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NEWS HIGHLIGHTS

- BURKINA FASO DELEGATION VISITS ASSOCIATION
- BHARAT TEX 2025 SHOWCASES INDIA'S CULTURAL & TEXTILE PROWESS: PM MODI
- APPAREL DOMINATES MSME TEXTILE SALES, ACCOUNTING FOR 78.5%: SURVEY
- ASSAM STATE CABINET APPROVES TEXTILE, APPAREL POLICY

REPRESENTATIONS

- Vide a representation dated 22.2.2025 sent to Mrs.R.Lalitha, IAS., Director, Department of Textiles, Government of Tamil Nadu, it was requested to relax uploading loan particulars in online portal to avail 6% interest subvention during this fiscal and exempt the condition of availing the benefit only once during the duration of the scheme per beneficiary to give thrust for spinning modernization.

MEETINGS

Visit by the delegation from Burkina Faso

- A delegation comprising of the following from the National Academy of Sciences, Arts and Letters Research of Burkina Faso (ANSAL-BF) visited the Association to better their understanding of the cotton sector for mutual benefit on 24th February 2025:

  1. Pr. Chantal Yvetee Zoungrana / Kabore
  2. Dr. Oumar Traore
  3. Mr. Issa Martin Bikienga
  4. Mr. Joel Ouoba

  On behalf of the Association, Dr. K. Selvaraju, Secretary General attended the meeting and members from the Indian Cotton Federation including its Honorary Secretary attended the meeting and shared their views.

Delegation from Burkina Faso with SIMA & other stakeholders

Two-day training session on GHG and ESG Compliance held SIMA

- Compliance with Environmental, Social, and Governance (ESG) standards is crucial for textile mills to sustain their business, especially exports. ESG considerations include child labour non-engagement, women's employment, renewable energy consumption, and statutory compliance. To support its members, SIMA, in association with TUV Rheinland, is offering an ESG course. The first session, covering GHG and ESG compliance including calculation methodologies, was conducted during February 25-26, 2024.

GHG Protocol categorizes emissions into three scopes which are explained in session as follows:

Scope 1: Direct emissions from owned or controlled sources.
Scope 2: Indirect emissions from purchased electricity, steam, heating, and cooling.
Scope 3: All other indirect emissions that occur in the value chain.

This program was well-received by the participants, and the participating mills are now able to conduct their own assessments in their respective units and assess their carbon emission levels and identify areas for improvement. The next programme was tentatively planned during April last week.

Cotton Brazil Outlook held at Hotel Le Meridien, Coimbatore on 20th February 2025

- Dr. S. K. Sundararaman, Chairman, SIMA delivered the keynote address during the event. He appreciated the efforts taken by Brazil to increase their yield per hectare. He shared that the Association would extend necessary support to them for the benefit of the members and mills in South India. Dr. K. Selvaraju, Secretary General, SIMA also attended the event and shared his valuable inputs for better cooperation between Cotton Brazil and Indian manufacturers. The event was attended by key cotton importing members of the Association. Cotton Brazil (ABRAPA) presented their strengths in cotton sector and their initiatives like BCI, traceability, etc. Mr.Varun Vaid from M/s.Wazir Advisors presented the industry scenario and the impact Brazil will have in the future. He also informed that M/s.Wazir in collaboration with ABRAPA is engaged in consultation and conducting technical studies to overcome the difficulties faced by the mills using Brazilian cotton.


Images of the meeting

TEXTILE SCENE

Bharat Tex 2025 showcases India's cultural & textile prowess: PM Modi

- Prime Minister Narendra Modi addressed the Bharat Tex 2025 at Bharat Mandapam in New Delhi on 16th February. He also took a walkthrough of the exhibition showcased on the occasion. Addressing the gathering, the Prime Minister welcomed everyone to Bharat Tex 2025 and remarked that today Bharat Mandapam was witnessing the 2nd edition of Bharat Tex. He added that the event gave a glimpse of our heritage as well as the prospects of Viksit Bharat, which was a matter of pride for India. "Bharat Tex is now becoming a mega global textile event," remarked Modi. He added that all the twelve communities related to the spectrum of the value chain were part of the event this time. He further noted that there were exhibitions of accessories, garments, machineries, chemicals and dyes as well. The Prime Minister highlighted that Bharat Tex was becoming a strong platform for engagement, collaboration and partnership for the policymakers, CEOs and industry leaders from across the world. He lauded the efforts of all the stakeholders involved in the organisation of the event, the Prime Minister's Office said in a press release. "More than 120 countries are participating in the Bharat Tex today," said Modi. He added that this meant that every exhibitor had the exposure to more than 120 countries, giving them the opportunity to expand their business from local to global. He added that those entrepreneurs in search of new markets were getting a good exposure of the cultural needs of various global markets.

  Recalling his visit to the exhibition at the event, the Prime Minister remarked that he visited many stalls and interacted with entrepreneurs. He also highlighted that many participants shared their experiences of joining Bharat Tex last year. They reported gaining new buyers on a large scale and expanding their business. The Prime Minister remarked that this event is significantly boosting investments, exports, and overall growth in the textile sector. Modi urged the banking sector to cater to the needs of the entrepreneurs from the textile sector to help expand their business thereby creating employment and opportunities. "Bharat Tex showcases the cultural diversity of India through our traditional garments," remarked the Prime Minister. He added that from east to west, north to south, India has a vast range of traditional attire. He highlighted various types of garments, such as Lucknowi chikankari, bandhani from Rajasthan and Gujarat, patola from Gujarat, Banarasi silk from Varanasi, Kanjivaram silk from the south, and pashmina from Jammu and Kashmir. The Prime Minister emphasised that this is the right time for such events to promote the diversity and uniqueness of our textile industry, fostering its growth.

Highlighting that last year, he discussed five factors for the textile industry: farm, fibre, fabric, fashion, and foreign, Modi remarked that this vision is becoming a mission for India, opening new growth avenues for farmers, weavers, designers, and traders. "India saw a 7 per cent increase in textile and apparel exports last year and now ranks as the sixth-largest exporter of textiles and apparels in the world," he pointed out. He noted that India's textile exports have reached ₹3 lakh crore, with a target to increase this to ₹9 lakh crore by 2030. Emphasising that the success in the textile sector is the result of a decade of consistent efforts and policies, the Prime Minister highlighted that foreign investment in the textile sector has doubled over the last decade. "Textile industry is one of the largest providers of employment opportunities in the country, contributing 11 per cent to India's manufacturing sector," he added. He also pointed out the Mission Manufacturing announced in this budget. He remarked that the investments and growth in this sector are benefitting crores of textile workers.

PM Modi underlined that addressing the challenges and realising the potential of India's textile sector is their commitment. He highlighted that the efforts and policies over the last decade are reflected in this year's budget. He added that to ensure a reliable cotton supply and make Indian cotton globally competitive and to strengthen the value chain, the Mission for Cotton Productivity was announced. The Prime Minister said there was focus on sunrise sectors like technical textiles and promoting indigenous carbon fibre and its products. He remarked that India is progressing towards manufacturing high-grade carbon fibre. Furthermore, the Prime Minister mentioned that the necessary policy decisions for the textile sector are being taken. He highlighted the expansion of MSMEs' classification criteria and increased credit availability in this year's budget. He also stressed that the textile sector, with 80 per cent contribution from MSMEs, will greatly benefit from these measures.

"Any sector excels when it has a skilled workforce and skill plays a crucial role in the textile industry," exclaimed Modi. Adding that efforts were being made to create a skilled talent pool, he highlighted the role of National Centres of Excellence for skilling and mentioned that the Samarth scheme is aiding in developing the necessary skills for the value chain. The Prime Minister stressed the importance of maintaining the authenticity of handloom craftsmanship in the age of technology. He highlighted the efforts to enhance the skills and opportunities for handloom artisans, ensuring their products reach global markets. "Over the past 10 years, more than 2,400 large marketing events have been organised to promote handlooms," he added. He also mentioned the creation of the India-hand-made e-commerce platform to boost online marketing of handloom products, which has seen thousands of handloom brands register. The Prime Minister pointed out the significant benefits of GI tagging for handloom products.

Highlighting that during the Bharat Tex event last year, the Textiles Startup Grand Challenge was launched, inviting innovative sustainable solutions from the youth for the textile sector, the Prime Minister noted that young participants from across the country actively took part in this challenge, and the winners have been invited to this event. He remarked that startups willing to support these young innovators have also been invited. He acknowledged the support of IIT Madras, Atal Innovation Mission, and several major private textile organisations for the pitch fest, which will promote the startup culture in the country. PM Modi encouraged the youth to bring forward new techno-textile startups and work on new ideas. He suggested that the textile industry could collaborate with institutions like IITs to develop new tools. He observed that the new generation is increasingly appreciating traditional attire alongside modern fashion trends. Therefore, he emphasised the importance of fusing tradition with innovation and launching products inspired by traditional garments to attract the new generation globally.

The Prime Minister also addressed the growing role of technology in discovering new trends and creating new styles, with AI playing a significant part. He mentioned that while traditional khadi is being promoted, fashion trends are also being analysed using AI. He recounted the organisation of a fashion show of Khadi Products in Porbandar, Gujarat when he was the Chief Minister of Gujarat. Modi urged the importance of promoting Khadi, remarking that it was ‘Khadi for nation’ during our freedom struggle, but now it should be ‘Khadi for fashion’, the release added.

Sharing that his recent visit to Paris, known as the fashion capital of the world, where significant partnerships were formed between the two countries on various issues, Modi highlighted that discussions included topics on environment and climate change, emphasising the global understanding of the importance of a sustainable lifestyle, which also impacts the fashion world. The Prime Minister remarked, “The world is adopting the vision of Fashion for Environment and Empowerment, and India can lead the way in this regard.” He pointed out that sustainability has always been an integral part of Indian textiles tradition, citing examples like khadi, tribal textiles, and the use of natural dyes. He underlined that India's traditional sustainable techniques are now being enhanced with cutting-edge technologies, benefitting artisans, weavers, and millions of women associated with the industry.

The Prime Minister emphasised the importance of maximising resource utilisation and minimising waste generation in the textile industry. He highlighted the issue of ‘fast fashion waste’, where millions of garments are discarded monthly due to changing trends, posing significant environmental and ecological threats. He noted that by 2030, fashion waste could reach 148 million tons, with less than a quarter of textile waste being recycled today. Modi remarked that India's textile industry can turn this concern into an opportunity, leveraging the country's diverse traditional skills in textile recycling and up-cycling. He pointed out examples such as the creation of mats, rugs, and coverings from old or leftover fabrics, and fine quilts made from even torn clothes in Maharashtra. He emphasised that innovation in these traditional arts can lead to global market opportunities.

PM Modi announced that the Textile Ministry has signed an MoU with the Standing Conference of Public Enterprises and e-Marketplace to promote up-cycling, with many up-cyclers already registered. Pilot projects for door-to-door collection of textile waste are being conducted in cities like Navi Mumbai and Bangalore. The Prime Minister encouraged startups to join these efforts, explore opportunities, and take early steps to lead in the global market. He projected that India's textile recycling market could reach $400 million in the next few years, while the global recycled textile market is estimated to reach $7.5 billion. He remarked that with the right direction, India could achieve a larger share in this market.

Modi remarked that centuries ago, when India was at the pinnacle of prosperity, the textile industry played a significant role in that prosperity. He emphasised that as India progresses towards the goal of becoming Viksit Bharat, the textile sector will once again play a major role. The Prime Minister highlighted that events like Bharat Tex are strengthening India's position in this sector. He concluded his address by expressing confidence that this event will continue to set new records of success and reach new heights each year. Union Minister for Textiles Giriraj Singh and Minister of state for Textiles Pabitra Margherita were present on the occasion among other dignitaries.

Assam state cabinet approves textile, apparel policy

- Assam cabinet recently approved the state’s textiles and apparel policy to create an investor-friendly environment with easy access to raw materials and manpower to support new investments in the sector. The new policy is expected to create an investor-friendly environment with easy access to raw materials and manpower, media outlets based in the state reported. The decision comes just ahead of the Advantage Assam 2.0 summit in state capital Guwahati. The cabinet was also decided to extend the term of the 6th Assam Finance Commission till March 31, 2026.

Cotton yarn demand slows in south India amid payment woes

- The cotton yarn markets in south India are experiencing sluggish demand due to payment issues. However, mills are refraining from cutting their selling rates as they are receiving export orders following the depreciation of the rupee against the US dollar. Cotton yarn prices remained steady in the Mumbai market after a decline earlier this week. Similarly, the Tiruppur market continued to see price stability. According to trade sources, the current market scenario is expected to persist for at least a few weeks. Buyers are interested in purchasing cotton yarn but are facing payment difficulties. Meanwhile, cotton prices have inched up over the past couple of days, but this has not provided support for yarn prices. In the Tiruppur market, demand for cotton yarn ranged from average to weak, with prices maintaining previous levels. A trader from the Mumbai said, “Cotton yarn demand has eased in the last couple of days. Slow payment flow has made cotton yarn purchases challenging for potential buyers. Traders and manufacturers are prioritising liquidity, and payment constraints have reduced buyers’ appetite.” In Tiruppur, knitting cotton yarn prices were noted as 30 count combed cotton yarn at ₹255-263 (approximately $2.94-3.03) per kg (excluding GST), 34 count combed cotton yarn at ₹264-271 (approximately $3.05-3.13) per kg, 40 count combed cotton yarn at ₹276-288 (approximately $3.18-3.32) per kg, 30 count carded cotton yarn at ₹235-240 (approximately $2.71-2.77) per kg, 34 count carded cotton yarn at ₹240-245 (approximately $2.77-2.83) per kg and 40 count carded cotton yarn at ₹248-253 (approximately $2.86-2.92) per kg.

The Mumbai market continued to witness sluggish demand, though cotton yarn prices did not decline further after an earlier drop of ₹3-5 per kg this week. According to market sources, mills are receiving support from the export market as the falling rupee against the US dollar has benefitted spinning mills. They are actively seeking overseas buyers due to favourable foreign exchange rates. However, cotton yarn demand is unlikely to improve in the coming weeks, as payment issues are not expected to be resolved within the next fortnight.

In Mumbai, 60 carded yarn of warp and weft varieties were traded at ₹1,430-1,460 (approximately $16.50-$16.84) and ₹1,320-1,360 per 5 kg (approximately $15.23-$15.69) (excluding GST), respectively. Other prices include 60 combed warp at ₹316-320 (approximately $3.65-$3.69) per kg, 80 carded weft at ₹1,430-1,490 (approximately $16.50-$17.19) per 4.5 kg, 44/46 carded warp at ₹265-270 (approximately $3.06-$3.11) per kg, 40/41 carded warp at ₹253-257 (approximately $2.92-$2.96) per kg and 40/41 combed warp at ₹268-272 (approximately $3.09-3.14) per kg, according to trade sources.

In Gujarat, cotton prices increased further by ₹200 per candy (356 kg). A slowdown in arrivals encouraged ginners to quote higher prices. The Cotton Corporation of India (CCI) has resumed the procurement of seed cotton from farmers at minimum support prices, reducing the availability of supplies for ginners. As a result, ginners will have to offer higher prices to procure seed cotton from farmers. Cotton arrivals are expected to drop below one lakh bales per day, a level that has already been approached.

Cotton arrivals were estimated at 16,000-19,000 bales (170 kg each) in Gujarat and 105,000-110,000 bales across the country. The benchmark Shankar-6 cotton was quoted between ₹53,500-54,000 (approximately $617.17-$620.63) per candy (356 kg), while southern mills were looking to buy cotton at ₹54,500-54,800 (approximately $628.70-$632.16) per candy. Seed cotton (kapas) was traded at around ₹7,550-7,675 (approximately $87.10-$88.54) per quintal.

Kasturi Cotton shines at Bharat Tex 2025, gains global recognition

- Kasturi Cotton made a significant impact at Bharat Tex 2025 with a prominent booth and kiosk that garnered attention from industry leaders. The Hon'ble Prime Minister, Shri Narendra Modi during his visit engaged in discussions about the program's progress with Shri Vijay Agarwal, Chairman of TEXPROCIL, Shri Lalit Gupta, CMD of CCI, and Dhirubhai Knaetiya, Director of Maruti Texprocess (Ginner), and Dinakaran Sambandam, Joint MD of Sambandan Spinning Mills (Spinner). "Kasturi Cotton's remarkable presence at Bharat Tex 2025 is a testament to the growing recognition of Indian cotton on the global stage. The industry's enthusiasm and the strategic partnerships we've forged highlight the immense potential of this program in shaping the future of our textile industry" said Shri Vijay Agarwal, Chairman, TEXPROCIL.

  A Masterclass on Kasturi Cotton, led by Shri Sunil Patwari, Immediate Past Chairman of TEXPROCIL, and Dr. P.K. Mandhayan, attracted tremendous interest from visitors, highlighting the program's growing influence. A key milestone was the signing of an MoU with Alok Industries Ltd and Indo Count to promote Kasturi Cotton on a global scale. For the first time CITI-TEXPROCIL Leading Ginners' Award was presented to encourage active participation in the Kasturi Cotton program, which has gained widespread industry acceptance. Numerous brands showcased products made exclusively from Kasturi Cotton at the event. Overall, Kasturi Cotton's presence at Bharat Tex 2025 marks a major step forward in establishing a globally recognized

Indian cotton brand, strengthening the Indian textiles industry. Gratitude is extended to all stakeholders who supported this vision.

Meghalaya's textiles dept wins sustainability award at Bharat Tex 2025

- The Confederation of Indian Textile Industries (CITI) has awarded the Department of Textiles of Meghalaya, with a special award under the Textiles Sustainability Awards. The recognition coincided with the final day of the Bharat Tex 2025 Global Textiles Expo, organised by the Department of Textiles at Bharat Mandapam, New Delhi. Frederick Roy Kharkongor, principal secretary, Department of Textiles, Meghalaya, accepted the special award at the CITI Textiles Sustainability Awards 2024-25 from Pabitra Margherita, Union Minister of State for Textiles, the Ministry of Textiles said in a press release. The event also featured awardees' best practices and Earth Loom—Threads of Heritage, a sustainable fashion showcase highlighting India's heritage weaves, including collections from Meghalaya. The jury was highly impressed with the remarkable efforts of the Meghalaya's textiles department, towards textile heritage revival. The Textiles Heritage Reviver award by CITI—Alekh honours individuals and organisations towards' initiatives taken for driving the revival of indigenous textile heritage, promoting sustainability, fostering innovation and empowering communities thorough impactful contributions to the sector.

  Since 2019, the Meghalaya's textile department has undertaken several key initiatives to promote the state's textile heritage. In 2021, Umden-Diwon village in Ri Bhoi district was officially declared as Meghalaya's first Eri Silk village. In 2022, the Design Innovation Research Centre (DIRC) was established to showcase the entire Ryndia value chain, from farm to fashion. The department has been actively developing the Ryndia brand and advocating for a geographical indication (GI) tag. Other efforts include setting up the Eri Corner at Megh Tex, leveraging the Silk Samagra programme to support Eri farmers, and executing the Integrated Textile Tourism Project in Nongpoh. Additionally, an e-portal on Ryndia has been developed to enhance visibility.

  To strengthen the industry, the department supports handloom cluster programmes, training and capacity-building initiatives, and design documentation through Woven Narratives. Indigenous weaves have been showcased at prestigious national and international platforms, including the Dubai Expo, International Sericulture Commission (ISC) Romana, Silk in Lyon, France 2022, G20 Craft Bazaar (Italy, Vietnam 2023), and Bharat Tex Global Expo 2024. The department continues to support local production houses, designers, and entrepreneurs by providing opportunities to showcase their work. This has enhanced the visibility of Meghalaya's hand spun, handwoven, eco-friendly, naturally dyed, and ethically sourced weaves, which are women-driven and organically produced—truly embodying the journey from thread to trend.

Apparel dominates MSME textile sales, accounting for 78.5%: Survey

- In the Apparel and Textile MSME sector, apparel leads sales, accounting for 78.5 per cent, while fabrics represent 31 per cent, and home textiles contribute 7 per cent. Industrial textiles and raw materials hold smaller shares, at 1 per cent and 3.5 per cent, respectively, highlighting a strong emphasis on finished products, particularly apparel, according to a recent survey. Around 40.5 per cent of businesses encounter challenges with logistics and deliveries, while 32.5 per cent struggle to keep up with fast fashion demands. Skilled labour shortages affect 30.5 per cent, and 23 per cent face rising operational costs. Additionally, 21.5 per cent find customer acquisition difficult, and 20.5 per cent struggle with effective inventory management, as per the survey by Borzo (formerly WeFast). Most respondents (38 per cent) reported an average order value between ₹1,000 and ₹5,000, making it the most common transaction range. A significant 23.5 per cent indicated orders below ₹1,000, reflecting a strong presence of smaller-value purchases. Around 22 per cent businesses have order values between ₹5,000 and ₹10,000, while higher-value orders are less frequent, with 7.5 per cent ranging from ₹10,000 to ₹25,000 and only 6.5 per cent exceeding ₹25,000.

Business models are primarily business-to-consumer (B2C) (70.5 per cent), with only 10 per cent focusing on business-to-business (B2B). The festive season significantly boosts sales, with 36 per cent of businesses reporting a 20-30 per cent increase in orders, while 24 per cent saw an increase of over 50 per cent. Regarding logistics, 71.5 per cent of MSMEs in the sector ship goods worth ₹50,000-₹2,00,000 ($575.62-$2,302) monthly via same-day logistics. High delivery costs (63.5 per cent) and delays (49 per cent) remain key challenges, while 81 per cent view same-day delivery as essential. Fifty-eight per cent prefer a 30–60-minute delivery window, according to the survey. Despite the rise in D2C sales, only 28.5 per cent of businesses operate their own website, with most relying on external platforms. Moreover, MSMEs seek improved logistics, with 56 per cent prioritising reliable same-day delivery, while 29 per cent aim to reduce costs. Sustainability is gaining traction, with 70 per cent adopting eco-friendly packaging. However, high raw material costs (47 per cent) and processing expenses (19 per cent) drive up the price of sustainable fashion. Looking ahead, 59.5 per cent of businesses expect costs to decline, while 40.5 per cent remains sceptical.

“The perspective of MSMEs in the apparel and textile industry highlights the substantial efforts companies are making to keep pace with the ever-evolving demands of consumers. Since Indian MSMEs in this sector tend to be smaller and more fragmented compared to those in other countries, price alone isn't the primary driver of competitiveness. Instead, factors such as improving logistics efficiency, cost management, and a focus on sustainability are critical to staying ahead. The findings reflect the pressing need for more streamlined processes, pointing to challenges like high delivery costs and the growing pressure of fast-fashion demands as key drivers of change in the industry. It is essential for businesses in the sector to adapt quickly to these evolving needs to ensure long-term success and competitiveness,” said Alina Kisina, chief executive officer (CEO), Borzo. The survey was conducted across 15+ cities, including Mumbai, Delhi, Pune, Hyderabad, Bangalore, Jaipur, Ahmedabad, Kolkata, Gurgaon, Noida, Lucknow, Indore, Chandigarh, Surat, Ghaziabad, Faridabad, Thane, and Nashik.

India's T&A exports outpace total goods shipment in January

- India's textile and apparel (T&A) exports outpaced total goods exports during January 2025. The country's T&A exports jumped 13.88 per cent to $3.402 billion, against total goods exports of $36.425 billion in the month. The exports of all goods eased by 2.41 per cent to $36.425 billion in the same month. Textile and apparel exports gained 8.30 per cent, reaching $29.997 billion in the first ten months of the current fiscal 2024-25

(April-March), while the outbound shipment of all goods inched up by 1.39 per cent in the same period. Apparel exports, in particular, surged by 11.45 per cent to $1.606 billion in January. Textile exports also jumped by 16.14 per cent to $1.796 billion in the same month. This impressive growth in textile and apparel exports was probably helped by the continued weakness of the Indian rupee against the US dollar, benefitting Indian exporters in the global market.

Textile exports grew by 8.30 per cent to $17.075 billion in the first ten months of FY25, compared to $16.114 billion in the same period of the previous year. Apparel exports rose by 11.56 per cent, reaching $12.922 billion, up from $11.583 billion in the corresponding period last fiscal. The share of T&A in India's total merchandise exports increased to 8.36 per cent during April 2024-January 2025 and to 9.34 per cent in the latest reported month, according to the Ministry of Commerce and Trade. Within the textile sector, exports of cotton yarn, fabrics, made-ups, and handloom products increased modestly by 4.10 per cent, reaching $9.954 billion in the first ten months of this fiscal. Exports of man-made yarn, fabrics, and made-ups rose by 5.99 per cent to $4.036 billion, while carpet exports saw a significant increase of 11.47 per cent to $1,285.08 million.

In January 2025, T&A exports totalled $3.402 billion. Textile exports rose by 16.14 per cent, reaching $1.796 billion, up from $1.546 billion in January 2024. Garment shipments grew by 11.45 per cent, totalling $1.606 billion, compared to $1.441 billion in January 2024. Under textiles, the export of cotton yarn, fabrics, made-ups, and handloom products grew by 16.41 per cent to $1,038.55 million, while man-made yarn, fabrics, and made-ups exports surged by 12.14 per cent to $425.82 million. Carpet exports also increased by 18.04 per cent to $135.58 million.

Imports of raw cotton and waste climbed by 100.69 per cent to $1,040.41 million in April-January 2025, compared to $518.43 million in the same period of the last fiscal. Imports of textile yarn, fabrics, and made-ups increased by 7.74 per cent, rising from $2,081.22 million to $1,931.67 million. During January 2025, the import of raw cotton and waste surged by an astonishing 520.83 per cent, from $19.62 million to $121.72 million. Similarly, imports of textile yarn, fabrics, and made-ups rose by 28.83 per cent to $237.86 million in the latest month.

In FY24, India's textile and apparel exports amounted to $34.430 billion, a 3.24 per cent decline from $35.581 billion in FY23. Apparel exports dropped by 10.25 per cent, falling to $14.532 billion from $16.190 billion. Conversely, textile exports grew by 2.62 per cent, reaching $19.898 billion from $19.390 billion in FY23. India's imports of raw cotton and waste were valued at $598.63 million in FY24, a 58.39 per cent decrease from $1,439.70 million in the previous fiscal. Imports of textile yarn, fabrics, and made-ups also declined by 12.98 per cent to $2,277.85 million, compared to $2,617.74 million in FY23.

GLOBAL TEXTILE SCENE

Turkiye's home textile exports to Europe fall to $2 bn in 2024

- Turkiye's home textile exports to Europe stood at $2.093 billion in 2024, which was 2.99 per cent lower than the exports of $2.157 billion in 2023. Europe's share in the country's total home textile exports also declined to 45.39 per cent, marking the second consecutive year of decrease. Home textiles include bedding, curtains, bed sheets, covers, kitchen textiles, and many other non-wearable consumer textile products. Europe’s share in shipments was 46.34 per cent in 2023, when Turkiye’s total home textile exports amounted to $4.656 billion. Turkiye’s total exports of these products eased by 0.96 per cent to $4.611 billion in 2024. The decline in exports to Europe was greater than the overall drop in the country’s total shipments.

Europe’s share in Turkiye’s home textile exports was 49.48 per cent in 2022, marking the highest level in the past six years. Shipments to Europe were valued at $2.157 billion out of Turkiye’s total exports of $4.656 billion in the same year. In 2019, Turkiye exported home textiles worth $2.007 billion to Europe, accounting for 43.10 per cent of its total home textile exports, which stood at $4.657 billion. The share increased to 46.30 per cent in 2020, 47.06 per cent in 2021, and peaked at 49.48 per cent in 2022, before declining in the following years. The country’s total home textile exports were recorded at $5.125 billion in 2020, $5.129 billion in 2021, and $5.187 billion in 2022. Shipments to Europe were valued at $2.373 billion in 2020, $2.884 billion in 2021, and $2.567 billion in 2022.

Portugal's UC develops innovative tech for sustainable textile dyeing

- The University of Coimbra (UC) is developing innovative technologies to make textile dyeing more cost-effective and sustainable. The project DyeLoop – Circular Technologies for Textile Dyeing, funded by the Calouste Gulbenkian Foundation, was officially presented on February 18. Focusing on sustainability in the textile sector, DyeLoop uses unique circular economy technologies to reuse dyes and significantly reduce water and energy consumption. "This is a paradigm shift for the textile industry. After the dyeing process, instead of sending the wash water for treatment and disposal, DyeLoop recycles the dye bath effluents back into the process," explained Jorge Pereira, the project coordinator.

  Over the next three years, the research team will also explore new biotechnological solutions for producing more sustainable textiles. "DyeLoop will enable the development and implementation of an industrial prototype, expected to reduce textile dyeing costs by more than 50 per cent," added Pereira, professor and researcher at the UC faculty of sciences and technology. The project has proven to be an effective means of optimising essential resources and minimising environmental impact, aligning with the Sustainable Development Goals of the UN's 2030 agenda, UC said on its website. The Calouste Gulbenkian Foundation has granted €1.4 million (~$1.47 million) to support this pioneering project. The funding agreement was officially signed at the project's launch ceremony, attended by the rector of the University of Coimbra, Amílcar Falcão, the president of the board of trustees of the Calouste Gulbenkian Foundation, António M Feijó, the executive trustee, António Cruz Serra, and the project coordinator, Jorge Pereira.

India strengthens textile trade with Vietnam as exports outpace import

- As major garment-exporting countries, India and Vietnam engage in bilateral trade of textile products based on their industry’s requirements. During January–November 2024, India’s textile exports, including fabric, yarn, and fibre, to Vietnam were double its imports of the same products. India exported textiles worth $404.446 million, while its imports were valued at $212.760 million during the same period. India's textile exports to Vietnam amounted to $404.446 million in the first 11 months of 2024, compared to $327.282 million in 2023 and $333.884 million in 2022. Trade data suggests that India's yarn exports have increased over the past three years. The shipment was valued at $118.367 million in 2022, rising to $151.578 million in 2023, and reaching $173.408 million in January–November 2024. Yarn exports accounted for 42.88 per cent of total textile exports in the first 11 months of 2024, compared to 35.45 per cent in 2022 and 46.31 per cent in 2023.

During January–November 2024, India exported fibre worth $163.719 million (40.48per cent) and fabric worth $67.319 million (16.63per cent) to Vietnam. Fibre exports amounted to $104.505 million (31.93per cent) and fabric exports to $71.198 million (21.75per cent) in 2023, while fibre exports stood at $137.589 million (41.45per cent) and fabric exports at $77.928 million (23.34per cent) in 2022. India's textile imports from Vietnam were valued at $212.760 million in January–November 2024, compared to $247.306 million in 2023 and $302.204 million in 2022. Fibre remained the dominant imported textile product over the past three years. India imported fibre worth $79.866 million in January–November 2024, accounting for 37.54 per cent of total textile imports. Fibre imports were valued at $97.143 million (39.28per cent) in 2023 and $112.320 million (37.17per cent) in 2022. India's imports of fabric were valued at $76.984 million (36.18per cent) and yarn at $55.908 million (26.28per cent) in the first 11 months of 2024. Fabric imports were worth $75.865 million (30.68per cent) and yarn imports $74.298 million (30.04per cent) in 2023, while fabric imports stood at $106.976 million (35.40per cent) and yarn imports at $82.907 million (27.43per cent) in 2022.

BTMA urges Bangladesh govt to stop Indian yarn import via land ports

- The Bangladesh Textile Mills Association (BTMA) recently requested the government to stop import of yarn from India through land ports as the domestic yarn sector is struggling to survive due to smuggling through these routes. Imports from India may continue through seaports, as they are equipped with adequate testing facilities and there is little scope of yarn being smuggled, BTMA president Showkat Aziz Russell told a press conference. But the land ports are ill-equipped to curb smuggling, he noted. Yarn imports from India are allowed through seaports and four land ports: Benapole, Sonamasjid, Bhomra and Banglabandha.

  Though the import of yarn through these ports was allowed in January 2023 to meet the sudden rise in demand after the pandemic, the huge volume of imports turned a threat to the domestic spinning sector, domestic media outlets reported. India accounted for over 95 per cent of those imports due to the price factor. For instance, traders open letters of credit (LCs) to import two tonnes of yarn, but eventually import 10 tonnes through five trucks, capitalising on the weak oversight at land ports, the BTMA president said.

  In addition to this, challenges such as a loss of working capital due to the depreciation of the local currency against the US dollar, inadequate gas supplies, and lower investment inflow due to political uncertainty have plunged the domestic yarn sector into crisis. When millers had made a similar request in the past, former finance minister M Saifur Rahman had stopped the import of yarn through land ports. But this government has not responded to such a request, he observed. Many yarn mills are running at half their capacity, while some have fully closed due to the gas and US dollar crisis, he said, adding that as imports of yarn from India continue to grow over the next three to four months, Bangladesh stands to lose more jobs and value addition.

Russell also demanded that the government include representatives from BTMA, the Bangladesh Garment Manufacturers and Exporters Association and the Bangladesh Knitwear Manufacturers and Exporters Association on the board of directors of the state-owned gas transmission and distribution company Titas and Bangladesh Petroleum Corporation. This would ensure that unwanted decisions by the government do not affect the country's economic lifeline, i.e., the textile and garment sectors, he added.

ECONOMY

India's GDP growth expected to reach 6.4% in Q3 FY25: ICRA

- India’s year-over-year (YoY) gross domestic product (GDP) is expected to rise to 6.4 per cent in the third quarter (Q3) of fiscal 2025 (FY25) from the seven-quarter low of 5.4 per cent in Q2 FY25, benefitting from enhanced government spending amid uneven consumption, according to Investment Information and Credit Rating Agency (ICRA). ICRA estimates that gross value added (GVA) growth will improve to 6.6 per cent in Q3 FY25, up from 5.6 per cent in Q2 FY25, reflecting broad-based expansion. The industrial sector is expected to grow 6.2 per cent (up from 3.6 per cent), the services sector to 7.7 per cent (up from 7.1 per cent), and the agricultural sector to 4.0 per cent (up from 3.5 per cent), ICRA said in a press statement. The GDP and GVA growth in Q3 FY25 are foreseen to continue to trail the National Statistical Office’s (NSO) initial growth estimates for Q1 FY25 (6.7 per cent and 6.8 per cent, respectively), which had seen some sectors affected by the parliamentary elections, the model code of conduct, and the heat wave in some states.

The growth in net indirect taxes (in nominal terms) eased significantly to low single digits in the quarter from 7.9 per cent in Q2 FY25, owing to a sharp, albeit base effect-led rise in the YoY increase in subsidy disbursement by the centre to 31.1 per cent in Q3 FY25 from 4.3 per cent in Q2 FY25, -53.6 per cent in Q3 FY24, -7.6 per cent in Q2 FY24, estimates ICRA. As a result, the GDP expansion would continue to trail that in the GVA in Q3 FY25 for the third quarter in a row, with a similar trend expected in the full year as well. “India’s economic performance in Q3 FY25 benefitted from a sharp ramp-up in aggregate government spending (centre + state) on capital and revenue expenditure, high growth in services exports, a turnaround in merchandise exports, healthy output of major kharif crops etc, which would have buffered rural sentiment. Some consumer-focussed sectors saw a pick-up during the festive season, even as urban consumer sentiment dipped slightly, and other sectors such as mining and electricity saw an improvement after weather-related challenges in the previous quarter,” said Aditi Nayar, chief economist, head-research and outreach, ICRA.

ICRA projects the industrial GVA growth to record a broad-based pick-up to 6.2 per cent in Q3 FY25 from 3.6 per cent in Q2 FY25, led by manufacturing to 5.0 per cent from 2.2 per cent, construction to 9.5 per cent from 7.7 per cent, electricity to 5.0 per cent from 3.3 per cent, and mining and quarrying to 2.5 per cent from -0.1 per cent, with the latter two sub-sectors partly benefitting from the easing in rainfall. India’s investment activity improved in Q3 FY25, as reflected in the uptick in the YoY growth in several investment-related indicators vis-a-vis Q2. This includes capital and infrastructure goods' output, cement production, engineering goods' exports, and capital spending of the centre and state governments. The YoY expansion in the Government of India's (GoI) capex surged to a six-quarter high of 47.7 per cent in Q3 FY25 from 10.3 per cent in Q2 FY25. Moreover, there was a turnaround in merchandise exports to a YoY rise of 3.3 per cent in Q3 FY25 from a contraction of 4.3 per cent in Q2 FY25.

RAW MATERIAL

ICE cotton bearish, prices fall amid stronger dollar & weak oil prices

- ICE cotton has recorded five declines in the last six sessions for most contracts, reflecting continued bearish sentiment in the market. The March and July 2025 contracts hit new contract-low closes. A stronger US dollar index and falling crude oil prices further added to market woes. The market is likely to remain weak in the near to mid-term. On 26th February, the ICE cotton May 2025 contract settled at 66.87 cents per pound (0.453 kg), down by 0.50 cents. It has lost a total of 195 points in the last six sessions. Other contracts have declined between 10 and 59 points, indicating broad-based selling pressure across the market.

  The US dollar strengthened, rebounding from an 11-week low, making cotton purchases more expensive for overseas buyers. Oil prices slipped due to an unexpected rise in US refined product inventories, which indicated weak demand. Geopolitical concerns also weakened sentiment in the crude oil market. Lower crude oil prices reduced the cost of producing polyester fibre, a man-made alternative to cotton. The trading volume was 34,018 contracts, including 5,350 EFS trades and 98 EFP trades, while cleared contracts totalled 31,058, with 5,150 EFS trades included. ICE No. 2 cotton stocks remained stable at 1,732 bales as of February 25, indicating no significant changes in supply levels. The USDA Agricultural Outlook Forum is ongoing, with the 2025 Outlook Reports set for release on Thursday, which could significantly influence market sentiment.

  Traders are awaiting the USDA Export Sales Report, due on Thursday, which has shown strong export numbers in recent weeks and could potentially provide a catalyst for price movement. Market analysts noted that March contract activity has slowed, reducing market volatility as traders shift focus to later months. Currently, ICE cotton for May 2025 is trading at 66.90 cents per pound (up 0.03 cents). Cash cotton is trading at 64.87 cents (down 0.50 cents), the March 2024 contract at 65.37 cents per pound (down 0.59 cents), the July 2025 contract at 67.90 cents (up 0.03 cents), the October 2025 contract at 69.10 cents (down 0.21 cents), and the December 2025 contract at 68.78 cents (up 0.03 cents). A few contracts remain at the same level as the last closing, with no trading recorded on 27th February.

CAI reduces India's cotton production estimate to 301.25 lakh bales

- The Cotton Association of India (CAI) has reduced India's cotton production estimate by 2.5 lakh bales to 301.25 lakh bales of 170 kg in its January 2025 report. The organisation had raised the estimate to 304.25 lakh bales for the current 2024-25 season (October-September) in its December 2024 report. This production is projected to be 7.84 per cent lower than the output of 327.45 lakh bales in the 2023-24 season. Atul S Ganatra, president of CAI, stated in the monthly report that the total cotton supply until the end of January 2025 is estimated at 234.26 lakh bales. This includes pressings of 188.07 lakh bales, imports of 16 lakh bales, and an opening stock estimated at 30.19 lakh bales. Furthermore, CAI has estimated the cotton consumption up to the end of January 2025 at 114 lakh bales. Export shipments until January 2025 is estimated at 8 lakh bales. The stock at the end of January 2025 includes 27 lakh bales with textile mills and the remaining 85.26 lakh bales with the CCI, Maharashtra Federation, and others (MNCs, traders, ginners, exporters etc), including cotton sold but not delivered.

CAI has also decreased its total cotton supply estimate for the end of the cotton season by 1.5 lakh bales, down from the previously estimated 359.44 lakh bales. This total supply comprises an opening stock of 30.19 lakh bales at the beginning of the current season, cotton pressings estimated at 301.75 lakh bales for the season, and imports estimated at 26 lakh bales, which are 10.80 lakh bales higher compared to last year. The industry body has maintained its estimate for domestic consumption at 315 lakh bales. Exports are estimated at 17 lakh bales, down from 28.36 lakh bales estimated for the 2023-24 season. The estimated closing stock at the end of the current season is 25.94 lakh bales, compared to 30.19 lakh bales last year.

CHAT BOX

Labour

1. **If a medical certificate is issued by ESI dispensary without requisite details, will the certificate be a valid one?**

   Any medical certificate issued without indicating the **nature of the treatment or the details of the disease for which the employee had been undergoing treatment**, the same would not be valid /admissible.
   Ref: Nimai Charan Rout Vs General Manager, M/s Utkal Asbestos Ltd, Dhenkanal, 2016 LLR 29 Ori HC.

2. **In the case of Factories situated in multiple locations, can one manager be responsible for multiple factories/units?**

   Under the Factories Act, 1948, the manager is the designated employee responsible for the factory's operations. Therefore, a manager's presence is generally required at the factory. **Each factory must therefore have a designated manager to fulfill the duties outlined in the Act.** Typically, one manager cannot oversee multiple factories at different locations.

3. **In the case of an offence involving moral turpitude, the employer can forfeit the Gratuity in respect of dismissed employee. Whether the said principle of law is also applicable to Provident Fund?**

   No. The Gratuity Act specifically provides for forfeiture, if the services of such employee has been terminated for any act which constitutes an offence involving moral turpitude, more specifically if such offence is committed by him in the course of his employment. But in respect of PF, even if the dismissal is on account moral turpitude, the Provident Fund amount cannot be forfeited.
   Ref: Section 4(6) of The Payment of Gratuity Act, 1972

4. **When terminating an employee and paying Notice Pay, whether the management is bound to contribute EPF for the Notice Pay?**

   The word “Emoluments” described under Section 2 of the Employees’ Provident Funds Act, 1961 (EPF) covers earnings by an employee, while on duty or on leave (with wages). Hence, the amount paid as Notice Pay for termination does not fall within the term basic wages (emoluments earned while on duty) and therefore PF cannot be deducted from it (i.e) the said **Notice Pay will not attract EPF contribution.**

   Ref: India United Mills Vs RPFC AIR 1969 BOM 203 / 1969 II LLJ page 733

5. **Can Factories Inspectorate issue a Notice of Prosecution to the Occupier, based on the Inspection Report alleging that the Register of Adult Workers is not being maintained?**

   The statutory duty to maintain a “Register of Workers” under Section 62 of the Factories Act is fixed on the manager and not on the **occupier, therefore, the occupier cannot be prosecuted.**

   Ref: State of Maharashtra vs Sampatlal Mensukh Bothara 1991 I LLJ page 107

GST

1. **Small spinners/weaving units/traders, without the facility for storing the goods received, utilise the godown of the transporter for warehousing and move it to their units as and when required. Is this practice acceptable under GST?**

- **Yes, subject to the condition that the transporter’s godown is declared as an “additional place of business” by the units (amending and incorporating in the core field in the GST portal).**
- The **validity of e-way** bill need not be extended between the period the goods reach the godown and delivery of the same is taken by the weaver/trader to his premises (i.e) the period during which the goods are lying in the godown/warehouse.
- E-way bill has to be generated on the initiation of the movement of goods from the transporter’s godown to any other place of the consignee / recipient.
- The transporter is required to maintain appropriate accounts and records as a ‘warehouse keeper’.

Ref: Section 35 of the GST Act/Rule 56 and 57 of GST Rules/Circular No. 61/35/2018-GST dated 4.09.2018

2. Renting of office space is a common commercial practice. Is GST applicable on the electricity charges collected by the lessor/owner from the lessee/commercial tenant?

If the lessor collects actual electricity charges, charged by the Electricity Board (on the basis of reading in sub meter), the same shall not be subject to GST, subject to condition that a separate Bill of Supply/invoice has been raised for the same. The reason being that the relationship between the lessor and lessee is on a principal-to-principal basis in respect of renting of immovable property and that of a pure agent (cannot make profit out of dealings he has with third party (EB) on behalf of the receiver of the service (tenant)) in respect of other ancillary services (electricity supply).

If the lessor collects electricity charges along with rent and maintenance charges, 18% GST has to be discharged on the cumulative amount, the reason being that the principal supply is renting of immovable property and/or maintenance of premise, and the supply of electricity is an ancillary supply. The general practice adopted by the composite service providing lessor has been to collect electricity charges based on the reading recorded in the sub-meters, thereafter, charging for the current consumption in addition to other electricity related charges (proportionate meter rent etc) and alternate power supply (Gensets) cumulatively, which condition would also be incorporated in the rental agreement.

Advisory: Reconsider the clauses in the rental agreement and adopt conditions mandated to claiming exemption.

Ref: Circular No. 206/18/2023-GST dated 31.10.2023

3. **Whether GST has to be paid on "No Claim Bonus" offered by the Insurance Companies?**

Insurance companies offer a "No Claim Bonus" as a **reward or discount** at the time of policy renewal, when no claims have been made during the insurance period. This bonus is deducted from the premium amount to be paid.

GST is not chargeable on the amount pertaining to "No Claim Bonus", the reasons being:

- The policyholders purchase insurance to protect themselves from potential loss or injury
- There is no contractual obligation for the insured to avoid making claims.
- Not making a claim is not considered as a service to the insurance company.
- Being a discount, the same is recorded in the invoice itself.

Ref: Section 15(3)(a) of GST Act and Circular No. 186/18/2022-GST dated 27.12.2022.

4. **Is e-way bill required for movement of empty cargo container?**

No, such movement has been exempted from the statutory provision of generated e-way bill.

Ref: Rule 138 of GST Rules

5. **When there is a discrepancy between the credit claimed by an assess in the GSTR-3B and the credit available as per GSTR-2A or GSTR-2B, ITC mismatch occurs. What is to be done in case there is an ITC mismatch?**

In case there is a mismatch, the following action is to be taken:

Avail input tax credit in Form GSTR-3B as per the amount of input tax credit reflected in Form GSTR-2B, reason being that the registered person is not allowed to avail the input tax credit which is not reflected in Form GSTR-2B

Reconcile and figure out the reasons for the difference

Point out the reasons to the relevant supplier and ask him to correct the same while filling GST Return in the future period, at the earliest.

Advisory: Adopting the above said process is required to prevent the department issuing Show Cause Notice directing reversal of mismatched credit with interest and penalty.

ARTICLE

India's Textile Industry: Navigating the Future

Key Takeaways

- India's textile industry, contributing 3 per cent to GDP and 9 per cent to exports, faces challenges like rising costs and low FDI.
- Initiatives like PM MITRA, PLI, and sustainability reforms offer growth potential.
- Expanding technical textiles, synthetic fibres, and renewable energy can boost competitiveness.
- Strategic labour reforms, traceability, and modern infrastructure are key to global leadership.

The Indian textile industry serves as a backbone of the nation's economy, ranking as the second-largest employer after agriculture. It directly and indirectly employs approximately 100 million people across various segments, contributing significantly to rural livelihoods and fostering growth in allied sectors. The industry also plays a crucial role in India's export landscape, enhancing foreign exchange earnings and strengthening global trade relations. Table 1 highlights key facts about the Indian textile industry.

TABLE 1: **FACT SHEET OF THE INDIAN TEXTILE INDUSTRY (IN %)**

Component	% share
GDP	3%
Exports	9%
Employment	16%

SOURCE: Press Information Bureau (PIB)

The textile industry's share in the country's GDP increased marginally from 2.3 per cent to 3 per cent in 2024, while its contribution to national exports has remained steady at 9 per cent. Post-pandemic, employment in the manufacturing sector has grown, yet a significant portion of jobs in the textile industry remains unaccounted for due to the prevalence of informal operations. Below are some notable aspects of the Indian textile sector:

Employment Generation: The Indian textile industry directly employs approximately 45 million people and indirectly supports 55 million individuals, making it a vital contributor to rural livelihoods. Small and medium enterprises (SMEs) involved in handloom production, a culturally significant and ancient craft, play an integral role in this employment ecosystem.

Export Contribution: Textile exports contribute approximately 9 per cent to India's total export earnings, making the sector the fourth-largest contributor to export revenue, following leather products, dairy products, and petroleum. This underlines its strategic importance in global trade.

Expansion Potential: The Indian textile industry is poised for robust growth, with the market size projected to expand at a compound annual growth rate (CAGR) of 4 per cent, reaching $143 billion by FY27. This growth is driven by rising exports, increasing domestic demand, and a strengthened manufacturing ecosystem, bolstered by government investments.
Government Support: The Government of India actively supports the sector through initiatives such as the Sustainable Textiles Implementation Plan (STIP), PM-MITRA parks, the Technology Upgradation Fund Scheme (TUFS), the Amended TUFS (ATUFS), and the Production Linked Incentive (PLI) scheme. Dedicated budget allocations further enhance the sector's efficiency and global competitiveness.

Backward and Forward Linkages: The Indian textile sector operates across a vertically integrated value chain, from cotton cultivation to garment manufacturing. As the world's second-largest cotton producer after China, India processes raw cotton into fibre, yarn, and fabric through approximately 1,400 large textile firms and 1.5 million SMEs. Key exports include readymade garments, raw cotton, and cotton fabrics, with major destinations including the US, EU, UK, and the Middle East. Policy measures aim to strengthen global competitiveness and support sustained growth.

Capacity Prowess of the Textile Industry

The Indian textile industry, a key driver of employment and a significant contributor to national exports, boasts one of the highest production capacities globally, second only to China. Despite its vast capacity, the industry relies heavily on export orders from major textile hubs such as China and Bangladesh, alongside robust domestic demand, to sustain growth.

TABLE 2: **FABRIC PRODUCTION CAPACITY OF INDIA**

Total	Number (in Mn)
Total Looms	4.93
Handlooms	2.30
Power looms	2.50
Shuttle less Looms	0.13

SOURCE: Office of the Textile Commissioner

Several states, including Maharashtra, Gujarat, Tamil Nadu, Uttar Pradesh, Karnataka, Madhya Pradesh, Rajasthan, and West Bengal, form the backbone of India's textile production. To remain competitive globally, the industry must modernise its production processes to meet international standards and demands.

India holds a 45 per cent share of the world's loom capacity, encompassing both power looms and shuttle looms. Additionally, it dominates the global handloom sector, accounting for 85 per cent of the world's capacity, cementing its position as a hub for traditional weaving. However, many loom operations in India fall under the small-scale industry category and lack advanced technology, limiting productivity and quality. Modernisation is crucial to enhancing global competitiveness.

Spinning and Loom Capacity

Tamil Nadu leads in spindle capacity, followed by Maharashtra and Gujarat. Despite Gujarat achieving the highest cotton yield in the country, its spindle capacity lags behind. On a global scale, India holds the second-largest spinning capacity after China. Anticipating a shift in global demand as nations diversify supply chains away from China, India is expanding its spindle infrastructure.

TABLE 3: **STATE-WISE SPINDLE CAPACITY**

State	Spindle capacity (in $Mn)
Maharashtra	4.70
Gujarat	4.50
Madhya Pradesh	2.50
Andhra Pradesh	3.50
Telangana	1.00
Punjab	4.25
Tamil Nadu	19.00

SOURCE: Departments of Textiles of States

Post-COVID-19, global textile demand has surged, driven by economic recovery in developing nations. This has prompted Indian companies to expand capacities or modernise spindle operations to improve efficiency. Tiruppur, India's cotton knit capital, has seen heightened demand due to geopolitical tensions and challenges in Bangladesh, underscoring the need to increase production capacity.

To capitalise on current trade dynamics and meet evolving global demand, the Indian textile industry must significantly enhance its production capacity over the next two to three years.

Cotton Production Capacity

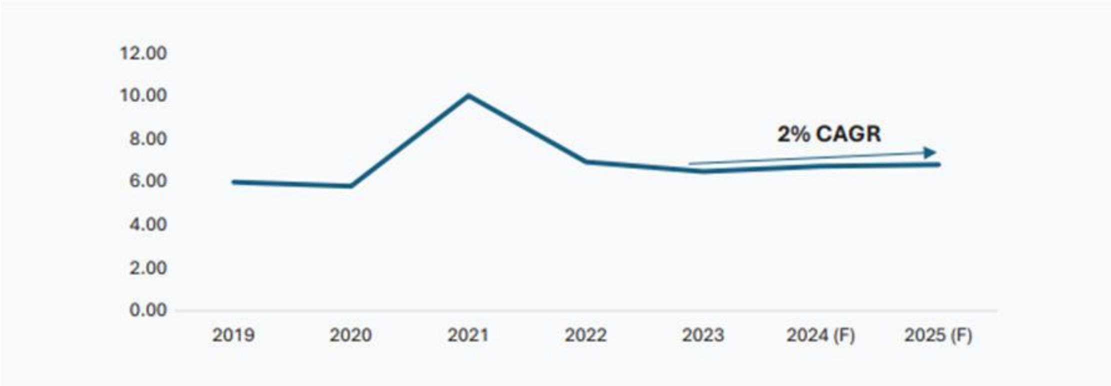
India is a major global cotton producer, with a 28.83 per cent share in global production, according to the Ministry of Textiles. Cotton is a vital commercial crop in India, where the cotton[1]to-non-cotton usage ratio is 60:40—higher than the global standard of 30:70. However, uneven patterns of production and consumption present challenges.

TABLE 4: **STATE-WISE COTTON PRODUCTION, CONSUMPTION, AND YEARLY YARN PRODUCTION**

State	Cotton Production (in million bales)	Cotton Consumption (in million bales)	Yearly Yarn Production Capacity (in million kg)
Maharashtra	8.0	10.0	3100
Gujarat	9.0	1.5	4000
Madhya Pradesh	1.7	1.5	3441
Andhra Pradesh	1.15	1.15	687
Telangana	5.0	3.5	68
Punjab	0.48	2.5	665
Tamil Nadu	0.6	12.0	1360

SOURCE: Office of the Textile Commissioner

GRAPH 1 **COTTON EXPORTS OF INDIA (IN $BN)**



SOURCE: ITC Trade map, F2F analysis

States such as Maharashtra, Tamil Nadu, and Punjab face a demand-supply imbalance due to the concentration of cotton processing industries and readymade garment (RMG) hubs. Gujarat leads in yarn production capacity, followed by Madhya Pradesh and Maharashtra. These states not only dominate cotton yarn output but also play a pivotal role in cotton exports.

GRAPH 2 **INDIA'S TEXTILE EXPORTS (IN $BN)**

SOURCE: ITC Trade map

TABLE 5 **INDIA'S EXPORTS OF TEXTILE RAW MATERIALS (IN $MN)**

Month	Silk	Wool	Cotton	Man-made filament
Jan-24	10.18	13.58	517.66	151.81
Feb-24	9.19	13.69	728.31	175.42
Mar-24	12.81	13.74	669.92	163.63
Apr-24	13.4	10.81	541.3	138.9
May-24	12.74	11.88	570.3	165.64
Jun-24	11.7	11.54	522.01	151.41
Jul-24	14.18	11.54	487.77	149.47
Aug-24	16.76	11.63	457.32	149.92
Sep-24	16.17	11.02	488.32	139.68
Oct-24	14.07	11.89	512.26	153.65

SOURCE: ITC Trade map

TABLE 6 **INDIA'S EXPORTS OF INTERMEDIARY PRODUCTS (IN $MN)**

Month	Man-made staple fibre	Wadding, felt, and nonwovens; special yarn (56)	Special woven fabrics	Impregnated, laminated, coated textile fabrics
Jan-24	121.4	47.77	25.08	36.48
Feb-24	134.53	52.52	27.45	41.39
Mar-24	163.21	57.55	32.54	46.56
Apr-24	134.94	49.01	28.89	40.23
May-24	148.79	54.67	33.7	44.88
Jun-24	126.08	52.23	32.91	39.90
Jul-24	129.40	54.32	31.38	43.12
Aug-24	131.28	58.83	31.08	43.83
Sep-24	142.14	58.91	31.24	37.49
Oct-24	143.73	61.04	30.89	43.56

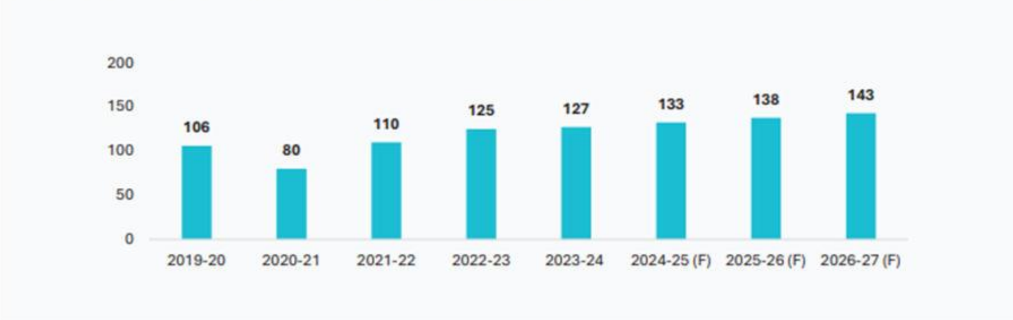
SOURCE: ITC Trade map, F2F analysis

TABLE 7 **INDIA'S EXPORTS OF FINAL TEXTILE PRODUCTS (IN $MN)**

Month	Carpets	Knitted or crocheted fabrics	Articles of apparel knitted or crocheted	Woven apparel	Other made-up textiles, worn clothing
Jan-24	153.31	35.91	619.49	821.90	452.85
Feb-24	153.33	39.16	595.46	881.70	520.22
Mar-24	174.29	45.42	608.48	865.08	516.30
Apr-24	153.18	43.15	534.32	666.19	445.70
May-24	179.34	45.64	654.12	704.51	479.91
Jun-24	163.67	47.18	653.63	639.54	481.51
Jul-24	170.82	44.70	675.11	604.21	501.04
Aug-24	180.4	51.71	674.91	594.88	552.54
Sep-24	181.24	56.80	596.82	515.44	563.33
Oct-24	193.3	60.20	660.33	567.93	563.63

SOURCE: ITC Trade map, F2F analysis

GRAPH 3 **MARKET SIZE OF THE INDIAN TEXTILE INDUSTRY (IN $ BN)**



SOURCE: Statista

In November 2024, India's cotton exports were reported at approximately 18 lakh bales, reflecting a 10 per cent decline compared to the previous year. Nevertheless, the sector remains a vital contributor to export earnings, generating $6.49 billion in 2023. Projections indicate a compound annual growth rate (CAGR) of 2 per cent, with exports potentially reaching $6.82 billion by 2025, underscoring its importance in global trade and foreign exchange earnings.

EXIM Scenario

India's textile trade landscape has exhibited notable trends:

• Apparel Dominance: Apparel remains the leading textile export category, consistently securing a strong position in the global market.

• Silk Export Growth: Silk exports showed remarkable growth in 2023, increasing by 23 per cent. Since 2018, silk exports have expanded at a CAGR of 19 per cent, reflecting rising global demand.

• Surge in Exports to China: India's textile exports to China experienced a dramatic increase, with CAGR rising from 1.1 per cent (2022) to 3.2 per cent (2023)—a growth of approximately 190 per cent. In comparison, exports to Mexico, a key raw materials market, grew by 22 per cent.

• Intermediary Product Growth: Export of intermediary textile products showed consistent growth in 2024, with rates ranging between 5 per cent and 10 per cent.

• Rising Textile Imports: India's reliance on imports has also increased, with China's share in textile imports rising by 13 per cent and imports from Bangladesh growing by 12 per cent.

These dynamics underscore both expanding export opportunities and intensifying competition from global players.

India's textile exports are projected to reach $36.90 billion in 2024, a 6 per cent increase from 2023. Key export categories include RMG made from cotton, RMG of man-made fibres, and cotton fabrics. However, achieving the ambitious target of $600 billion in textile exports by 2047 will require substantial scaling up of production capacity, bolstered competitiveness, and strategic policy interventions.

Opportunities and Challenges

India remains a leading exporter of cotton, cotton fabrics, apparel, and carpets. However, in apparel exports, it faces stiff competition from Bangladesh, Vietnam, and China. Despite these challenges, several opportunities can support export growth:

• *Crisis in Bangladesh:* Economic instability in Bangladesh offers India a chance to capture a larger share of the global apparel market.
• *Global De-risking from China:* Many countries are diversifying supply chains away from China, creating opportunities for India to expand its exports.
• *Self-Sufficient Value Chain:* India's vertically integrated textile ecosystem, from cotton cultivation to finished apparel, minimises external risks.
• *Emerging Markets:* Rising demand from Africa, North America, and Australia presents new export avenues.
• *FDI Attraction:* India's textile sector holds significant potential to attract foreign direct investment (FDI), boosting production capacity and employment.
However, to achieve the $600 billion export target, the industry must address structural challenges:

• *Insufficient Capital:* Increased capital inflow is necessary for modernisation and capacity expansion.
• *Rising Input Costs:* High costs for raw materials and labour hinder competitiveness.
• *Infrastructure Inefficiencies:* Inefficient supply chain management and outdated infrastructure slow progress.

• *Complex Regulations:* Simplifying regulatory frameworks and addressing trade barriers is essential.
• *Global Tensions:* Geopolitical issues disrupt supply chains and trade relations.

Path to Growth

India's textile market, currently valued at approximately $133 billion, aims to reach $350 billion by 2030. This growth will be driven by government investments, recovering global demand, and shifting export orders as companies diversify supply chains away from China.

Despite these growth prospects, India's economic challenges—including a manufacturing slowdown, reduced consumption, and rising unsecured loans—could impact corporate profitability and sectoral progress. While most manufactured textile products are consumed domestically, exports play a crucial role in sustaining sectoral growth.

To achieve its ambitious targets, India must address these structural challenges while leveraging emerging opportunities in the global market.
Challenges Faced by the Indian Textile Sector

Logistics

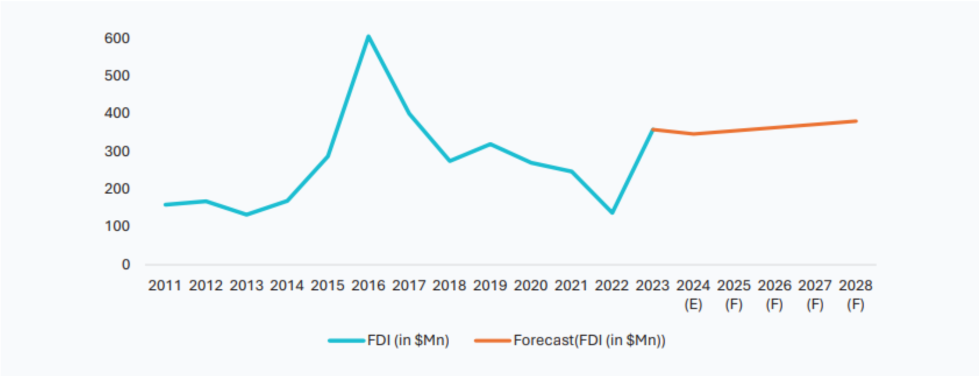
Logistics remains a critical challenge for the Indian textile industry. Timely transportation of stock to stores is essential, especially given the industry's reliance on seasonal trends. Efficient warehousing and real-time data tracking, though gradually improving, are still underdeveloped.

TABLE 8 **LOGISTICS PERFORMANCE INDEX OF TEXTILE ECONOMIES IN ASIA**

Country	Rank	Score
China	19	3.7
India	38	3.4
Vietnam	43	3.3
Sri Lanka	73	2.8
Bangladesh	88	2.6

SOURCE: World Bank LPI

GRAPH 4 **FDI IN THE TEXTILE SECTOR (IN $MN)**



SOURCE: DPIIT, Ministry of Commerce, GOI

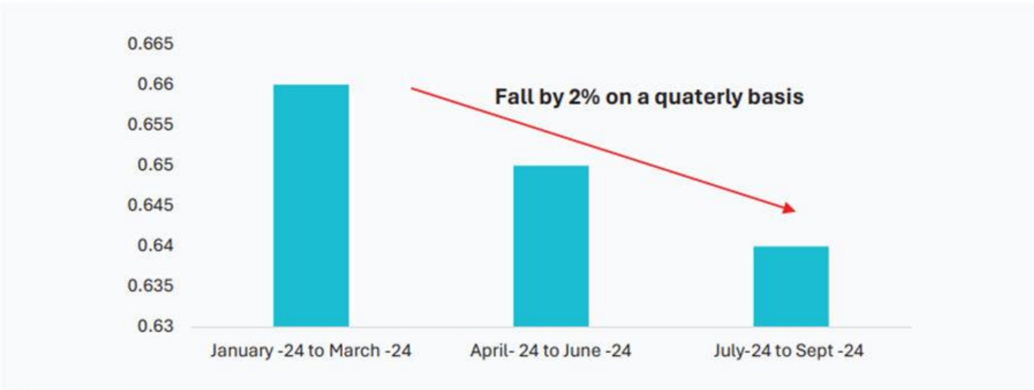
India ranks 38th in the World Bank's Logistics Performance Index (LPI), a notable improvement from 2018, second only to China among major textile economies. However, connectivity issues persist, particularly between textile parks and ports. According to the Comptroller & Auditor General (CAG) of India, many textile parks under the SITP scheme lack access to major ports and railway lines. For example, none of Maharashtra's textile parks are located near seaports, significantly affecting production costs and pricing.

The PM MITRA parks aim to address these challenges by integrating facilities with warehouses and improved logistics, enhancing port access. Ports, a cornerstone of export infrastructure, currently contribute marginally to textile exports. For instance, textiles account for just six per cent of exports at Nhava Sheva (the second largest container port in India), and less than one per cent at Kandla port. Despite a robust port network, these figures highlight inefficiencies that hinder the textile sector's export potential.

Geopolitical factors, such as declining consumer confidence, reduced orders, and excess inventory, have further compounded logistics challenges. Although textiles are among the top five exports from ports like Tuticorin, their overall share remains low, underscoring the need for sector-specific infrastructure enhancements.

Investments

GRAPH 5 **FDI IN THE TEXTILE SECTOR AS A % OF TOTAL**



SOURCE: Statista

TABLE 9 **SPINNING CAPACITY OF INDIA (IN MN)**

Year	Spindles (in Mn)	% change
2012-13	44.17	0.00
2013-14	44.47	0.68
2014-15	45.08	1.37
2015-16	51.70	14.69
2016-17	47.12	-8.86
2017-18	47.11	-0.21
2019-20	50.00	6.13
2020-21	48.00	-4.00
2021-22	55.60	15.83
2022-23	49.00	-11.87
2023-24	52.48	7.10
2024-2025(F)	53.68	2.29
2025-2026(F)	54.57	1.66

SOURCE: Office of the Textile Commissioner

The textile sector received 0.66 per cent of India's total foreign direct investment (FDI) in 2023, marking a 161 per cent increase from the previous year due to heightened government promotion under the 'Make in India' initiative. However, challenges persist:

• *Duty Structure:* Ready-made garments attract a GST of 12 per cent, while man-made fabrics and filaments are taxed at 18 per cent, discouraging FDI in these segments.

• *QCO Regulations:* Quality Control Orders (QCOs) mandate the use of BIS-certified vendors for man-made fibres (MMF), which could deter foreign investors reliant on non-compliant suppliers.

• *Stagnant Growth:* The textile sector has seen minimal growth in key macroeconomic parameters over the past decade. Data from the Department for Promotion of Industry and Internal Trade (DPIIT) shows that FDI in textiles declined from 0.66 per cent in 2023 to 0.64 per cent in April-September 2024, reflecting eroding investor confidence.

To attract FDI, India must address these structural bottlenecks, streamline the duty framework, and create a more investor-friendly environment.

Excess Spinning Capacity

India's spinning sector, which had a spindle capacity of 52.48 million in 2023-24, faces significant underutilisation. Current capacity utilisation is around 65 per cent, attributed to fluctuating global demand, domestic consumption variations, a fragmented industry, and a shortage of skilled labour.

TABLE 10 **THE UNIT RATE OF APPAREL (PER KG, IN $) IN INDIA AND CHINA**

Month	Unit rate of apparel in India (per kg)	Unita rate of apparel in China (per kg)	Difference in unit rates
Jan 2024	19.87	14.07	5.80
Feb 2024	20.91	15.00	5.91
Mar 2024	20.43	17.36	3.07
Apr 2024	19.53	14.49	5.04
May 2024	19.32	14.35	4.97
Jun 2024	19.20	14.53	4.67
Jul 2024	18.83	14.02	4.81
Aug 2024	18.43	13.36	5.07
Sep 2024	18.82	13.41	5.41

SOURCE: TexPro

While spindle capacity has grown at a CAGR of 2 per cent from FY13 to FY24, achieving full potential requires addressing inefficiencies and leveraging opportunities arising from global supply chain diversification.

Lack of Economies of Scale

India struggles to achieve economies of scale in textile production, leading to higher costs compared to competitors like China and Vietnam. The production cost difference—up to $5/kg— hampers India's ability to secure large-scale orders.

TABLE 11 **COTTON EXPORTS AS A % OF TOTAL TEXTILE EXPORTS**

Year	Cotton exports (HS 52) as % of total textile exports	Cotton yarn exports as a % of total exports	Cotton Fabric as a % of total exports	Cumulative
2019	3%	8%	5%	17%
2020	5%	9%	5%	19%
2021	7%	11%	5%	23%
2022	3%	8%	6%	17%
2023	2%	10%	6%	18%

SOURCE: ITC Trade map, F2F analysis

Though geopolitical factors such as instability in Bangladesh and global supply chain shifts present opportunities, India's high production costs remain a critical barrier. Achieving cost efficiency at the unit level and scaling operations are essential for improving competitiveness.

Higher Reliance on Cotton Product Exports

India's textile exports are heavily reliant on cotton products, which account for 18 per cent of total textile and apparel exports, excluding RMG of cotton. Including RMG further elevates cotton's share, indicating limited diversification.

TABLE 12 **THE INVESTMENT MOBILISED IN SITP (IN ₹ CRORE)**

Duration	Investment Mobilised Cumulative (₹ crore)	Employment Generated Cumulative (No.)	Units Operational Cumulative (No.)
2017-18	9801.95	80267	1419
2018-19	10337.62	90052	1725
2019-20	12643.76	101810	1873
2020-21	12106.49	91824	1882
2021-22	12470.00	95644	2044
2023-24	14446.00	113961	2129
2024-25	14626.57	122200	2177

SOURCE: Ministry of Textiles Dashboard

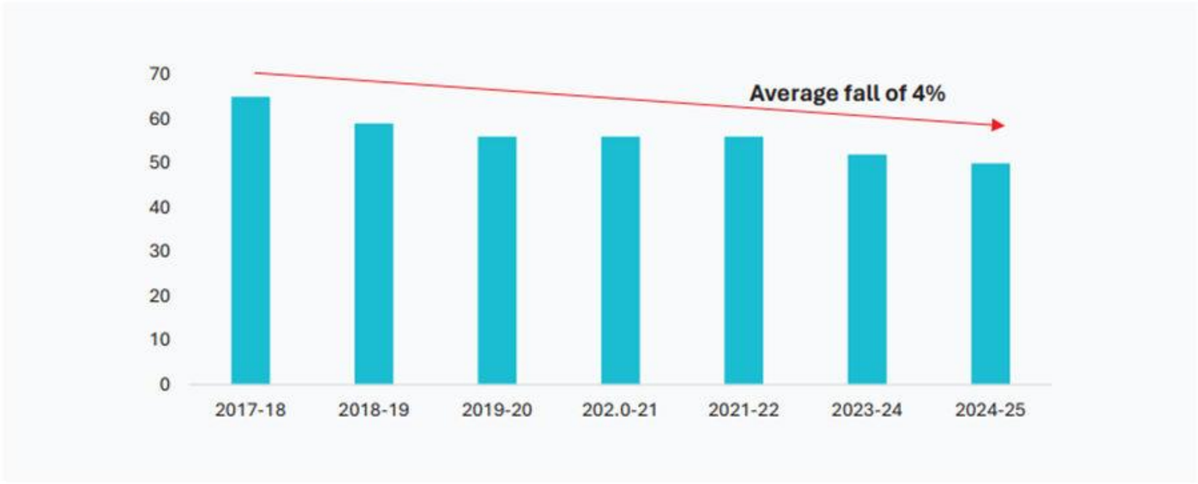
Overdependence on cotton products exposes the sector to market fluctuations and limits its ability to adapt to changing global demand trends. Expanding into other segments, such as man-made fibres and technical textiles, will be crucial for sustaining long-term growth.

The Slower Rate of Policy Returns

The Indian textile sector has struggled to realise substantial returns on government policies and investments. Despite significant financial allocations in the annual budget, the impact on overall growth has been limited. However, one of the most ambitious initiatives, the Scheme for Integrated Textile Parks (SITP), has started delivering positive results in the past two financial years, contributing to increased employment and the establishment of operational units. These outcomes demonstrate the potential of government investments, though broader and more consistent efforts are necessary for widespread sectoral growth.

Approved in 2005, the SITP aimed to integrate the textile supply chain. Yet, much of the industry remains fragmented, dominated by small-scale rural industries and informal firms. According to the CAG's report, several parks were shut down ANDREI310 | STOCK.ADOBE.COM due to financial constraints. While investments and employment opportunities are increasing, the total number of operational parks is declining at a rate of 9 per cent as of 2024-25. This trend indicates a concentration of resources in select parks, exacerbating fragmentation and uneven growth within the textile industry.

GRAPH 6 **NUMBER OF TEXTILE PARKS UNDER SITP**



SOURCE: Ministry of Textiles

Challenges in Achieving Sustainability

India faces significant challenges in aligning its textile sector with global sustainability standards. Consumer markets like the European Union (EU) and the United States have implemented stringent sustainability and transparency regulations, requiring supplier nations to adapt. For instance, the EU's Carbon Border Adjustment Mechanism (CBAM) imposes compliance costs, potentially increasing the price of goods exported to the EU. This necessitates that the country upgrades its sustainability practices to remain cost-competitive and meet evolving global expectations.

India has adopted several sustainability policies aimed at promoting efficient and eco-friendly production, including:

a) *Zero Liquid Discharge (ZLD)*: Mandates eliminating liquid waste from production processes.
b) *Renewable Energy Usage*: Encourages cleaner energy sources in manufacturing.
c) *Recycled Materials*: Promotes incorporating recycled inputs into textile and apparel production.
d) *Circularity*: Focuses on reusability and extended product lifecycles.
e) *Waste Management*: Implements strategies for reducing textile waste.
f) *Labour Compliance*: Ensures ethical labour practices across the value chain.

However, fragmented governance across states has led to inconsistent implementation. While Tamil Nadu rigorously enforces the ZLD policy, enforcement in states like Maharashtra remains lax, limiting its effectiveness.

India ranks 23rd on the Sustainability Index by the Hinrich Foundation, with a score of 24, far behind major textile economies like Vietnam and China. Despite having a complete textile value chain comparable to China, inconsistent enforcement of sustainability laws hampers India's global competitiveness.

TABLE 13 **SUSTAINABLE ECONOMY RANKINGS OF THE TOP TEXTILE MANUFACTURERS**

Country	Rank	Score
Vietnam	14	50.9
China	16	54.1
India	23	24
Bangladesh	25	21.3
Sri Lanka	26	16.8

SOURCE: Hinrich Foundation, IMD Sustainable Trade Index

Some key sustainability challenges faced by the Indian textile industry include:

1. *Standardised Sustainability Criteria*: India lacks a unified framework for sustainability standards.
2. *Data Records*: Insufficient and outdated sectoral data impede policy formulation and execution.
3. *Social Compliance*: Many textile units fail to meet basic social compliance standards.
4. *Tracking Recycled Materials*: The absence of Harmonised System of Nomenclature (HSN) codes for recycled materials complicates monitoring and data collection.

Addressing these challenges is critical to safeguarding India's textile exports. In addition, the CBAM, set to be fully implemented by 2026, poses a significant challenge. Non-compliance could lead to higher tariffs on Indian textile exports to key markets like the EU and the UK, which is also adopting its version of CBAM. India has just one year to align its textile industry with CBAM requirements to maintain global competitiveness. Practical solutions include:
- *Strengthening Policy Enforcement*: Ensuring consistent application of sustainability regulations across all states.
- *Data and Monitoring Improvements*: Establishing comprehensive data collection mechanisms to track progress in ESG compliance.

• *Incentivising Renewable Energy*: Offering financial support for renewable energy adoption and other green initiatives.
• *Promoting Circular Economy Practices*: Encouraging the use of recycled materials and waste reduction strategies.

By addressing these bottlenecks, India can enhance its sustainability performance and secure its position as a competitive player in the global textile market.

Strategic Solutions for Transforming the Indian Textile Industry

Updating Textile Databases

One of the primary challenges for the Indian textile industry is the lack of comprehensive data, which could address over half of the issues plaguing the sector. Spanning from raw materials like cotton to finished apparel, the industry requires detailed data to support policy formulation and operational efficiency.

While India regularly publishes data on cotton production and prices, there is a need for a broader database that encompasses the entire textile value chain. Detailed data on small-scale industries, resource usage, sustainability metrics, and employment statistics is essential. Most small-scale textile units operate in rural districts and often fall within the informal sector, further complicating data collection efforts.

Key actions include:

• Establishing a sustainability database to benchmark India's global standing.
• Creating a real-time dashboard maintained by the Ministry of Textiles, featuring metrics such as employment rates, average wages, and FDI inflows.
• Incorporating data on wage disparities and economic contributions of textiles to GDP (3 per cent) and export earnings (9 per cent).

Additionally, enhancing traceability through robust data tracking systems will strengthen the industry's credibility. While the Ministry of Textiles currently tracks key metrics such as silk production, cotton arrivals, and funds allocated under schemes like ATUFS, the inclusion of sustainability data and tracking for small-scale industries would fill critical gaps.

Introduction of New HSN Codes for Sustainable Textiles

India is advancing in recycling, upcycling, and the use of sustainable materials in textiles, but the lack of dedicated HSN codes for these products hinders effective tracking and export monitoring.

• Technologies like Looop (H&M's recycled fibre initiative) lack unique HSN codes, complicating traceability in both domestic and international markets.

• Globally, there are 13 HSN codes for textiles, yet none are specific to sustainable or recycled textiles.

India has proactively initiated the creation of HSN codes for sustainable products. This step will enhance transparency, allow accurate tracking, and position the country as a leader in the global sustainability push.

TABLE 14 **CAPACITY UTILISATION OF VARIOUS POLYESTER PRODUCTS IN THE COUNTRY (IN %)**

Type	Capacity Utilisation
Polyester staple fibrefill	49.5
Polyester Filament yarn	93.4
Polyester staple fibre	86.0
PET chips	47.8

SOURCE: Ministry of Chemicals and Petrochemicals

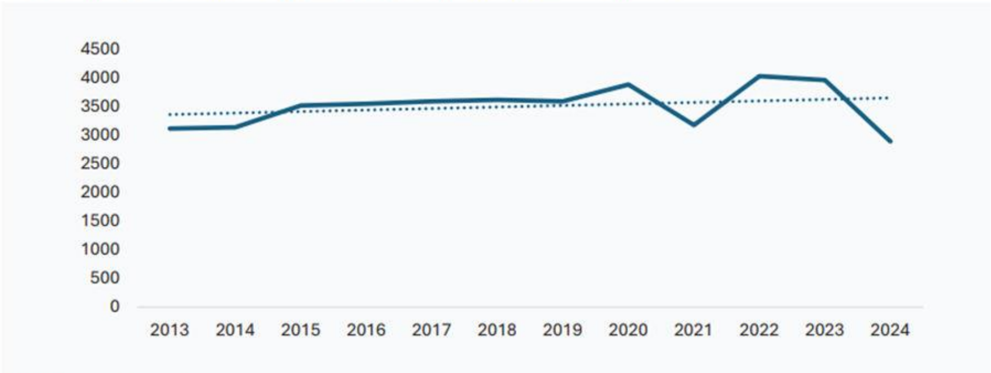
Promoting the Growth of MMF Textiles and Apparel

India's textile industry is heavily reliant on cotton, accounting for a significant share of exports. However, there is considerable growth potential in the man-made fibre (MMF) segment, which remains underutilised.

India's per capita fibre consumption is 5.5 kg, with MMF accounting for 3.1 kg (65 per cent). Despite rising domestic demand, MMF production has not kept pace, leading to increased imports, particularly from China.
Key observations:

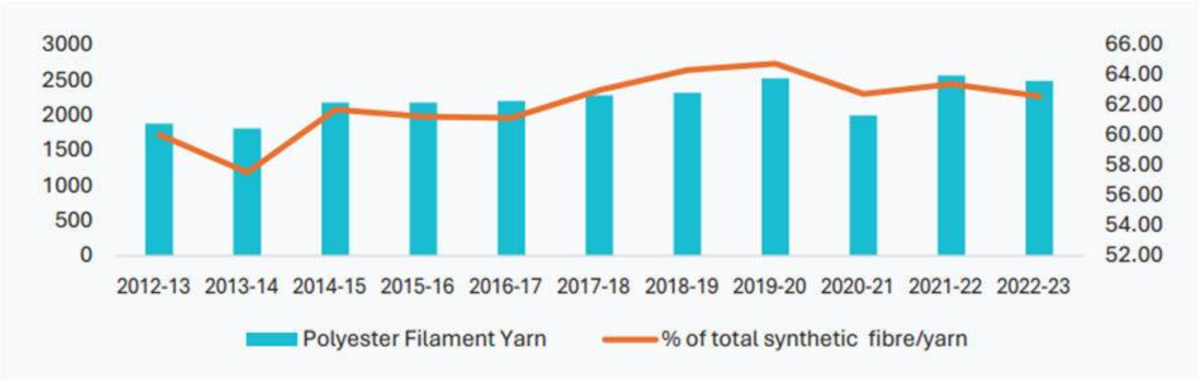
• Polyester filament yarn, the largest imported MMF product, has seen a 42 per cent rise in imports over the last five years.

GRAPH 7 **THE PRODUCTION OF SYNTHETIC FIBRES IN INDIA (IN 1000 TONNES)**



SOURCE: Office of the Textile Commissioner

GRAPH 8 **PRODUCTION OF POLYESTER IN INDIA**



SOURCE: Ministry of Chemicals and Petrochemicals

• Despite high capacity utilisation (93 per cent for polyester filament yarn), the production of fibrefill, staple fibre, and chips remains underutilised.

To address these gaps, the government has launched Production Linked Incentive (PLI) schemes for MMF and technical textiles. These initiatives aim to reduce import dependency, expand domestic production, and strengthen the export base.

However, challenges persist:

• MMF filament yarn exports have declined at a negative CAGR of 14 per cent, necessitating investments in modern machinery and advanced technologies.

• Research and Development (R&D) in MMF production is critical for fostering innovation and long-term sustainability.

By leveraging the rising global demand for MMF-based readymade garments, India can diversify its textile export base and reduce its reliance on cotton. Enhanced production efficiency and quality in the MMF segment will be pivotal in achieving this transformation.

Use of Renewable Energy

India has emerged as a significant hub for solar energy, aligning with the United Nations' Sustainable Development Goal (SDG) 7, which promotes clean and affordable energy. Government efforts have made India a leading generator of solar energy, with a 27.9 per cent increase in solar energy production and an 8 per cent rise in wind energy. However, the textile industry has yet to fully embrace this shift to renewable energy sources.

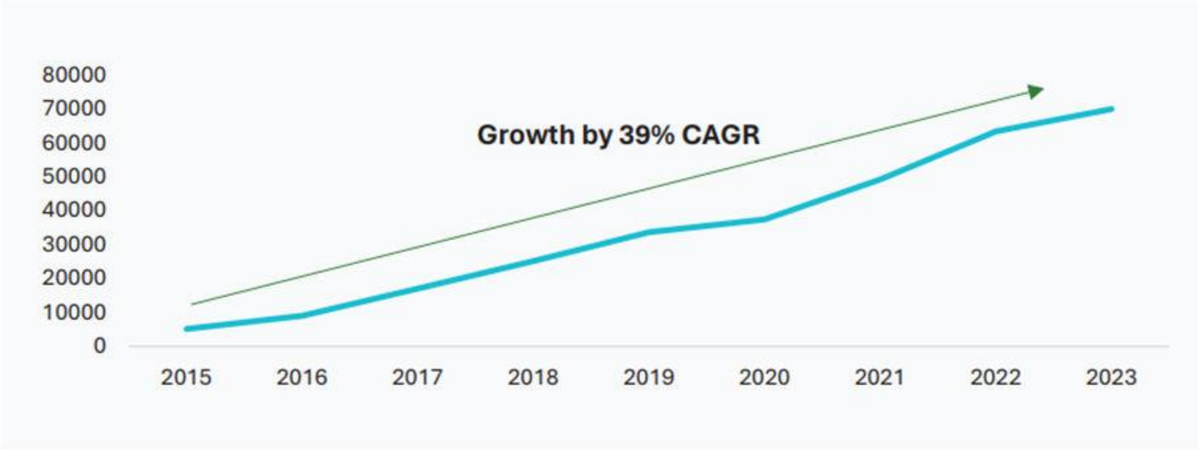
TABLE 15 **ENERGY GENERATION IN INDIA**

Month	Thermal	Nuclear	Hydro	Total Power Generation
Jan-24	117.49	4.15	6.31	127.99
Feb-24	109.3	3.5	5.9	118.7
Mar-24	118.7	4.0	7.0	129.8
Apr-24	123.7	4.4	8.1	136.2
May-24	127.9	4.4	12.6	144.9
Jun-24	120.9	4.2	14.2	139.3
Jul-24	111.41	4.8	17.56	133.77
Aug-24	104.2	5.49	21.57	131.26
Sep-24	102.15	4.93	20.57	127.65
Oct-24	114.1	4.77	14.46	133.33
Nov-24	104.23	4.81	8.63	117.67

SOURCE: Central Electricity Authority

Energy costs account for over 15 per cent of production expenses in the textile sector, presenting a significant challenge, particularly for micro, small, and medium enterprises (MSMEs). While solar energy capacity is growing at a robust CAGR of 39 per cent, the adoption of renewable energy within the textile industry remains below 5 percent

GRAPH 9 **INSTALLED CAPACITY OF SOLAR ENERGY IN INDIA (IN MW)**



SOURCE: National Solar Energy Federation of India (NSFEI)

To accelerate this transition, the following measures are essential:

• *Policy Incentives and Subsidies*: The government should incentivise renewable energy usage for textile firms, similar to the Production Linked Incentive (PLI) scheme for MMFs.
• *Mandatory Adoption*: Renewable energy adoption should be mandated in phases to ensure industry-wide implementation.
• *Integration with PM MITRA Policy*: The PM MITRA scheme, which promotes renewable energy use in textile parks, must provide clear guidelines and financial incentives for installation and consumption of solar and wind energy.

To ensure higher adoption of renewable energy, the government needs to come up with clear implementation guidelines. Investing in renewable energy will reduce production costs, enhance sustainability, and strengthen global competitiveness. Comprehensive incentives and awareness campaigns can help the industry shift from its dependence on thermal energy to cleaner, more efficient sources.

Enhancing Labour Welfare Measures

Labour welfare is a critical aspect of the CBAM and aligns with SDG 10, which focuses on reducing inequalities. While India has made efforts to modernise its labour laws, significant challenges remain, which include:

TABLE 16 **TEXTILE INDUSTRY STATISTICS OF INDIA AND VIETNAM**

	India	Vietnam
Minimum wage in ($)	127	192
Proposed wage increase (in %)	55 (cumulative since 2014)	6
Inflation (CPI)%	3.60	4.36

SOURCE: IndustriALL, and Business & Human Rights Resource Centre

• *Ambiguous Labour Laws*: The definition of 'labour' varies across industries, leading to regulatory inconsistencies. In comparison, competitor nations like Vietnam and Bangladesh have clearer, standardised frameworks.
• *Low Unionisation Rates*: With unionisation at just 5 per cent, workers in India's textile sector lack collective bargaining power.
• *Stagnant Wages*: Textile sector wages remain low, failing to keep pace with inflation, which undermines workers' purchasing power and welfare.
• *Skills Gap*: Rapid technological advancements require dynamic skilling programmes to equip workers with relevant expertise.
To enhance labour welfare and align with global standards, the following actions are necessary:
• *Increase Minimum Wages*: Tie wage increases to inflation and economic growth, ensuring fair compensation for workers.
• *Overtime and Medical Benefits*: Enforce clear overtime regulations and provide access to adequate healthcare and medical facilities.
• *Integration of Informal Workers*: Build a comprehensive database for informal sector workers and facilitate their transition to formal employment.
• *Skilling Programmes*: Develop dynamic, industry-specific training courses under schemes like Samarth (Scheme For Capacity Building In Textile Sector) to address the technological evolution of the sector.
• *Workplace Conditions*: Ensure proper working conditions through regular audits and enforcement of existing laws.
• *Support for Female Workers*: Mandate gender-sensitive facilities such as crèches, restrooms, and washrooms at workplaces.

<u>Addressing Labour Compliance for FTAs:</u>

Modernised labour laws will enhance India's ability to secure favourable trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which requires adherence to SDG 10 and labour standards. Compliance with these laws will improve India's global image and open avenues for expanded trade.

<u>PM MITRA Policy and Labour Welfare:</u>

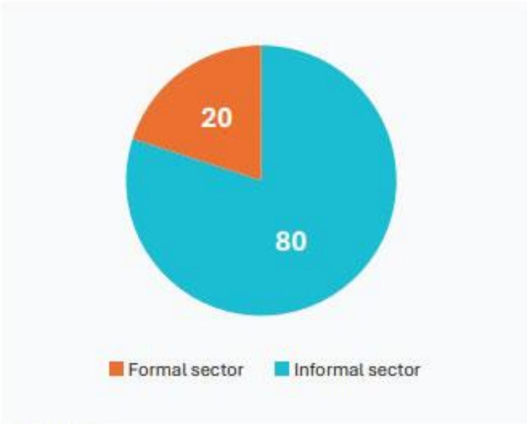
The PM MITRA policy promises worker-friendly environments in modern textile parks. To ensure effective implementation, the government must:
• Conduct regular audits to verify compliance with worker welfare measures.
• Provide transparent monitoring mechanisms to track the enforcement of labour laws.

By addressing these labour challenges, India can improve working conditions, align with global benchmarks, and enhance its textile sector's competitiveness on the international stage.

<u>Mitigating Fragmentation</u>

The Indian textile industry is highly fragmented, with over 80 per cent of operations falling within the informal sector. This fragmentation leads to unaccounted labour and wages, creating significant gaps in policy implementation and efficiency. Predominantly composed of MSMEs, the industry is scattered across rural areas, often operating with outdated technology and inadequate infrastructure.

GRAPH 10 **FRAGMENTATION IN THE INDIAN TEXTILE INDUSTRY (IN %)**



SOURCE: PIB

Efforts to establish dedicated parks for textile production, such as the Scheme for Integrated Textile Parks (SITP), have faced challenges due to poor implementation and evaluation, exacerbating fragmentation. According to a Ministry of Textiles report, reducing fragmentation requires plug-and-play facilities developed in collaboration with state governments, with strict monitoring and evaluation.

The PM-MITRA parks aim to address these issues through their plug-and-play model, guided by the 5F vision—Farm to Fibre to Factory to Fashion to Foreign. These parks, implemented under a Public-Private Partnership (PPP) model, promote infrastructure, industrialisation, and innovation in alignment with Sustainable Development Goal (SDG) 9.

Key measures to mitigate fragmentation include:

• *Greenfield and Brownfield Investments*: Differentiating investment strategies to meet specific regional needs.
• *Research and Development (R&D) Centres*: Establishing centres for innovation and recycling facilities.
• *Improved Connectivity*: Enhancing transportation networks to integrate rural clusters with export hubs.
• *Reinvestment in SITPs*: Revitalising SITPs, especially in rural areas, with a focus on improved logistics and infrastructure.

The selection of seven states for PM-MITRA parks, along with coordinated investments from Central and state governments, is expected to streamline the industry. Effective communication and collaboration among stakeholders will be crucial for these initiatives' success.

Promoting FDI in the Textile Sector

India's textile sector attracts a minimal share of FDI—just 0.66 per cent as of 2023—due to policy ambiguity and low investor confidence. To boost FDI, the government must create a stable investment environment and align policies with SDGs 7, 9, and 10, focusing on energy sustainability, infrastructure development, and labour welfare.

Some of the key factors supporting FDI growth are:

1. *Market Potential*:

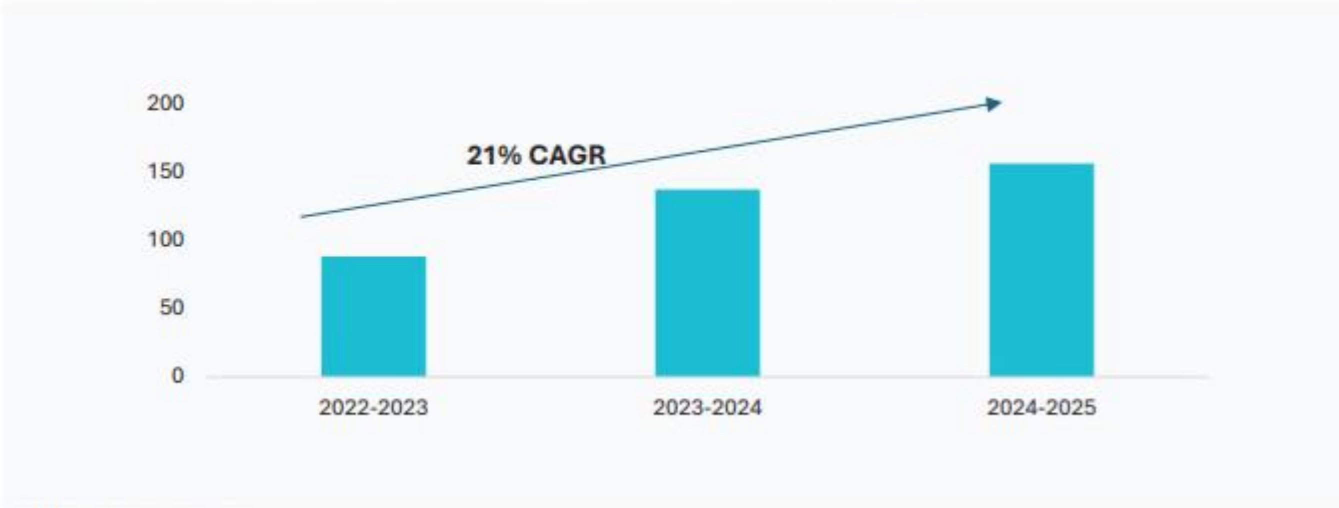
• India's textile market is projected to reach $200 billion by 2027, supported by a growing consumer base and favourable government policies.
• This potential positions India as a long-term investment destination for textile-focused enterprises.

2. *Flexible FDI Policy*:
• India permits 100 per cent FDI in the textile sector under the automatic route, eliminating the need for prior government approval.
• The policy also allows 100 per cent FDI in single-brand retail and 51 per cent in multi-brand retail, simplifying administrative processes for investors.

3. *Low Production Costs*:
• India has a cost advantage in manufacturing textiles like knitted fabric compared to major economies.
• However, costs remain higher than competitors like Bangladesh, indicating the need for policy interventions to enhance efficiency and reduce expenses.

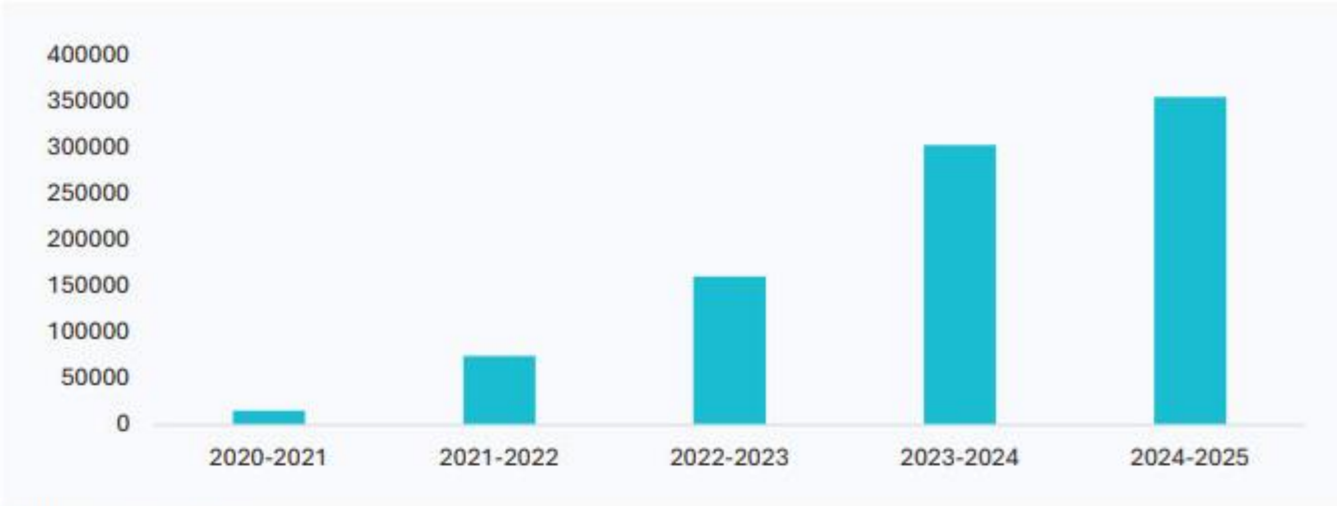
4. *Favourable Policy Support*:
• Increased allocations for schemes like the PLI and National Technical Textiles Mission (NTTM) demonstrate the government's commitment to R&D and diversification within the sector.
• Efforts to broaden the industry's portfolio can instil greater investor confidence.
Below are few recommendations for attracting FDI:
• *Policy Stability*: Ensure consistent policies to foster long-term investor confidence.
• *Enhanced Monitoring*: Leverage PM-MITRA parks to create well-administered environments conducive to investment.
• *Diversification*: Promote technical textiles and man-made fibres to expand the industry's export base.
• *R&D Incentives*: Offer incentives for innovation and the adoption of advanced manufacturing technologies.
By aligning with SDG goals and leveraging relaxed FDI norms, India's textile industry can attract substantial investment and achieve higher growth rates. Proper monitoring, transparent administration, and continuous policy improvements will be essential for success.

GRAPH 11 **R&D PROJECTS APPROVED BY THE GOVERNMENT OF INDIA (IN NO.)**



SOURCE: Ministry of Textiles

GRAPH 12 **PEOPLE TRAINED UNDER THE SAMARTH SCHEME**



SOURCE: Ministry of Textiles

Forecasting the Textile Industry in 2025: Trends, Challenges, and Opportunities

As the Indian textile industry transitions from traditional methods to innovative manufacturing techniques, the strategic implementation of policies and robust monitoring mechanisms can significantly enhance its market size. Looking ahead to 2025, two dominant trends are expected to shape the industry. These trends align with SDGs and prepare India to meet emerging global regulatory frameworks such as the CBAM and the New York Fashion Act.

Trend 1: Surge in NTTM R&D Projects

The number of R&D projects in Technical Textiles has grown at a CAGR of 21 per cent over the past three years. Technical textiles, which include products like protective wear and medical textiles, represent the future of the global textile industry and align with SDG 9, promoting innovation, sustainability, and industrialisation.

In 2023, India's technical textiles sector was valued at $15.11 billion and is projected to grow at a CAGR of 4 per cent. This growth presents significant opportunities for global investors and underscores the importance of sustained focus on R&D. To ensure continued development, the Ministry of Textiles must implement effective monitoring and evaluation frameworks for approved projects.

Trend 2: Empowering the Future Through Workforce Training

India's abundant workforce is one of its strongest assets for economic and industrial growth. The Ministry of Textiles' Samarth initiative has made significant strides in enhancing workforce skills, achieving a remarkable CAGR of 84 per cent in the number of trained workers over the past five years. In 2024-2025 alone, the number of workers trained under Samarth increased by 17 per cent.

This initiative aligns with SDG 10, which emphasises equitable opportunities for all. However, to remain globally competitive, Samarth must integrate modern technologies into its curriculum. Enhancing training courses with advanced machinery, digital tools, and automation skills will equip workers to meet evolving industry demands.

Investing in a skilled workforce will improve India's global competitiveness, ensuring alignment with international technological standards and creating a robust foundation for long-term industrial growth.

Alignment with Key SDGs

India's textile industry is poised for transformative growth through initiatives such as PM-MITRA, SITP, PLI schemes, and NTTM. These policies support innovation, sustainability, and industrialisation, aligning with key SDGs.

1. *SDG 9*: Resilient Infrastructure and Sustainable Industrialisation
• Policies like PM-MITRA and SITP promote resilient infrastructure and economies of scale, fostering R&D and waste reduction.
• Targeted investments in greenfield and brownfield projects aim to streamline production processes, reducing inefficiencies and boosting competitiveness.

2. *SDG 7*: Clean Energy and Net-Zero Carbon Goals
• With a commitment to achieving net-zero carbon emissions by 2070, India is adopting renewable energy and sustainable practices across industries. PM-MITRA parks are expected to enhance energy efficiency and clean manufacturing processes, positioning India as a leader in sustainability by 2030.

3. *SDG 10*: Reducing Inequalities 4 Initiatives like Samarth and PM-MITRA address workforce inequalities by formalising the informal sector and reducing industry fragmentation. Plug-and-play facilities and clear labour laws further promote inclusivity and fair treatment.

Vision 2030 and Beyond

India has set ambitious goals to increase textile exports to $100 billion by 2030 and $300 billion by 2047. Achieving these targets will require:

• Effective implementation of government policies by the Ministry of Textiles and state governments.
• Continued investments in R&D, workforce training, and sustainable practices.
• Collaboration between stakeholders to streamline operations and expand global market reach.

If successfully executed, these steps will solidify India's position as a global textile manufacturing hub, fostering long-term growth, competitiveness, and compliance with global standards.

Conclusion

The Indian textile industry stands at a pivotal moment, poised for transformative growth driven by innovation, sustainability, and strategic policy implementation. By addressing challenges such as fragmentation, labour welfare, and renewable energy adoption, and leveraging opportunities in technical textiles and global trade realignments, India can solidify its position as a global leader in textiles.

With ambitious goals to increase exports and align with Sustainable Development Goals, India's textile sector has the potential to redefine its global footprint by 2030. As stakeholders unite to overcome structural bottlenecks and foster a culture of innovation, the industry is set to become a resilient and sustainable force in the global market, charting a course towards inclusive and robust growth.

Key Recommendations

1. Strengthen Data Infrastructure: Create detailed, real-time databases for the textile value chain, focusing on sustainability, small-scale industries, and wage metrics.

2. Introduce HSN Codes for Sustainable Textiles: Develop codes specific to recycled and sustainable materials to improve traceability and support export growth.

3. Boost MMF Production: Expand capacity utilisation through targeted PLI schemes, modern machinery, and cost optimisation strategies.

4. Promote R&D in MMF: Invest in innovation to enhance global competitiveness and reduce import reliance. By addressing these strategic areas, India can overcome structural challenges and position its textile sector as a competitive force in the global market.

JUDGEMENTS

Labour Law

- Mens-rea is a relevant factor as a mitigating circumstance while deciding on the quantum of damages. (Madras High Court)
- Documents which were not produced before the EPF Authority can be produced before the Tribunal. (Gujarat High Court)
- Initiating 7A proceedings based on EO's report, without supplying relevant documents, is illegal. (Chhattisgarh High Court)
- Salary arrears will attract provident fund deduction. (Kerala High Court)
- If the amount is deposited with the CGIT, interest will continue to accrue against the employer. (Bombay High Court)
- Opportunity of hearing before imposing interest is mandatory when belated contribution was due to genuine mistake. (Calcutta High Court)

- PF authorities cannot initiate new proceedings for the same period in respect of issues already decided. (Punjab & Haryana High Court)
- Consultants, appointed on a fixed monthly payment, are employees under the EPF Act. (Telangana High Court)
- PF authorities have priority of charge over property before the bank. (Madras High Court)
- EPF authority can take Suo-motu review of its own orders separately with the review filed by management. (Madras High Court)
- Employees cannot claim extra amount when their share was distributed at the time of winding up of fund. (Calcutta High Court)
- High Court cannot interdict into an enquiry pending under section 7B of the EPF Act. (Madras High Court)
- EO cannot file subsequent report without affording an opportunity of hearing. (Chhattisgarh High Court)
- Property can be brought for sale even in the absence of determination of interest and penal damages. (Madras High Court)
- Reduction of damages of an establishment declared as a sick unit and whose assets were sold, is proper. (Madras High Court)
- Employee cannot be denied pension merely because no PF number was allotted to him. (Orissa High Court)
- PF is payable on Conveyance and Special Allowances paid uniformly and generally to all employees. (Kerala High Court)

GST

- ITC – Section 16 - Burden is on recipients to show that goods were indeed received - None of the petitioners are in possession of any e-Way Bill - Credit has to be paid back: HIGH COURT

- Doctrine of Eminent Domain - Order of provisional attachment u/s 83 cannot continue beyond a period of one year and on the same set of facts, a fresh order cannot be issued thereafter: HIGH COURT

- Supply of holographic stickers (excise labels) is supply of 'goods' simpliciter and not a supply of 'service': HIGH COURT

- Refund of unutilized ITC as per amended formula under Rule 89(5), is to be applied prospectively; refund applications filed before Rule 89's amendment be dealt with as per old formula: HIGH COURT

- Roving enquiry - Whether goods found in vehicle different from that covered by invoices - HSN classification is identical - No reason to detain the goods/vehicle and impose penalty: HIGH COURT

- Seizure of cash or any other valuables is outside ambit of Sec 2(52) of CGST Act and hence authorities can't exercise such powers u/s 67 of CGST Act: HIGH COURT

- Rule 86A - Blocking of credit serves purpose of being security for revenue on recovery: HIGH COURT

- Rule 86A - There is no power conferred upon the authorities for blocking the credit to be availed by the petitioner, in future: HIGH COURT

- Order passed on the premise that petitioner only filed reply but did not provide supporting materials/invoices - Matter remanded for re-adjudication subject to petitioner paying 25% of disputed taxes: HIGH COURT

- Initial seizure of cash from the premises of appellant being illegal, the continued retention of it by GST Department, and the handing over of same to Income Tax Department, cannot be seen as legal acts: HIGH COURT

- An order which does not contain a DIN would be non est and invalid - Liberty to department to conduct fresh assessment and assign a DIN: HIGH COURT

- Issuing a consolidated SCN covering various financial/assessment years would cause prejudice to an assessee: HIGH COURT

Customs

- SION norms are valid for calculating duty drawback, provided applications are substantiated with proper documentation: CESTAT

- As per settled law, Customs authorities cannot question DGFT's discharge certificate without a prior determination from DGFT: CESTAT

- Importers should not be penalised for system-related delays in filing Bills of Entry; refund of excess duty paid by importer due to system delays, is rightly allowed: CESTAT

COTTON AND COTTON YARN PRICES

Cotton – Spot* (Rs/Candy)

- Given below are the cotton and cotton yarn prices prevailed at various dates for thebenefit of the members:

S. No	Growth	Staple	Micronaire	Strength/ GPT	Feb 15 2025	Feb 21 2025	Feb 27 2025
1	P/H/R	Below 22 mm	5.0-7.0	15	48,700	47,500	46,300
2	GUJ	22 mm	4.0-6.0	20	Na	Na	39,000
3	M/M(P)	23 mm	4.5-7.0	22	50,300	50,300	50,300
4	P/H/R(U)	27 mm	3.5-4.9	26	52,500	52,300	52,100
5	P/H/R(U)	27 mm	3.5-4.9	26	53,100	52,900	52,700
6	M/M(P)/SA/TL/G	27 mm	3.0-3.4	25	Na	Na	Na
7	M/M(P)/SA/TL	27 mm	3.5-4.9	26	Na	Na	Na
8	P/H/R(U)	28 mm	3.5-4.9	27	53,500	53,100	52,900
9	M/M(P)	28 mm	3.7-4.9	27	52,100	52,200	52,000
10	SA/TL/K	28 mm	3.7-4.9	27	52,100	52,200	52,100
11	GUJ	28 mm	3.7-4.9	27	52,700	52,700	52,600
12	R(L)	28 mm	3.7-4.9	27	52,900	52,800	52,600
13	R(L)	29 mm	3.7-4.9	28	53,500	53,400	53,300
14	M/M(P)	29 mm	3.7-4.9	28	53,200	53,200	53,000
15	SA/TL/K	29 mm	3.7-4.9	28	53,200	53,200	53,100
16	GUJ	29 mm	3.7-4.9	28	53,600	53,700	53,600
17	M/M(P)	30 mm	3.7-4.9	29	54,000	54,100	54,000
18	SA/TL/K/O	30 mm	3.7-4.9	29	54,100	54,200	54,200
19	M/M(P)	31 mm	3.7-4.9	30	55,000	55,000	55,500
20	SA/TL/K/TN/O	31 mm	3.7-4.9	30	55,100	55,100	55,500
21	SA/TL/K/TN/O	32 mm	3.5-4.9	31	Na	Na	Na
22	M/M(P)	34 mm	2.8-3.7	33	76,500	76,500	75,500
23	K/TN	34 mm	2.8-3.7	34	81,000	81,000	80,500
24	M/M(P)	35 mm	2.8-3.7	35	78,500	78,500	77,500
25	K/TN	35 mm	2.8-3.7	35	83,000	83,000	82,500

Source: Cotton Association of India | Na-Not Available

Hosiery Yarn Price (Rs/Kg) – Including GST

For the Month of February 2025

Count	VL	GL	RL
10	249	-	-
16	253	242	-
20	253	242	260
25	262	251	269
30	274	263	281
32	280	-	-
34	281	270	288
36	288	-	295
40	302	291	309

Prices are only indicative subject to reconfirmation.

CIRCULARS ISSUED DURING THE FORTNIGHT

1)	20/2025	17.2.2025	All Member Mills	Open auction for sale of FP cotton bales on 18.2.2025 by CCI – reg
2)	20A/2025	19.2.2025	Member Mills in Tamil Nadu	Consumer Price Index Number - Chennai – December 2024 – reg.,
3)	20B/2025	19.2.2025	Member Mills in Andhra Pradesh and Telangana	Consumer Price Index Number - All India – December 2024 – reg.,
4)	20C/2025	19.2.2025	Member Mills in Tamil Nadu	Consumer Price Index Numbers for the month of November 2024
5)	20D/2025	20.2.2025	Member Mills in Tamil Nadu	Guidelines for availing GoTN financial assistance for R&D projects in the field of Technical Textiles and Man-Made Fibre - reg.,
6)	21/2025	21.2.2025	All Member Mills	Customs - Digitization of Refund Application Process - reg
7)	22/2025	21.2.2025	All Member Mills	Amendments in the GST Provisions – reg.,
8)	22A/2025	21.2.2025	Member Mills in Tamil Nadu	CFC / Revenue / TNPDCL Instruction enabling allocation - Banking facility for windmills which have crossed the 20 years' lifetime - reg.,
9)	23/2025	22.2.2025	All Member Mills	CBIC introduces Single Unified Multi-Purpose Electronic Bond in Customs – "Ekal Anubandh"
10)	24/2025	22.2.2025	All Member Mills	Disposal of machinery by M/s.Essargee Mills – reg
11)	24-A/2025	22.2.2025	Member Mills in Tamil Nadu	Revision of Minimum Rates of Basic Wages and Dearness Allowance for employment in Hosiery and Knitwear Manufactory-reg
12)	25/2025	25.2.2025	All Member Mills	Disposal of machinery by M/s. Sri Karthikeya Spinning and Weaving Mills Private Limited, Coimbatore – reg
13)	26/2025	27.2.2025	All Member Mills	EPFO -UAN Activation and Seeding Bank Account with AADHAR for availing the benefits under ELI Scheme - Extension up to 15th March 2025 – reg
14)	26-A/2025	28.2.2025	Member Mills in Tamil Nadu	TNPDCL filed a petition before TNERC to determine additional surcharge at Rs.0.10 per unit for the period from 1.4.2025 to 30.9.2025 to be collected from OA consumers -reg