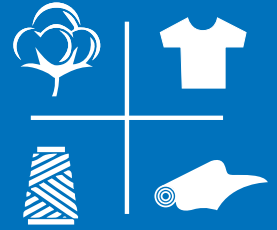




M. P. TEXTILE NEWSLETTER

THE MONTHLY NEWS LETTER OF
THE MADHYA PRADESH TEXTILE MILLS ASSOCIATION



Chairman:
Shri Shreyaskar Chaudhary;
Vice Chairman:
Shri Siddharth Agrawal;
Dy. Chairmen:
Shri Subhash Jain
Shri Tarun Baldua

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ASSOCIATION NEWS

1. A delegation of the Association led by the Chairman met the Principal Secretary, Labour Department on 13th November, 2024 and apprised him of the minimum wages issue. A representation was submitted in respect of revision of Minimum Wages.

The delegation also discussed the matter relating to flexi working hours and submitted its suggestions with the request to issue exemption orders in respect of Sections 54, 59 and 65(3) as under:

- Section 54: No adult worker will be required or allowed to work in a factory for more than 12 hours in a day.
- Section 59: Where a worker works in a factory for more than 12 hours in any day or more than 48 hours in any week, he shall, in respect of overtime work, be entitled to wages at the rate of twice his ordinary rate of wages.
- Section 65(3): The total number of working hours of work in any week, including overtime shall not exceed 60 and standard 48 working hours may be distributed in 4,5, or 6 days with a maximum of 12 hours of regular work per day.

No worker shall be permitted to work overtime for more than seven consecutive days, and the total overtime hours in any quarter shall not exceed 150.

2. An informative Road show was organised on 16th November, 2024 at the Hotel Marriott, Indore to create greater awareness among the textile community regarding India's most anticipated textile event, Bharat Tex 2025 being organised by a Consortium of 12 Textile Export Promotion Councils and supported by the Ministry of Textiles. 'Bharat Tex' scheduled from 14th – 17th February, 2025 at Bharat Mandapam, New Delhi and India Expo Centre and Mart in Greater Noida aims to draw top policy makers, business CEOs, textile thought leaders, international networks, designers and master craftspeople, showcases India's prowess as a premier textile manufacturing hub, encompassing the entire value chain from raw material to finished products. The Road show showcased the richness and diversity of India's textile industry with the presence of the entire textile value chain featuring key textile companies like Pratibha Syntex, Prem Textiles, Ramesh Textiles, Bhaskar Industries and others. The dignitaries at the Road show included Shri Rajesh Satam, Joint Director TEXPROCIL Shri Subhash Jain Dy. Chairman, MPTMA, Dr. M. Beena, Development Commissioner



(Handlooms) Ministry of Textiles, Shri Shreyaskar Chaudhary, Chairman MPTMA and Shri Sunder Murugesan, Joint Director HEPC. Key note address was delivered by Dr. M Beena.

3. Vardhman Textiles on 28th November, 2024 announced that its Board of Directors approved to increase the processed fabric capacity at Vardhman Fabrics, Budhni, by about 31 million meters per annum total capital outlay of approximately Rs 350 crore. The company has an existing processed fabric capacity of about 175 million meter per annum and the current capacity utilization is above 90 %.

RAW MATERIALS

1. As per USDA Report dated 8th November, 2024 World cotton production, consumption, beginning and ending stocks, and trade are all reduced in the 2024-25 global balance sheet. Production is lowered by 460,000 bales with the largest reductions for Pakistan and Turkmenistan. Consumption is reduced by 515,000 bales, primarily due to decreases for Turkey and Pakistan. Ending stocks are lowered by 574,000 bales with large reductions for India, Turkmenistan, and Pakistan more than offsetting increases for the United States and Uzbekistan. Reduced imports by Turkey, offset to a degree by higher imports by Uzbekistan and Egypt, lead to a 295,000-bales reduction in world trade. In the 2023-24 global balance sheet, historical revisions to production result in lower ending stocks.





Production Mn. of 480 Pounds Bales

	2022-23	2023-24	2024-25
Area Mn. Hectare	32.715	32.209	32.949
Opening Stock	70.88	75.78	74.59
Production	116.18	113.03	116.18
Consumption	112.64	113.83	115.22
Export/Import	37.74	44.01	42.15
Closing Stock	75.78	74.59	75.75

2. The USDA Foreign Agriculture Service in its report dated 14th November, 2024 forecast in marketing year 2024-25 planted area in India to remain at 11.8 million hectares, as farmers have shifted cotton acreage to higher return crops such as paddy and pulses. Unforeseen heavy rains in southern India damaged standing crops of maize, cereals and horticultural crops forcing farmers to replant cotton. In southern India, the major portion of the irrigated and rain fed crop is planted in September-October, whereas the sowing of the rainfed crop in the southern districts is extended up to November. India's cotton production will be at 25 million 480 lb. bales (32 million 170-kilogram bales/5.4 million metric tons). The national yield forecast remains at 461 kilograms per hectare. Mill consumption to remain at 25.5 million 480 lb. bales (32.6 million 170 kilogram bales/5.6 million metric tons), as domestic mill demand remains strong. Raw cotton exports at 1.2 million 480-lb. bales (1.5 million 170-kilogram bales/262,000 metric tons). Raw cotton imports at two million (480-lb.) bales (2.6 million 170-kilogram bales/436,000 metric tons).

3. The Cotton Association of India has released its first estimates of production of cotton for the cotton season 2024-25 and Estimated Balance Sheet. The State wise production estimated is 302.25 lakh bales as against production of 325.29 lakh bales in 2023-24, the details are as under:

Area in Lakh hectares; Production in lakh bales;

State	2023-24		2024-25	
	Area	Production	Area	Production
Punjab	2.00	3.65	1.00	3.00
Haryana	6.65	13.30	4.76	12.00
Rajasthan	7.80	28.67	5.19	21.00
Gujarat	26.83	90.50	23.67	80.00
Maharashtra	42.22	90.55	40.86	90.00
Madhya Pradesh	6.50	19.00	6.15	19.00
Telangana	18.02	35.00	17.71	34.00
Andhra Pradesh	3.98	13.00	3.89	12.00
Karnataka	6.97	21.60	6.84	22.00
Tamil Nadu	0.35	4.25	0.26	4.00
Odisha	2.22	3.77	2.38	3.25
Others	0.17	2.00	0.24	2.00
Total	123.71	325.29	112.95	302.25

The Committee has drawn the Balance Sheet of Cotton as under:

	2023-24		2024-25	
	Lakh Bales	'000 Tons	Lakh Bales	'000 Tons
SUPPLY:				
Opening Stock	28.90	491.30	30.19	513.23
Crop	325.29	5,529.93	302.25	5,138.25
Import	17.50	297.50	25.00	425.00
Total	371.69	6,318.73	357.44	6,076.48
DEMAND:				
Consumption:				
a. Non -MSME	201.00	3,417.00	201.00	3,417.00
b. MSME	96.00	1,632.00	96.00	1,632.00
c. Non -Textile	16.00	272.00	16.00	272.00
Export	28.50	484.50	18.00	306.00
Total	341.50	5,805.50	331.00	5,627.00
Closing Stock	30.19	513.23	26.44	449.48

4. The Committee on Cotton Production and Consumption (CCPC) has estimated the fibre crop's output at 299.26 lakh bales (of 170 kg each) for the 2024-25 crop year (October-September) — down 8 % from the 325.22 lakh bales last crop year. The Ministry of Agriculture and Farmers' Welfare has released First Advance Estimates of production of Major Agricultural Crops (Kharif) for the year 2024- 25, based on information received from States, cotton production is estimated at 299.26 lakh bales (170 kgs. each) on an area of 113.60 lakh hectares.

5. Cotton prices are under pressure, despite a lower crop being estimated on fall in acreage this season. The lack of demand from mills coupled with fall in cotton seed prices is weighing on raw cotton prices. Cotton seed prices, which were in the range of ₹3,600-4,100 per quintal across various markets at the beginning of the season, are now down to ₹3,000-3,500 levels on fall in demand. The daily arrivals of the fibre is slowly picking up and is hovering around 1.6 lakh bales. In absence of adequate demand from mills, over half the market arrivals is being procured by CCI at MSP. Cotton prices had touched a low of ₹53,000 per candy recently (23rd November, 2024) from the seasonal start of ₹57,500 levels and have seen some recovery of around ₹500-1,000 per candy in the past two days. Prices are now ruling at ₹53,000-54,000 per candy.

6. Five Indian cotton companies have been banned by the Global Organic Textile Standard (GOTS) for falsifying documents and engaging in fraudulent practices to obtain organic certification. This incident has once again cast a shadow over the credibility of organic certifications, particularly in India, which has faced scrutiny for a history of fraudulent organic cotton claims. The banned companies, two based in Odisha and three in Gujarat, employed tactics such as using fictitious shipping companies and submitting forged transaction certificates to deceive the GOTS certification system. In some cases, the companies even created fake websites to support their fraudulent claims. These actions undermine the integrity of the organic cotton supply chain and erode consumer trust in organic products.

7. According to the Materials Market Report of Textile Exchange, the production of Manmade Cellulosic Fibers (MMCFs) including viscose (rayon), lyocell, modal, acetate, and cupro increased from 7.4 million tons in 2022 to 7.9 million tons in 2023, with MMCFs accounting for 6% of the global fiber market. MMCFs covered by FSC and/or PEFC had an estimated market share of about 60–65% of all MMCFs in 2023. The market share of MMCFs made from recycled feedstock increased from an estimated 0.5% in 2022 to 0.7% in 2023. These volumes are expected to increase in the coming years thanks to on going research and development.

POWER

1. MP Power Management Company has advised DISCOMs to bill to the consumers Fuel & Power Purchase Adjustment Surcharge (FPPAS) @ minus (-) 6.14% on energy charges only for one month commencing from 24th November, 2024.



2. In the matter of Chamundeshwari Electricity Supply Corporation Limited (GST AAAR Karnataka) Appellate Authority for Advance Ruling (AAAR) in Karnataka has on 6th November, 2024 held that "Additional surcharge collected from Open Access Consumer as per sub section (4) of Section 42 of the Electricity Act, 2003, Clause 8.5.4 of the Tariff Policy 2016, Clause 5.8.3 of the National Electricity Policy and Clause 11 (vii) of the KERC (Terms and Conditions for Open Access) Regulations, 2004 should form part of the taxable value collected towards supply and distribution of electricity and accordingly exempt from payment of GST.

MANPOWER

1. Employees Deposit Linked Scheme, 1976 has been amended w.e.f. 28th April, 2024. It provides that in case of the death of a member, who was in employment for a continuous period of 12 months preceding the month of death, his nominee will get average of 12 months' wages (maximum Rs. 15,000) multiplied by thirty-five times plus fifty percent of the average balance in the account of the deceased in the Provident Fund (subject to ceiling of Rs. 1,75,000). The Assurance benefit will not be less than Rs. 2,50,000 and more than Rs. 7,00,000.





2. In a bid to expand social-security cover for workers in the country, the Government is likely to double the monthly-wage ceiling for mandatory deductions from their salaries for contribution to the Employees' Provident Fund (EPF). Plans are also afoot to bring the wage ceiling under Employees' State Insurance Corporation (ESIC) on a par with that of the EPF. Both these issues were discussed at length in the recently held meeting on 30th November, 2024

LEGAL & TAXATION

1. "From 1st April, 2025, taxpayers with an AATO of Rs. 10 crores and above would not be allowed to report e-Invoices older than 30 days from the date of reporting on IRP portals," said an advisory issued by the GST e-invoice systems. The e-Invoice System is for GST-registered people for uploading all the business-to-business (B2B) invoices to the Invoice Registration Portal (IRP). The IRP generates and returns a unique Invoice Reference Number (IRN), digitally signed e-invoice and QR code to the user. The advisory clarified that this restriction will apply to all document types for which IRNs are to be generated, including the Credit, Debit note. The advisory added that the 1st April deadline is to provide sufficient time for taxpayers to comply with this requirement. The Government had earlier imposed the time limit for business with turnover above Rs 100 crore, effective November, 2023.

2. The Goods and Services Tax Network (GSTN) has introduced Form GST DRC-03A on the GST portal to assist taxpayers in managing their tax demands more efficiently. This new tool is specifically designed to allow taxpayers, who have utilized the DRC-03 form to make payments, to directly allocate these payments to a specific GST demand order.



EXPORT & IMPORT

1. The Central Government released the information relating to exports for the month of April-October, 2024 on 14th November, 2024. In a positive trend, textile and apparel sector demonstrated remarkable growth in October, 2024. There has been overall growth in all the segments of the textile industry. The information relating to textile and apparel exports is as under:



Value in US\$ Million

Exports	Apr.-Oct. 2023-24	Apr.-Oct. 2024-25	% Change
Cotton Yarn, Fabric, Made-ups, Handloom Products	6,877.25	6,991.09	1.66
MM Yarn, Fabric Made-ups, etc.	2,724.26	2,843.12	4.36
Jute Products	209.10	212.21	1.49
Carpets	795.04	892.51	12.26
Handicrafts, etc.	920.69	1,049.51	13.99
Textiles	11,526.34	11,988.44	4.01
Apparel	7,825.22	8,732.56	11.60
Textiles & Apparel	19,351.56	20,721.00	7.08
All Commodities	2,44,512.95	2,52,282.94	3.18
% Share of T & C	7.91	8.21	

- During October, 2024, Textiles Exports increased to US\$1,833.95 Mn. registering a growth of 11.56 % over October, 2023, while Apparel Exports increased to US\$ 1,227.44 Mn. registering a growth of 35.06 % during the same time period.
- Cumulative Exports of Textiles and Apparel during October, 2024 increased to US\$ 3,061.39Mn. with a growth of 19.93 % over October, 2023.
- Share of T&A has increased to 7.81% in October, 2024 from 7.63% in October, 2023.

- During April - October, 2024, Textiles Exports registered growth of 4.01 % over the previous period, while Apparel Exports registered a growth of 11.60% during the same time period.
- Cumulative Exports of Textiles and Apparel during April-October, 2024 have registered a growth of 7.08 % as compared to April-October, 2023.
- 2. In October, 2024 import of raw cotton and waste increased by 248.15% from US\$ 36.68 Mn. in October, 2023 to US\$ 605.10 Mn. in October, 2024, whereas import of Textile yarn, fabrics, made-ups in October, 2024 increased by 8.81% from US\$ 215.58 Mn. in October, 2023 to US\$ 1,407.04 Mn. in October, 2024. The details of imports in April-October, 2024 as compared to the same months of the previous year are under:

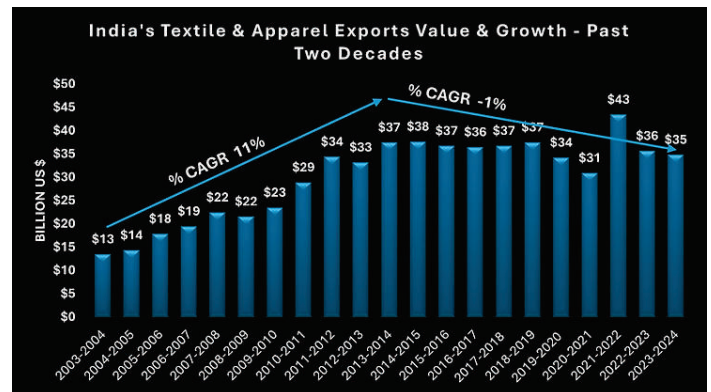
Value in US\$ Million

Imports	Apr.- Oct., 2023-24	Apr.-Oct., 2024-25	% Change
Cotton Raw & Waste	438.73	605.10	37.92
Textile Yarn, Fabrics, Made - ups, etc.	1,353.14	1,407.04	3.98

- 3. The export of Cotton yarn during the period April-June, 2024-25 increased by 4.10% in value terms and by 6.98% in quantity detailed as under:

	Quantity Mn. Kgs.		Value Mn. US \$	
	2023-24	2024-25	2023-24	2024-25
World	266.57	285.18	873.86	909.71
Bangladesh	67.62	126.67	231.50	398.81
China	60.11	20.28	171.71	53.08
Vietnam	10.90	15.07	33.65	47.10
Egypt	18.34	14.36	57.69	44.14
Portugal	12.63	13.44	42.35	44.65
Peru	9.83	10.18	30.08	31.27
Colombia	4.00	9.42	13.15	25.88
Sri Lanka	5.55	7.29	24.30	28.82
S. Korea	5.61	7.16	18.78	23.63
Turkey	19.19	7.13	63.73	25.70
Top Ten	214.16	230.99	686.85	723.10

- 4. Over the past two decades, India's textile sector exports have experienced contrasting journeys in international markets. Following the dismantling of the quota regime on 31st December, 2004, India's textile and apparel exports surged, achieving a remarkable 11% Compound Annual Growth Rate (CAGR) over the next ten years from 2004 to 2014. However, the subsequent decade from 2014 to 2024 saw stagnation, with exports experiencing a decline at a -1% CAGR. Refer to the graph below for a visual representation of this trend :



- 4. The Central Board of Indirect Taxes and Customs (CBIC) by Circular No. 22/2024-Customs dated 8th November, 2024 reduced insurance requirement for stored custom cargo to five days from 10 days. It also streamlined license requirement for Customs Cargo Service Providers (CCSPs).
- 5. The Export Oriented Units (EOUs) continue to struggle with various processes involved in complying with the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 (IGCRS Rules), mainly due to incompetence of the Central Board of Indirect Taxes and Customs (CBIC) and its online functionality, Indian Customs Electronic Gateway (ICEGATE). The EOUs

import their requirements without any duty payment, under the Notification No. 52/2003-Customs dated 31.3.2003, which requires them to follow the IGCRS Rules. In August, the CBIC, without adequate preparation, asked the EOUs to adopt electronic processes through ICEGATE.

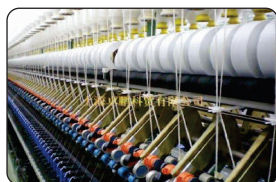
6. The Government is examining if Minimum Import Price (MIP) can be imposed on certain textile products, which have seen a spike in imports in the last few months and injured the domestic industry. The Ministry of Textiles is studying at least six products including viscose rayon yarn, woven fabric of polyester and cotton shorts, most of which come from China, facing a surge in imports. Domestic industry is being consulted to see where all India has capacity to meet the local demand.

As per industry analysis, a whopping 99% of the total import of \$133.79 million worth of viscose rayon yarn came from China in the first five months of 2024-25, while 93% of the MMF pile fabrics was imported from there. India had a \$40.81 billion trade deficit with Beijing in April-August, 2024-25.

7. Christmas and New Year demand from US and European buyers amid persistently high inflation in those markets has failed to bring cheer to the Country's apparel trade. Exporters from Tiruppur that accounts for 55% of the Country's apparel exports said global brands have bought low-priced garments like simple t-shirts that cost around \$2 per piece, in contrast to fashion garments and jackets priced \$8-10 per item that they bought last year during the holiday season. After the 2008-09 economic crisis, this trend is being witnessed for the first time.

STATE OF INDUSTRY

1. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on 12th November, 2024, India's industrial output (General Index) in September, 2024 increased by 3.1% over September, 2023. The index for manufacture of textiles, which was 108.4 in September, 2023 increased to 109.6 in September, 2024 showing an increase of 1.1%. The Wearing Apparel Index increased to 102.5 in September, 2024 from 102.4 in September, 2023 recording a growth of 0.1%. The details of IIP are as under:



Imports	For the Month		Cumulative		Growth
	Sep. 2023	Sep. 2024	Apr-Sept 2023-24	Apr-Sept 2024-25	Apr-Sept 2024-25
General	142.3	146.7	143.5	149.3	4.0 %
Textiles	108.4	109.6	107.5	107.7	0.2 %
Wearing Apparel	102.4	102.5	104.8	112.8	7.6 %

2. As per Office of Textile Commissioner, the estimated production of Man-made fibre, filament yarn, cotton yarn and blended and 100% non-cotton yarn during April-September, 2024-25 have been as under:

Figures in Million Kgs.

	MMF Fibre	MMF Fil. Yarn	Cotton Yarn	Non Cotton & Blended Yarn	Total Yarn
2021-22	2,160	2,016	4,075	1,758	5,833
2022-23	2,152	1,904	3,438	1,746	5,184
2023-24	1,987	1,702	3,756	1,725	5,481
2024-25 Apr-Sept	1,021	904	1,818	884	2,572
2023-24 Apr-Sept	989	844	1,889	868	2,757
Variation%	3.26	7.20	-1.15	1.91	-0.19

3. Shri Giriraj Singh, Union Textile Minister, has assured the textile industry leaders that his Ministry will take remedial steps to boost the export and domestic supply chain and to curb import of value added products, like knitted and woven fabric HS codes where there is no minimum price or

custom duties. The assurance was given by the Textile Minister during his interaction with Shri O. P Lohia, Shri M. S. Bhageria, Ms. Chandrima, Secretary General of CITI, Mr. Harshit of Small Scale Garment Manufacturers, and Shri R. K. Vij, Secretary General, Polyester Textile Apparel Industry Association. The high profile delegation during their meet with the Textile Minister highlighted the need for availability of basic raw material at internationally competitive prices for the polyester value chain to realise its full potential and be a leading contributor to T&A sectors.

4. According to CRISIL Rating, following a 9-10 % rebound in revenue growth last fiscal, India's home textile industry is set to stitch 6-8 % growth this fiscal riding on resilient demand from the US and expansion in the domestic market and notwithstanding some lingering logistical challenges.

5. As per a recent report from the Apparel Impact Institute (AII) and Development Finance International Inc (DFI) - 'Landscape and Opportunities to Finance the Decarbonisation of India's Apparel Manufacturing Sector' - India needs \$6.5 billion funds to reduce carbon emissions by 45 % in the textile and apparel sector by 2030. India currently has funds worth \$2.5 billion. India's position as one of the World's largest apparel producers makes it a key target for effective decarbonisation, aligning with global climate goals set by the Fashion Industry Charter for Climate Change, led by the United Nations. The charter aims to reduce absolute emissions by 50 % by 2030, requiring a combination of renewable energy and energy efficiency initiatives.

6. Speaking at the 43rd India International Trade Fair (IITF), on 16th November, 2024 Shri Giriraj Singh, Union Minister of Textiles emphasized the importance of carbon fibers in the textile industry and India is focusing on amplification of Technical Textiles. There are 12 verticals or sectors in Technical Textiles. We have been given Rs. 1500 crores for R&D in this sector and our country giving more attention in the export of Technical textiles will become the economic backbone of India.

7. Bangladesh, a global textile powerhouse, has reportedly begun rerouting its textile exports through the Maldives. By bypassing traditional routes and leveraging the Maldives' strategic location, Bangladesh aims to streamline its supply chain and expedite the delivery of goods to international markets, impact the regional trade landscape, and potentially affect the revenue streams of other countries involved in the textile trade. Exporters claimed they could save up to \$1 per kilogram on shipping costs to European nations by using air freight through the Indian Ocean Island, which is roughly 2,800 kilometers from Dhaka. The traditional air shipment routes through Dhaka, Kolkata, Colombo or Singapore had either become too expensive or too slow.

8. The Madhya Pradesh Cabinet approved on 5th November, 2024 customized packages for three textile projects under the State Government's Industrial Promotion Policy. These include the Laxminath Kalpana in Khargone; Vishweshwara Denim in Neemuch; and Mohini Active Life in Indore.

9. As per reports, land measuring 33.50 hectares of Barlai Sugar Factory (since closed) will be utilized by Madhya Pradesh Industrial Development Corporation for development of Devi Ahilya Garment City. This area is to be used for readymade garment industry and logistics. It is likely to attract investment of Rs. 2,500 crore and provide employment to 30,000.