



**COTTON
ASSOCIATION
OF INDIA**

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News Relating to
**Cotton and
Textile Sector**

Date-06-10-2026

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ICE Cotton Futures: 05-10-2026

ICE COTTON CLOSE						05 Oct 2026
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Oct-26	0.00	77.13	77.13	77.13	▲ 1.98	0
Dec-26	79.00	81.00	78.77	80.86	▲ 1.98	1,76,948
Mar-27	81.60	83.83	81.53	83.71	▲ 2.17	85,613
May-27	83.23	85.50	83.23	85.27	▲ 2.14	54,081
Jul-27	83.63	85.80	83.63	85.71	▲ 2.17	32,512
Oct-27	77.65	79.10	77.65	79.10	▲ 2.22	36
Dec-27	76.89	78.05	76.89	77.95	▲ 1.23	31,618

Cotlook Index: 05-10-2026

89.35 (+1.00)

India's economy to grow 7.1% in FY27: World Bank

Tuesday, 6th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India's economy is projected to grow 7.1 per cent in FY27, supported by domestic demand and exports, the World Bank said.

Medium-term prospects remained strong despite risks from oil prices, El Niño and market corrections.

Private AI investment rose to \$4.1 billion in 2025, while the bank urged stronger infrastructure, wider access and workforce development to ensure broadly shared AI benefits.

India's economy is projected to grow 7.1 per cent in fiscal 2027 (FY27), supported by robust domestic demand and strong exports despite global headwinds, according to the World Bank's latest *India Development Update*.

The update said India remains one of the fastest-growing major economies in the world and a key contributor to global growth. Medium-term prospects are strong, but external risks are elevated, including downside risks linked to global oil prices, El Nino and stock market corrections that would result in capital flow volatility.

The update's special focus, *India and Artificial Intelligence: Seizing the Development Opportunity*, said the country is well positioned to harness artificial intelligence (AI) because of its large technical workforce, globally integrated information technology sector and digital public infrastructure.

Private AI investment increased three-fold from \$1.2 billion in 2024 to \$4.1 billion in 2025, while Global Capability Centers employed 1.9 million professionals in 2024 and grew to 2.36 million professionals in 2025.

The report acknowledged that the long-term economic and labour market impacts of AI remain uncertain. It called for cross-cutting policy actions to deepen AI-enabling infrastructure and improve the business environment, while broadening AI access and enhancing labour capacity so that AI benefits are broadly shared.

The *India Development Update* is a companion to the World Bank Group's *South Asia Economic Update*, which examines economic developments and prospects in the region. The latest *South Asia Economic Update* projects South Asia to grow 6.9 per cent in 2026, retaining its status as the strongest-growing region, the World Bank said in a press release.

For most of South Asia, the report said the greatest gains lie in adopting AI and adapting it to local conditions, including through small AI applications suited to low-resource settings. It said progress would also depend on measures to reduce barriers to AI adoption by small firms, foster local AI innovation and establish a clear regulatory framework that reduces uncertainty, and safeguards data security and privacy.

Indian cabinet approves \$1.04 bn SME Growth Fund

Tuesday, 7th Oct 2026, (Source: www.fibre2fashion.com)

India's Cabinet, chaired by Prime Minister Narendra Modi, has approved a Government of India commitment of ₹10,000 crore (~\$1.04 billion) to establish the SME Growth Fund (SGF), aimed at providing direct equity investments and growth-oriented capital to small and

medium enterprises (SMEs) across manufacturing, services, technology, innovation-driven sectors and strategic value chains.

Insights

India's Cabinet has approved a ₹10,000 crore (~\$1.04 billion) government commitment to set up the SME Growth Fund for direct equity investments in small and medium enterprises.

The fund targets a gap in long-term growth capital, with majority allocation for manufacturing-focused SMEs.

It will also consider SMEs in industrial clusters in Tier-II and Tier-III cities.

The approval follows Paragraph 28 of the Union Budget 2026-27 and was part of a wider set of Budget announcements focused on equity, liquidity and professional support for the micro, small and medium enterprise ecosystem, the government said.

Existing equity support funds mainly focus on early-stage enterprises and cover mostly micro enterprises, leaving a structural gap in growth equity capital for small and medium enterprises. The SGF is designed to provide patient growth equity to high-potential SMEs with demonstrated business viability and scalability.

The government described SMEs as central to employment generation, exports, manufacturing output and innovation. Although various initiatives have improved access to credit for SMEs, it said a gap remains in long-term risk capital for enterprises seeking to scale, innovate, expand internationally, adopt advanced technologies, undertake acquisitions and transform into industry leaders.

Most allocation from the SGF will be directed towards small and medium manufacturing-focused enterprises, and the fund will also consider SMEs operating in industrial clusters in Tier-II and Tier-III cities. The government expects long-term capital from the initiative to help Indian SMEs scale operations, invest in technology and manufacturing capacity, expand into international markets, integrate into global value chains and undertake strategic investments.

The government expects the fund to accelerate the emergence of a pipeline of Indian companies with the scale, innovation capability and competitiveness needed to become champions in their respective sectors. It described the initiative as part of its Viksit Bharat 2047 vision, aimed at strengthening India's entrepreneurship ecosystem and deepening the domestic capital market for growth-stage enterprises.

Under the initiative, the Government of India will make the aggregate commitment to an Alternative Investment Fund (AIF) established under the SGF framework. By enabling

manufacturing enterprises to expand capacity, adopt advanced technologies and achieve greater scale, the SGF is expected to improve scale and productivity and strengthen export competitiveness.

The commitment complements government efforts to strengthen the SME sector through reforms, digitalisation initiatives, credit support mechanisms, ease-of-doing-business measures, public procurement reforms, startup promotion initiatives and production-linked incentive programmes. Investments across industrial clusters, including in Tier-II and Tier-III cities, are expected to support balanced regional industrial development, reinforce local supply chains and generate high-quality employment opportunities.

The government said the fund would help create champions, drive innovation-led industrialisation, and generate quality employment opportunities across the country, serving as a key pillar in advancing Viksit Bharat 2047.

India initiates anti-dumping probe on imports of textile chemicals

Tuesday, 7th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India's DGTR has opened anti-dumping probes into caprolactam from China, Russia, Thailand and the US, and persulphates from China.

Caprolactam feeds Nylon-6 yarn and tyre cord fabric, while persulphates are oxidising agents for textile and chemical processing.

DGTR cited significant dumping margins, rising imports and price pressure; any duties could affect textile users but are not yet imposed.

India has initiated separate anti-dumping investigations into imports of caprolactam and persulphates, two chemical inputs with direct relevance to textile manufacturing. Caprolactam is a key raw material for Nylon-6 used in nylon filament yarn and tyre cord fabric, while persulphates are used as initiators and oxidising agents in textile and chemical processing. The investigations could therefore have implications for domestic chemical producers as well as downstream textile users sourcing these materials.

The Directorate General of Trade Remedies (DGTR) has initiated an anti-dumping investigation into imports of caprolactam originating in or exported from China, Russia, Thailand and the US following an application filed by Gujarat State Fertilizers & Chemicals Limited. The applicant alleged that dumped imports were causing material injury to the domestic industry and sought anti-dumping duties on such imports.

Caprolactam (tariff item 2933 71 00), also known as 6-Hexanelactam, is primarily used to manufacture Nylon-6 chips, which are subsequently processed into yarn and fabric. It is also

used in nylon tyre cord fabric and nylon filament yarn, making the investigation directly relevant to parts of the man-made fibre and technical textile value chain. The investigation was initiated for a period from April 1, 2025, to March 31, 2026, while the injury investigation covers 2022-23, 2023-24, 2024-25 and the investigation period.

The Authority said prima facie evidence showed that the dumping margin for caprolactam from each of the subject countries was above the de minimis level and significant. It also noted that imports had increased substantially in absolute terms and relative to Indian production and consumption, while their landed prices were below the applicant's selling prices.

In a separate notification dated September 30, 2026, DGTR initiated an anti-dumping investigation into imports of persulphates originating in or exported from China. The application was filed by Calibre Chemicals Private Limited and UI-VR Private Limited, which alleged that dumped imports were causing material injury to the domestic industry.

The product under consideration covers ammonium persulphate, potassium persulphate and sodium persulphate. DGTR described the three as closely related alkali metal salts that share common end-uses as initiators and oxidising agents in the textile and chemical industries.

The persulphates investigation covers the period from April 1, 2025, to March 31, 2026, with the injury period spanning 2022-23, 2023-24, 2024-25 and the investigation period. The applicants were found to account for a major proportion of Indian production, while Yoyo Chemicals and Aminisha Organics LLP supported the application.

DGTR said prima facie evidence indicated that the dumping margin on Chinese persulphates was significant and above the de minimis level. It also noted that import volumes had increased in both absolute and relative terms, accompanied by a steep decline in import prices, price undercutting and price suppression in the domestic market.

For the textile sector, the two investigations are significant because they cover inputs used at different stages of the man-made fibre and textile-processing chain. Caprolactam is linked to Nylon-6 yarn and technical textile production, while persulphates have applications as oxidising agents in textile processing. Any eventual anti-dumping duties could strengthen protection for domestic chemical manufacturers, while also affecting sourcing economics for textile and chemical users dependent on imported material. The DGTR notifications currently concern the initiation of investigations and do not themselves impose anti-dumping duties.

ICE cotton extends recovery on lower-price buying, short covering

Tuesday, 7th Oct 2026, (Source: www.fibre2fashion.com)

Insights

December 2026 ICE cotton rose 2.51 per cent to 80.86 cents per pound, taking its two-session recovery to 310 points.

Lower-price buying, fresh US cotton enquiries, mill fixations and short covering supported the rebound despite dollar and yield headwinds.

US harvest was 23 per cent complete, keeping supply pressure elevated; the 81–83 cents zone is key to confirming any bottom near 77 cents.



ICE cotton futures extended their recovery on Monday as lower-price buying, mill fixations and short covering outweighed pressure from a firmer US dollar, elevated Treasury yields, weaker crude oil and advancing harvest activity. Fresh enquiries for US cotton at reduced price levels also supported sentiment after the recent sharp sell-off. However, the broader trend remained cautious as the market was still recovering from heavy losses over the previous five weeks and supply pressure from the US harvest continued to build.

December 2026 cotton gained 198 points, or 2.51 per cent, to settle at 80.86 cents per pound, close to the session high of 81.00 cents. The contract touched a low of 78.77 cents. After Friday's 112-point rise, December has recovered 310 points, or 3.10 cents, over two sessions, indicating renewed buying interest following the recent sharp sell-off.

The recovery was supported by fresh enquiries for US cotton, some business at lower price levels and continued mill on-call fixations. The 77–79 cents range appeared to attract commercial buying, while short covering also contributed to the rebound. However, the rally occurred on moderate volume, with 63,113 contracts traded compared with Friday's 58,218 contracts and below last week's average daily volume of 79,708 contracts.

Open interest stood at 383,640 contracts at the start of Monday's session after rising by 622 contracts on Friday. It remained below the record 389,494 contracts seen on September 29 following heavy liquidation. A sustained rise in both prices and open interest would provide stronger evidence of fresh long participation rather than merely short covering.

US crop progress remained a source of supply pressure. Cotton harvesting was 23 per cent complete as of October 4, ahead of the five-year average of 21 per cent, while 74 per cent of bolls were open compared with an average of about 69 per cent. Crop condition slipped marginally, with around 33

per cent rated good to excellent. Rain and cooler weather in parts of Texas and the US South raised concerns more about lint quality than overall crop size.

Macro signals remained mixed. A firmer US dollar, elevated Treasury yields and weaker crude oil prices created a less supportive backdrop for commodities. The dollar index gained around 0.2 per cent, while the US 10-year Treasury yield was near 5.31 per cent. Crude oil fell \$1.68 to \$89.43 per barrel. Despite these headwinds, stronger equity markets and improved risk appetite helped cotton remain among the stronger-performing commodities.

Export demand remained comparatively supportive at lower price levels, with recent Upland sales of around 202,567 bales. However, actual shipments continued to lag the pace required to meet seasonal targets. China's Golden Week holiday also limited fresh market signals, with Zhengzhou cotton futures due to resume trading on October 8.

Technically, December cotton has recovered around 379 points from its recent low of 77.05 cents. Immediate resistance is seen at 81.00–81.20 cents, followed by 82.00–82.20 cents and 83.00 cents. A sustained close above 81 cents, accompanied by rising open interest, could strengthen the recovery. Support is seen at 80 cents, followed by 78.80–79.00 cents and the recent low of 77.05 cents.

Despite the sharp two-session rebound, the broader structure remained cautious. December cotton had posted its fourth lower weekly close in five weeks and remained around 12.50 cents below levels seen five weeks earlier. The current move therefore still appeared to be a recovery rally rather than a confirmed trend reversal, with the 81–83 cents zone likely to determine whether the recent 77-cent area has formed a meaningful bottom.

This morning (Indian Standard Time), December 2026 cotton was trading at 80.80 cents per pound (down 0.06 cents). Cash cotton was traded at 78.61 cents (up 1.98 cents), while the October 2026 contract traded at 77.13 cents (up 1.98 cents). The March 2027 contract was at 83.68 cents (down 0.03 cents), May 2027 at 85.22 cents (down 0.05 cents), and July 2027 at 85.63 cents (down 0.08 cents). A few contracts remained at their previous closing levels, with no trading recorded so far today.

First Meeting of the Development Council for Textile Industry (DCTI) Held; Council Deliberates on Roadmap for a Competitive and Integrated Textile Value Chain

Tuesday, 6th Oct 2026, (Source: www.pib.gov.in)

The first meeting of the Development Council for Textile Industry (DCTI) was held on 6th October, 2026 at Vigyan Bhawan, New Delhi, under the chairpersonship of Secretary, Ministry of Textiles, Smt. Neelam Shami Rao. The Council, constituted as the apex consultative platform of Government, industry and stakeholders, convened to deliberate upon its mandate of advising the Government on the orderly growth and development of the textile industry.



The meeting was attended by Senior Officers of the Ministry, representatives of Industry Associations, Export Promotion Councils, Research Associations, State Governments and Sector Experts.

Addressing the Council, the Chair underscored that the textiles and apparel sector continues to be among the largest employment generators and export earners for the country and called for a coordinated, whole-of-value-chain approach towards production, innovation and global market access. The deliberations at the meeting focused on the following key areas:

- **Production and Productivity:** Capacity addition, modernisation, scale and cost competitiveness across the fibre, yarn, fabric, processing and apparel segments, with emphasis on addressing gaps across the value chain.
- **Research and Development:** Strengthening industry–research linkages, fostering innovation in new-age fibres and technical textiles, and facilitating faster commercialisation of R&D through Research Associations and institutions.
- **Exports and Market Access:** Diversification of products and markets, leveraging trade agreements, and addressing quality, compliance and logistics-related constraints faced by exporters.



- **Raw Material and Input Availability:** Ensuring stable and competitive availability of cotton, man-made fibres, yarn, dyes and chemicals, supported by effective market intelligence.
- **Investment, Skilling and Sustainability:** Promoting ease of doing business, strengthening support for MSMEs, workforce skilling, and adoption of sustainable and circular practices.

Members shared sector-specific suggestions on each of the above themes and welcomed the institutionalised industry - Government interface provided by the Council.

The Council agreed to constitute Working Groups/Sub Committees on priority themes and to meet at regular intervals to review progress. The Council's recommendations will inform the Ministry's policy and programme interventions and are aimed at:

- higher domestic production, improved productivity and a more integrated, scale-oriented value chain;
- faster translation of research into industry practice, including in the areas of technical textiles and new-age fibres;
- sustained growth in textile and apparel exports through wider market and product diversification; and
- greater investment, employment generation and a stronger and more sustainable domestic ecosystem.

The Chair thanked the members for their valuable inputs and reiterated the Government's commitment towards a collaborative and industry-facing approach for the sustained growth of the sector.



**COTTON
ASSOCIATION
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Established 1921

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UPI MDR should not attract any GST: former RBI Governor C Rangarajan

Our Bureau
Chennai

The new merchant discount rate (MDR) to be imposed on UPI merchant transactions above ₹2,000 should not attract any GST, former Reserve Bank of India Governor C Rangarajan said here on Monday.

Rangarajan was speaking at the launch of '*Cashless Nation: How UPI Changed Everything*' a book by B Sambamurthy and Santanu Paul chronicling the introduction and evolution of UPI, by here on Monday.

"The moment you levy this charge, it will automatically attract GST, because it is a price paid, and therefore the GST will have to be paid.



(from left) Santanu Paul, Author; V Kamakoti, Director, IIT Madras; Soumya Swaminathan, Chair, MS Swaminathan Research Foundation; C. Rangarajan, former RBI Governor; Sundaraman Ramamurthy, MD & CEO, BSE, and B Sambamurthy, Author, at the launch of the book BIJOY GHOSH

I would urge that the GST Council must clearly come up and say, GST should not be levied," he said. Rangarajan suggested that given that there is a cost involved in operating the UPI infrastruc-

ture, the question of whether merchants should be charged for transactions is a legitimate one.

DIGITAL PAYMENT

The event also saw the pres-

ence of Sundaraman Ramamurthy, MD and CEO of BSE India, who emphasised that UPI has been able to democratise access to the capital markets by making digital payments more accessible. He pointed to the need to further expand digital payments ecosystem into remote areas and underserved communities.

UPI SUCCESS

V Kamakoti, Director of IIT Madras, said that beyond scale and democratisation UPI's success can be attributed to the security.

Soumya Swaminathan, former Chief Scientist, WHO, suggested that efforts should be made to address security concerns in the ecosystem.

Monsoon withdrawal pauses briefly ahead of reversal of winds over South

Vinson Kurian

Thiruvananthapuram

The withdrawal of the South-West monsoon briefly stalled on Monday over Central and East India, with the retreating edge stretching in an arc through Supaul, Ranchi, Raipur, Brahmapuri, Parbhani, Baramati and Harnai, and the western end nestling in Maharashtra.

Farther south, the atmosphere is preparing for the next seasonal act. Winds over the South Peninsula are showing a growing inclination to turn from south-westerly to easterly, the defining signal of the transition to the North-East monsoon. Easterlies have established themselves over the Arabian Sea, and the adjoining South Peninsula is expected to follow suit shortly.

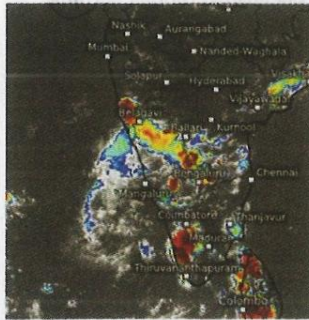
The missing piece is the Bay of Bengal, where the wind regime must turn decisively before the North-East monsoon can properly take hold.

REVERSAL OF WINDS

The normal window for this transition opens around October 15. Forecast models suggest that the seasonal reversal could unfold broadly on schedule this year, with an easterly wave moving in from the South China Sea providing the initial trigger. It could set up a cyclonic circulation over the Andaman Sea before moving into the central Bay of Bengal, past the Andaman and Nicobar Islands, around October 14, and draw north-easterlies towards south coastal Andhra Pradesh and the Tamil Nadu coasts, strengthening the seasonally reversing flows.

HELPFUL FEATURES

The atmospheric stage was already being set on Monday evening. An upper-air cyclonic circulation lay over north interior Karnataka,



Menacing thunderstorms lit up skies over the South Peninsula and adjoining Sri Lanka

with a trough extending from the Comorin area towards it across Tamil Nadu and south interior Karnataka. Another trough extended from West Bengal to Madhya Maharashtra, passing across Jharkhand, interior Odisha, Chhattisgarh, Vidarbha and Marathwada.

Together, these features are helping reorganise the piloting wind and rainfall pattern over the South Peninsula. The preceding South-West monsoon has left behind a significant rain deficit after being suppressed by the dominant El Nino over the equatorial Pacific. In this context, the South Peninsula is eagerly looking to a replenishing spell from the North-East monsoon.

The India Meteorological Department (IMD) expects isolated heavy rain to continue over Tamil Nadu, Puducherry, Karaikal, Kerala and Mahe on Tuesday. Kerala and Mahe could see heavy spells on Friday and Saturday, while south interior Karnataka is likely to receive isolated heavy rain on Tuesday. Rainfall is expected to remain fairly widespread over Kerala, Mahe and Lakshadweep during the next six days. Isolated to scattered rain is likely over coastal Andhra Pradesh, Yanam, Rayalaseema, Tamil Nadu, Puducherry and Karaikal during the next six days.

Fertilizer sales fall 28% under FFS pilot, help govt save ₹1,470 crore

VOLUME SLUMPS. In 222 districts, sales dropped to 13.35 lt in kharif 2026 from 18.3 lt a year ago

Prabhudatta Mishra
New Delhi

Under the Framework for Fertilizer Sales (FFS), launched in 222 districts across 29 States and Union Territories during Kharif 2026, fertilizer sales declined by 28 per cent, helping the government save ₹1,470 crore.

Under the scheme, farmers are eligible to buy subsidised crop nutrients based on their land holdings and the crops selected.

Also, the decline came despite more farmers purchasing fertilizers in kharif 2026 than in the year-ago period in the districts where the pilot was implemented.

WEAK RAIN IMPACT

According to a presentation made by Additional Secretary Pramod Kumar Meherda



GROWING DEMAND. Nearly 47 lakh farmers purchased fertilizers — up from 44.55 lakh last year

at the recently held annual Rabi Conference, Telangana, Andhra Pradesh, Maharashtra, Uttar Pradesh, Bihar and Karnataka, among the major agricultural States, reported a decline of up to 75 per cent in sales.

Experts said that the drop in sales was also due to lower rainfall in some of these States. Meherda said that regulating sales through an app or online system had

eliminated queues outside retail outlets as farmers receive a token indicating when they can collect the fertilizers.

POLICY RESISTANCE

Punjab and Madhya Pradesh were two important States missing from the list, as Punjab did not implement the pilot, while Madhya Pradesh discontinued it following protests by farmers.

Agriculture Minister Shivraj Singh Chouhan defended the pilot when asked about Madhya Pradesh's decision to discontinue it. He said it was up to the States to decide as participation was not compulsory. However, he stressed that it was essential to reduce and check the excessive use of chemical fertilizers to protect soil health and prevent their diversion to non-farm uses, thereby reducing the subsidy burden.

As many as 46.97 lakh farmers in these pilot districts purchased fertilizers in Kharif 2026, compared with 44.55 lakh a year ago.

Similarly, sales stood at 13.35 lakh tonnes (lt) against 18.30 lt a year ago. Also, nearly 77 per cent of farmers had a digital Farmer ID (FID), while 15 per cent were tenant farmers, sources said.

Fertilizer Secretary Rajat Kumar Mishra last week ap-

pealed to the States to check the diversion of highly subsidised fertilizers for non-farming use and ensure that farmers practise balanced nutrient use based on soil conditions. He also said the States should promote organic and natural farming as much as possible.

While stressing that the opening stock of fertilizers in the country, as of October 1, would be the highest in three years, he urged the States to focus on curbing excess use of crop nutrients as the subsidy in the current fiscal could exceed ₹3 lakh crore amid high global prices.

At the annual Rabi conference, Mishra said due to the global price rise, the per-bag subsidy burden on urea (45 kg) had surged from ₹1,350 before the war (February 28, 2026) to ₹2,775 now — a 106 per cent increase.

Conditions ripe for rate hike

POLICY MOVE. RBI needs to be categorical in its stance and actions in times of external vulnerabilities and uncertainties



ABHIMANYU DAS
SMITA ROY TRIVEDI

Has the time for a rate hike finally arrived? In retrospect, as we had argued earlier, given the global and domestic inflationary trends, a pre-emptive rate hike would have helped (*businessline*, August 3 and May 4, 2026). The contours of what lay ahead were becoming increasingly visible through the last two quarters.

Three factors have made a rate hike desirable: First, domestic inflationary headwinds, fuelled by the global conditions, suggest that a hawkish stance could help. Both CPI and WPI have headed northwards in the last four months. Second, given global inflationary trends, it was only a matter of time before the Fed raised the rates, making "follow the Fed" imperative to prevent capital outflows. Third, given the sustained depreciating trend in rupee, brought about by FII outflows, a higher rate differential could help.

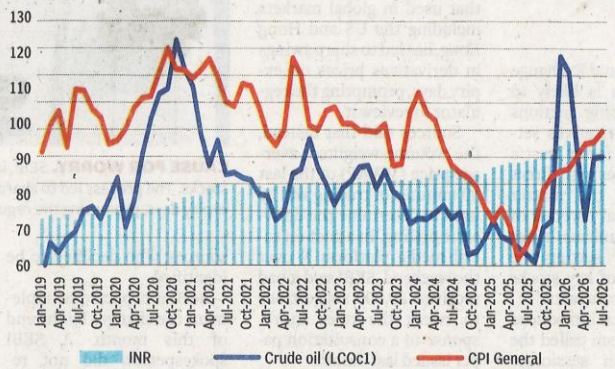
CONFUSING SIGNALS

However, the RBI has so far chosen to keep interest rate unchanged, yet sending somewhat confusing signals through minutes, rate and stance decisions in its Monetary Policy Committee meetings. As for the domestic situation, CPI inflation came in at 4.82 per cent in August, up from 4.45 per cent in July, to an eight-month

In recent years, the average inflation that made the RBI raise rates is above 6 per cent, veering close to 6.25 per cent. In each of these tightening episodes, Fed was in hawkish mode.

CHART

Crude oil, rupee and CPI



Source: LSEG, RBI data. Authors' representations

TABLE

Incidence of RBI's repo rate hike

Date of MPC	Repo rate (%)	Extent of hike (bps)	Voting for hike	Previous-month CPI (%)	Two-month average CPI (%)	Fed hike previous to the meeting
June 6, 2018	6.25	25	6 out of 6	4.87	4.73	Yes
August 1, 2018	6.5	25	5 out of 6	4.17	4.6	Yes
May 4, 2022	4.4	40	6 out of 6	7.79	7.37	Yes
June 8, 2022	4.9	50	6 out of 6	7.04	7.42	Yes
August 5, 2022	5.4	50	6 out of 6	6.71	6.86	Yes
September 30, 2022	5.9	50	5 out of 6	7	6.9	Yes
December 7, 2022	6.25	35	5 out of 6	5.88	6.35	Yes
February 8, 2023	6.52	25	4 out of 6	6.52	6.12	Yes

Source: RBI data, Federal Reserve (Fed) database, Authors' calculations

high. As is the case with India's inflation story, CPI food and beverage inflation climbed faster reaching 5.66 per cent in August, up from 5.24 per cent reported in July. Onion inflation (over 48 per cent) stood out in this context.

In August 2026, core inflation also crossed 4 per cent, indicating greater pass through and generalised price pressure. Reflecting global price conditions, WPI inflation rose to 9.92 per cent in August 2026, up from 9.78

per cent in July — staying near double digits for the past four consecutive months. Crude prices are at over \$100/barrel and likely to continue, and rupee-dollar exchange rate again sniffing 96 thresholds, despite buoyant FCNR inflows. The Chart shows the usual "three's trouble" dynamics in crude, rupee and inflation.

Second, US interest rate has been raised by 25 bps, so that sustained pressure on capital outflows is likely to

continue. Will MPC consider the above developments as 'risks are evenly balanced'? In this context, it is instructive to look at how the RBI has responded to inflationary conditions in the past.

How many times in the last 20 years has the central bank raised rates and at what inflation range? As the Table shows, the average inflation that made the RBI raise rates is above 6 per cent, veering close to 6.25 per cent. In each of these tightening episodes inflation had remained persistently elevated and Fed was in hawkish mode. The episodes of repo rate increase in 2018, considered as exceptions, coincide with RBI's adoption of a new monetary policy framework of Flexible Inflation Targeting.

Besides those episodes, the FIT target of 4 per cent largely seems out of sync with reality for inflation control. Therefore, going by past experience, the MPC is unlikely to change the repo rate in the October 2026 policy on the basis of inflation alone — unless the Fed rate hike and the rupee pressures in its aftermath become dominant. Post the Fed hike, the rupee has continued to be under pressure, reaching a low of 96.30 as of October 5, 2026.

HAWKISH STANCE MAY HELP

With domestic credit growth already at a multi-year high and liquidity conditions showing signs of exuberance given the expected FCNR flows, a rate hike, or at least a hawkish stance may help.

The general trend of geopolitical tensions is further intensifying and is likely to remain firm in the near term. So are the inflationary trends. In this situation, with so many outside vulnerabilities and uncertainties, exchange rate is but one of the considerations. Holding on to exchange rate stability through schemes like FCNR(B), which lead to large-scale build-up of future liabilities, is questionable when geopolitical conditions are unpredictable.

Das is ICICI Bank Chair Professor, IIM Ahmedabad; Trivedi is Associate Professor, National Institute of Bank Management. The views are personal.

RBI announces ₹2.5 lakh crore VRRR auction

K Ram Kumar
Mumbai

In an indication that the financial system is being primed for a rate hike, the Reserve Bank of India has decided to conduct an overnight variable rate reverse repo (VRRR) auction for a larger quantum (₹2.5 lakh crore) on October 6, a day ahead of the Monetary

Policy Committee's call on interest rates, to suck out surplus liquidity from the banking system.

The last time RBI conducted a VRRR auction bigger than ₹2.5 lakh crore was ₹3 lakh crore on September 17. After September 17, the central bank has been conducting VRRR auction in the ₹1-2 lakh crore range, on an average, to drain out the FCNR(B) deposits related

excess liquidity. Sucking out the surfeit of liquidity will ensure that transmission of a repo rate hike, which is expected to kickstart from October 7, into money markets, loans and deposits is smooth, said a senior executive with a private sector bank.

The banking system is awash with liquidity, with the excess at ₹5,15,659 crore as on October 4, per RBI

data. The central bank has been draining out liquidity surplus, which is a result of banks' swapping the \$133 billion with RBI under its limited period special US dollar-rupee forex swap facility, by conducting VRRR auctions and open market operation sale of government securities.

Harshal Joshi, Senior Vice-President - Fixed Income, Bandhan AMC, said:

"We expect a 25 basis points increase in the repo rate to 5.50 per cent (from 5.25 per cent), after August CPI rose to 4.82 per cent. Global neutral real rate has moved higher: US growth is strong, the Fed has become more hawkish, and the dollar is firmer. India competes for the same capital, so the RBI may need considerable tightening in the months ahead if global commodity and real-

rate pressures do not ease. Our base case expectation is at least 3 to 4 hikes (total of 75-100 bps) in upcoming policies."

Joshi said the RBI said it has tools such as bond sales and foreign exchange swaps to bring overnight rates closer to the repo rate. So, further liquidity actions are likely to matter as much as the repo rate for transmission.

GST Council may consider single registered address for small businesses to sell through e-commerce

Shishir Sinha
New Delhi

A small business may be permitted to sell products nationwide on an e-commerce operator (ECO) with a single registered address. The GST Council on October 8 is expected to take up a proposal to permit small businesses to use warehouse location of an e-commerce operator to use for registration.

As on date, rule says a business needs to have physical presence in the State or UT where they sell good or provide service. Now, this will change for small businesses and that will save lot of cost. Here, small businesses will mean those having total output GST liability does not exceed ₹2.5 lakh per month.

According to officials, the scheme will be optional and available to suppliers who need to make supply of goods exclusively through e-commerce operators collecting

tax at source and who do not have or very limited presence in various State/UT.

"The small need to have physical presence in at least one State or UT, which shall be declared as principal place of business (PPoB). The suppliers opting for this scheme will have to undergo physical verification and biometric-based Aadhaar authentication in the home State where he has a physical presence," an official told *businessline*.

Registration obtained under the scheme will be restricted to ECO-based suppliers only. Non-ECO supplies will require a separate registration with a physical office as PPoB in each such State or Union Territory. The registration application will be filed by the eligible supplier on the common portal in a State/UT where he does not have physical presence. The small business will require prior concurrence/permission of the concerned ECO(s) allowing the supplier to de-



clare their various warehouses as additional place of business (APoB).

WHAT IT ALLOWS

The simplified registration will be limited to sales made through e-commerce operators. If the business also wants to make supplies outside e-commerce platforms, it will have to obtain regular GST registration, including maintaining a physical place of business in each State/UT where such registration is required. "Under this scheme, single registration against a PAN can be obtained in a State/UT," the official said.

A seller could apply for the simplified registration through the GST common

portal in a State/UT where it does not have a physical presence. Its warehouses in other States could be declared as additional places of business, but only with the prior consent of the e-commerce operator concerned.

The proposal also places responsibilities on e-commerce operators to ensure that tax authorities can access information about sellers using the simplified registration route. E-commerce operators will have to appoint an authorised representative in every State/UT to provide information about registered suppliers when required by tax officials. They will have to inform the GST authorities if a supplier is deactivated from their platform and assist tax authorities in proceedings and recovery of tax dues.

There will also be limits on the scheme. "A supplier who wishes to pass on Input Tax Credit (ITC) above ₹2.5 lakh in a month to a registered person will be required to

withdraw from the scheme and then obtain regular registration," the official explained.

The rules will also provide for what happens if an e-commerce operator withdraws its consent to a seller using its warehouse as the principal place of business. The seller will get 30 days to designate another e-commerce operator's warehouse for that State/UT or exit the scheme.

SIMPLIFIED GST

The proposal adds on a new chapter on a simplified GST registration mechanism that came into effect on November 1, 2025. That mechanism allows certain low-risk applicants, as well as businesses that self-assess their monthly output tax liability on supplies to registered persons at not more than ₹2.5 lakh (inclusive of CGST, SGST/UTGST and IGST), to obtain registration automatically within three working days.

India, Switzerland to expand market access, address concerns

FOSTERING TIES. Swiss President, Modi discuss trade, defence, nuclear co-operation; five agreements signed

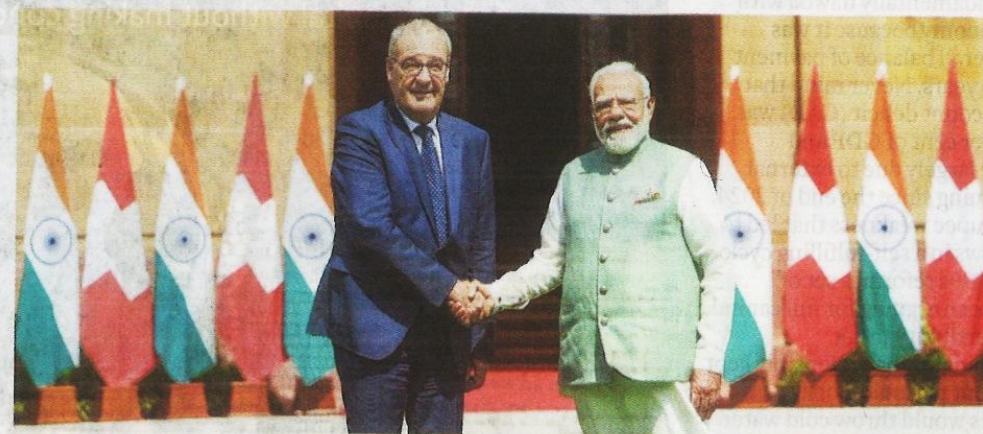
Amiti Sen
New Delhi

India and Switzerland on Monday agreed to expand market access for Indian exports and address trade and investment-related constraints faced by businesses as the two countries seek faster implementation of the Trade and Economic Partnership Agreement (TEPA) between India and the four-member European Free Trade Association (EFTA) bloc.

The decision followed talks between Prime Minister Narendra Modi and Swiss President Guy Parmelin, who is on a three-day state visit to India coinciding with the first anniversary of TEPA coming into force.

SPECIAL GROUP

The two sides also agreed to set up a special group to address trade and investment-related issues, with the full support of both governments and the other EFTA members, a senior Indian official said. "Both sides are happy that there is progress



TRADE PUSH. Prime Minister Narendra Modi with Swiss President Guy Parmelin in New Delhi ANI

in the implementation of TEPA," MEA Secretary (West) Sibi George said at a media briefing. The special group, which has full support of the two governments (India and Switzerland), and all other member countries, would discuss trade and investment issues and address constraints faced by businesses, he said.

The Indian PM, in his statement during the joint press statement with his counterpart, said the two countries had taken several decisions to increase market access for Indian exports to

Switzerland and facilitate investment. "This will help increase exports of Indian agricultural products, pharmaceuticals, textiles, and engineering goods to Switzerland. At the same time, we will attract new Swiss investments into key sectors in India, such as biotechnology, life sciences, banking, insurance, food processing, and sustainability," Modi said.

New opportunities for co-operation in military exchanges and defence production were identified and the two leaders also agreed to

further deepen cooperation in nuclear energy, Modi added.

The push for greater market access comes amid a decline in India's exports to EFTA.

Goods exports to the bloc fell 10.77 per cent to \$1.75 billion in FY26, with the decline deepening after TEPA took effect on October 1, 2025.

Exports fell 22.72 per cent to \$461.64 million in April-June, the first quarter of FY27. Switzerland, by far India's largest market within EFTA, saw a sharper decline.

Parmelin expressed hope that TEPA would significantly boost bilateral trade in the coming years and said interest among Swiss companies had been strong since its implementation.

FIVE PACTS

The two countries signed five agreements, including pacts on migration and mobility, young professionals, and co-operation in transportation technologies, mobility systems and infrastructure development. The leaders also agreed to deepen defence co-operation, including military exchanges and defence production, as well as nuclear energy co-operation.

The migration pact seeks to facilitate mobility while addressing irregular migration and human trafficking. It provides multiple-entry visas of up to five years, stays of up to six months per visit and renewable one-year student permits.

The young professionals pact will allow 300 people annually from each country, expandable to 500, to take up temporary employment.

India-US trade talks have hit a plateau: FM

Amiti Sen

New Delhi

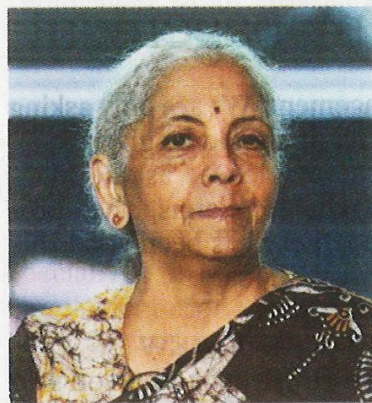
Suggesting that the India-US interim trade deal may be facing a deadlock, Finance Minister Nirmala Sitharaman on Monday said both sides have “reached a plateau” beyond which giving or taking might be difficult.

The Minister also criticised the US’ unilateral tariff impositions and threats, and noted that while the accepted way to address trade imbalances was through negotiations, tariffs were now being “weaponised”.

“It’s been a hard and very rigorously negotiated agreement. The negotiations are still ongoing, although I’d like to believe that the both sides have reached a plateau beyond which giving or taking might be very, very difficult,” Sitharaman said at the Munich Security Conference on Monday.

MANY IMBALANCES

The Finance Minister, however, left open the possibility of further movement, saying



“Negotiation used to be the only platform to highlight discrepancies... Now, the imbalance is sought to be addressed through other means, where... tariff has become weaponised

NIRMALA SITHARAMAN

Finance Minister

that if there were “room to operate from”, both sides would do so.

Coming down heavily on Washington’s unilateral tar-

iff actions, Sitharaman said the US was understandably seeking to cut its trade deficit with India, but questioned whether imbalances could be corrected outside negotiations.

“Negotiation used to be the only platform through which countries could highlight the discrepancies... Now, the imbalance is sought to be addressed through other means, where... tariff has become weaponised,” she said. Citing India’s own deficit with China, which has grown “exponentially” since 2014, Sitharaman said a country could not treat imbalance as the sole criterion and must “talk it out” with “some give and take”.

Her remarks come as Commerce Minister Piyush Goyal wraps up a week-long US visit. He met USTR Jamieson Greer on the sidelines of the G20 Trade Ministers’ Meeting in Milwaukee to push for an early conclusion of the deal.

Greer later said the talks were in the “short strokes” but that nothing was imminent, as the two sides had

identified a “universe of items” that remained sticking points. He did not name them, and said Prime Minister Narendra Modi and President Donald Trump may speak again “very soon”.

RUSSIAN ENERGY

The talks are taking place under immense US tariff pressure. A fresh threat comes from the Lindsey O Graham Sanctioning Russia and Iran Act which authorises tariffs of up to 100 per cent on top buyers of Russian energy.

India has raised concerns with Washington about the law’s implications for bilateral ties and energy markets.

The US imposed 50 per cent tariffs on India in August 2025, including a 25 per cent penalty over Russian oil, but withdrew it from February 7. The US Supreme Court later struck down Trump’s sweeping global tariffs.

Since July, Indian goods have been facing an additional 10 per cent duty under Section 301 over forced labour, while a separate probe into structural excess capacity remains pending.

Pulses, potash, visas on the table as India, Canada begin 5th round of CEPA talks

Amiti Sen
New Delhi

Predictable market access for agricultural products and farm inputs, including pulses and fertilizers, technical standards, and adequate visas for workers are among the key issues India and Canada are seeking to resolve as they began the fifth round of negotiations on a Comprehensive Economic Partnership Agreement (CEPA) in Ottawa on Monday, sources said.

Both governments are trying to conclude the deal, which also focusses on co-operation in energy, advanced manufacturing and AI, and supply of critical minerals, before Prime Minister Narendra Modi's expected visit to Canada in December.

"Agriculture is expected to be the most difficult area. Canada, the world's largest pulse exporter, wants predictable, long-term access to the Indian market. India has changed its pulse duties several times in recent years. Canadian farm groups have asked for enforceable commitments rather than tariff cuts that could be reversed at short notice," a source tracking the matter told *businessline*.

Canadian Trade Minister Maninder Sidhu recently said Canadian farmers want certainty and predictability

India, which is protective of its farm sector, may be looking at options such as tariff-rate quotas, the source said. Adequate market access for fertilizers (potash), one of Canada's main exports to India, and India's demand for adequate visas for professionals and workers, are also on the table.

The round follows the fourth round in New Delhi in September, after which



Both governments are trying to conclude the deal before Prime Minister Narendra Modi's expected visit to Canada in December

Sidhu met Commerce Minister Piyush Goyal in Mumbai. Both ministers reaffirmed their commitment to conclude the agreement quickly. The two countries aim to more than double two-way trade to \$70 billion (Canadian dollars) by 2030, according to Canada's figures.

The push to advance the talks comes amid heightened geopolitical uncertainty and changes in the US tariff regime under President Donald Trump, adding urgency to efforts by both countries to strengthen trade ties and diversify markets and supply chains.

DELHI'S DEMAND

India wants Canada to ease some of its restrictive or burdensome technical regulations, standards, and product safety requirements, including packaging and labelling requirements.

Canada has identified certain technical standards and regulations imposed by India on farm products as non-tariff barriers and wants those addressed. "Clashing standards and stringent regulatory frameworks continue to restrict bilateral trade flow and both sides want these addressed," the source said.

Smarter Factories, Automation Can Give India the Speed Advantage: Sammir Dattani, Sanathan Textiles

By Our Special Correspondent

MUMBAI, OCT. 05—

For textile manufacturers, building big is only worthwhile if the capacity can be put to work. Sanathan Textiles appears to have crossed that hurdle quickly. Its new polyester yarn facility, set up with an investment of about Rs. 2,500 crore and a manufacturing capacity of around 3.5 lakh tonnes per annum, reached 95% capacity utilisation within six months.

That experience shaped Mr. Sammir Dattani, Executive Director, Sanathan Textiles' case for scale backed by automation, data and productivity. Speaking during the panel discussion on "Designing the Future Factories: Scale, Automation, and Data-Driven Operations" at FICCI's TAG 2026, the 17th Annual Conference on Textile & Apparel Industry, he described the investment as a "leap of faith" and stressed the need to take a long term view when creating new manufacturing capacity.



"If you really believe in the India story and the export opportunities opening up through the FTAs, you have to take that leap of faith. It is challenging and requires significant capex upfront, but investments of this scale have to be viewed over a 10 to 20 year horizon," Mr. Dattani said.

For India, he sees the opportunity to build a manufacturing advantage around speed, supported by automation

and data.

"China addressed the world with scale. Bangladesh tried to make it cheaper. For India, we have the opportunity to make it faster, with speed, with smartness, with data, with automation in the entire value chain. I think that is the opportunity we all should think about," he emphasised.

Automation and data were central to the design of the new facility. Sanathan Textiles drew on nearly 15 years of operating experience while planning the plant, with a focus on improving efficiency, quality and scale. Mr. Dattani also stressed the importance of strengthening yarn manufacturing as the starting point for much of the downstream textile and apparel value chain.

"While we aspire to export the shoes, the garments, the bags, yarn is the starting point of everything. Everything that we plan to sell to the rest of the world starts there. New setups and

smarter factories will address the supply chain issue and the quality issue," he noted.

The facility incorporates advanced manufacturing technology, with Barmag working with Sanathan Textiles as a technology partner. Mr. Dattani highlighted the scope for Indian manufacturers to adopt proven global technologies and adapt them to domestic requirements, particularly to improve product quality and strengthen the polyester value chain.

The decisions being taken today, he added, must also reflect what the industry and consumers are likely to demand over the next two decades. Sustainability, accountability, reducing carbon footprint and waste, and creating a circular ecosystem were among the considerations Sanathan Textiles factored into the new facility.

The difference between the company's older operations and

Continued on Page 3

Skill requirements have changed with automation: Dattani

Continued from Page 1 Col 6

the new plant has also strengthened Mr. Dattani's conviction in automation. Sanathan Textiles spent around 10 times more on automation at the new facility than at its older plant.

"From ground zero, at the first day, we were clear that we were trying to build a factory for the future. We wanted to have an automated factory," he stated.

The gains, he pointed out, extend well beyond labour costs. At the company's older Silvassa operations, around 2,500 people handle approximately 520 to 550 tonnes of production per day. The newer facility is handling around 750 tonnes per day with a similar workforce.

"What you don't see is the production efficiency. Today, we don't need to build larger factories to get more. We need to try and build smarter factories to get more out of the same capex because that makes the ROI far more viable," Mr. Dattani observed.

Technology has also brought greater visibility into manufacturing operations. Mr. Dattani spoke of the importance of data being available "right from the shop floor all the way to the CEO", allowing production and capacity to be managed more efficiently.

Automation has also changed the kind of skills required inside the factory. Mr. Dattani noted that the technology led manufacturing

environment has made it easier to attract younger engineers into the textile industry, an advantage the company had not anticipated when it began the investment.

"With the change of ecosystem that automation brought, the kind of people that we need is different. We are recruiting people right out of young engineering colleges," he remarked. "We have given them a completely new, automated, future ready ecosystem which they are happy to work in."

Mr. Dattani also backed the PM MITRA Parks as a means of bringing different parts of the textile value chain into common manufacturing clusters. Sanathan Textiles has secured around 50 acres at the PM MITRA Park in Dhar, Madhya Pradesh, for a proposed greenfield cotton yarn project.

"If everyone is in the same location, there is a natural integration that happens. I really think the PM MITRA Parks are a great step in that direction," he noted.

Looking ahead, he stressed the need for closer work across the value chain and with technology partners on R&D, better quality products and more value added yarns. Sanathan Textiles' experience, he indicated, shows how scale supported by automation, technology and skilled talent can translate into higher productivity and a stronger manufacturing base.

Bi Component Yarns Emerging as a Critical Opportunity for India's MMF Industry: Debabrata Ghosh - Barmag India

By Our Special Correspondent

MUMBAI, OCT 05—

India has built considerable scale in polyester and filament yarn manufacturing, but the next opportunity lies in moving deeper into specialty products where domestic capacity remains limited. Bi component yarns, particularly for applications such as activewear



and sportswear, are one such area that Mr. Debabrata Ghosh, Vice President and Sales Director, Barmag India, believes could become increasingly important for the industry over the coming decade.

A large part of the world's bi component manufacturing capacity, he pointed out, is concentrated among a handful of producers in China. For India, developing its own capabilities in these products would not only reduce import dependence but also strengthen the supply chain

for downstream manufacturers targeting higher value markets.

"Bi component yarn is the key for India's success, especially in the coming decade for the activewear and sportswear industry," Mr. Ghosh remarked.

His comments came during the panel discussion on "Designing the Future Factories: Scale, Automation, and Data-Driven Operations" at FICCI's TAG 2026, the 17th Annual Conference on Textile & Apparel Industry. Mr. Ghosh's emphasis was on how India can build on the scale it has already created by combining automation with greater integration, quality consistency and investment in specialty yarns.

The filament yarn industry itself offers evidence of how rapidly Indian manufacturers have scaled. Mr. Ghosh recalled seeing small texturisers grow from operating just two machines to manufacturing as much as 1,000 to 2,000 tonnes of filament yarn per day. As the industry moves to the next level, however, he believes the emphasis increasingly has to shift from capacity alone to the quality and consistency of what that capacity produces.

He briefly referred to Sanathan Textiles' new automated facility in North India to illustrate the point. A downstream customer using Sanathan Gold yarn, he noted, reported a 3% reduction in wastage and a 2% improvement in operating efficiency, in addition to consistency in yarn quality.

"This is the type of standard India has started achieving," he observed.

Such performance, Mr. Ghosh stressed, cannot come from sophisticated machinery alone. Consistency in the raw materials feeding those machines, particularly Purified Terephthalic Acid (PTA) and Monoethylene Glycol (MEG), is equally important to producing yarn that meets the requirements of modern downstream operations.

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Entire polyester value chain needs be integrated: Ghosh

Continued from Page 1 Col 2

“It is not only the modern machines, but also the consistency of the feed material like PTA and MEG that is very important,” he explained.

That requirement leads directly to another area where he sees scope for India to strengthen its manufacturing model: greater integration across the polyester value chain. Mr. Ghosh pointed to China, where leading producers have integrated raw material and manufacturing operations, giving them greater control over quality across the chain.

“India also has to look at this type of integrated plant. The entire value chain should be integrated,” he stated.

In his assessment, this combination of scale, automation, integration and specialty yarn manufacturing will be important if India is to compete more effectively with China. Greater control over raw material quality can support more consistent production, while investment in products such as bi component yarns can help manufacturers move towards more specialised and higher value applications.

The transition to more sophisticated manufacturing will also

require a different approach to talent. Mr. Ghosh pointed to an encouraging change in the attitude of younger engineers, with manufacturing beginning to regain interest as a career option.

“Today, some changes we are also observing in the mindset of younger people. They are showing interest in joining the manufacturing industry again,” he noted.

The responsibility, however, does not end with recruitment. Textile manufacturers will have to create an environment in which young engineers can develop their skills, work with modern technologies and see a longer term future in the industry.

“We have to attract that type of talent, and we also have to give them an environment which is conducive. We have to give them proper motivation, retain them and give them some time to develop their skills,” Mr. Ghosh explained.

For India, the next step in MMF manufacturing is therefore not simply about producing more. Building capability in specialty yarns, improving consistency through a more integrated value chain and developing the technical talent to operate increasingly advanced factories could determine how successfully the industry moves into higher value global markets.

Reforms aimed at empowering cotton farmers, enhancing transparency and strengthening India's cotton value chain to take centre stage today

NEWDELHI, OCT. 05—

Ministry of Textile, Government of India through its Cotton Corporation of India Ltd. (CCI), a Public Sector Undertaking, will organize a special showcase event on 6th October 2026 in Hyderabad, Telangana, as part of 'Reform Utsav 2026'. The event will showcase the transformative reforms undertaken by CCI, in coordination with the Ministry of Textiles, to make the cotton procurement ecosystem more farmer-centric, transparent, technology-driven and efficient.

The event will bring together senior government officials, representatives of the Government of Telangana, policymakers, farmers, industry associations and other stakeholders from the cotton and textile sectors. It will provide a platform to highlight the impact of reforms on the ground and facilitate experience-sharing among key stakeholders across the cotton value chain.

Over the past few years, CCI has undertaken a series of technology-enabled and institutional reforms covering cotton procurement, farmer registration, digital slot booking, direct payments, quality assessment, traceability, sale of cotton and stakeholder engagement. These interventions are aimed at improving ease of doing business, strengthening transparency and accountability, and ensuring more efficient delivery of services to cotton farmers.

A key highlight of the event will be a presentation on CCI's

major reforms and initiatives, followed by the screening of a short film capturing their implementation and impact. The showcase will demonstrate how digital technologies and process re-engineering are transforming traditional systems and creating a more seamless interface between farmers, CCI, ginners and the textile industry.

The event will also feature experience-sharing by cotton farmers and industry stakeholders, providing an opportunity to hear directly from those participating in and benefiting from the reforms. The discussions will cover important initiatives relating to cotton quality improvement, High-Density Planting System (HDPS), Kasturi Cotton Bharat, digitalization of cotton procurement and other measures for strengthening the cotton value chain.

The Kapas Kisan digital platform will be among the key initiatives showcased. The platform has brought together various stages of cotton procurement through digital processes, including farmer registration, slot booking, procurement-related communication and Aadhaar-enabled payments.

Such initiatives are aimed at enhancing transparency, reducing procedural complexities and providing farmers with greater visibility over the procurement process.

The event will also highlight CCI's efforts towards quality improvement and traceability of Indian cotton, including initiatives for contamination control, digital traceability and promotion of

premium-quality cotton under the Kasturi Cotton Bharat initiative. These measures seek to enhance the identity, quality and market positioning of Indian cotton and strengthen its acceptance in domestic and international markets.

The showcase will further draw attention to the High-Density Planting System (HDPS) and other productivity-oriented interventions being promoted in collaboration with relevant agricultural institutions. These initiatives seek to address the productivity gap in Indian cotton and contribute towards improving farm-level returns and the overall competitiveness of the Indian cotton sector.

The Central Silk Board (CSB), Ministry of Textiles, Government of India, is driving transformative reforms through digital service delivery, mission-mode technology transfer and innovative outreach, making Indian sericulture more accessible, efficient and stakeholder-centric.

1. Digitisation of Silk Mark Services – Ease of Doing Business: The Silk Mark Organization of India (SMOI), implementing the Silk Mark Scheme since 2004, assures the authenticity of pure silk through the Silk Mark. From 2022–23, SMOI progressively digitised registration, renewal, document processing, pre-inspection, payments, label indenting and issuance, record management and

Continued on Page 3

Digital procurement, quality improvement, traceability, HDPS and Kasturi Cotton initiatives to be showcased in Hyderabad today

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grievance redressal.

The system now serves 7,000+ Authorised Users, with 500+ new enrolments annually. Applications can generally be processed within 1–2 working days, subject to fulfilment of prescribed requirements. The reform has reduced paperwork and physical visits while enhancing transparency, traceability and administrative efficiency, particularly benefiting MSMEs and silk-sector stakeholders.

2. Mera Resham Mera Abhimaan – A Mega Sericulture Technology Transfer Campaign: The Central Silk Board (CSB) launched Mera Resham Mera Abhimaan (MRMA) during 2025 as a 100-day Mega Sericulture Technology Transfer Campaign, taking proven technologies from “Lab to Land” through direct farmer engagement, demonstrations, training and field-level interventions across 129 districts in 26 States/UTs. MRMA 1.0 reached 75,000 farmers through 1,400+ programmes.

Building on the achievements and learnings of MRMA 1.0, MRMA 2.0 was designed as a evolved, structured and impact-oriented

campaign, covering 218 key sericulture districts contributing over 95% of India’s raw silk production. It integrates baseline surveys, stakeholder consultations, District Sericulture Development Plans, target-oriented and need-based action plans and a dynamic interactive MRMA web portal. More than 1,700 programmes have been conducted, directly reaching 73,000+ farmers and approximately one lakh stakeholders through digital platforms.

3. Seri-Tourism – An Experience from Farm to Fibre: CSB has conceptualised Seri-Tourism to integrate sericulture, tourism, education and local economic development, showcasing the complete “Soil-to-Silk” journey through museums, live demonstrations, host-plant and moth parks, technology displays and product outlets.

The CSB-P4 Basic Seed Farm, Manasbal, Jammu & Kashmir, and CSB-Eri Basic Seed Farm, Topatoli, Assam, are being developed as Seri-Tourism Hubs, showcasing silk diversity, germplasm conservation, silkworm rearing, cocoon production, reeling, weaving, dyeing and Silk Mark awareness.

A NEW PARADIGM

Together, these reforms are creating a modern, technology-enabled and stakeholder-centric sericulture ecosystem—where services are digital, technologies reach the last mile, and India’s silk heritage becomes an experiential asset, generating new opportunities for farmers, MSMEs, artisans, entrepreneurs and local communities.

The reforms being showcased at Reform Utsav 2026 reflect the Government’s broader vision of building a stronger and more integrated textile value chain — from Farm to Fibre, Fibre to Factory, Factory to Fashion and Fashion to Foreign.

The Hyderabad event will provide an important platform for taking the reform journey from policy and institutional interventions to field-level outcomes, while encouraging greater participation and collaboration among farmers, industry, government agencies and knowledge institutions.

Through these reforms, CCI continues to strengthen its role as a key institutional pillar of India’s cotton economy, supporting farmers, improving procurement systems, facilitating quality