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M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWSLETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION

Chairman:
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Vice Chairman:
Shri Siddharth Agrawal;
Dy. Chairmen:
Shri Subhash Jain
Shri Mohit Maheshwari

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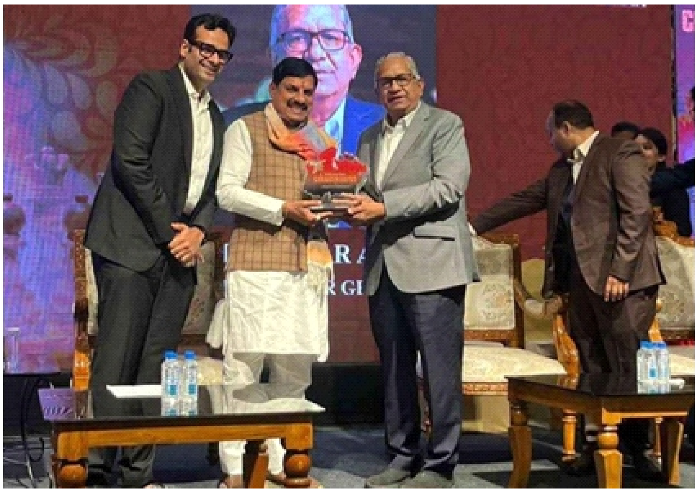
ASSOCIATION NEWS

1. The Association submitted its suggestions/comments on the Proposed Tariff for 2026-27 to the Secretary, Madhya Pradesh Electricity Regulatory Commission on 21st January, 2026. Some of our suggestions/comments are as under:

- The existing system of Billing at KWh and Time of the Day rebate/ surcharge should continue. Power Factor Incentive needs to be continued. The changes relating to shifting from KWh to KVAh billing and withdrawal of Night rebate, increase in fixed charges and energy charges, increase in tariff by about 14% and being exorbitant needs to be disallowed.
- The State is having surplus power, which is sold at cheaper rates outside the State, as such the proposal of Discoms to withdraw rebate during 10 PM to 6 AM and thus burdening the consumers by increasing tariff should not be disallowed.
- Billing of 75 units each from 1.87 lakh unmetered consumers for past several years leading to extra recovery from other consumers is not acceptable.
- Rebate of Rs.2/- per unit on incremental consumption by Captive Power Plants consumers of HV-3 category needs to be increased to Rs.3/- per unit.
- Rebate of Re. 1/- per unit for incrennental consumption to existing consumers should be with reference to corresponding month of 2016-17 and not with reference to corresponding month of 5th preceeding year.
- No Additional Surcharge should be levied on Captive Power Plants and Renewable Power Plants.
- Rebate of Rs.1/- per unit on incremental consumption by Open Access consumers should be allowed considering open access consumption of 2019-20.
- For exceeding Contract Demand up to 30% penal charges be abolished.
- Invoke provisions under Section 42 (2) sub para 4 of Electricity Act, 2003 and abolish the Cross Subsidy Surcharge and Additional Charge.
- Limit of 10000 KVA be increased to 15000 KVA for power connection on 33 KVline.
- Tariffs for all categories should be equal to cost of supply.

In view of above observations, we have requested the Hon'ble Commission that Tariff increase proposed for 2026-27 not be allowed and the same should be maintained at the current levels (Tariff for 2025-26).

2. The Sagar Group Chairman, Shri Sudhir Kumar Agrawak and Mg. Director, Shri Siddharth Agrawal (our Vice Chairman) were presented Economic Times "Challengemakers Madhya Pradesh" award by Hon'ble Chief Minister, Dr. Mohan Yadav on 30th January, 2026. **Congratulations.**



RAW MATERIALS

1. As per USDA press release dated 12th January, 2026,global production is slightly lower (-355,000 bales to 119.43 million) and slightly higher global mill-use (+310,000 bales to 118.92 million). Historical revisions to production, notably for India in 2024-25, lowered the estimate for 2025-26 beginning stocks -850,000 bales (to 73.76 million bales). The net effect of these changes to global production, consumption, and beginning stocks was a -1.5 million bale reduction to the forecast for 2025-26 ending stocks (to 74.48 million).

At the country-level, the largest change was for China (+1.0 million bales to 34.5 million), where strong yields are expected to result in the largest crop since 2012-13 (2025-26 Chinese yields are estimated to be nearly double those from 2012-13). Other significant updates to harvest numbers were for India (-500,000 bales to 23.5 million), the U.S. (-350,000 bales to 13.9 million), Argentina (-275,000 bales to 1.5 million), and Turkey (-200,000 bales to 3.0 million).

For mill-use, the only notable changes were for China (+500,000 bales to 39.0 million) and Turkey (-100,000 bales to 6.8 million).

The global trade estimate was virtually unchanged at 43.77 million. For imports, the largest updates were for India (+200,000 bales to 3.0 million) and Turkey (-100,000 bales to 4.6 million). For exports, the largest changes were for Australia (+200,000 bales to 5.3 million), India (+100,000 bales to 1.4 million), Turkey (-100,000 bales to 900,000), and Argentina (-150,000 bales to 600,000).

Quantity -Million 480-Pound Bales

World	2023-24	2024-25	2025-26
Opening Stock	75.86	73.35	73.76
Production	112.55	118.48	119.43
Consumption	114.99	118.94	118.92
Export / Import	44.32	42.39	43.77
Closing Stock	73.35	73.76	74.48

2. According to ICRA, despite leading the world in acreage, the cotton sown area in India has been steadily declining, with current levels being 20 % lower than the peak acreage levels of 2021. Cotton output is likely to dip by 1.7 % YoY to 29.2 million bales in current year 2026, according to the first advance estimates released by the Department of Agriculture and Farmers Welfare, taking the output to its lowest levels in the last ten years. Amidst lower cotton output, the dependence on cotton imports has been rising—up by 85 % on a YoY basis to 1.5 million bales of 170 kg in the first five months of fiscal 2025-26. Imports now meet over 10 % of demand. Owing to weak demand and import duty waiver, cotton prices have been trading marginally below the minimum support price (MSP) since November, 2024. MSP on cotton increased by 8 % for current year 2026. Accordingly, the gap has widened further in recent months.

3. A Confederation of Indian Textile Industry (CITI) delegation comprising leading lights of the textile and apparel industry met the Union Minister of Agriculture & Farmers' Welfare, Shri Shivraj Singh Chouhan, on 9th January, 2026 seeking his intervention regarding the permanent removal of import duty on cotton of all varieties. The industry members pointed out that during the last decade, average cotton imports have been around 20 lakh bales, constituting around 6.8% of India's average domestic production. Further, imports are largely quality and specification driven, catering to specialised cotton requirements and backto-back export orders, and do not displace domestic cotton. Further, they pointed out that while India is a large cotton producer, the availability of contamination-free and specialized cotton required for high-value and export-oriented textiles remains limited, necessitating selective imports.

4. As per the Cotton Association of India Crop Committee meeting held on 13th January, 2026, total cotton pressing estimate of the country for 2025-26 season has been increased by 7.50 lakh bales to 317 lakh bales of 170 kgs. each. The changes made in the state-wise cotton pressing numbers compared to those estimated previously are given below:

In lakh bales of 170 kgs. each

State	Increase (+)/ Decrease (-)
Maharashtra	+3.00
Madhya Pradesh	-1.00
Telangana	+4.50
Karnataka	+1.00
Tamil Nadu	+0.50
Odisha	-0.50
Total	+7.50

POWER

1. The M P Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ 1.58 % on energy charges only for one month commencing from 24th January, 2026.

MANPOWER

1. Ministry of Labour & Employment on 30th January, 2026 notified that for the purpose of Section 2(z)(d) the wage ceiling for a person employed in supervisory capacity shall be Rs. 18,000 per month and accordingly such person shall be excluded from the definition of 'worker'.

2. The minimum wages payable to various categories of workmen are likely to increase by Rs.275.00 per month from 1st April, 2026.

3. Madhya Pradesh Shram Kalyan Nidhi Adhiniyam has been amended on 28th January, 2028. With this amendment the employers' contribution has been increased as under:

- Rs. 30 per employee payable for every six months.
- Minimum contribution increase to Rs. 2,500 for each half year.

LEGAL & TAXATION

Indian Government has notified on 13th January, 2026 Greenhouse Gas Emission Intensity (GEI) targets for the textile sector, bringing it under the compliance mechanism of the Indian Carbon Market (ICM) for the first time. The move forms part of a broader expansion of the Carbon Credit Trading Scheme (CCTS), which now covers 173 textile units across sub-sectors such as spinning, processing, fibre and composite (Including 10 Mills from Madhya Pradesh).

EXPORT & IMPORT

1. According to the quick estimates data released by the Ministry of Commerce & Industry on 15th January, 2026, India's Textile and Apparel (T&A) exports have demonstrated resilience and steady growth despite a subdued global trade environment, reflecting the sector's adaptability, diversified market presence, and strength in value-added and labour-intensive segments. The sector recorded positive growth for the second consecutive month, with exports in December, 2025 rising by 0.40% over December, 2024 to USD 3273.66 million, following strong growth in November, 2025.

- During December, 2025 Textiles exports registered a degrowth of 1.62 % over the previous year, while Apparel exports registered a growth of 2.89 % during the same time period.
- Cumulative Exports of Textiles and Apparel during December, 2025 have registered a growth of 0.40% over December, 2024
- During April –December, 2025 Textiles exports registered a de-growth of 2.19 % over the previous year, while Apparel exports registered a growth of 2.36 % during the same time.
- Cumulative Exports of Textiles and Apparel during April –December, 2025 have registered a de-growth of 0.26 % as compared to April –December, 2024.

The information relating to textile and apparel exports during the period April-December, 2025 as compared to exports in same period of the previous year is as under:

Value in US$ Million

Exports	Apr.-Dec. 2024-25	Apr.-Dec. 2025-26	% Change
Cotton Yarn, Fabrics, Made-ups & Handloom Products	8,918.02	8,619.56	(-) 3.35
MMF Yarn,Fabrics, Made-ups, etc.	3,610.67	3,625.63	0.41
Jute Products	284.37	274.73	(-)3.39
Carpets	1,149.52	1,104.44	(-) 3.92
Handicrafts, etc .	1,319.86	1,322.96	0.23
Textiles	**15,282.44**	**14,947.32**	**(-) 2.19**
Apparel	**11,316.70**	**11,,583.93**	**2.36**
Textiles & Apparel	**26,599.14**	**26,531.25**	**(-) 0.26**
All Commodities	3,22,407.55	3,30,289.70	2.44
% Share of T & C	**8.25**	**8.03**	

2. India witnessed 212.44% rise in imports of cotton (raw and waste) in December, 2025 compared to December, 2024. Imports of Textile yarn, Fabric, Made-ups dropped by 2.92% compared to December, 2024. The details of imports in April-December, 2025 as compared to the same period of previous year are as under:

Value in US$ Million

Imports	Apr.-Dec. 2024-25	Apr.-Dec. 2025-26	% Change
Cotton Raw & Waste	918.69	1,656.52	55.98
Textile Yarn, Fabrics, Made-ups, etc.	1,847.55	1,963.72	6.29

3. India's exports of cotton yarn:

- Bangladesh is the key market for India's cotton yarn accounting to 46% share in 2024 (US$ 1.64 bn). Exports to Bangladesh have increased at 13% CAGR during 2015-2024.
- India's exports of cotton yarn to China have structurally weakened over the last decade with it accounting to 8.2% share in 2024.

Value in UD$ Billion

Country	2021	2022	2023	2024	Share%
Bangladesh	1.85	1.44	1.24	1.64	46.0
China	0.95	0.11	0.72	0.29	8.2
Vietnam	0.20	0.10	0.14	0.18	5.0
Egypt	0.20	0.20	0.21	0.16	4.5
Peru	0.18	0.12	0.12	0.16	4.4
Portugal	0.21	0.13	0.15	0.13	3.5
Sri Lanka	0.11	0.11	0.10	0.10	2.9
Korea	0.15	0.10	0.08	0.09	2.4
Colombia	0.09	0.06	0.06	0.08	2.3
Italy	0.05	0.08	0.07	0.07	2.0
Others	0.96	0.89	0.81	0.67	18.8
World	**4.95**	**3.33**	**3.71**	**3.57**	**100.0**

4. Free Trade Agreement with EU has been signed on 27th January, 2026. India gets zero duty access to US$ 263.5 Billion Textile & Apparel Import Market of EU. The country wise imports of T&A products by EU -27 in last four years have been as under:

Value in US $ Billion

Exporter	2021	2022	2023	2024	%Share
China	53.1	58.6	47.7	50.8	18.9
Bangladesh	25.8	33.1	27.8	29.7	11.1
Turkiye	21.8	23.2	20.9	20.1	7.5
Germany	20.4	19.3	18.8	18.1	6.7
Italy	15.8	16.0	16.6	15.6	5.8
India	9.2	10.4	9.2	9.4	3.5
Spain	8.1	8.5	8.9	9.0	3.4
Pakistan	7.8	9.5	8.3	8.9	3.3
Neth erland	8.5	8.4	8.4	8.5	3.2
Vietnam	6.2	8.1	7.8	8.4	3.1
Others	88.5	93.8	91.4	90.0	33.5
Total	**265.3**	**288.9**	**265.6**	**268.5**	**100.0**

The FTA with EU is expected to strengthen and accelerate our export diversification efforts. Currently, the European Union is the 2nd biggest market for India's textile and apparel exports, after the United States. Under the pact, which will be implemented in about a year, the EU will immediately remove duties on 90% of Indian goods, including the roughly 12% tariff on textiles and apparel.

5. India's textile and apparel exports to the United States witnessed a sharp contraction in November, 2025, reflecting rising stress in the country's largest export market. The US Office of Textiles and Apparel shows that US imports from India fell 31.4% year on year during the month.

6. Textiles industry on 8th January, 2026 told the Parliamentary Standing Committee on Commerce that it expects a further decline in their order books up to 50% in the January-March quarter of 2026. After the imposition of additional tariff (50%), India is facing competitive disadvantage compared to its competitors like Vietnam (20%), Bangladesh (20%), and Turkiye (15%).

7. The DGFT has issued Trade Notice No. 21/2025-26 dated 2nd January, 2026, announcing the launch of Collateral Support for Export Credit under the Export Promotion Mission (EPM) – Niryat Protsahan. Implemented on a pilot basis through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), the facility provides credit guarantee coverage of up to 85% for Micro and Small exporters and 65% for Medium exporters, with a maximum guarantee limit of Rs. 10 crore per exporter for financial year 2025–26.

8. The DGFT issued Public Notice on 9th January, 2026 amending Appendix 2U for issuance of Electronic Bank Realisation Certificate under Hand Book of Procedure-2023. This is operational from 13th January, 2026.

9. The Central Board of Indirect Taxes and Customs (CBIC) has announced that benefits under the Duty Drawback, Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State and Central Taxes and Levies (RoSCTL) schemes are now available for electronically filed postal exports, with effect from 15th January, 2026.

10. The DGFT issued Trade Notice No. 22/2025-26 dated 16th January, 2026 regarding Amendment to Guidelines of Interest Subvention support for Pre and Post Shipment Export Credit under Export Promotion Mission.

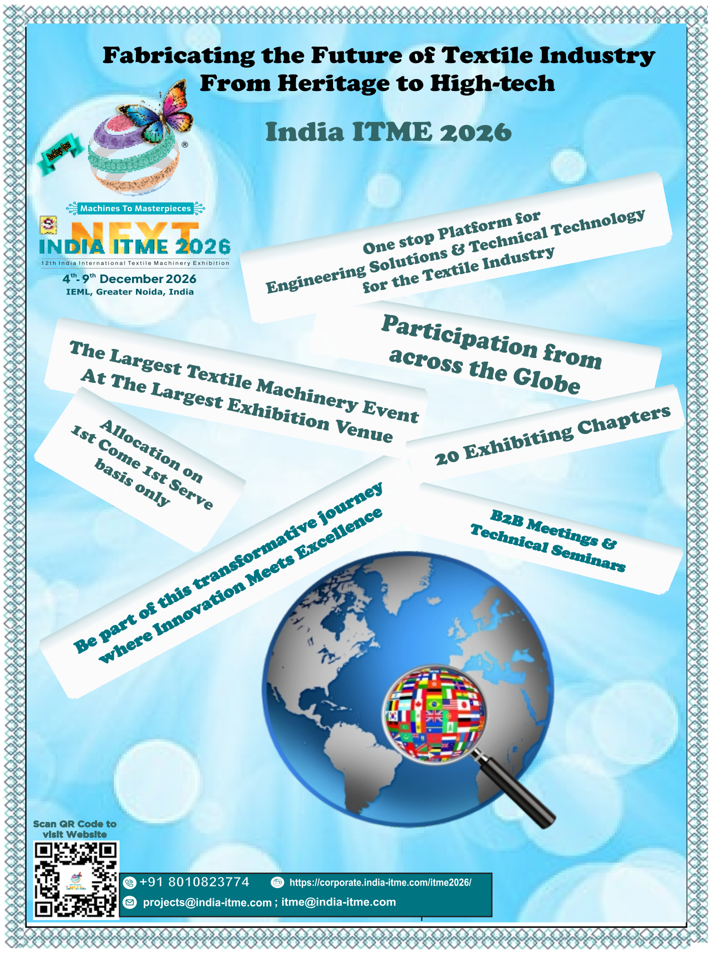
STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 28th January, 2026, India's industrial production growth improved to 7.8% in December, 2025. IIP for the manufacture of textiles was down by 2.5% in December, 2025 as compared to December, 2024. IIP for wearing apparel was down by 8.1 % in December, 2025 as compared to same month of last year. The details of IIP for the period April-December, 2025-26 as compared to those of same period of 2024-25 are as under:

Items	For the Month		Cumulative		Growth
	Dec. 2024	Dec. 2025	Apr.-Dec. 2024-25	Apr.-Dec. 2025-26	Apr.-Dec. 2025-26
General	158.0	170.03	150.3	156.1	3.9%
Textiles	114.2	111.4	108.6	107.9	(-)0.6%
Wearing Apparel	119.1	109.5	112.5	110.3	(-)2.0%

2. The Ministry of Textiles has announced the extension of the deadline for submission of fresh applications under the Production Linked Incentive (PLI) Scheme for Textiles up to 31st March, 2026. The Ministry informed that the extension follows the significant response received since the application portal was reopened in August last year. With 91 companies already selected and Rs 7,731 crore in investments committed, the mapping exercise will help direct these funds toward under-utilized rural hubs.

3. The Committee on Fiscal, Banking and Credit Interventions for the Textile, Apparel & Handicrafts Sector, constituted under the Chairmanship of Shri Ashwin Chandran, Chairman CITI has submitted its report. The Committee opined that the Textile, Apparel, and Handicrafts sector requires a comprehensive and coordinated reform agenda encompassing fiscal rationalization, improved access to credit, strengthened export finance mechanisms, dedicated sustainability financing, and streamlined financial processes. The Committee expressed the view that implementation of its recommendations will significantly enhance liquidity, reduce cost disadvantages, accelerate technology upgradation and improve global competitiveness of the sector. It said such reforms are essential to support India's ambition of emerging as a globally competitive and sustainable textile manufacturing hub, aligned with national initiatives such as 'Make in India', PM MITRA Parks, and Vision 2047.



4. The Ministry of Textiles has initiated a comprehensive nationwide survey to map industrial hubs, a move designed to de-risk the sector ahead of a projected US$ 100 billion export growth by 2030. Gaining momentum as of 2nd January, 2026.

5. As per reports, Textiles sector has seen commitments and investments of over ₹60,000 crore in 2025. Now they hope that the trend continues in the current year. "2026 is likely to see a continued focus on investments through PM MITRA and PLI (Production Linked Incentives). In addition, a strong emphasis on sustainability and technology-led investments such as those in textile-to-textile recycling, biomass energy and decarburization, New-Age Fibres and eco-friendly fibres will continue.

6. NITI Aayog has released the Export Preparedness Index (EPI) this month, a comprehensive assessment of export readiness across India's States and Union Territories (UTs). The Index recognizes the diversity of subnational economic structures and their critical role in advancing India's global trade ambitions. Madhya Pradesh stood at 9th position.

7. According to a CareEdge Ratings report, the apparel market, estimated at Rs 9.30 lakh crore in 2024-25, has grown at a Compound Annual Growth Rate (CAGR) of around 7 % since 2017-18. Organized retail currently accounts for approximately 41 % of the total market and is expected to grow at a faster pace of 10-13 % with industry size projected to touch nearly Rs 16 lakh crore, supported by increasing consumer preference for branded apparel, the entry of international brands and the expansion of structured retail formats.

8. The Union Ministry of Heavy Industries has rescinded on 16th January, 2026 its order issued on 24thAugust, 2024 relating to quality standards for machinery and electrical equipment safety. With this, there will be no quality control standards on imported textile machinery. Weaving and processing machinery are imported by several textile units and the textile industry has been asking for withdrawal of the quality standards order on machinery.

9. Addressing the 74th Edition of India International Garment Fair (IIGF) on 23rd January, 2026, Shri Giriraj Singh, Union Textile Minister said Prime Minister Narendra Modi Government has removed all barriers in textiles, be it QCO, increasing RoDTEP, RoSCTL, reduced import duty by 6 months, rectified the inverted duty structure, etc. We have supported the industry through Rs 50,000 crore via RoDTEP, RoSCTL schemes."

10. According to a survey titled "Navigating the US Tariff Challenge: Industry Survey Based Policy Recommendations" conducted in December, 2025 by the Confederation of Indian Textile Industry (CITI), India's textile and apparel (T&A) industry is bracing for a sharper downturn in the January-March 2026 quarter and further job losses, as exporters warn that the continuing impact of US tariffs could prove more damaging than earlier disruptions, including the pandemic period. The survey highlighted limited capacity for exporters to absorb sustained external shocks, noting that diversification into alternative markets remains below 10% of impacted products. The findings suggest that the shift is not merely a temporary diversion of orders but part of a broader reconfiguration of global sourcing decisions, with US buyers increasingly reallocating volumes away from Indian suppliers.

11. According to Wazir Advisors, the global apparel market is estimated at US$ 1.9 trillion in 2025 and is projected to grow to US$ 2.3 trillion by 2030, reflecting a moderate 4 % CAGR, as brands balance cost pressures with sourcing resilience. Against this backdrop, India's textile and apparel industry continues to demonstrate resilience, anchored by a large domestic market, policy support and a gradual shift toward higher-value segments.

BUDGET PROPOSALS: 2026-27

(Relating to Textile & Apparel Industry)

The Hon'ble Finance Minister presented the Union Budget-2026 in the Lok Sabha on 1st February, 2026. The Highlights of the Budget relating to **Textile & Apparel Sector are as under:**

Integrated Program:

- The National Fibre Scheme for self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres;
- Textile Expansion and Employment Scheme to modernise traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres;
- A National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans;
- Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels;
- Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions.

Other Announcements:

- Mega Textile Parks to be set-up in challenge mode.
- Launch of the Mahatma Gandhi Gram Swaraj initiative to strengthen khadi, handloom and handicrafts to help in global market linkage and branding.
- Extension of time limit of export obligation from 6 months to 1 year for exporters in and textile industry using duty free imported inputs.

For Address

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