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ASSOCIATION NEWS

1. The Association submitted its suggestions for Pre Budget Memorandum 2027-28 to the Confederation of Indian Textile Industry and ASSOCHAM on 8th September, 2026. The suggestions emphasize reducing cost burdens (GST refunds, power tariffs), stabilizing cotton supply, extending export incentives, reviving modernization schemes, and introducing targeted PLI support to sustain competitiveness and achieve India's textile market goals.

GST Issues:

- **ITC Refunds:** Refund of accumulated Input Tax Credit (ITC) on capital goods and services not allowed → causes cost escalation, blocks working capital, discourages investment. Allow ITC refunds on capital goods and services.
- **Fuel for Power Generation:** No refund of input tax on diesel/HSD used for electricity generation → power cost ~15% of total cost. Cover fuels under GST to reduce power costs.

Cotton & Raw Material:

- Cotton Price Stabilisation Fund:
- 5% interest subvention for actual users.
- Reduce margin money for cotton finance from 25% to 10%
- Increase stock limit from 3 → 9 months. Goal: Ensure raw material availability and stable yarn prices.
- **Import Duty Exemption:** Continue duty-free cotton imports to meet rising demand and maintain global price parity.

Export Incentives:

- **RoSCTL/RoDTEP Schemes:** Extend beyond September, 2026 to boost stagnant exports.
- Review RoDTEP rate for knitted fabrics (currently 1%) to align with woven fabric benefits.
- **Duty Drawback Rates:** Revise upwards to reimburse unreimbursed state/central taxes post-GST.

Industry Modernization:

- **Technology Upgradation Fund Scheme (TUFS):** Expired in March 2022 → modernization stalled. Notify a new scheme urgently.
- **Production Linked Incentive (PLI) for Cotton Sector:** Introduce with lower investment thresholds and wider product coverage.

Power & Electricity Laws:

- Power cost >45% of manufacturing cost.
- Current surcharges/tariffs discourage modernization and green field projects. Simplify electricity laws, reduce surcharge, support captive solar energy banking.

2. The Association made a Representation to the Principal Secretary, Country & Town Planning Department, Government of Madhya Pradesh with a request for exemption from payment of Property Tax on Industrial Land & Buildings in MPIDC Industrial Areas. Industrial units in MPIDC areas pay both MPIDC Maintenance charges and Municipal property tax for same civic services resulting in dual financial burden. Chhattisgarh Government has exempted industrial units from payment of Property Tax levied by the Municipal Corporations, etc. from financial year 2022-23 vide its Order No. F-8-1/2023/18 dated 13th September, 2023. We, therefore, requested to Rationalize levies by exempting industrial units in MPIDC/DIC areas from Municipal property tax. Dual taxation reduces competitiveness and ease of doing business.

RAW MATERIALS

1. The International Cotton Advisory Committee in its release of 1st September, 2026 projected Global cotton production is to reach 26.2 million tons in the 2026-27 season, marginally outpacing estimated consumption of 25.9 million tons. Production in India for 2025-26 is estimated at 5.5 million tons (+9%) and consumption to nearly 5.9 million tons (+7%), driven by strong domestic mill demand and textile export growth. Long-term stability is being bolstered by the Government's five-year Cotton Mission and digital initiatives like the Kapas Kisan App (enrolling over 4.1 million farmers) and Kasturi Cotton Bharat's block chain traceability framework.



2. The USDA in its press release dated 11th September, 2026, Global cotton production in 2026-27 is projected at 117.3 million bales, 4 % (4.6 million bales) below the previous year. For 2026-27, cotton production prospects for most of the major producing countries are projected to decline except for India. The global decrease is primarily the result of reductions this season for China and Australia. Smaller declines for the United States, Pakistan, and Brazil also contributed to the lower world production. India is the only major country projected to increase its production in 2026-27. World harvested area in 2026-27 is forecast at 29.7 million hectares (73.3 million acres), basically unchanged from the previous year. The 2026-27 global cotton yield is forecast at 861 kilograms (kg) per hectare (768 pounds per acre), down 33 kg per hectare from the record high in 2025-26 but still 4 % above the 5-year average. World cotton production remains concentrated among a few countries, with the top four countries (China, India, Brazil, and the United States) accounting for 76 % of total expected production in 2026-27, up slightly from the previous season. China and India are expected to continue as the leading cotton producers in 2026-27, accounting for 29 % and 20%, respectively, of the global total.



World cotton mill use in 2026-27 is forecast at 122.9 million bales, 1.8 million (1.5%) above 2025-26 and the highest since 2020-21, when global mill use reached a record 124.5 million bales. Steady world economic growth projections and higher polyester prices are expected to support global cotton mill use in 2026-27. For the top six cotton-spinning countries—China, India, Pakistan, Vietnam, Bangladesh, and Turkey—mill use is projected to account for a combined 82 % of the world total in 2026-27, unchanged from last year.

Million 480 Pound Bales

World	2024 -25	2025 -26	2026 -27
Opening Stock	73.54	74.83	75.31
Production	119.53	121.95	117.32
Consumption	119.10	121.13	122.92
Export/Import	42.40	45.58	44.52
Closing Stock	74.83	75.31	69.86

3. As per USDA report dated 11th September, 2026, cotton production in India is forecast at 24.0 million bales in 2026-27, 1% (200,000 bales) above last season. India's increase in yield more than offsets the slight decline in harvested area in 2026-27. Harvested area in India is forecast 25,000 hectares lower at 11.5 million hectares, while yield is projected 4 kg per hectare higher at 454 kg per hectare this season. Mill use in India is projected at 26.5 million bales for 2026-27, up 2 % (500,000 bales) from the year before. India remains the second-largest spinner in 2026-27 and is expected to account for 22 % of the world mill use total, up slightly from last year. India's reduced 2026-27 import demand results from a slightly larger crop forecast and the highest beginning stock level in 5 years

4. The Confederation of Indian Textile Industry (CITI) has signed an MoU on 1st August, 2026 with the International Cotton Advisory Committee (ICAC) and technology company Merago Inc. to develop carbon credit projects based on regenerative agricultural practices. The initiative is designed to advance sustainable cotton production in India while enabling cotton farmers to earn additional income through carbon credit generation. The MOU was signed in the presence of Union Textiles Minister, Shri Giriraj Singh and senior Maharashtra Government Ministers, Joint Secretary (Fibre), Ms. Padmini Singla, Textile Commissioner, Ms. Vrunda Manohar Desai and Cotton Corporation of India CMD, Shri Lalit Kumar Gupta.

5. Trade sources estimate the daily arrivals of raw cotton at around 50,000 bales of 170 kg each across Karnataka, Andhra, Gujarat, Maharashtra, Madhya Pradesh and in North India.

POWER

1. The Madhya Pradesh Electricity Regulatory Commission notified on 16th September, 2026 sixth amendment to Electricity Supply Code. The main amendments relate to extending distribution mains or augmentation of sub-station capacity for giving supply to the applicants.



2. The M P Power Management Company advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ 5.063 % on energy charges only for one month commencing from 24th September, 2026.

MANPOWER

1. The Ministry of Labour by Notification dated 17th September, 2026, increased the wage ceiling for mandatory coverage under the Employees' Provident Fund ('EPF') Scheme from Rs. 15,000 to Rs. 25,000 per month, effective from 17th September, 2026 itself.



2. In the matter of ONGC Ltd v/s Suryakant D. Lad & Others (2026 INSC 1019) the Hon'ble Supreme Court has ruled that principal employers are not liable to pay gratuity of contract labour.

3. The Minimum Wages payable to Textile & Apparel Industry in the State w.e.f. 1st October, 2026 are as under:

Category	Per Month			Wages per day Rs.
	Basic Rs.	D.A. Rs.	Total Rs.	
Unskilled	6500	4450	10950	421
Semi-skilled	7057	4750	11807	454
Skilled	8435	4750	13185	507
Highly Skilled	9735	4750	14485	557

LEGAL & TAXATION

1. The Central Board of Indirect Taxes & Customs (CBI&C) issued Notification No. 73/2026-Customs (NT) dated 1st September, 2026 regarding Sea Cargo Manifest and Transshipment (Third Amendment) Regulations, 2026, which replaces the entry in column (3) against serial number 6 in the Table after Form XII with effect from 31st October 2026.



2. CBI&C issued Circular No. 42/2026-Customs dated 3rd September, 2026 regarding National Assessment Centre (NAC) Portal to create a common digital repository for customs assessment information, including NAC decisions, legal precedents, CAAR rulings, advisories, audit observations, and material on classification, valuation and related matters.

3. CBI & C issued Instruction No.15/2026-Customs on 9th September, 2026 regarding mandatory Extended Producer Responsibility registration under Plastic Waste Management Rules, 2016 for importers of plastic packaging, packaged commodities, plastic raw materials and intermediate materials used for plastic packaging manufacture. Certificates indicating one-year validity are to be treated as one-time registration certificates that do not require renewal under the applicable Plastic Waste Management Rules amendment and are valid proof of EPR registration for import clearance.

4. CBI&C issued Circular No. 42/2026-Customs dated 24th September, 2026, which specified woven and knitted fabric tariff items under Chapters 52, 55 and 60 require mandatory additional qualifiers in electronic export declarations from 1st November, 2026.

5. CBI&C issued Circular No. 43/2026-Customs dated 24th September, 2026 according to it Preferential tariff claims must follow the Rules of Origin under the relevant trade agreement, which prevail over CAROTAR, 2020 in case of conflict. Under the India-UK CETA, a valid Origin Declaration supports preferential treatment without Form-I at the Bill of Entry stage.

EXPORT & IMPORT

1. The Ministry of Commerce released information relating to exports for August, 2026 on 15th September, 2026. Apparel exports drag India's textile and clothing exports despite growth in textile shipments.



- During August, 2026, Indian Textiles exports registered a growth of 13.03% over August, 2025, while Apparel exports registered a de-growth of -2.74% during the same time period.
- Cumulative Exports of Textiles and Apparel during August, 2026 have registered a growth of 6.39% over August, 2025.
- During April-August, 2026, Indian Textiles exports registered a growth of 6.94% over the previous period, while Apparel exports registered a de-growth of -9.10% during the same time.

- Cumulative Exports of Textiles and Apparel during April –August, 2026 registered a de-growth of -0.24% as compared to April-August, 2025

The details of textile and apparel exports during the months of April-August, 2026 as compared to exports in April-August, 2025 are as under:

Value in US\$ Million

Exports	April-Aug., 2025-26	April-Aug., 2026-27	Change %
Cotton Yarn, Fabrics, Made-ups & Handloom Products	4,865.81	5,193.29	4.94



MMF Yarn, Fabrics, Made-ups, etc.	1,995.25	2,050.29	2.76
Jute Products	160.36	136.30	(-)15.00
Carpets	623.02	630.77	1.24
Handicrafts, etc	703.90	917.14	30.29
Textiles	8,348.34	8,927.79	6.94
Apparel	6,765.60	6,149.66	(-)9.10
Textiles & Apparel	15,113.94	15,077.45	(-)0.24
All Commodities	1,83,211.86	2,15,912.45	17.85
Share of T & C	8.25	6.98	

2. India's textile sector recorded strong export growth in August 2026, with total exports increasing by 16.1% year-on-year to Rs. 29,776 crore, compared with Rs. 25,656 crore in August, 2025. During April–August, 2026, cumulative textile exports reached Rs.1.43 lakh crore, registering growth of 10.3% over the corresponding period of the previous year.

The growth was broad-based across several major textile segments. In August 2026, exports of cotton yarn, fabrics, made-ups and handloom products grew by 24.1%, while man-made yarn, fabrics and made-ups increased by 19.9%. Carpet exports recorded growth of 15.0%, while handicrafts, excluding handmade carpets, registered particularly strong growth of 41.4%. Ready-made garments of all textiles also maintained positive momentum, growing by 6.1% during the month.

The cumulative performance during April–August, 2026 also remained encouraging, with cotton textiles growing by 18.0%, man-made textiles by 13.6%, carpets by 11.9% and handicrafts by 44.0%.

3. Imports of cotton (raw and waste) increased by 67.67 % in August, 2026 compared to August, 2025. Imports of Textile yarn, Fabric, Made-ups decreased by 8.12 % in August, 2026. The details of imports in April-August, 2026 as compared to the same months of previous year are as under:

Value in US\$ Million

Imports	April-Aug., 2025-26	April-Aug., 2026-27	Change %
Cotton Raw & Waste	510.48	802.34	57.17
Textile Yarn, Fabrics, Made-ups, etc.	1,080.49	1,053.54	(-)2.49

4. The Directorate General of Foreign Trade (DGFT) issued Trade Notice No. 24/2026-27 dated 31st August, 2026 to promote Ease of Doing Business for the exporting community, enabling automated issuance of Free Sale and Commerce Certificates (FSC) on the DGFT portal. At present, such certificates are issued by Regional Authorities (RAs) of DGFT after scrutiny and verification.

5. Trade Notice No. 25/2026-27 dated: 7th September, 2026 issued by DGFT regarding introduction of an Open Application Programming Interface (API) facility for the issuance and verification of Certificates of Origin(CoO) through the Trade Connect e-Platform. The facility is now available for use by eligible exporters and their systems.

6. DGFT vide Notification No. 36/2026-27 dated 15th September, 2026 exempted export consignments with an FOB Value up to Rs. 3,00,000 from obtaining Registration cum Membership Certificate with immediate effect.

7. India's exports to China, South Africa, Brazil and Russia grew 34 % to \$19.9 billion in April-August, 2026-27, led by a 39 % jump in shipments to China, highlighting the growing importance of the BRICS bloc for India's export growth. The share of the four countries in India's total exports increased from 9.2 % during the first five months of this fiscal from 8.1 % in the same period of 2025-26.

8. Reserve Bank of India issued Notification No. FEMA23/(1)/2026-RB dated 22nd September, 2026 regarding amendment to Foreign Exchange Management (Export & Import of Goods and Services) Act effective from 1st October, 2026. The Export proceeds realisation period is reduced from 15 months to 9 months. The extended period under the First proviso has been reduced from 18 months to 12 months.

9. DGFT Vide Notification No.37/2026-27 dated 30th September, 2026 extended eligibility period under Component II of the RELIEF intervention up to 31st March, 2027 to support Indian exporters facing logistic challenges due to continuing West Asia crisis.

10. RoSCTL and RoDTEP Schemes have been extended till 31st December, 2026.

11. Shri Piyush Goyal, Union Commerce Minister said India has put textiles among five focus areas to lift India-Russia trade to \$100 billion by 2030, with a \$50 billion two-way investment aim.

12. World textile and clothing exports also saw a modest recovery in 2025, rising from USD 885 billion in 2024 to USD 890 billion, marking a year-on-year growth of 0.57%. The share of textile and clothing in world merchandise trade slightly declined further from 3.61% in 2024 to 3.39% in 2025, indicating that merchandise trade expanded at a much faster pace than textile and clothing exports. The relatively subdued growth of textile and clothing exports reflects weak consumer demand in key markets, inventory adjustments by global retailers, and continued competitive pressures within the global textile value chain.

Value in US\$ Billion

Particulars	2023	2024	2025
Total Merchandise Trade	23903	24501	26257
Textile Exports	365	372	371
Clothing Exports	503	513	519
Share of Textile & Clothing in World Merchandise Trade	3.63	3.61	3.39
% Growth in Merchandise Trade	-4.06	2.50	7.17
Growth in Textile & Clothing Exports	-0.88	1.95	0.57

13. China's share of world apparel exports declined from 36.9 % in 2010 to 27.3 % in 2025, while India's share slipped marginally from 3.2 % to 3 % during the same period. Bangladesh and Vietnam, meanwhile, increased their combined share from about 7 % to over 13%.

14. India is one of the major suppliers of T&A products to the United Kingdom. During 2025, India exported T&A products worth US\$ 2,077.40 Million to the UK, growing at a CAGR of 1.50% during 2021–2025. During the above time frame, exports of yarn have shown the maximum growth, followed by fibre, with CAGRs of 11.70% and 2.35%, respectively.

Value in US\$ Million

Category	2021	2022	2023	2024	2025	Share %
Fibre	21.65	16.18	13.00	16.36	23.76	1.1
Filament	9.55	6.96	3.71	3.61	3.26	0.2
Yarn	26.32	32.24	42.29	39.34	40.98	2.0
Fabric	114.43	32.24	104.66	101.13	106.23	5.1
Apparel	1,315.70	1,461.75	1,331.35	1,407.21	1,477.91	71.1
Home Textile	314.67	262.81	261.12	282.30	290.88	14.0
Others	154.66	113.36	117.54	131.02	134.39	6.5
Total	1,956.98	2,010.34	1,873.68	1,980.96	2,077.40	100

Country wise analysis shows that China was the leading supplier of T&A commodities to UK and had a share of about 24.7% in UK's total T&A imports from the world during 2025 followed by Bangladesh and Türkiye with a share of about 16.8% and 7.9% respectively. The top 10 countries accounted for about 80% of UK's total T&A imports from the World during 2025. India's share was only 6.8%.

STATE OF INDUSTRY

1. The Ministry of Statistics and Programme Implementation (MoSPI) released the All India Index of Industrial Production (IIP) for August, 2026 with base year 2022–23 on 28th September, 2026. The IIP growth rate for the month of August, 2026 is 8 % as compared to August, 2025:



Items	For the Month		Cumulative		Growth Apr- Aug. 2026 %
	August, 2025	August, 2026	Apr.-Aug. 2025-26	Apr.-Aug. 2026-27	
All India (Mfg.)	116.2	126.6	115.5	124.1	7.4
Textiles	121.0	136.9	121.8	136.3	11.9
Wearing Apparel	96.1	89.0	99.3	93.7	- 5.6



2. A Study - AI, AUTOMATION & DIGITALISATION READINESS IN THE INDIAN TEXTILE & APPAREL INDUSTRY by CITI and NITRA shows that the industry has begun this journey, but there is a significant scope to strengthen the digital foundations, skills and capabilities needed to realize the full benefits of these technologies. The survey highlights both progress and significant gaps in digital adoption:

- 35% of firms have not yet started adopting AI.
- 38% operate without a digital system, while around 14% report fully integrated digital systems.
- Automation is concentrated mainly in routine applications such as machine monitoring and setting, with functions such as production scheduling seeing lower adoption.

The findings indicate that while technology adoption is underway, it remains uneven across the industry. High investment costs and shortages of skilled talent emerge as the leading barriers to wider technology adoption. The study also finds that technology is having a mixed impact on employment, while training remains largely informal and enterprise-led.

3. According to Jefferies Report released on 9th September, 2026, for nearly six years India's textile and apparel exports have gone nowhere. They stood at US\$ 37 billion, even as the global trade in textile and apparel grew to \$904 billion. India has long-term opportunity, Report highlights structural challenges that need urgent policy and industry response:

- India's textile sector is poised for multi-year export growth, driven by global supply chain diversification (China+1 strategy).
- Strong domestic raw material base and integrated fibre-to-fashion ecosystem provide competitive advantage.
- Global demand is shifting toward MMF (polyester, viscose, etc.), but India remains cotton-heavy.
- Limited domestic MMF capacity and higher import dependence constrain competitiveness.

- To capture growth, India must expand MMF production, improve technology adoption, and attract investment.
- Government schemes (PLI, textile parks) are supportive but need scaling up.
- India is well placed to benefit from Western buyers diversifying away from China.
- Export potential is strong in apparel, home textiles, and technical textiles.

India's textile sector poised for multi-year export growth, but shift toward man-made fibres remains a challenge: For India improving trade competitiveness and supply chain realignment provide a multiyear run way for export growth and market share gains. However, country's export mix remain skewed towards cotton based products despite global demand increasingly favoring man-made fibre apparel and technical textiles.

4. A CRISIL Ratings Report indicates that strong traction in value fashion, expansion of organized retail beyond large cities, and sustained demand for branded apparel will drive growth. With Indian consumers increasingly diversifying discretionary spending, India's organized apparel retail sector's revenue growth is expected to be at 12-13 % this fiscal, slightly lower than about 15 % recorded last fiscal.

5. In the wake of changing global trade dynamics as well as many recent and upcoming Free Trade Agreements (FTAs), the Government is looking at evaluating its two key export support schemes in order to assess their effectiveness in sustaining export competitiveness and likely implications for exports, employment and industry, if the schemes are withdrawn. Niti Aayog will soon critically examine the positive and negative impacts of the Rebate of State and Central Taxes and Levies (RoSCTL) and Remission of Duties and Taxes on Exported Products (RoDTEP) schemes, which have been in vogue since 2019 and 2021, respectively.

6. According to Southern India Mills' Association (SIMA) Chairman Shri Durai Palanisamy, India's textile industry needs to move beyond capacity expansion and focus on higher-value products, automation and diversification to strengthen its global competitiveness. He said investment across man-made fibres, technical textiles and recycled products would help the industry make better use of emerging export opportunities.

Although India's textile sector has traditionally been built around natural fibres, particularly cotton, changes in global demand call for a stronger presence across the value chain, Manufacturers should improve productivity through advanced technology and innovation, while expanding into sustainable and value-added products. Market diversification would also help the industry benefit from opportunities arising from India's free trade agreements.

7. Shri Ravi Sam, Managing Director, Adwait Textiles elected as the Chairman of Cotton Textiles Export Promotion Council (TEXPROCIL) on 23rd September, 2026 at the first meeting of the newly constituted Committee of Administration.

For Address