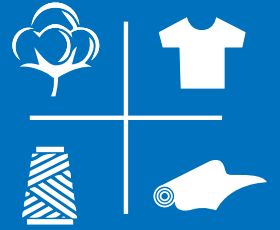




M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWSLETTER OF THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION



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

ASSOCIATION NEWS

1. The Association submitted a letter to the Secretary, Ministry of Textiles on 20th February, 2026, following the National Industry Consultation for Green Competitiveness in the Textile & Apparel Sector held on 19th February, 2026. we expressed gratitude to the Ministry for presenting a comprehensive policy framework. Our recommendations are structured into four thematic pillars:

- i. Financial Competitiveness & Investment Enablement:
 - Time-bound credit flow and sector-specific financing.
 - Stable 5–10-year export incentive roadmap.
 - Raw material security with competitive pricing and reduced import dependence.
 - Improved logistics, multi model connectivity and textile-focused corridors.
 - Support for global investments and outbound expansion.
- ii. Regulatory Reforms & Ease of Doing Business:
 - Policy certainty with trust-based governance.
 - Unified national and state compliance framework with defined timelines.
 - Escalation mechanisms and conversion of penalties to financial rather than criminal provisions.
- iii. Sustainability, Compliance & Green Competitiveness:
 - Rationalisation of ESG and compliance audits to reduce duplication and costs.
 - Alignment of Indian standards with global norms.
 - Promotion of circularity through textile waste management, recycling, and city-level sustainability ecosystems.
- iv. Technology, Productivity & Future Readiness:
 - AI-native digital platforms for MSMEs to enhance speed-to-market and traceability.
 - Development of integrated clusters of excellence (e.g., silk, technical textiles).
 - Strengthened industry–academia collaboration with Centres of Excellence.
 - Comprehensive skill architecture to address manpower competitiveness.
 - Fast-tracking of Free Trade Agreements with favourable duty structures.

These reforms across finance, regulation, sustainability, technology, and manpower will significantly enhance India's global competitiveness, employment generation, and market share.

2. The current year 2025-26 marks a significant milestone for CITI-CDRA extension activities in respect of Cotton with the project completing 9th year in the State. Under the Special Project on Cotton introduced in 2023, for the year 2025-26, the following Districts were selected:

| District | Technology | Area (Hectares) |
|--------------|-------------------|-----------------|
| Jhabua | Extra Long Staple | 400 |
| Ratlam | Extra Long Staple | 400 |
| Alirajpur | Extra Long Staple | 150 |
| Dhar | Closer Spacing | 150 |
| Total | | 1100 |

The following activities were carried out in these Districts:

| District | Cluster | Workshop | Training | Field Day | KisanMela |
|--------------|-----------|----------|-----------|-----------|-----------|
| Ratlam | 4 | 1 | 9 | 4 | 1 |
| Dhar | 2 | 1 | 4 | 2 | 1 |
| Jhabua | 4 | 1 | 8 | 4 | 1 |
| Alirajpur | 3 | 1 | 6 | 3 | 1 |
| Total | 13 | 4 | 27 | 13 | 4 |

RAW MATERIALS

1. According to the February, 2026 edition of 'Cotton This Month' released by International Cotton Advisory Committee, World cotton lint production in the 2025-26 season is currently estimated at 26 million tons, continuing to exceed world consumption, which is estimated at 25.2 million tons. Global production is estimated to be 1% higher than the previous season, while consumption is estimated to be 0.4% higher, resulting in a continued supply surplus in the world cotton market. World cotton lint production in 2025-26 is expected to be led by China, followed by India and Brazil. Consumption is also led by China, followed by India and Pakistan, underscoring Asia's continued dominance in both global supply and demand. World cotton lint trade in 2025-26 is estimated at 9.7 million tons, representing a 5% increase over the previous season, although this figure may be revised as the season progresses. Brazil is expected to remain the world's largest exporter, followed by the United States and Australia. On the import side, Bangladesh is projected to be the world's largest cotton lint importer, followed by Vietnam and China, reflecting ongoing shifts in global textile manufacturing and sourcing patterns.



2. As per USDA press release dated 10th February, 2026, in 2025-26 world



cotton balance sheet, production and ending stocks are raised, while consumption and trade are reduced. The estimate of 2025-26 global production is raised by 425,000 bales following increases for China and South Africa that are partially offset by reductions for Argentina and Mexico. Global consumption is lowered by 200,000 bales with a 100,000-bale reduction for Pakistan and small reductions elsewhere. The estimate for world exports is reduced by 60,000 bales as the changes in U.S. and Australian exports exactly offset, and small changes are made for several countries. With these changes, global-ending stocks for 2025-26 increase by almost 630,000 bales to 75.11 million, for an ending stocks-to-use ratio of 63 %.

Quantity -Million 480-Pound Bales

| World | 2023 | 2024 | 2025 |
|---------------|--------|--------|--------|
| Opening Stock | 75.86 | 73.30 | 73.76 |
| Production | 112.23 | 118.54 | 119.86 |
| Consumption | 114.99 | 118.94 | 118.72 |
| Export/Import | 44.06 | 42.41 | 43.71 |
| Closing Stock | 73.30 | 73.76 | 75.11 |

3. Under a recent policy change, the Union Government moved ELS cotton into the First Schedule of the customs tariff, effectively reducing import duty on Extra-Long Staple (ELS) Cotton (52010025) staple length exceeding 32 mm with effect from 1st May, 2026. The move aligns with industry demands for better access to raw materials and comes amid broader efforts to strengthen export performance in the face of evolving global trade conditions.

4. As per information provided in the Lok Sabha, Cotton Corporation of India (CCI), during 2024-25 cotton season procured 100.16 lakh bales of cotton valued at Rs. 37,437 crore, while during 2025-26 (as on 5th February, 2026) 90.97 lakh bales valued at Rs. 36,555 crore have been procured.

5. India's imports of raw cotton and waste surged by 72 % to over \$1.79 billion during the April-January, 2025-26 period as mills and the trade, taking advantage of the duty exemption, made record purchases of about 35 lakh bales overseas. The imports of cotton raw and waste were \$1.04 billion a year ago. As per the latest quick estimates released by the Commerce Ministry, cotton imports in rupee value stood at Rs. 15,857 crore in the April- January period of 2025-26, an increase of 81 % over corresponding last year's Rs.8,771.96 crore. As per Cotton Association of India (CAI), 3 lakh bales of duty free cotton from Australia under the Free Trade Agreement will come in during June-July, and another 34 lakh bales from the African countries at lower duty of 5.5 % are expected to come into the country.

6. Cotton is imported from countries such as Brazil, Australia, US and West African countries. The imports of quality cotton were needed to help the textiles sector compete effectively in the overseas market. ShriA Ganatra of CAI said spinning mills get a 2-3 % higher realisation from imported cotton, while the prices of domestic cotton are higher than international prices by about 8-10 %.

POWER

1. The MPPower Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ minus (-)1.71% on energy charges only for one month commencing from 24th February, 2026.



2. As per 14th Annual Integrated Rating & Ranking of Power Distribution Utilities released by Union Ministry of Power, three DISCOMs together have posted accumulated loss of Rs. 71,395 crore. This places Madhya Pradesh among the worst performing States nationally after Tamil Nadu, Uttar Pradesh and Rajasthan. The Report flagships A&T losses, wide ACS-ARR gaps and mounting Government dues. Madhya Pradesh alone is contributing 11% of India's total accumulated losses.

MANPOWER

1. The 'Industrial Relations Code (Amendment) Bill, 2026 was passed by the Parliament in February, 2026. Though the repeal has occurred by operation of section 104 of the Code itself, there being a possibility of future confusion may be created on a misconceived ground that the Act delegates the power to repeal the said enactments to the executive. Hence, this amendment.



LEGAL & TAXATION

1. The Central Board of Indirect Taxes & Customs (CBIC) by Notification No. 2/2026-Customs dated 1st February, 2026 extended the time period for export of final product manufactured using the certain imported goods (duty free) by the bona fide importer within twelve months of the date of the import of the said imported goods (instead of 6 months). The Notification allows the facility till 31st March, 2028.



2. The CBIC issued Circular No. 8/2026 - Customs on 28th February, 2026 extending the facility for deferred payment of Customs import duty to entities qualifying as Eligible Manufacturer Importer (EMI) from 1st April, 2026 to 31st March, 2028 under the Deferred Payment of Import Duty Rules, 2016 to EMIs meeting prescribed criteria related to Customs and GST compliance, turnover, financial standing and past track record.

EXPORT & IMPORT

According to the quick estimates data released by the Ministry of Commerce & Industry on 15th February, 2026, India's Textile and Apparel (T&A) exports registered a decline in January, 2026 compared with the same period last year, largely due to high tariffs imposed by the United States that remained in force till 7th February, 2026. The tariffs impacted export competitiveness and led to lower shipments during the month.



- During January, 2026 Textiles exports registered a de-growth of 3.68 % over the same month of previous year, while Apparel exports registered a de-growth of 3.84 % during the same time period.
- Cumulative Exports of Textiles and Apparel during January, 2026 have registered a de-growth of 3.75 % over January, 2025.
- During April – January, 2025-26 Textiles exports registered a de-growth of 2.35% over the previous year, while Apparel exports registered a growth of 1.59 % during the same time.
- Cumulative Exports of Textiles and Apparel during April – January, 2025-26 have registered a de-growth of 0.65 % as compared to April – January, 2024-25.

The information relating to textile and apparel exports during the period April-January, 2025-26 as compared to exports in same period of the previous year is as under:

Value in US\$ Million

| Exports | Apr. - Jan. 2024 - 25 | Apr. - Jan. 2025-26 | % Change |
|--|-----------------------|---------------------|----------------|
| Cotton Yarn, Fabrics, Made-ups & Handloom Products | 9,956.71 | 9,615.14 | (-)3.43 |
| MMF Yarn, Fabrics, Made-ups, etc. | 4,036.64 | 4,055.93 | 0.48 |
| Jute Products | 319.59 | 303.28 | (-)5.10 |
| Carpets | 1,284.82 | 1,223.43 | (-)4.78 |
| Handicrafts, etc | 1,481.48 | 1,480.21 | (-)0.09 |
| Textiles | 17,079024 | 16,677.99 | (-)2.35 |
| Apparel | 12,923.11 | 13,128.71 | 1.59 |
| Textiles & Apparel | 30,002.35 | 29,806.70 | (-)0.65 |
| All Commodities | 3,58,746.06 | 3,66,627.25 | 2.20 |
| % Share of T & C | 8.36 | 8.13 | |

2. India witnessed 12.33% rise in imports of cotton (raw and waste) in January, 2026 compared to January, 2025. Imports of Textile yarn, Fabric, Made-ups dropped by 2.40% compared to January, 2025. The details of imports in April-January, 2025-26 as compared to the same period of previous year are as under:



Value in US\$ Million

| Imports | Apr.-Jan. 2024-25 | Apr.-Jan. 2025-26 | % Change |
|---------------------------------------|-------------------|-------------------|----------|
| Cotton Raw & Waste | 1,040.41 | 1,793.25 | 72.36 |
| Textile Yarn, Fabrics, Made-ups, etc. | 2,085.40 | 2,195.83 | 5.30 |

3. During last ten years, India's exports to Bangladesh have shown a CAGR of 5.04% during 2015 to 2024, followed by USA with 3.87%. During last four years our exports to major markets have been as under :

Value in US\$ Billion

| Country | 2021 | 2022 | 2023 | 2024 | Share% |
|--------------|--------------|--------------|--------------|--------------|--------------|
| USA | 10.82 | 10.84 | 9.30 | 10.47 | 28.5 |
| EU-27 | 7.05 | 7.62 | 6.69 | 7.18 | 19.6 |
| Bangladesh | 4.27 | 3.49 | 2.64 | 3.24 | 8.8 |
| UAE | 2.67 | 2.09 | 1.98 | 2.14 | 5.8 |
| UK | 1.96 | 2.01 | 1.87 | 1.98 | 5.4 |
| Others | 14.70 | 12.26 | 11.75 | 11.69 | 31.9 |
| World | 41.47 | 38.31 | 34.23 | 36.71 | 100.0 |

4. India's exports of cotton yarn stood at USD 3,569.1 million in 2024, increasing at a CAGR of 7.3%, during 2020-2024. Bangladesh remained the dominant destination, accounting for about 46% of India's total cotton yarn exports, with shipments to the country growing strongly at a CAGR of 24.9% over the same period. The details of exports of yarn are as under:

Value in US\$ Billion

| Country | 2021 | 2022 | 2023 | 2024 | Share% |
|--------------|---------------|--------------|---------------|---------------|--------------|
| Bangladesh | 1846.6 | 1436.7 | 1240.2 | 1640.3 | 46.0 |
| China | 949.6 | 110.6 | 723.5 | 292.4 | 8.2 |
| Vietnam | 200.7 | 102.6 | 144.0 | 180.0 | 5.0 |
| Egypt | 203.5 | 197.6 | 205.9 | 159.5 | 4.5 |
| Peru | 176.6 | 124.1 | 122.6 | 158.7 | 4.4 |
| Portugal | 213.9 | 132.0 | 153.7 | 126.4 | 3.5 |
| Sri Lanka | 107.6 | 105.1 | 95.6 | 103.7 | 2.9 |
| Korea | 147.0 | 97.0 | 82.2 | 87.0 | 2.4 |
| Colombia | 94.5 | 60.7 | 60.8 | 82.7 | 2.3 |
| Italy | 51.5 | 81.4 | 66.2 | 68.1 | 1.9 |
| Others | 955.8 | 886.2 | 812.8 | 670.1 | 18.8 |
| World | 4947.3 | 38.31 | 3707.5 | 3569.1 | 100.0 |

5. The Director General Foreign Trade (DGFT) vide Public Notice No. 46/2025-26 dated 5th February, 2026 extended date for submission of RoDTEP Annual Return for 2023-24 till 31st March, 2026 on payment of composition fee of Rs. 15,000/- effective from the date of this Notification

6. The DGFT issued a Trade Notice No. 23/2026-27 on 6th February, 2026 announcing implementation of an NPCI-based workflow for bank account validation in Importer Exporter Code (IEC) applications and modifications. Under the revised process, applicants must declare all active bank accounts linked with their PAN and ensure accurate matching of PAN, name, and bank details as per bank records. Bank account information submitted is validated through NPCI and assigned a status of "Success".

7. The DGFT issued five Trade Notices Nos. 25 to 29/205-26 dated 20th February, 2026 for facilitating implementation of interventions under NIRYAT DISHA:

- Trade Regulations, Accreditation and Compliance Enablement (TRADE)
- Facilitating Logistics, overseas Warehousing & Fulfillment (FLOW)
- Logistic Interventions for Freight & Transport (LIFT)
- Integrated Support for Trade Intelligence & Facilitation (INSIGHT)

8. The DGFT issued Notification No. 60/2025-26 dated 23rd February, 2026, whereby with immediate effect, the applicable RoDTEP rates for all HS Lines as notified in Appendix 4R and Appendix 4RE shall be limited to 50% of the existing rates and, where applicable, 50% of the notified value caps.

9. The DGFT extended the TRQ application filing deadline for 2026-27 from 28th February, 2026 to 15th March, 2026 by Public Notice No. 50/2025-26 dated 24th February, 2026 for specified products (includes 7.5 million articles of Apparel and clothing Accessories) for various Free Trade Agreements notified under Annexures of Appendix 2A of the FTP, 2023.

10. The DGFT has issued Policy Circular No. 10/2025-26 dated 26th February, 2026 regarding - Relief in Average Export Obligation in terms of the para 5.17(a) of Hand Book of Procedures of FTP, 2023, to provide relief to exporters of those sectors, where total exports in that sector/product group has declined by more than 5% as compared to the previous year. This implies that the sector/product group that witnessed such decline in 2024-25 as compared to 2023-24 would be entitled for such relief.

11. The Confederation of Indian Textile Industry (CITI) has urged the authorities to extend the Rebate of State and Central Taxes and Levies (RoSCTL) scheme beyond 31st March, 2026, for a minimum of five years. Additionally, CITI calls for:

- Removal or revision of the rebate caps that are coming in the way of effectively realizing the benefits of the scheme (especially due to the depreciation in currency).
- Extension of the RoSCTL scheme's coverage to SEZs, EOUs, Advance Authorization holders and e-commerce exports, and
- Introduction of Direct Benefit Transfer (DBT) or expansion of scrip usage to improve realization, particularly for MSME exporters.

12. The exporters expressed the hope that the decision of reducing RoDTEP would be re-examined, since they had booked orders keeping the RoDTEP scheme mechanisms in mind. About 58% of India's \$11.03 billion cotton textile exports-including raw cotton, cotton yarn and cotton fabric-are likely to be affected. The reduction in rates would be serious setback to the textile industry, which is already under significant stress and is facing several challenges:

- Declining exports: Exports have fallen by 2.35% during April, 2025 – January, 2026 compared to the corresponding period last year.
- Subdued global demand and supply chain realignments: Owing to geopolitical uncertainties and slowing consumption in key markets.
- Higher tariffs in major markets like the US, EU, etc., compared to key competitors.
- Low profitability structure: Average RoCE of around 12%, significantly lower than sectors, such as IT.

STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 2nd March, 2026, India's industrial production growth improved to 4.8% in January, 2026. IIP for the manufacture of textiles was down by 3.7% in January, 2026 as compared to January, 2025. IIP for wearing apparel was down by 10.3% in January, 2025 as compared to same month of last year. The details of IIP for the period April-January, 2025-26 as compared to those of same period of 2024-25 are as under:



| Items | For the Month | | Cumulative | | Growth Apr.-Jan. 2025-26 |
|-----------------|---------------|-----------|-------------------|-------------------|--------------------------|
| | Jan. 2025 | Jan. 2026 | Apr.-Jan. 2024-25 | Apr.-Jan. 2025-26 | |
| General | 161.6 | 169.4 | 151.4 | 157.4 | 4.0% |
| Textiles | 113.7 | 109.5 | 109.2 | 108.0 | (-)1.1% |
| Wearing Apparel | 121.1 | 108.6 | 113.4 | 110.2 | (-)2.8% |

2. According to Annual Indian Textile and Apparel Industry Report - 2026 of Wazir Advisors, on the domestic front, the Indian textile and apparel market is estimated at US\$ 194 billion in 2025-26, registering a YoY growth of about 5%. The domestic market continues to remain the backbone of the industry, contributing nearly 80% of the total market size. India's textile and apparel exports are estimated at US\$ 37 billion in 2025-26, remaining largely flat compared to the previous year. The report notes that achieving the Government of India's ambitious US\$ 100 billion export target by 2030-31

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will require accelerated growth, deeper market access through FTAs, and increased competitiveness in man-made fibre and value-added segments.

3. According to data analyzed by the Centre for Monitoring Indian Economy, the Indian textile industry's capital expenditure reached its highest level in more than 14 years in the year ending December, 2025, supported by new project announcements and an improving global trade environment. Total new project announcements in the sector during the period amounted to Rs. 44,019 crore (US \$ 4.87 billion), marking the strongest rolling four-quarter capital spend since at least 2011.

4. Shri Piyush Goyal, Union Minister of Commerce & Industry, has called upon all stakeholders in the textile and apparel sector to effectively leverage the opportunities arising from FTAs and ensure that their benefits reach across the country and every individual associated with the industry. Shri Goyal highlighted that India has signed Free Trade Agreements (FTAs) with nearly 38 countries.

5. Shri A. Sakthivel, Chairman, AEPC highlighted, inconsistent lending rates and high borrowing costs are currently eroding the global competitiveness of Indian garment manufacturers. In a significant move to stabilize India's labor-intensive textile sector, the Apparel Export Promotion Council (AEPC) has formally petitioned the Reserve Bank of India (RBI) for a specialized export policy tailored to Micro, Small, and Medium Enterprises (MSMEs).

6. The Ministry of Textiles convened the first post-budget National Industry Consultation at Vanijya Bhawan, New Delhi, on 19th February, 2026, bringing together senior Government officials, industry leaders, financial institutions, development partners and representatives from across the textile value chain to deliberate on implementation priorities following the Union Budget 2026 announcements. The consultation focused on operationalising two key initiatives announced in the Budget - the Textile Expansion and Employment (TEEM) Scheme and the Tex Eco Initiative - aimed at strengthening competitiveness, modernisation, sustainability and employment generation across the textile and apparel sector.

7. India Ratings and Research (Ind-Ra) has maintained a neutral sector outlook and a stable rating outlook for India's apparel retail sector for fiscal

2026-27. Ind-Ra expects sector revenues to grow around 9 % year on year (YoY) in financial year 2025-26 and 10.5 % YoY in financial year 2026-27, following uneven and subdued growth through 2023-24 and early 2024-25 the growth in 2024-25 was 8 % YoY.

8. As per reports, the reduction in US tariffs on Indian goods is seen as a positive trigger for textile exporters in Madhya Pradesh, improving price competitiveness and potentially reviving order flows in labor-intensive segments such as garments and made-ups. The development is significant for Madhya Pradesh, where the United States is the single largest export destination, accounting for nearly 20% of outbound shipments worth about Rs 66,218 crore in 2024-25. Exports from the state to the US are estimated at Rs 13,000 to 14,000 crore, with the Indore-Dhar-Dewas belt contributing close to 53 % of total exports.

9. As per information given by the Union Minister of State for Textiles in Lok Sabha on 3rd February, 2026 in Madhya Pradesh 1,150 acres of land has been allotted with a proposed investment of Rs. 24,175 crore in the States' P M Mitra Park. As per of Development Capital Support first instalment of Rs. 50 crore has been sanctioned to the State for the Park.

**Form-IV
(See Rule 8)**

- Name of Publication : M.P. Textile News Letter
- Place of Publication : Indore-452001
- Periodicity of Publication : Monthly
- Printer's Name : M. C. Rawat
Whether citizen of India : Yes
Address : The Madhya Pradesh
Textile Mills Association,
56/1, South Tukoganj, Indore-452001
- Publisher's Name : M. C. Rawat
Whether citizen of India : Yes
Address : The Madhya Pradesh
Textile Mills Association,
56/1, South Tukoganj, Indore-452001
- Editor's Name : M. C. Rawat
Whether citizen of India : Yes
Address : The Madhya Pradesh
Textile Mills Association,
56/1, South Tukoganj,
Indore-452001
- Name & Address of : The Madhya Pradesh
Individuals, who own the
Newspaper and partners or
Shareholders holding more
than one percent share of
the total capital
Textile Mills Association,
56/1, South Tukoganj,
Indore-452001

I, M. C. Rawat, hereby declare that the particulars given are true to the best of my knowledge and belief.

Indore. **M. C. Rawat**
Date: **1st March, 2026** **Publisher**

For Address