COTTON ASSOCIATION OF INDIA

Established 1921

ISO 9001:2015

# News Relating to Cotton and Textile Sector

**Date-17-08-2026**

# COTTON ASSOCIATION OF INDIA

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## Mumbai, Monday 17th August 2026 at 3.00 P.M.

### UPCOUNTRY SPOT RATES

| Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length As per CAI By-laws | | | | | | | | Rs. per Quintal | Rs. per Candy | Variation + (Plus) - (Minus) |
|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Growth | Grade Standard | Grade | Staple | Micronaire | Gravimetric Trash % | Strength / GPT | 2025-26 | 2025-26 | |
| 1 | P/H/R | ICS-101 | Fine | Below 22mm | 5.0 – 7.0 | 4% | 15 | 14904 | 53000 | (N.C.) |
| 2 | GUJ | ICS-102 | Fine | 22mm | 4.0 – 6.0 | 15% | 20 | 13554 | 48200 | (+1000) |
| 3 | M/M(P) | ICS-104 | Fine | 23mm | 4.5 - 7.0 | 4% | 22 | 15044 | 53500 | (-1500) |
| 4 | P / H / R(U) | ICS-105 | Fine | 27mm | 3.5 – 4.9 | 4% | 26 | 17772 | 63200 | (+300) |
| 5 | M/M(P) /SA/TL/GUJ | ICS-105 | Fine | 27mm | 3.0 – 3.4 | 4% | 25 | 15466 | 55000 | (N.C.) |
| 6 | M/M(P)/SA/TL | ICS-105 | Fine | 27mm | 3.5 – 4.9 | 3.5% | 26 | 17631 | 62700 | (+200) |
| 7 | P/ H/R(U) | ICS-105 | Fine | 28mm | 3.5 – 4.9 | 4% | 27 | 18447 | 65600 | (+500) |
| 8 | M/M(P) | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3.5% | 27 | 19093 | 67900 | (+200) |
| 9 | SA/TL/K | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3.5% | 27 | 18812 | 66900 | (+100) |
| 10 | GUJ | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 3.5% | 27 | 18953 | 67400 | (+300) |
| 11 | R(L) | ICS-105 | Fine | 28mm | 3.7 – 4.9 | 4.0% | 27 | 18419 | 65500 | (N.C.) |
| 12 | R(L) | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3.5% | 28 | 18981 | 67500 | (N.C.) |
| 13 | M/M(P) | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3% | 28 | 19375 | 68900 | (+200) |
| 14 | SA/TL/K | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3% | 28 | 19037 | 67700 | (+100) |
| 15 | GUJ | ICS-105 | Fine | 29mm | 3.7 – 4.9 | 3% | 28 | 19262 | 68500 | (+300) |
| 16 | M/M(P) | ICS-105 | Fine | 30mm | 3.7 – 4.9 | 3% | 29 | 19656 | 69900 | (+200) |
| 17 | SA/TL/K/O | ICS-105 | Fine | 30mm | 3.7 – 4.9 | 3% | 29 | 19375 | 68900 | (+300) |
| 18 | M/M(P) | ICS-105 | Fine | 31mm | 3.7 – 4.9 | 3% | 30 | 19909 | 70800 | (+600) |
| 19 | SA/TL/K/TN/O | ICS-105 | Fine | 31mm | 3.7 – 4.9 | 3% | 30 | N.A. | N.A. | |
| 20 | SA/TL/K/TN/O | ICS-106 | Fine | 32mm | 3.5 – 4.9 | 3% | 31 | N.A. | N.A. | |
| 21 | M/M(P) | ICS-107 | Fine | 34mm | 2.8 - 3.7 | 4% | 33 | 25477 | 90600 | (+600) |
| 22 | K/TN | ICS-107 | Fine | 34mm | 2.8 - 3.7 | 3.5% | 34 | 25589 | 91000 | (N.C.) |
| 23 | M/M(P) | ICS-107 | Fine | 35mm | 2.8 - 3.7 | 4% | 35 | 25898 | 92100 | (+100) |
| 24 | K/TN | ICS-107 | Fine | 35mm | 2.8 - 3.7 | 3.5% | 35 | 26152 | 93000 | (N.C.) |

| | |
|---|---|
| Note:1 | Official spot rates are fixed and registered by CAI on the basis of average price inclusive of spot brokerage as per respective State Dharas, and for 15 days credit from the date of passing and cash discount @ 15% per annum, except for Northern area (excluding Lower Rajasthan), in which case spot rates fixed and registered are for payment terms: 7 days from the date of pressing at Upcountry Spot Markets ex-gin, excluding Tax. These rates are for domestic transaction only |
| 2 | P/H/R(U) ICS-202 (SG) rate is lower by Rs. 1000/ pc than Sr. no. 4 |
| 3 | Strength:Grams per tex (HVI Mode) (Prorate basis) |
| | a) 1 gpt pts lower Rs 500/pc |
| | b) 2 gpt pts lower Rs 1,000/pc |
| | c) 3 gpt pts lower Rs 2,000/pc |
| | d) 4 gpt pts lower Rs 3,000/pc |
| 4 | Staple length : Upper Half Mean Length |
| 5 | Gravimetric Trash Percentage |
| 6 | Moisture by probe method maximum 9% |
| 7 | Base Grade 'Fine' of bulk of the cotton of the staple length range of 29mm to 32mm consists of – |
| | (i) Colour grade 31/3 (ii) RD 75 |
| 8 | In Rates acceptable up to a maximum 5.50 Micronaire with proportionate discount @ Rs.150/- per point per candy over 4.9 Micronaire |
| 9 | For M/M(P)/SA/TL/GUJ-Sr No. 5 are for 67 Rd |
| 10 | For Northern Zone (P/H/R(U)-Sr. Nos. 4 and 7 are for 70 Rd |
| 11 | For M/M(P)/SA/TL-Sr Nos. 6, 8, 9, and GUJ-Sr No.10 are for 74 Rd |
| 12 | For R(L)-Sr. No. 11 is for 72 Rd and 12 is for 73 Rd |
| 13 | For M/M(P) and K/TN-Sr Nos. 21 to 24 are for 70-72 Rd |

**Secretary**

**ICE Cotton Futures: 14-08-2026**

| ICE COTTON CLOSE | | | | | 14 Aug 2026 | |
|---|---|---|---|---|---|---|
| CONTRACT MONTH | OPEN | HIGH | LOW | SETTLE | CHANGE | Op. Int. |
| Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds. | | | | | | |
| Oct-26 | 82.30 | 83.66 | 82.30 | 83.60 | ▲1.24 | 157 |
| Dec-26 | 83.51 | 85.00 | 83.20 | 84.80 | ▲1.30 | 1,95,361 |
| Mar-27 | 85.45 | 86.85 | 85.12 | 86.68 | ▲1.26 | 79,879 |
| May-27 | 86.70 | 87.99 | 86.36 | 87.84 | ▲1.20 | 32,065 |
| Jul-27 | 86.05 | 87.43 | 85.93 | 87.35 | ▲1.16 | 17,913 |
| Oct-27 | 0.00 | 82.40 | 82.40 | 82.40 | ▲0.68 | 24 |
| Dec-27 | 78.45 | 79.25 | 78.38 | 79.25 | ▲0.69 | 25,452 |

**Cotlook Index: 14-08-2026**

**94.05 (-0.90)**

**Textiles, chemicals can fuel India's aim to be manufacturing hub: Govt**
Sat. 15th Aug 2026, (Source: www.fibre2fashion.com/news)

Insights
India's textile industry can strengthen its global competitiveness by improving raw material availability, scaling up manufacturing through infrastructure support and expanding market access through deeper trade integration, a NITI Aayog report said.
The chemicals sector also has the potential to enhance domestic value addition by expanding downstream production and improving feedstock utilisation.

India's textile industry has the potential to strengthen its global competitiveness by improving raw material availability, scaling up manufacturing through infrastructure support and expanding market access through deeper trade integration, according to a latest NITI Aayog report.

Enhancing skilling, technology adoption and productivity, while promoting technical textiles, MMF-based products, sustainable textiles and premium Indian weaves, can further drive value addition and global growth, the report, titled Key Sectors to Position India as a Global Manufacturing Hub, noted.

It identifies major sectors that can fuel India's ambition to become global manufacturing powerhouse. The four sectors are chemicals, textiles, telecom & networking equipment and solar photovoltaics (PV).

The country's chemicals industry has significant potential to enhance domestic value addition by expanding downstream production and improving feedstock utilisation, the report remarked.

Promoting domestic manufacturing, investments in competitiveness and strategic use of free trade agreements can help reduce import dependence, strengthen downstream capabilities and support sustainable industry growth in the chemicals sector, a release from the government think tank said citing the report.

The domestic chemicals industry is broadly led by three key consumption segments: petrochemicals and organic chemicals, specialty chemicals, and inorganic chemicals. Petrochemicals and organic chemicals form the largest segment and include polymers, synthetic fibres, performance plastics, building blocks, intermediates and end-products.

India had installed 106 GW of solar capacity by March 2025 and needs to add about 174 GW to meet the 2030 target of 280 GW solar capacity, the report said.

The domestic PV market, estimated at $3.7 billion, is expected to grow at a 17-20-per cent compounded annual growth rate between fiscal 2022-23 and fiscal 2029-30, supported by utility-scale solar, rooftop solar, open-access projects and green hydrogen-linked demand.

India's solar manufacturing ecosystem has strong potential to deepen domestic value addition by strengthening upstream capabilities and reducing import dependence, the report observed.

Key priorities include technology partnerships and joint ventures, greater research and development and performance-linked support, development of integrated clean-tech clusters, and industry-led skilling.

Strengthening trade partnerships and G2G frameworks can also expand export opportunities and secure global market access in the PV sector, the report added.

## Weak Monsoon Threatens Kharif Crops

Mon. 17th Aug 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Shifting Monsoon Patterns Threaten Kharif Crops

Concerns regarding this year's Kharif crop yields have mounted due to weakening Southwest monsoon activity and uneven rainfall distribution. Although the situation improved slightly after a rainfall deficit of nearly 40% in late June, the country's rainfall remained 12% below the Long Period Average (LPA) as of August 13.

Crops such as soybean, maize, and paddy are currently at critical growth stages that directly influence final yields. Experts believe the next two weeks will be crucial for the crops.

Data from the Ministry of Agriculture indicates that total Kharif sowing covered an area approximately 2% smaller than last year's. The acreage for paddy was down by 3.7%, arhar (pigeon pea) and maize by 4% each, cotton by 1%, and sugarcane by 0.5%. Final production will now largely depend on adequate moisture availability during August and September.

The IMD has forecast below-normal rainfall for August and September. While rainfall may remain near normal between August 13 and 19, monsoon activity is likely to weaken during the August 20–26 period. A northward shift of the monsoon trough is considered a primary reason for this trend.

As of August 13, the rainfall deficit in Central India was only 1%, whereas deficits of 11% in Northwest India, 20% in the Southern Peninsula, and 27% in East and Northeast India were recorded. Bihar faced a 39% deficit, while Eastern Uttar Pradesh and Punjab each recorded a 31% shortfall.

Experts emphasize that for agriculture, factors beyond total rainfall—such as timing, distribution, and soil moisture—are equally critical. Yields can be adversely affected by moisture stress during key phases: flowering and pod formation in soybeans, panicle emergence in paddy, and flowering and grain filling in maize. Cotton crops are vulnerable to damage from both drought and waterlogging. Therefore, rainfall conditions in August and September will play a crucial role in determining the final yield of Kharif crops.

## Daund Cotton Acreage Reaches 2,412 Acres

Mon. 17th Aug 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Maharashtra: Cotton acreage rises in Daund; sowing covers 2,412 acres

In the Daund taluka of Maharashtra's Pune district, the area under cotton cultivation is expanding alongside traditional crops. Known for the cultivation of sugarcane, onions, wheat, and pomegranates, this region is seeing cotton emerge as a significant Kharif season crop. According to available data, cotton has been sown across 2,412 acres in Daund taluka this year.

In the 2021-22 season, cotton was cultivated on only 255 acres in Daund taluka. Since then, the acreage has seen a steady increase. This growth is attributed to both the farmers' growing interest and the guidance provided by the Agriculture Department.

In the Daund region, a spacing of 4.5×2 feet is typically maintained for cotton sowing. Subsequent cultivation practices involve weeding and the application of fertilizers and pesticides as required. The average cotton yield in the area is reported to be between 18 and 20 quintals per acre.

Current data indicates that the Minimum Support Price (MSP) for high-quality cotton is ₹8,667 per quintal, an increase of ₹557 compared to the previous year. With a good harvest, farmers can earn between ₹1.50 lakh and ₹1.75 lakh per acre over a five-month period.

It is claimed that planting sugarcane after a cotton crop leads to an average yield increase of 15 to 20 tonnes per acre for the sugarcane. This practice aids in optimal land utilization and helps maintain the crop rotation cycle.

However, despite the increase in cotton acreage in Daund taluka, there is currently no authorized cotton procurement center. Farmers are demanding the establishment of a procurement center at the Daund APMC so that they do not have to travel to other regions to sell their produce.

This year, the cotton crop is facing a significant weed infestation problem. In this context, farmers are being advised to focus on timely weeding and proper crop management. The region's fertile black soil and appropriate crop rotation can help boost cotton productivity.

## CCI Raises Cotton Prices, Sales Cross 1.84 Lakh Bales

Fri. 14th Aug 2026, Yash Chouhan (Source: www.smartinfoindia.com)

| WEEKLY SALE OF CCI COTTON BALES (2025-26) APPROX | | | |
|---|---|---|---|
| SMART INFO SERVICES CALL: 96300 96370 | | | |
| DATE | MILLS SESSION | TRADER SESSION | TOTAL BALES SOLD |
| 10.08.2026 | 40,800 | 39,900 | 80,700 |
| 11.08.2026 | 24,300 | 30,000 | 54,300 |
| 12.08.2026 | 14,000 | 14,900 | 28,900 |
| 13.08.2026 | 15,600 | 1,700 | 17,300 |
| 14.08.2026 | 2,500 | 900 | 3,400 |
| TOTAL ( 2025-26 ) | | | 184,600 |
| GRAND TOTAL BALES SOLD BY CCI IN THIS WEEK | | | 184,600 |

CCI Raises Cotton Prices by ₹1,500-₹1,800 per Candy; Weekly Auction Sales Cross 1.84 Lakh Bales

The Cotton Corporation of India (CCI) increased its cotton selling prices by ₹1,500–₹1,800 per candy during the week ending August 14, 2026, reflecting strong buying interest from textile mills and cotton traders.

During the week, CCI sold approximately 1,84,600 bales of cotton from the 2025–26 crop, with robust participation across auctions despite a gradual decline in volumes toward the end of the week.

Day-Wise CCI Auction Performance

August 10, 2026 (Monday)
CCI opened the week on a strong note, recording the highest auction volume of the week with 80,700 bales sold. Textile mills purchased 40,800 bales, while traders lifted 39,900 bales.

August 11, 2026 (Tuesday)
Auction sales moderated to 54,300 bales. Mills purchased 24,300 bales, while traders bought 30,000 bales.

August 12, 2026 (Wednesday)
CCI sold 28,900 bales, with mills accounting for 14,000 bales and traders purchasing 14,900 bales.

August 13, 2026 (Thursday)
Auction sales remained at 28,900 bales. Mills purchased 15,600 bales, while traders lifted 13,300 bales.

August 14, 2026 (Friday)
The week's auctions concluded with sales of 3,400 bales, including 2,500 bales purchased by mills and 900 bales by traders.

Following the latest auctions, CCI's cumulative cotton sales for the 2025–26 season reached approximately 92,21,400 bales, underlining sustained demand from the domestic textile industry and cotton trade despite the recent increase in CCI selling prices.

## US cotton export sales surge as new crop bookings accelerate: USDA

Fri. 14th Aug 2026, (Source: www.fibre2fashion.com/news)

US cotton export sales strengthened sharply during the week ended August 6, as new crop bookings for the 2026-27 marketing year, which began August 1, showed robust buying interest from major importing markets. According to the USDA Weekly Export Sales Report, Upland cotton sales were led by Vietnam, Pakistan, Bangladesh, Mexico and India, while export shipments also increased as the new marketing year got underway.

Insights
US Upland cotton net sales for 2026-27 totalled 905,000 RB, led by Vietnam, Pakistan, Bangladesh, Mexico and India.
Upland shipments reached 140,500 RB in the opening days of the new marketing year, with Vietnam the largest destination.
Pima net sales stood at 50,600 RB, led by India, while USDA data signalled firm new-season demand and early-season shipments.

Net sales of Upland cotton for the 2026-27 marketing year totalled 905,000 RB (running bales, each weighing 226.8 kg), with Vietnam the largest buyer at 222,500 RB, including switches and adjustments. Pakistan followed with 164,200 RB, Bangladesh with 81,100 RB, Mexico with 67,300 RB and India with 67,200 RB. In addition, 778,900 RB in sales were carried over from the 2025-26 marketing year, which ended July 31.

Upland cotton export shipments for the period ended July 31 totalled 67,900 RB, bringing cumulative exports for the 2025-26 marketing year to 11.20 million RB, marginally above the previous year's 11.19 million RB. Vietnam was the largest destination during the period with 23,800 RB, followed by India at 15,800 RB, Pakistan at 11,500 RB, China at 4,400 RB and Turkiye at 3,500 RB.

Shipments during the week, the opening days of the new marketing year, reached 140,500 RB. Vietnam again accounted for the largest volume at 60,800 RB, followed by Pakistan with 13,900 RB, China with 12,700 RB, India with 12,500 RB and Mexico with 10,800 RB.

Pima cotton also recorded strong new crop demand. Net sales for the 2026-27 marketing year totalled 50,600 RB, led by India with 21,900 RB, followed by Colombia at 6,800 RB, Italy at 3,800 RB, Pakistan at 3,500 RB and Vietnam at 2,800 RB. A further 47,000 RB in sales were carried over from the 2025-26 marketing year.

Pima export shipment stood at 1,200 RB, taking cumulative shipments for the previous marketing year to 448,600 RB, up about 3 per cent from 435,000 RB a year earlier. The latest shipments were mainly destined for Turkiye and Peru. During August 1-6, Pima exports totalled 6,000 RB, with India accounting for 3,700 RB, followed by Egypt at 1,100 RB, Colombia at 500 RB, Vietnam at 400 RB and Indonesia at 300 RB.

The latest USDA data pointed to a strong start to the 2026-27 marketing year, with substantial forward commitments for both Upland and Pima cotton. Strong buying from Vietnam, Pakistan and India, in particular, suggests that overseas mills and merchants continue to secure US supplies for the new season. The firm pace of new crop bookings, alongside early-season shipments, is likely to provide underlying support to US cotton market sentiment despite ongoing uncertainty over global demand and prices.

## Bangladesh, Turkmenistan seek stronger trade, economic cooperation

Mon. 17th Aug 2026, (Source: www.fibre2fashion.com/news)

| |
|---|
| Insights<br>Bangladesh and Turkmenistan agreed in Ashgabat to deepen ties, with trade, investment and economic cooperation high on the agenda.<br>Textile-sector scope centres on Bangladesh's ready-made garment strength and Turkmenistan's cotton-production base.<br>Dhaka sought imports of jute and jute goods, while both sides plan a 2027-2029 action programme and more private-sector links. |

Bangladesh and Turkmenistan have agreed to strengthen bilateral relations, with trade, investment and economic cooperation placed high on the agenda during political consultations held recently in Ashgabat.

The two sides discussed and agreed to work on a tentative Program of Action: 2027-2029 to conclude bilateral instruments covering trade and economic cooperation, cultural cooperation, visa waiver for diplomatic and official passport holders, tourism promotion, avoidance of double taxation, promotion and protection of investments, cooperation in the fields of industries, and cooperation between foreign service academies, the Ministry of Foreign Affairs of Bangladesh (MoFA) said in a press release.

For textile and apparel supply chains, the talks highlighted Bangladesh's global leadership in ready-made garments and Turkmenistan's reputation in cotton production as comparative advantages for collaboration and partnership in the sector. Bangladesh also requested Turkmenistan to import jute and jute products, ceramics, light engineering items and semi-conductors from Bangladesh.

Ambassador Dr. M Nazrul Islam, secretary, bilateral (east and west), Ministry of Foreign Affairs of Bangladesh, and Ahmet Gurbanov, Deputy Minister of Foreign Affairs of Turkmenistan, led their respective delegations.

Both sides said there was large untapped potential and discussed the full range of bilateral cooperation between the two countries. They attached high priority to expanding and deepening relations, and emphasised increasing bilateral trade, investment and wider economic cooperation.

Turkmenistan, described in the release as the fifth-largest reservoir of natural gas in the world and a vast reservoir of oil, expressed interest in supporting Bangladesh's energy security.

Under the tentative programme, Bangladesh and Turkmenistan also agreed to encourage more interaction between private sectors and chambers to realise the potential. Bangladesh invited investors from Turkmenistan to explore the investment-friendly climate in Special Economic Zones in Bangladesh.

The delegations discussed the possibility of forming a Joint Working Group on Trade and Economic Cooperation. They also stressed further deepening political cohesion, proposed reciprocal high-level visits, and discussed exploring the formation of a Bangladesh-Turkmenistan Parliamentary Friendship Group to enhance regular interaction among parliamentarians.

The meeting also covered employment opportunities for highly skilled and semi-skilled professional workers from Bangladesh in Turkmenistan.

Bangladesh and Turkmenistan agreed to deepen coordination on regional and global issues and support each other across international platforms, including the United Nations (UN), Organisation of Islamic Cooperation (OIC) and Non-Aligned Movement (NAM). Bangladesh expressed gratitude to Turkmenistan for supporting Bangladesh's candidature for the Presidency of the 81st United Nations General Assembly.

## India's cheap-urea model faces an expensive reckoning

Fri. 14th Aug 2026, Pratik Parija and Sara Bapat, Bloomberg
(Source: www.economictimes.indiatimes.com)

Synopsis
India faces rising fertilizer costs, prompting a review of its subsidy system. Global supply chain issues and war have doubled procurement expenses for the nation. Farmers are urged to reduce excessive chemical fertilizer use for soil health. A new distribution system is being tested to manage nutrient sales. This situation risks impacting food inflation both domestically and abroad.

Soaring fertilizer bills are pushing India to reshape a decades-old subsidy system that helped transform a vulnerable food importer into one of the world's agricultural heavyweights.

The country's farmers use more urea – a nitrogen-heavy crop nutrient – than the US and Brazil combined, buoyed by government support that keeps prices well below market rates. As the war in Iran upended global fertilizer and energy flows, the cost to procure it more than doubled and the cargoes of gas needed to produce its own grew more scarce. That has swelled an already hefty subsidy bill and added to a surge in foreign-exchange outflows that's put the rupee among Asia's worst-performing currencies this year.

Fertilizer prices have eased as more workarounds are put in place, but the financial damage already done is sparking a government-led effort to rein in use, a sensitive issue in a country where farmers make up a crucial voting bloc. Officials have campaigned with growers nationwide to highlight the perils of excessive fertilizer on soil health and a new system is being tested that could change how the nutrients are sold longer-term. Even Prime Minister Narendra Modi has urged cutbacks.

The country is in the middle of its biggest annual growing season, when fertilizer use peaks. Few farmers seem eager to change long-held practices, but with flows of Middle East nutrients and gas yet to normalize, cooperatives in some key states are taking steps to ration supply as the government seeks to rein in spending, according to people familiar with the matter. Combined with a lackluster monsoon, the situation risks cutting into India's harvest – potentially boosting food inflation at home and in the dozens of countries that rely on its rice and produce abroad.

“If disruptions linked to the Strait of Hormuz persist, the key concern is not only fertilizer availability, but timely access during critical application windows,” said Laura Cross, director of market intelligence at the International Fertilizer Association. “Given India’s scale, this would have implications beyond the domestic market.”

India’s urea subsidy followed the food crises of the 1960s, when the government embraced the Green Revolution to cut dependence on grain imports and avert famine. Cheap nitrogen fertilizer became critical to raising wheat and rice yields, prompting successive governments to cap urea prices and absorb the difference between market and retail costs.

The policy helped turn India into a food-surplus nation – it is today the world’s No. 1 rice exporter – while protecting small farmers and containing food inflation. But it has also made the support politically difficult to dismantle, even as the cost climbs.

India, one of the world’s largest urea buyers, paid nearly double pre-war prices for supplies in an April tender as flows through the Strait of Hormuz were choked off. In addition, the country has faced lofty costs for the natural gas imports – many of which also come from the Middle East – that serve as a crucial feedstock for domestic fertilizer production. The country’s fertilizer subsidy bill is likely to exceed 3 trillion rupees ($31 billion) in the current fiscal year, well above the budgeted 1.71 trillion rupees, according to a government official familiar with the matter.

Farmers still pay just 266.5 rupees ($2.80) for a 45-kilogram bag of urea, less than a tenth of the price the government paid in an April tender to procure it. Other types of fertilizer are also subsidized, albeit to a lesser extent, adding to the allure of nitrogen.

The spending on fertilizer subsidies is “money being used inefficiently, ineffectively,” said Avinash Kishore, a senior research fellow at the International Food Policy Research Institute. “It is baking in unhealthy, not environmentally friendly, unproductive practices in Indian agriculture.”

That's kept demand resilient, relative to countries like Australia and France, where some farmers switched to less fertilizer-intensive crops to stave off this year’s price shock.

In a May speech, Modi said it’s “essential” for the country to reduce consumption of chemical fertilizers, urging farmers to cut use by as much as half as part of an effort to curb dependence on major imported goods. By doing so, “we can save our Mother Earth,” he said. “We have to do it.”

Sparking sustained change would require farmers to buck habits formed over decades. Plus, the average farm in India is less than a hectare (2.5 acres), a fraction of the size in countries like the US. Relying on such small plots to earn their annual income can make growers more hesitant to change prior practices and risk upsetting harvests. Government-backed procurement of wheat and rice, coupled with guaranteed purchases of sugar cane by mills, also discourages Indian farmers from shifting to less urea-reliant crops.

“As long as there is nothing stipulating legally that they have to cut back, there’s very little reason for the farmer to do it,” said Josh Linville, vice president of fertilizer at StoneX. “The Indian farmer’s no different than the rest of the world where they’re basically sitting there saying, ‘I need to produce as many bushels as humanly possible on every acre of ground.’”

As fertilizer costs spiraled in the first months of the war, a vast government effort unfolded to urge cutbacks, often with a focus on environmental benefits.

Farmers often apply fertilizer at rates above agronomic recommendations as they seek to maximize yields, according to industry officials. Decades of those practices have degraded soil health. Runoff is contaminating groundwater and rivers, while excess nitrogen releases nitrous oxide, a potent greenhouse gas that also contributes to air pollution. Of more than 9 million soil samples tested across India in the 2025-26 season, more than half had low levels of organic carbon – a key measure of soil fertility, according to data from the Agriculture Ministry

India’s agriculture ministry campaigned nationwide through June to urge farmers to reduce use, just as sowing of monsoon crops began. Agriculture Minister Shivraj Singh Chouhan called for soil testing, warning that overapplication kills beneficial microorganisms, reduces yields and raises costs.

Farmer Sukhbir Ram spent more than two hours at one such gathering in Punjab on a sweltering day in early June, the northern state at the heart of India’s grain belt. Another grower, 53-year-old Prem Chand, attended a similar gathering the next day in Haryana. At the meetings, fertilizer-company officials and agricultural scientists warned that years of intensive application is eroding long-term productivity.

“If our soils remain healthy, our communities will remain healthy too,” Sanjay Kumar, a chief manager with Hindustan Urvarak and Rasayan Ltd., told farmers gathered.

Yet both growers left unconvinced — underscoring the challenge to change longstanding farming practices and rein in government spending. Chand, who grows rice, wheat, tomatoes and cauliflower on more than four acres, said he remains focused on protecting yields and income in the next harvest rather than preserving soil quality over the long term, like many farmers in Haryana’s intensively cultivated plains.

Ram, whose district ranks among the country's top urea users, told officials he would consider cutting back on a small portion of his land, but said previous attempts to reduce fertilizer curbed his yields. Contacted a few weeks later, he said he plans to apply urea as usual.

Still, July and August mark the peak period for planting and farmers' fertilizer availability may not be fully within their control. Ram estimates he needs four to five 45-kilogram bags of urea per acre for his rice crop, but received only three per acre for his 15-acre farm from his fertilizer supplier — a farmers' cooperative of which he is a member. The cooperative, he said, was instructed by authorities to limit sales as part of efforts to curb excessive use.

Ram said he plans to purchase the remaining requirement from private dealers. Some require farmers to buy additional crop supplements alongside the nitrogen-based fertilizer, potentially boosting his cost.

At the large grain market in Karnal in the neighboring state of Haryana, a fertilizer retail outlet sales manager who asked not to be identified also said he is also rationing sales amid tight supplies and discouraging farmers from making bulk purchases.

A fertilizer ministry official said India has capped subsidized fertilizer purchases to curb diversion and ensure equitable distribution. Limits vary by state, with some restricting sales to 50 bags a month per buyer.

A new distribution framework is also being piloted in 40 districts, the official said. Farmers will pre-book fertilizer based on landholding and crops sown, with limits designed to ensure supply is proportional to actual farm needs.

The government's priority remains ensuring adequate fertilizer availability, stable prices and timely subsidy payments to manufacturers so supplies remain uninterrupted, while continuing to support farm incomes and food security, the official said.

The government also recently approved a new program aimed at attracting investment to increase India's annual urea production capacity by 10 million tons, about a third higher than current levels.

Adding to the worries for farmers is the onset of El Niño, a weather phenomenon known for curbing the monsoon rains that are vital to their crops. June was the driest in 12 years and rainfall is expected to stay below normal through September, when the season ends, the country's meteorological department recently forecast.

Food costs, which account for more than a third of India's consumer basket, climbed about 5.5% last month versus a year earlier. That marked an acceleration from June, when the country's inflation breached the Reserve Bank's target for the first time in over a year.

“Food inflation faces upside risks this year, as tightening global fertilizer supplies and deficient rainfall so far this season could weigh on agricultural output and put upward pressure on food prices,” said Sonal Varma, chief economist for Asia ex-Japan at Nomura Holdings Inc.

Global fertilizer prices have retreated from this year’s peak, with rates in a June tender in India falling to less than half April’s level. Offers in another tender this week also fell slightly. That drop may not be durable, however, without a lasting deal to secure traffic through the Strait of Hormuz, a conduit for about a third of global urea shipments and a fifth of liquefied natural gas supply.

With demand climbing, India's fertilizer subsidy bill could climb to a record 3.32 trillion rupees if the conflict in the Middle East is prolonged, the Indian Council for Research on International Economic Relations, a New Delhi-based think tank, forecast in July. Even if the tensions ease, spending could total at least 2.42 trillion rupees – more than 40% above the amount allocated in the annual budget.

The government has done well securing supply during the conflict, said Sachchida Nand, a visiting professor at ICRIER and co-author of the report, but managing demand is the bigger challenge. Crises like this one, just four years after Russia’s invasion of Ukraine, can create the momentum needed to push through difficult changes, he added.

“Urea policy reforms are long overdue," Nand said. "Without such reforms, supply-side interventions alone will continue to come at a high fiscal and economic cost."

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Tecoya Trend –17.08.2026

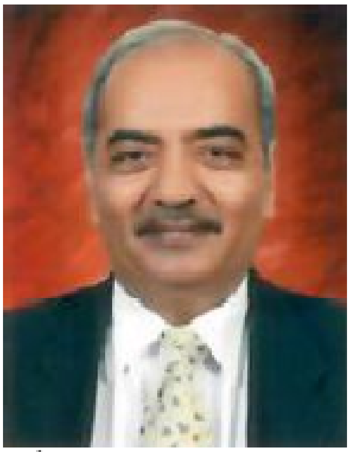
# India Must Become 'Atmanirbhar' in Cotton Futures: Vinay Kotak, CAI President

By Our Special Correspondent

MUMBAI, AUG. 16—

India needs a liquid and self reliant cotton futures market if its textile industry is to compete globally and work towards the $100 billion export target by 2030, CAI President Mr. Vinay N. Kotak said, calling for market making support, incentives for hedging and greater participation from the domestic cotton industry.

Addressing the inaugural session of the MCX Global Commodity Conclave held in the city, Mr. Kotak said the government could help improve liquidity by promoting free trade, reducing unnecessary interventions and permitting market making for new, renewed and low liquidity futures contracts for an initial period of two years.



"The government can also take several steps to improve liquidity. First, it should promote free trade. Second, it should reduce unnecessary interventions. Third, for contracts that have low liquidity or are new or renewed contracts, the government should allow market making," Mr. Kotak said.

He also proposed an incentive of around 1% interest per annum for participants who hedge in the market. He said hedging protects market participants from price risk while also making lending safer for banks, and an incentive could encourage more exporters to participate in the futures market.

Mr. Kotak stressed that creating liquidity cannot be the responsibility of the exchange alone. India has around 10,000 participants directly connected with cotton, including mills, traders and brokers. He estimated that if even 10% of them placed 100 bale lots on the screen each day, either to buy or sell, around 100,000 bales could be available.

"The exchange is providing the facility; it is not their duty alone to ensure liquidity, it is our duty as participants to ensure that liquidity increases. Therefore, it is not really a chicken and egg problem; it has to start with us. We have to make small efforts," he said.

Mr. Kotak also questioned the perception that greater physical delivery necessarily creates greater futures market liquidity. Pointing to the US, he said average trading activity in 2026 was around 50,000 contracts per day, equivalent to approximately five million bales. China, too, has significant futures activity despite only a small proportion resulting in delivery.

"There is a misconception in our economy that more the delivery, more liquidity, which is not correct and is not sustainable," he said, adding that the experience of the US and China showed that greater delivery was not a prerequisite for a liquid futures market.

The larger objective, according to Mr. Kotak, should be to make India self reliant in cotton futures rather than continuing to depend on overseas exchanges for hedging.

"Today, if we want to hedge ourselves, we have to rely on international exchanges. We are the second largest consumer and second largest producer in the world, yet we still have to depend on international exchanges," he said.

A stronger domestic futures market, he said, would also be important for India's textile and apparel export ambitions. Garment exporters require advance orders of at least six months, while yarn is required around three months in advance, making effective price risk management essential when committing to future orders.

Large mills and multinational groups have the option of hedging through international exchanges such as ICE, but most general traders and smaller mills are unable to make adequate use of these facilities. Giving medium sized businesses

Continued on Page 3

Tecoya Trend –17.08.2026

# ‘Atmanirbhar’ in Cotton Futures

Continued from Page 1 Col 4

access to a liquid domestic cotton futures market could enable them to manage risks, compete more effectively and increase their participation in exports.

"By hedging, they can lock in their profits and increase overall exports," Mr. Kotak said.

He also highlighted the potential benefits of futures for cotton farmers. Advance price discovery can help farmers decide whether to cultivate cotton or another agricultural crop. Farmers expecting favourable prices before their harvest is ready can use futures, while those requiring immediate liquidity can sell their physical cotton and take a futures position to retain exposure to subsequent price movements.

Mr. Kotak said futures primarily serve three functions: price discovery, providing an opportunity for hedging and mitigating price risk, and indirectly helping ease liquidity constraints for market participants. A successful domestic futures market, he said, could therefore support farmers as well as businesses across the textile value chain.

"I propose that all of us, the government, the exchange and all market participants, come together and become Atmanirbhar in futures," Mr. Kotak said, calling for collective action by policymakers, exchanges and the industry to develop a stronger domestic cotton futures market.

# Fadnavis inaugurates silk market building in Jalna, urges farmers to take up sericulture

**JALNA, AUG. 16-(PTI)**

Maharashtra Chief Minister Devendra Fadnavis on Friday inaugurated the silk market building in Jalna district, urging farmers to adopt sericulture as a profitable alternative to traditional crops like soybean and cotton.

Speaking at the launch, Fadnavis noted that Jalna has come to be known as the city of three S's — steel, seeds and silk.

"Farmers cannot depend only on soybean and cotton, as returns from these crops are not always satisfactory. They should explore alternative cash crops, and silk production can be an important option," he said while urging cultivators to diversify.

Silk production has the potential to generate a strong value chain, he said, noting that India had once been among major silk exporters and expressed confidence that the country could regain its position in the global silk market.

Guardian Minister Pankaja Munde, Congress MP Kalyan Kale, MLAs Arjun Khotkar, Himmat Udhan, Santosh Danve, Babanrao Lonikar and former minister Rajesh Tope were among those present at the inauguration ceremony.

Referring to the first silk auction in Jalna, Fadnavis said the price had reached Rs 960, against an expected rate of around Rs 700, and urged representatives involved in the auction to make efforts to secure better prices for farmers.

He also said that women weaving silk sarees had sought looms in their homes to increase production, and called for skill development and training for more farmers to strengthen the value chain.

Fadnavis noted that Jalna could develop its own brand of silk products, noting that several brands were being considered. He praised state minister Pankaja Munde for having a good understanding of the sector and expressed confidence that a new Jalna brand could emerge.

The region should work towards ending India's dependence on imported silk, he said, pointing out that around 80 per cent of silk is imported from China.

Fadnavis also virtually inaugurated the newly constructed Ambad police station building and seven rural public health centres in the district.

Taking a swipe at the old police facility in Ambad, he said, "In place of a Nizam-era police station, we have received a new 'Bharat-era' police station, and that too on the eve of August 15. I sincerely congratulate the police department for this."

#

businessline –15.08.2026

# India's exports shifted strongly to Asian, emerging markets in Q1

**Amiti Sen**
New Delhi

Merchandise exports are showing signs of greater geographical diversification, with shipments to the Asean bloc and North-East Asia (NEA) registering strong growth in the first quarter of 2026-27, led by a sharp increase in dispatches to Singapore and China.

Exports to Singapore more than doubled to $6.52 billion in April-June 2026-27 from $3.24 billion in the year-ago period, per government data. Exports to China recorded a sharp increase, rising 27 per cent to $5.59 billion from $4.39 billion.

The strong performance in these markets contributed to a broader shift towards Asian and emerging markets, officials highlighted.

### SURGE IN EXPORTS

"NAFTA and Europe retained the highest export values, but grew modestly at 2 per cent and 6 per cent respectively (in the first quarter of FY27). Meanwhile, NEA and South Asia expanded strongly by 30 per cent and 32 per cent, highlighting increasing diversification towards faster growing Asian and emerging markets," an official pointed out. Exports to Asean surged 62 per cent year-on-year to $14.6 billion from $9.04 billion, making it the fastest-growing major region for Indian merchandise exports during the quarter.

Exports to NEA expanded 30 per cent to $12.14 billion from $9.36 billion a year earlier. Africa, too, emerged another strong-performing region, with exports rising 53 per cent to $13.67 billion in the first quarter.

The shift towards Asian and emerging markets assumes significance as geopolitical tensions, US tariff uncertainties and the West Asia crisis disrupt trade routes, raise shipping costs and lengthen transit times to key markets such as Europe.

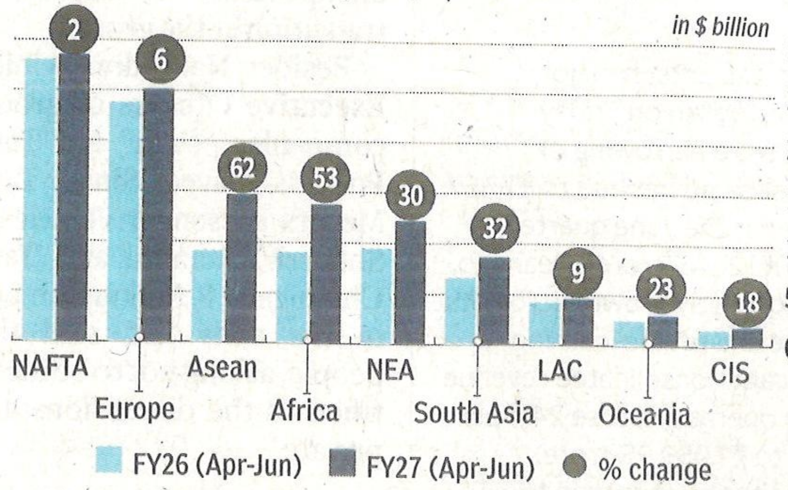
India's export growth in the key Asian markets was markedly higher than overall merchandise export growth that rose 15.9 per cent year-on-year to $129.32 billion in April-June 2026-27 from $111.57 billion a year earlier.

### BROAD-BASED GROWTH

The growth across Asean was broad-based. Exports to Malaysia rose to $2.54 billion from $1.45 billion, while shipments to Vietnam increased to $1.95 billion from $1.30 billion. Exports to Hong Kong, a key NEA market, rose to $2.24 billion from $1.49 billion.

Exports to NAFTA countries, while remaining the largest regional market at $28.41 billion, grew only 2 per cent from $27.90 billion. Exports to Europe increased 6 per cent to $25.05 billion.

Region-wise export performance



businessline –15.08.2026

# India continues to move ahead as world's fastest-growing major economy: President

**Press Trust of India**
New Delhi

Highlighting India's economic resilience, President Droupadi Murmu said on Friday that the country continues to move ahead as the world's fastest-growing major economy, with its growth rate projected to be more than double the global average.

Addressing the nation on the eve of the 80th Independence Day, President Murmu noted that warfare and instability prevailing in several parts of the world are affecting every country.

**ECONOMIC PROGRESS**

She emphasised that despite such trying circumstances, initiatives like 'Aatmanirbhar Bharat Abhiyan' (Self-Reliant India initiative) have further strengthened the bedrock of the country's economic progress and national security.

The President's remarks on global turmoil come at a time when the crisis in West Asia, marked by expanding regional conflicts, military instability and heightened maritime security risks across crucial shipping corridors, continues to disrupt global energy supply chains and inflate trade costs worldwide.

Highlighting India's commitment to sustainable growth, she said that while advancing on the path of modern development, the country is playing a leading role at the global level in protecting the environment.

She added that India has achieved several sustainable development goals (SDGs) targeted for 2030 ahead of schedule, with the development of renewable energy gaining unprecedented momentum over the past few years.

*businessline –15.08.2026*

# Onam retail subdued, but garments stitch some hope

## Shorter calendar window, rain and liquidity constraints lead to ad slump and slow festive momentum

**V Sajeev Kumar**
Kochi

Onam, Kerala's 10-day harvest festival that is the key economic bellwether for India's lucrative festive season, faces a subdued start due to a shorter calendar window, recent rain and floods, and liquidity constraints from global tensions. While white goods struggle and ad spends drop a steep 35 per cent, garment retailers like Kalyan Silks project strong late growth.

Gopu Nandilath, Chairman of Nandilath GMart, rued that the expected festive surge in sales had not happened. "The business will be vibrant only when Onam is lengthy and falls across August and September. This year, the season is too short, with sales taking place mainly in just one month till August 26," he told *businessline*. However, he expects demand to pick up during the final 10 days of the season. "We are expecting a revival in the market in the final 10 days of Onam, with business expected to surge by 15-20 per cent compared with last year," he said.

The market for white goods and other home appliances in Kerala during the festival season is estimated around ₹3,000 crore.

### GLIMMER OF HOPE

The garment sector, meanwhile, is more optimistic, banking on the strong tradition of gifting clothes during Onam. EP George of Kerala Textiles and Garments Association said demand had been encouraging since the beginning of the season and is expected to sustain in the coming weeks. Onam-related garment sales in Kerala are estimated at ₹5,000-7,000 crore, with the sector expecting 5-10 per cent growth over last year.

**HARVEST SEASON.** Onam-related garment sales in Kerala are estimated at ₹5,000-7,000 crore, with the sector expecting 5-10 per cent growth over last year NIRMAL HARINDRAN

However, the recent floods in Kottayam and Pathanamthitta districts affected sales and caused losses for several traders, George said.

With the crucial final days of Onam approaching, retailers and brands are hoping that a late revival in consumer spending will help offset the subdued start.

Prakash Pattabhiraman, MD of Kalyan Silks, said his company is witnessing good sales, supported by the introduction of new brands across menswear, womenswear and kidswear segments.

"Strong brand identity and competitive pricing have helped us perform well in the market. Considering the current trends, we expect to close the Onam specific sales period with a growth of around 20–25 per cent," he said.

### CONSIDERABLE SHIFT

Dominic Savio, a Kochi-based brand strategist, said Kerala's Onam economy has seen a considerable shift in recent years, largely due to consumer offers being rolled out throughout the year. As a result, spending that was once concentrated in a few weeks around Onam is increasingly being distributed throughout the year. This has shifted consumer purchase cycles from occasions to opportunities.

The recent floods in several districts have also affected consumer purchasing power, further dampening spending during the festive season, he said.

Quoting industry estimates, Savio said brands collectively spent between ₹1,100 crore and ₹1,400 crore on media in Kerala during the last Onam season. This year, market expectations are considerably more subdued, with total ad spending unlikely to cross ₹1,000 crore.

This represents a significant contraction in what has traditionally been Kerala's most lucrative advertising window.

If spending settles closer to ₹850-900 crore, as some expect, the decline could be as steep as 35-40 per cent from last year's upper estimate.

For media companies grappling with fragmented audiences and advertising budgets shifting towards digital platforms and influencers, a weak Onam season is more than just a festive blip. It could translate into a significant hit to advertising revenues, Savio said.

businessline –15.08.2026

# July WPI inflation drops to 9.78%

Our Bureau
New Delhi

Wholesale inflation based on the Wholesale Price Index (WPI) dropped a tad to 9.78 per cent in July against 9.87 per cent in June, the government reported on Friday.

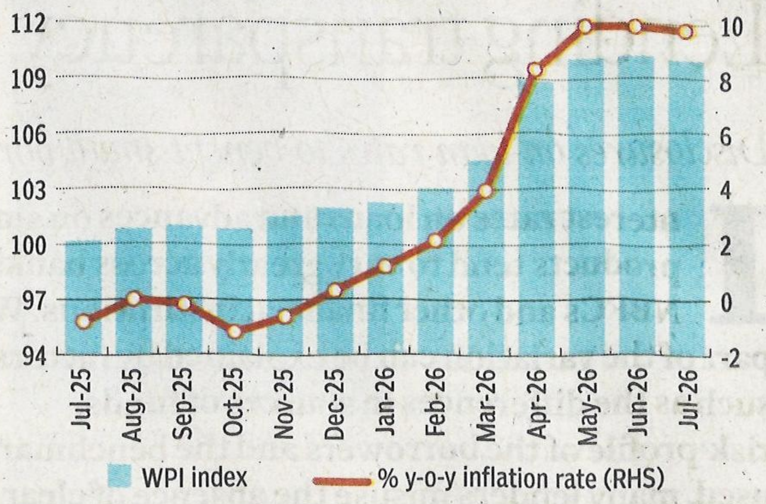
This is the first time that inflation has dropped month-on-month under the government's WPI-based inflation data with the new 2022-23 base year.

Prachi Kele, Lead Economist at PL Capital, felt that wholesale inflation remained uncomfortably high at 9.8 per cent in July, despite a marginal easing from June. It is important to note that manufactured-product inflation accelerated to 8.3 per cent, pointing to persistent cost pressures for producers.

"While WPI does not translate directly into retail inflation, sustained energy and input-cost pressures could gradually feed through to consumer prices if they persist," she said.

## Key indicators

WPI index and inflation rate for all commodities




### WEST ASIA WAR IMPACT

WPI has been on an upward trajectory since the beginning of this fiscal as the West Asia war and the resultant blockade of the Strait of Hormuz — through which the majority of crude oil is imported into India — pushed up global crude and fertilizer costs, which had a spillover effect on food prices.

Inflation rates for major groups, namely, primary articles, fuel and power and manufactured products stood at 8.52 per cent, 20.05 per cent and 8.29 per cent, respectively in July, compared to 7 per cent, 27.41 per cent, and 7.48 per cent, respectively in June.

"Across groups, mineral oils (containing petroleum products), food articles, manufacture of basic metals, non-food articles, manufacture of food products and manufacture of chemicals and chemical products have been major drivers of WPI inflation in July," said the Commerce and Industry Ministry while releasing the monthly WPI data.

### FOOD, FUEL, POWER

The Food Index consists of food articles from primary articles major group and manufacture of food products from manufactured products major group.

It observed an inflation of 6.65 per cent in July, compared to 6.14 per cent in June. Wholesale inflation in fuel and power dropped to 20.05 per cent in July against 27.41 per cent in June.

However, manufactured products saw an uptick in inflation at 8.29 per cent in July, against 7.48 per cent as in June.

According to Rahul Agrawal, Principal Economist at ICRA Ltd core WPI (excluding food and fuel from headline number), inflation hardened to a series high of 8.2 per cent in July from 7.5 per cent in June amid uptick in prints across 16 of the 21 sub-sectors.

Looking ahead, "we anticipate a larger easing in the WPI inflation to below 9.5 per cent in August after peaking at 9.9 per cent each during May-June," he said.

Nevertheless, the prints are likely to remain elevated through much of the year, with an average WPI inflation forecast of around 8.5 per cent for FY27, feeding into a high nominal GDP growth figure as well, Agrawal concluded.

businessline – 16.08.2026

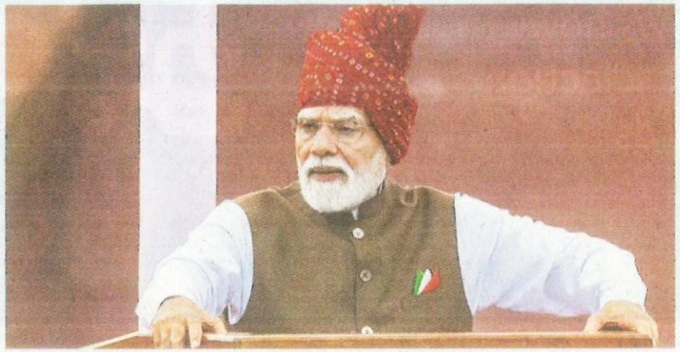
# ‘7 streams of strength to drive Viksit Bharat’

**DREAMING BIG.** India aims to make five nuclear reactors operational in this decade and targets 100 GW capacity by 2047, says PM Narendra Modi

**Shishir Sinha**
New Delhi

**BIG ANNOUNCEMENTS**

- One crore youth to be trained in AI over the next year via nationwide mission mode
- Free online coaching will be provided to youth preparing for various examinations
- Modernised training and enhanced capabilities to address evolving security needs
- Nationwide campaign targeting children aged 5-15 years for sports talent
- 7-8 new semiconductor production plants to be operational soon



Prime Minister Narendra Modi addresses the nation during the 80th Independence Day celebrations, at Red Fort in New Delhi PTI

Prime Minister Narendra Modi on Saturday invoked “Shakti ki Saptdharas” or “Seven Streams of Strength” — manufacturing, agriculture and food processing, technology and innovation, Gati Shakti, defence, the green and blue economy, and soft power — as pillars to propel India towards greater heights. He also urged political parties to help implement 33 per cent reservation for women in Parliament and State Assemblies.

Addressing the nation from the ramparts of the Red Fort on the 80th Independence Day, he said, “Our dream is that when India celebrates 100 years of independence, it touches new heights.”

Explaining each of the seven streams of strength, the PM said, manufacturing power meant building complete domestic, end-to-end value chains — from design to components — with a focus on zero-defect quality, cost competitiveness and global scale.

Under agriculture and food processing, efforts should be made to create integrated farm-to-export supply chains for millets, spices and fruits while transitioning to chemical-free farming, Modi said.

Technology and innovation, he said, must take India from being a technology market to a global innovation hub, with leadership in artificial intelligence, quantum technology, space, robotics, digital public infrastructure and Made-in-India 6G.

Gati Shakti would create seamless, high-speed, multimodal logistics linking cities, highways, railways, airports and modern industrial ports. Defence ‘Shakti’ would lead to complete strategic self-reliance by pioneering and exporting next-generation defence technologies such as drones, counter-drone systems and hypersonics.

The green and blue economy would drive sustainable growth through green hydrogen, renewable energy and energy storage, while unlocking India’s ocean, coastal and marine potential. India’s soft power, meanwhile, would globalise Indian culture, yoga, ayurveda and tourism, while building leadership in gaming, visual effects, animation and the wider creative economy.

**SELF-RELIANCE PUSH**

The PM stressed the need for greater self-reliance and reiterated a series of ambitious targets. “The country will have up to eight more chip plants in the next one to two years,” Modi said.

Modi added that India aims to start five nuclear reactors as it steps up efforts to develop alternative energy sources and reduce reliance on imports. Last year, Modi’s government allowed private firms to build and operate atomic power projects as it pursues an ambitious goal of expanding nuclear power capacity 11-fold to 100 GW by 2047.

The PM said that India has a stable political mandate, a stable government, a vibrant democracy, a strong judicial system and “a Constitution that guides us all”. Every Indian, he said, is embracing the spirit of Make in India and Vocal for Local.

More reports p12

businessline –16.08.2026

# PM Modi targets getting 50 Indian companies into Fortune 500

**AIMING HIGH.** Sets sights on an Indian bank among global ones; no force can stop resolve of 140 cr Indians

**Shishir Sinha**
New Delhi

Prime Minister Narendra Modi on Saturday changed the scale of India's ambition by setting a target of bringing 50 companies among Fortune 500 companies and an Indian bank among top global banks.

As on date, the nine Indian companies in the list of Fortune 500 are Reliance Industries, LIC, Indian Oil, State Bank of India, ONGC, BPCL, Tata Motors, HDFC Bank and ICICI Bank

In his address to the nation from the ramparts of the Red Fort, Modi called for placing an Indian pharma company among the world's top five; an Indian law or rating agency achieving global leadership, an Indian consulting or accounting firm among the world's top firms, an Indian technology company among the world's top companies and brands that the world recognises with enthusiasm when it hears the name India. Making a direct appeal to the industry, he said: "Quality is paramount as it builds trust in Indian products."

Prime Minister Narendra Modi during the 80th Independence Day, in New Delhi ANI

## LOOKING BACK

On the overall economy, the PM said that India has transformed from 'Fragile Five' to the world's fastest-growing major economy in the last 12 years. After Independence in 1947, the Prime Minister said, India had big dreams, but progress often fell short of the pace the country aspired to achieve.

Today, India is moving ahead with unprecedented speed and confidence, and now, no force can stop the resolve of 140 crore Indians, he added.

He added that India has a big dream to build a Viksit Bharat or Developed India by 2047, powered by the strength and resolve of 140 crore Indians. "When the world's most populous nation sets its sights on becoming a developed country, it sends a powerful message to the world and is reshaping how the world sees India," he said, adding that any nation becomes great when it achieves its accomplishments.

Highlighting the achievements of his government in the past 12 years, PM Modi said that the defence production has increased four times, electronic manufacturing seven times, modern railway coach production 21 times, internet users have gone up four times, and digital transactions have expanded 100 times.

## MOVING AHEAD

The PM added that the country is moving towards becoming a major player in the semiconductor sector. India has already begun production at three semiconductor plants, and five to eight more plants are expected to come up in the coming years, the Prime Minister said.

businessline –16.08.2026

# India set to remain one of the fastest growing economies: SBI

Our Bureau
Mumbai

With the economy in first track — real GDP growth expected at 8 per cent in Q1 FY27; continuing credit demand, growing by 19.3 per cent for the fortnight ended July 31; deposit growth picking up speed, growing by 15.4 per cent (with the huge inflows of FCNR-B deposits); and a visible reversal in FII flows — India "was", "is", and "will" be one of the fastest growing economies in the world, according to SBI's economic department.

"Record capital inflows under RBI scheme at $57 billion and counting; credit growth at a scorching 19 per cent, deposit growth at 15 per cent; forex reserves at $707 billion, buoyant corporate results, monsoon recovery are all holding up," said Soumya Kanti Ghosh, Group Chief Economic Adviser, SBI, in a report "Celebrating Resilience of Indian Economy on India's 80th Independence Day."

Read more p12

# 'India set to remain one of the fastest growing economies'

Our Bureau
Mumbai

With the economy in first track — real GDP growth expected at 8 per cent in Q1 FY27; continuing credit demand, growing by 19.3 per cent for the fortnight ended July 31; deposit growth picking up speed, growing by 15.4 per cent (with the huge inflows of FCNR-B deposits); and a visible reversal in FII flows — India "was", "is", and "will" be one of the fastest growing economies in the world, according to SBI's economic department (ERD). India's macro story continues to remain one of resilience, even as global uncertainties remain elevated. Growth outlook remains strong. SBI's Nowcasting model projects real GDP growth at 8 per cent in Q1 FY27.

"Record capital inflows under RBI scheme at $57 billion and counting; credit growth at a scorching 19 per cent, deposit growth at 15 per cent; forex reserves at $707 billion, buoyant corporate results, monsoon recovery are all holding up," said Soumya Kanti Ghosh, Group Chief Economic Adviser, State Bank of India, in a report "Celebrating Resilience of Indian Economy on India's 80th Independence Day."

## CONCESSIONAL SWAP

The report emphasised that till August 13, $52.3 billion has been mobilised under FCNR (B) under the RBI's concessional swap facility, which is remarkable.

**Till August 13, $52.3 billion has been** mobilised under FCNR(B) under the RBI's concessional swap facility

"Even after one month truncation (the concessional swap facility will be offered by RBI on FCNR-B deposits mobilised by banks till August 31st against September 30) overall, we expect $65-70 billion of FCNR(B) mobilisation by the end of the scheme and, including OFCBs (overseas foreign currency borrowings) and ECBs (external commercial borrowings), total mobilisation could reach $80-85 billion," per SBI. The report noted that the RBI has already recouped around $31 billion of foreign currency assets as of August 7, equivalent to nearly 55 per cent of the amount mobilised. The ERD officials opined that the surge in bank deposits and foreign-currency funding should lower the counterfactual level of G-Sec yields through deposit-to-yield transmission gaining credence.

The clearest beneficiary should be the 3-7-year segment due to maturity matching, carry and lower supply pressure followed by the 7-10-year segment, it added. Ghosh underscored that there is also a visible reversal in FII flows — from outflows towards inflows following measures announced by the RBI and the government.

The Economic Times – 17.08.2026

IN SYNC WITH REDUCTION IN POLICY RATES...

# Interest Subvention on Kisan Credit Card Loans may be Cut by 50 bps

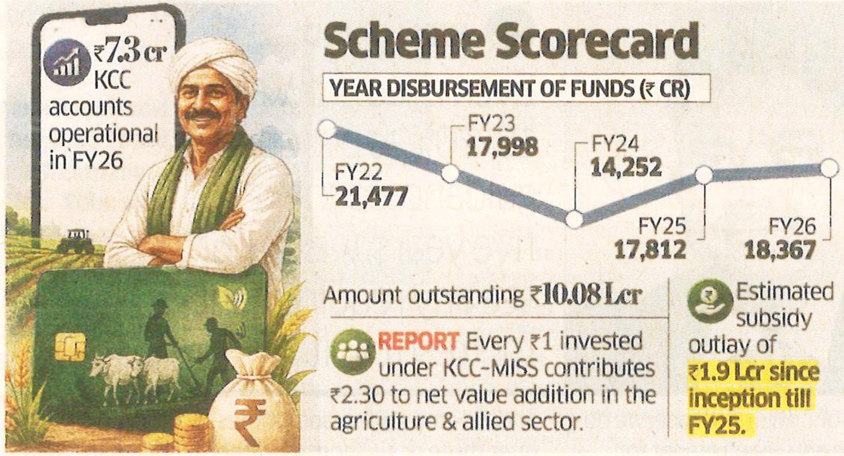
## Govt in preliminary talks with banks, seeks another extension for MISS-KCC scheme till 2031-32

Dheeraj Tiwari

**New Delhi:** The government is in discussions with banks to reduce the interest subvention rate on Kisan Credit Card (KCC) loans by 50 basis points, citing the reduction in policy rates.

Since February 2025, the Reserve Bank of India (RBI) has reduced the repo rate in stages by 125 basis points to 5.25%. A basis point is a hundredth of a percentage point. The government wants the interest under the Modified Interest Subvention Scheme through the Kisan Credit Card (MISS-KCC) to reflect the lower policy rates. Currently, the government pays a 1.5% interest subvention, or financial subsidy, to banks so they can extend short-term KCC loans up to ₹3 lakh at a lower 7% interest rate.

The discussions with banks are preliminary and part of the broader policy measures for continuing the MISS-KCC scheme till 2031-32, said two executives aware of the deliberations. In May 2025, the government extended the scheme for 2025-26, retaining the existing 1.5% interest subvention. "There is a view within the government that on account of rate cuts, the marginal cost of funds-based lending rate (MCLR) has also come down, and the banks can now absorb this 50 bps reduction the government has suggested," said one of the executives, requesting anonymity.




Queries emailed to the finance ministry did not elicit a response till press time. A recent report pointed out that the scheme's total subsidy outlay is estimated at ₹1.87 lakh crore till 2024-25 since its launch in 2006-7. In the budget for 2026-27, ₹22,600 crore has been allocated under the scheme, the same as for the preceding financial year.

Farmers who repay their loans promptly receive an additional interest benefit of up to three percentage points as a prompt repayment incentive, bringing down the effective interest rate to just 4%.

Banks have argued that despite the subvention their interest income on KCC is below their base rate. "Also, KCC loans are largely extended in rural areas, which requires considerable human resources and these all need to be factored in," said another bank executive. Banks will keep the interest rate at 7% on account of reduced policy rates, and if there are any changes in subvention rate, the change will not be passed on the farmer borrowers, said an executive.

A CareEdge Ratings report in July said during 2025-26, the Indian banking system witnessed continued strength in credit expansion, with scheduled commercial banks recording credit growth of about 14.5% year-on-year. Monetary easing and surplus liquidity supported lower lending rates and stronger transmission and boosted the credit demand, it said.

*The Economic Times – 17.08.2026*

# FTA Push to Help Small Biz Tap Global Mkts, Boost Competitiveness: Exporters

Press Trust of India

**New Delhi:** Prime Minister Narendra Modi's call to MSMEs to fully leverage India's growing network of free trade agreements (FTAs) is timely, as these pacts offer small businesses an opportunity to access larger global markets, integrate with global value chains and improve their competitiveness, exporters say.

They also said that with preferential market access now available across several major economies, the real opportunity lies in converting these agreements into export orders.

Prime Minister Modi on Saturday said India has finalised FTAs with about 40 countries since 2014, presenting a tremendous opportunity for the country's MSMEs, and urged small enterprises to tap these opportunities and not let the chance slip away.

Addressing the country on the 80th Independence Day, he said there is a need to expand the global reach of Indian products and ensure that goods such as textiles, machinery and medicines find their way into international markets.

Welcoming the government's move on FTAs, former chairman of the Council for Leather Exports Aqeel Panaruna said with progressive trade pacts and foreign trade policy opening new opportunities, India is firmly positioned for sustained growth and prosperity.

*businessline –17.08.2026*

# Textile sector margins under pressure as costs rise

Avinash Nair
Ahmedabad

Textile and apparel manufacturers, including Arvind Ltd, Pearl Global Industries Ltd, and Gokaldas Exports Ltd, are seeing margins under pressure and passing on costs partly on higher labour costs, rise in cotton and yarn prices and elevated petrochemical.

At Gurugram-based Pearl Global Industries, Managing Director Pallab Banerjee said worker availability had been a challenge during the first quarter of FY27 due to the harvest season, school holidays, and the West Bengal elections, resulting in significant absenteeism. At the same time, minimum wages in Haryana and Noida rose by 38 per cent and 21 per cent, respectively, creating an additional ripple through the company's cost structure.

The impact was visible in Pearl Global's India operations. Group CFO Sanjay Gandhi told investors recently that wage revision in Haryana — where the company operates four factories — had directly hit the profit and loss account and weighed on its standalone EBITDA margin.

## HIGH WAGE COSTS

The margin fell to 6.6 per cent in Q1 FY27 from 7.3 per cent a year earlier, despite a 27.4 per cent year-on-year increase in standalone revenue. At the Bengaluru-based Gokaldas Exports, Vice-Chairman and Managing Director Sivaramakrishnan Ganapathi said minimum wages increased by about 35 per cent in Haryana and those at the company's facility near Gurugram rose 25 per cent from April 2026.


**PAY EDGE.** Karnataka saw a more modest 5 per cent wage increase. Ganapathi, however, said Gokaldas pays wages above the minimum

Karnataka saw a more modest 5 per cent wage increase. Ganapathi, however, said Gokaldas pays wages above the minimum.

Consequently, the 35 per cent increase in Haryana's minimum wage translated into an overall wage increase of 14-15 per cent for the company.

"In Q1, our India business saw a wage cost increase of ₹20 crore, and that has been absorbed in the system," Ganapathi said.

The company is responding through automation and efficiency improvements, which it sees as a continuous process to protect margins.

## COTTON PRICES

Vice-Chairman Punit Lalbhai of Arvind Ltd said the company has seen nearly ₹100 crore inflation in input costs this year, primarily from cotton and yarn, in addition to the impact of higher petrochemical-chemical costs.

As a result, Arvind has effectively traded some margin for growth. Lalbhai said the company has started passing on price escalations.

Gokaldas Exports' Ganapathi said that fabric costs are generally factored into costing.

But increases in polyester and ancillary expenses such as polybags, cartons and fuel were not fully factored into some Q1 orders. Gokaldas now plans to incorporate such costs into customer pricing.

businessline –17.08.2026

# Tiruppur exporters body to link buyers-sellers directly

The website will also allow vendors such as dyers, printers and processing units to publish their spare capacity on the platform

**T E Raja Simhan**
Chennai

The Tiruppur Exporters' Association (TEA) is set to launch a revamped website that will enable international and domestic buyers avoid middlemen and establish direct business relationships with manufacturers.

The textile town of Tiruppur in Tamil Nadu exports goods worth nearly ₹45,000 crore annually. While the companies have direct access to their clients, a number of them deal with agents.

A key feature of the new website will be a buyer login facility through which buyers can directly access and connect with Tiruppur exporters. This will enable buyers communicate directly with manufacturers and potentially shorten the time taken to identify suppliers and place orders, said Ramu Shanmugam, CEO, Clothing Connections and Chairman, IT Wing Subcommittee of the TEA. There are over 1,400 exporters who will benefit through this initiative, he told *businessline*.

The platform will also allow TEA members to apply online for Certificates of Origin (COO), along with several other digital services, reducing paperwork and making association-related processes faster and more convenient.

Another feature will enable vendors such as dyers, printers and processing units to publish their spare capacity on the platform.

## ADDITIONAL WORK

The initiative is aimed at creating a more connected digital ecosystem for Tiruppur's textile and garment industry, bringing buyers, exporters and vendors onto a common platform.

TEA's move comes as Tiruppur's export-oriented textile industry increasingly looks to digital platforms to improve transparency, efficiency and connectivity across the value chain, he said.

Shanmugham added that the TEA plans to make its website a marketplace and provide information on a real time basis.

This will be done by bringing in all the industry stakeholders, including dyeing units, in to the system, he added.

Kumar Duraisamy, Managing Director of Tiruppur-based Eastern Global Clothing, and Joint Secretary of TEA, said that the revamped TEA website and its new functionalities are designed to make the entire ecosystem more connected, responsive and efficient.

Gujrat Samachar –17.08.2026

# દેશમાં રૂની આયાત વધતાં નવી મોસમ પૂર્વે સિલ્લક સ્ટોક રેકોર્ડ રહેવાની શક્યતા

## ઊભી બજારે

■ દિલીપ શાહ

દેશમાં રૂ બજાર તથા ટેક્સટાઈલ અને યાર્ન બજાર તથા ઉદ્યોગ ક્ષેત્રે પ્રવાહો પલ્ટાતા જોવા મળ્યા છે. રૂના ભાવ તાજેતરમાં બજારમાં ઉંચા જતા દેખાયા છે. કોટન કોર્પોરેશન ઓફ ઈન્ડિયા દ્વારા તાજેતરમાં ભાવ વધારાતા જોવા મળ્યા છે તથા તેની અસર પણ બજાર પર દેખાઈ છે. વિશ્વબજારમાં પણ ભાવ ઉંચા ગયાના વાવડ મળ્યા હતા. કોટન કોર્પોરેશન દ્વારા તાજેતરમાં રૂના ભાવ ખાંડી દીઠ રૂ.૭૦૦ જેટલા વધારવામાં આવ્યા હતા તથા સીસીઆઈ દ્વારા રૂના ભાવમાં ખાંડીદીઠ રૂ.૭૦૦ જેટલા વધારવામાં આવ્યા હતા તથા સીસીઆઈ દ્વારા રૂના ભાવમાં ખાંડીદીઠ આશરે રૂ.૧૪૦૦ની વૃદ્ધી બે સપ્તાહમાં કરવામાં આવી હોવાનું કોટન બજારના સૂત્રોએ જણાવ્યું હતું. રૂની માગ તાજેતરમાં વધતી દેખાઈ છે. રૂની એક ખાંડીમાં આશરે ૩૫૬ કિલો રૂ આવે છે એવું કોટન કોર્પોરેશનના સૂત્રોએ જણાવ્યું હતું. રૂની માગ તાજેતરમાં વધતી દેખાઈ છે. રૂની એક ખાંડીમાં આશરે ૩૫૬ કિલો રૂ આવે છે એવું કોટન કોર્પોરેશનના સૂત્રોએ જણાવ્યું હતું. રૂનો સ્ટોક પણ ઘટ્યો હોવાનું આ સૂત્રોએ જણાવ્યું હતું. દેશમાં આ વર્ષે રૂની નવી મોસમ વિલંબથી શરૂ થવાની શક્યતા બજારમાં ચર્ચાતી સંભળાઈ છે. તથા તેની ઈમ્પેક્ટ પણ બજાર ભાવ પર દેખાઈ હતી. દરમિયાન, આ વર્ષે દેશમાં આરંભમાં વરસાદની ગતી ધીમી રહ્યા પછી વરસાદ વ્યાપક બનતાં કપાસના વાવેતર હેઠળનો વિસ્તાર વધતો જોવા મળ્યો છે તથા દેશવ્યાપી ધોરણે આવા વાવેતર હેઠળનો વિસ્તાર વધતો જોવા મળ્યો છે. દેશ વ્યાપી ધોરણે આવા વાવેતર હેઠળનો વિસ્તાર વધતો રહી ૧૦૬થી ૧૦૭ લાખ હેક્ટર્સ નજીક પહોંચી ગયાનું કૃષી બજારના જાણકારો જણાવી રહ્યા હતા. ગુજરાતમાં રૂના વાવેતર હેઠળનો વિસ્તાર વધી તાજેતરમાં ૨૧ લાખ હેક્ટર્સ નજીક પહોંચ્યો હોવાના વાવડ મળ્યા હતા. દક્ષિણમાં તેલંગણામાં આવા વાવેતરનો આંકડો તાજેતરમાં ૧૯ લાખ હેક્ટર્સ ઉપર ગયો છે. જ્યારે મધ્ય-પ્રદેશમાં આંકડો ૭ લાખ હેક્ટર્સ નજીક પહોંચ્યો છે. તથા આંધ્રપ્રદેશમાં આ આંકડો ચાર લાખ હેક્ટર્સ નજીક પહોંચ્યાના વાવડ મળ્યા હતા. મહારાષ્ટ્રમાં કપાસના વાવેતર હેઠળનો વિસ્તાર વધી તાજેતરમાં ૩૮ લાખ હેક્ટર્સ નજીક નોંધાયો હોવાના વાવડ બજારમાંથી મળ્યા હતા.

**કપાસના વાવેતરે પણ સ્પીડ પકડી: ભારતમાં બ્રાઝીલ, ઓસ્ટ્રેલિયા તથા અમેરિકાથી રૂની આયાત વધ્યાના નિર્દેશો**

કર્ણાટકમાં કપાસના વાવેતર હેઠળનો વિસ્તાર વધી તાજેતરમાં સાત લાખ હેક્ટર્સ નજીક તથા રાજસ્થાનમાં ૭ લાખ હેક્ટર્સ નજીક પહોંચ્યાના વાવડ મળ્યા હતા. ઓરિસ્સામાં કપાસના વાવેતર હેઠળનો ત્રણ લાખ હેક્ટર્સ તરફ વધતો જોવા મળ્યો છે. આ વર્ષે વરસાદની ગતી શરૂઆતમાં ધીમી રહેતાં કપાસના વાવેતરની ગતી પણ શરૂઆતમાં ધીમી રહી છે તથા તેના પગલે બજારમાં કપાસની નવી આવકોમાં વિલંબ થવાની શકયતા પણ રૂ બજારમાં ચર્ચાતી થઈ છે. આની અસર પણ રૂ બજાર પર તથા તેના પગલે યાર્ન બજાર તથા ટેક્સટાઈલ બજાર અને ઉદ્યોગ પર દેખાઈ હોવાનું બજારના સૂત્રો જણાવી રહ્યા હતા. વરસાદના વિલંબના પગલે કપાસના વાવેતરમાં પણ વિલંબ થતા હવે નવી મોસમના આરંભમાં પણ વિલંબ જોવા મળી રહ્યો છે.

દરમિયાન, રૂના બજાર ભાવ તાજેતરમાં વધી ખાંડીના રૂ.૬૭૫૦૦થી ૬૮૫૦૦૯ આસપાસ જોવા મળ્યા હતા. સીસીઆઈના ભાવની સરખામણીએ બજાર ભાવ ઉંચા રહ્યા હોવાનું જાણકારો જણાવી રહ્યા હતા. ભારતમાં આ વર્ષે દરિયાપારથી રૂની આયાત પણ વધી છે તથા તેના પગલે નવી મોસમના આરંભમાં આગળ ઉપર દેશમાં રૂનો સિલ્લક સ્ટોક વધી આશરે ૯૩થી ૯૪ લાખ ગાંસડી નોંધાવાની શક્યતા કોટન એસોસીએશન ઓફ ઈન્ડિયાના સૂત્રો દર્શાવી રહ્યા હતા. ભારતની ઘણી ટેક્સટાઈલ મિલો ઓસ્ટ્રેલિયાના કોટનને પસંદ કરતા જોવા મળ્યા છે. ભારત સરકારે દેશમાં આયાત થતા કોટન પરની ઈમ્પોર્ટ ડયુટી જે અગાઉ ૧૧ ટકા હતી તે દૂર કરવામાં આવ્યા પછી દેશમાં દરિયાપરથી રૂની ઈમ્પોર્ટ વધતી જોવા મળી હોવાનું બજારના જાણકારો જણાવી રહ્યા હતા. ભારતમાં ઓસ્ટ્રેલિયાથી રૂની આયાત વધી આ વર્ષે છેલ્લાં પાંચ વર્ષની ટોચે પહોંચી છે. દેશમાં ૨૦૨૫-૨૬માં દરિયાપારથી રૂની ઈમ્પોર્ટ વધી ૧૦ લાખ ટનને આંબી જવાની શક્યતા જાણકારો બતાવી રહ્યા હતા. બ્રાઝીલ તથા ઓસ્ટ્રેલિયાથી આવી આયાત વધી છે. ઉપરાંત અમેરિકાથી પણ આવી આયાત વધી હોવાનું બજારના જાણકારો જણાવી રહ્યા હતા.