2. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has voted unanimously to keep the policy repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 5.50 %. Consequently, the Standing Deposit Facility (SDF) rate remains at 5.25 % while the Marginal Standing Facility (MSF) rate and the Bank Rate remains at 5.75 %.

3. Ministry of Textiles notified on 9th October, 2025 key revisions to the Production Linked Incentive (PLI) Scheme for MMF Apparel, MMF Fabrics, and products of Technical Textiles:

- Expansion of Eligible Products: Inclusion of 8 new HSN Codes for MMF Apparel and 9 new HSN Codes for MMF Fabrics.

- Relaxation from setting up new companies: Applicants can now establish project units within the existing companies.
- Reduction in minimum threshold of investment: With effect from 1st August, 2025, for all new applicants, minimum investment stands reduced from Rs.300 crore to Rs.150 crore in Part-1 category and from Rs.100 crore to Rs.50 crore in Part-2 category of the Scheme.
- Reduction in incremental turnover Criteria for incentive from earlier 25% to 10%: Beginning Financial Year 2025–26, applicants now have to demonstrate a minimum of 10% incremental turnover over the previous year to qualify for incentives (from Year 2 onwards).

The above revisions will significantly reduce entry barriers and financial thresholds, enabling faster execution. To encourage wider participation from the Industry, the Ministry of Textiles has opened the PLI Scheme application portal until 31st December, 2025

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4. As per reports, the Government may soon unveil a revamped Interest Subvention Scheme for exporters, under which it may extend a 3% interest subsidy to Micro, Small, and Medium Enterprises (MSMEs), instead of all exporters. This will be a key element of the support package for exporters in the wake of hefty tariffs on most Indian goods imposed by the US, the largest export market for the country.

5. The US is the top export destination for India's Textile and Apparel (T&A) products accounting to about 28% of India's global exports in the segment. With the imposition of the 50% tariffs by the US on exports, a survey by Confederation of Indian Textile Industry (CITI) on the impact on India's textile and apparel sector revealed that the industry is facing several challenges including build-up of inventory and lower orders:

- About 85% of the respondents have reported an inventory build-up due to the reduction in orders, while two-thirds of the respondents have to offer an average 25% discount to their buyers to remain competitive.
- About a third of respondents reported that their turnover has been reduced by more than 50%.
- About 30% said the major factor contributing to this decline was the

request for discounts from US buyers, while 25% attributed it to the cancellation or postponement of orders. Another 20% said there was a reduction in order volumes.

- About 82% of respondents reported experiencing an extended credit cycle across the supply chain because of the recent impact.
- Over half the respondents have also urged the Government to announce a moratorium on repayment of existing loans, while 42% have called for the introduction of collateral-free loans to help address the surge in working capital requirements.
- About one half of the respondents emphasized the need to enhance raw material competitiveness by removing import barriers such as quality control orders, import duties, and related restrictions, which they believe would help mitigate the adverse impact.

6. The Ministry of Textiles have constituted four Committees on 2nd September, 2025 to undertake focused deliberations on critical issues concerning the textile sector, identify challenges and opportunities and recommend actionable measures to enhance competitiveness, sustainability and growth of textile exports:

- Committee of Structural Reforms in Textile Value Chain;
- Committee on Fiscal, Banking & Credit Interventions for Textiles, Apparel and Handicrafts sector;
- Committee on Market Diversification of India's Textile, Apparel and Handicrafts Export Markets;
- Committee on Enhancing Cost Competitiveness and Innovation.

7. According to Madhya Pradesh Industrial Development Corporation (MPIDC), the total investment has surged beyond Rs. 21,200 crore including expression of interest received from various industries seeking to invest in the Pradhan Mantri Integrated Textile Region and Apparel (PMITRA) Park in Dhar district, which is expected to generate nearly 74,750 jobs. Rs. 1950 crore is expected to come as Foreign Direct Investment (FDI), which would create additional 1,170 job opportunities.

8. As per the Annual Survey of Industries 2023-24 the employment in the Textile Sector is 17,14,000 and in the Wearing Apparel sector 13,39,000. In the Textile Sector, Y-o-Y change in fixed capital investment was +2.35 %, whereas the employment decrease by -0.5%. In the Wearing Apparel the fixed capital investment saw Y-o-Y increase of 29.7 %, whereas employment increase by 1.4 %.

In Madhya Pradesh Textiles output in 2023-24 was Rs. 22,74,409 lakh, which is 5.04 % of total State Output. Textiles added Rs. 4,20,238 lakh to GVA (5.08 %) of the State.

9. Shri Rajinder Gupta, Chairman Emeritus of the Trident Group, one of India's leading diversified conglomerates, has been elected unopposed to the Rajya Sabha from Punjab. On his election Shri Gupta said-Business is my occupation, my heart has always been for textile sector that has given me my identity. As I take on this new role in the Rajya Sabha, I see it as a platform to work relentlessly to strengthen India's position as a global textile powerhouse.

For Address