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REVIEW

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In this Issue...

UNION BUDGET 2026

Highlights

TAMIL NADU NEW INTEGRATED TEXTILE POLICY 2025-26

IN - HOUSE JOURNAL


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From the Chairman

Friends,

We thank the Hon'ble Prime Minister Shri Narendra Modi and Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman for the sustained economic growth-oriented budget guided by Atmanirbhar Bharat, strengthening domestic manufacturing and reducing import dependence, parallely recognizing global trade disruptions, supply chain risks and rapid technological change.

The Union Budget 2026-27 places the textile sector at the centre of India's growth strategy, emphasising scale, employment generation, exports and sustainable manufacturing. Recognizing its strategic importance, Government of India has announced a comprehensive and integrated policy framework structured around five key components, National Fibre Mission; Textile Expansion and Employment Scheme; National Handloom and Handicraft Programme; Tex-eco initiative and Samarth 2.0; Mega textile parks and export promotion measures, with continued emphasis on scale, innovation and global integration. The textile sector is well-positioned to drive economic growth, generate employment, support rural livelihoods and reinforce India's position as a leading global textile hub.

We also thank Hon'ble Prime Minister, the Hon'ble Minister for Commerce and Industry and Hon'ble Minister for Textiles, Government of India for their proactive engagement in persuading the US President to roll back the punitive tariff, the reduction of tariff to 18% the lowest rate negotiated by any textiles and clothing export competing countries with the United States and signing of two landmark trade deals with EU and UK, reflecting the Government of India's strong diplomatic and trade efforts, in addition to announcing game changing policy measures for the textile industry. This would significantly enhance the global competitiveness of Indian textile exports and restored confidence across the industry.

We thank Hon'ble Chief Minister Thiru. M. K. Stalin and Hon'ble Minister for Textiles, Thiru. R. Gandhi, Government of Tamil Nadu for releasing "New Integrated Textile Policy" on 29th January 2026 during the

International Textile Summit 360 held at CODISSIA Trade Fair Complex, Coimbatore, the salient features of the policy being 6% Interest Subvention for all the spinning machines; 20% Capital Subsidy for 1,000 looms to modernize existing looms into shuttleless looms with Electronic Jacquard; 50% Capital Subsidy to upgrade 3,000 Powerlooms as raiper shuttleless looms; 5% to 25% Subsidy for establishment of worksheds for shuttleless looms in powerloom clusters; 25% Capital Investment Subsidy to set up New Textile Processing units (Dyeing, Printing and Finishing) and IETPs and 25% for Expansion / Modernisation / Upgradation of existing Textile Processing Units and IETPs; 25% Capital Investment Subsidy for setting up of manufacturing facility for non-conventional fibres/yarn such as Banana, water hyacinth, bamboo, hemp, flax, pineapple fibre, etc; Allocation of Rs 15 Crores to accelerate growth and promote diversification into Technical Textiles and Rs 25 Crores for Research and Business Development Fund for Technical Textiles and Man Made Fibre; 50% Capital Investment Subsidy for purchase of brand new fully computerized cutting machine with CAD / CAM Software.

Indian textiles and apparel (T&A) exports contracted in January 2026 compared to the same month previous year. Textile exports declined 3.68% year-on-year to $1,731 Million and apparel exports fell 3.84% to $1,545 Million, resulting in a decline of combined T&A exports by 3.75% to $3,275 Million. During April-January 2026, cumulative T&A exports stood at $29,807 Million, slightly down 0.65% from a year earlier, as textile exports fell 2.35% to $16,678 Million while apparel exports grew 1.59% to $13,129 Million. T & A accounted for 9% of India's total exports in January 2026, slightly lower than 9.4% a year earlier, reflecting continued global demand volatility.

Overall, the positive developments in the Policies of State and Central Governments along with conclusion of FTAs with major markets and continued emphasis on scale, innovation and global integration, has positioned the textile sector to drive economic growth, generate employment and reinforce India's position as a leading global textile hub.

Friends, the Association is conducting TEXFAIR 2026, 15th edition in its series during 6-9, March 2026 at CODISSIA Trade Fair Complex, Coimbatore. I cordially request your esteemed presence at this prestigious event. Moreover, kindly depute your technical personnel to the fair, so as to enhance their skills in alignment with the emerging technologies and make the event a resounding success.

Excited to meet you at the fairground.

Durai Palanisamy
Chairman

Highlights of Union Budget 2026 - 27 : Strengthening India's Textile Value Chain

Key Takeaways

❖ The Union Budget 2026-27 places Textiles at the centre of growth strategy with focus on employment, exports, rural livelihoods and sustainable manufacturing.

❖ Push for scale and modern manufacturing through mega textile parks and support for MMF and technical textiles.

❖ MSMEs and artisans supported through liquidity measures, cluster modernisation and skilling initiatives.

❖ Policy direction emphasises scale, sustainability and competitiveness to strengthen India's position in global textile value chains.

In the Union Budget 2026-27, a comprehensive and integrated policy framework has been declared to bolster the entire textile value chain from fibre to fashion, from village industries to global markets.

❖ Integrated Programme for the Textile Sector.

❖ With the objective of boosting competitiveness, fostering self-reliance and creating jobs, the Government has proposed an Integrated Programme for the textile sector, structured around five sub-components:

National Fibre Scheme:

This scheme aims to build self-reliance across the fibre spectrum by supporting natural fibres such as silk, wool and jute, alongside man-made fibres (MMF) and new-age fibres. By strengthening domestic fibre availability and encouraging innovation in advanced textile materials, the scheme seeks to reduce import dependence, promote diversification beyond cotton, and enhance India's capability in high-performance and specialised textiles.

Textile Expansion and Employment Scheme:

Focused on modernisation of traditional textile clusters, this component provides capital support for machinery, technology upgradation, and the establishment of common testing and certification centres. The scheme is expected to enhance productivity, improve quality compliance and enable large-scale employment generation.

National Handloom and Handicraft Programme:

Existing schemes for handloom and handicrafts will be integrated and strengthened under a unified national programme. The objective is to provide targeted and effective support to weavers and artisans, improve incomes, ensure market linkages, and preserve India's rich textile heritage. Additionally, the Government is providing financial assistance for the promotion of natural and vegetable dyes and for the establishment of dye houses, through two components viz. the Mega Cluster Development Programme and Need-based Special Infrastructural Projects.

Tex-Eco Initiative:

The Tex-Eco Initiative promotes globally competitive and environmentally sustainable textiles and apparel (T&A) manufacturing. It aligns domestic production with international sustainability standards, and supports access to emerging green markets.

Samarth 2.0:

An upgraded skilling programme, Samarth 2.0 aims to modernise the textile skill ecosystem through deeper collaboration with industry and academic institutions. It seeks to ensure the availability of industry-ready skilled manpower across the value chain.

Mega Textile Parks and Technical Textiles

The Government has announced the setting up of Mega Textile Parks in challenge mode, with a focus on providing integrated infrastructure, enabling scale efficiencies, and promoting value addition across the textile value chain. These parks are also expected to support the growth of technical textiles, a high-potential segment with applications in industrial, medical, defence and infrastructure sectors.

Mahatma Gandhi Gram Swaraj Initiative

The Mahatma Gandhi Gram Swaraj Initiative focuses on strengthening khadi, handloom and handicrafts. The initiative emphasises global market linkage, branding, streamlined training, skilling, quality improvement and process modernisation. It aims to benefit weavers, village industries and rural youth, while supporting One District One Product (ODOP) initiative.

Export Promotion Measures for Textiles and Allied Sectors

To support exports of textiles and allied sectors, the Budget has announced the extension of the export obligation period from six months to twelve months for exporters of textile garments, leather garments, leather or synthetic footwear, and other leather products manufactured using duty-free imported inputs. This measure is intended to provide greater operational flexibility, ease of compliance, and improved working capital management for exporters.

To strengthen liquidity access for textile MSMEs, the Government has announced measures to enhance the effectiveness of the Trade Receivables Discounting System (TReDS), through which over Rs.7 lakh crore has already been facilitated.

Key measures include:

- ❖ Mandatory use of TReDS by CPSEs for procurement from MSMEs.
- ❖ Credit guarantee support through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for invoice discounting on TReDS.
- ❖ Linking the Government e-Marketplace (GeM) with TReDS to enable faster and lower-cost financing of government procurement receivables.
- ❖ Introduction of TReDS receivables as asset-backed securities to support secondary market participation and improve liquidity.

SME Growth Fund and Champion SMEs

A dedicated Rs. 10,000 crore SME Growth Fund has been introduced to support the creation of future "Champion SMEs." The fund is poised to incentivise enterprises based on select criteria.

Textile Sector Outlook

The recent policy push is towards scale and modernisation - integrated textile parks, support for MMF and technical textiles, investment incentives and easing of raw-material constraints are all aimed at boosting competitiveness and value addition.

At the same time, the Ministry of Textiles has set an ambitious direction for exports, with current textile exports US$ 38 Billion to reach US$ 100 Billion by 2030.

Trade developments add another layer to the outlook. A transformational trade deal for India's T&A sector, the India-EU FTA offers zero duty access in textiles and clothing, covering all tariff lines and reduces tariffs by up to 12%. It lowers duties of up to 10.5% in Indian wooden, bamboo, and handcrafted furniture. The India-EU FTA and India-USA FTAs could significantly expand India's textile and garment exports to the European, USA market by improving duty conditions, particularly benefiting labour-intensive segments.

The Union Budget 2026-27 direction further emphasizes employment generation, inclusive growth, sustainability and coordinated implementation led by the Ministry of Textiles in partnership with States, industry, MSMEs and skilling institutions, reinforcing India's position as a competitive, reliable and forward-looking global textile and apparel hub.

News Snippets

India’s textile & apparel industry to gain under India – EU FTA

- ❖ India–EU FTA is set to transform India's textile and apparel sector by removing long-standing tariff disadvantages in the European market.
- ❖ With duty-free access, Indian exporters expect stronger order flows, higher investments and improved competitiveness.

Highlights of Tamil Nadu New Integrated Textile Policy 2025 - 26

Textile policy aims to meet the current needs of the industry

- The Tamil Nadu Government released a "New Integrated Textile Policy 2025-26" on January 29, 2026.
- The policy looks at interventions in the spinning, weaving, knitting, garmenting and processing segments of the textile value chain apart from technical textiles.
- Tamil Nadu leads in textile exports with $ 8.2 billion in 2024-25. As the State strives to achieve $ 1 trillion economy, the textile sector is expected to play a key role. While it has 43% of the spindle capacity, 20% of home textile exports and 60 % of the yarn exports, it can improve its productivity by adopting modern technology, the policy document said.

Vision & Objectives

- Transform Tamil Nadu into a global textile sourcing hub with strong focus on innovation, sustainability and inclusive growth.
- Support TN's goal of becoming a USD 1 Trillion economy by 2030.
- **Short-term (5 years):** Modernisation, skill development, raw material access, ESG compliance adoption.
- **Medium-term (10 years):** Build Brand Tamil Nadu, develop dedicated textile clusters.
- **Long-term (15 years):** Make Tamil Nadu the global hub for value-added textile products through integrated value-chain creation.

Major Expected Outcomes (Next 5 Years)

- Modernise 19 lakh spindles and 8 lakh rotors are envisaged to be modernized over a period of 5 years.
- At least 1,000 low-speed ordinary Rapier looms equipped with Electronic Jacquard or Dobby mechanism are projected to be installed over a 5 year period.
- 3,000 plain powerlooms are envisaged to be upgraded as shuttleless looms with selvedge mechanism looms over a period of 5 years.
- Establish 10 new dyeing/printing/finishing units with IETPs.
- Modernise 50 processing units with IETPs
- Install 100 CAD/CAM cutting machines.
- Establish 10 units in non-conventional fibre / yarn manufacturing.
- Support 24 Technical Textile startups end-to-end.
- Fund 10 R&D projects in MMF / Technical Textiles.

Fiscal Support Framework

The policy provides a large suite of subsidies and incentives across the value chain.

Spinning Sector

- ❖ 6% interest subvention for replacing >15-year-old spindle capacity.
- ❖ Fund allocation: Ring (60%), Open-end (25%), Air-jet (15%).

Handloom Sector

- ❖ Handloom Support Programme (Rs.40 Cr) for innovation, design, branding, diversification.
- ❖ Additional Rs.10 Cr working capital.
- ❖ Establishment of Mini Handloom Parks with Rs.2-5 Cr support each.
- ❖ Free electricity (300 units bi-monthly).
- ❖ 6% interest subsidy for cooperative societies.

Powerloom Sector

- ❖ 50% capital subsidy (up to Rs.1 lakh/loom) for upgrading old looms to Rapier looms. A total of 3,000 looms are envisaged to be upgraded in a phased manner
- ❖ 20% subsidy (up to Rs.1.5 lakh / loom) for new Rapier looms with Electronic Jacquard. Around 1,000 looms are envisaged to be modernized as shuttleless looms with Electronic Jacquard in a phased manner.
- ❖ Support for Common Facility Centres (CFCs): up to Rs.60 lakh per center + subsidies for warping, design studios, testing, sample centers.
- ❖ 5% subsidy with a ceiling of Rs.50.00 Lakh for Warping and Sizing, will be provided.
- ❖ 25% subsidy with a ceiling of Rs.5.00 Lakh for Design studio will be provided.
- ❖ 25% subsidy with a ceiling of Rs.2.50 Lakh for Testing Centre will be provided.
- ❖ 25% subsidy with a ceiling of Rs.2.50 Lakh for Sample Production Centre will be provided.
- ❖ Free electricity for powerloom weavers up to 1,000 units bi-monthly.

Processing Sector

- ❖ 25% capital subsidy for setting up new dyeing/printing/finishing units + IETPs (ceiling Rs.5 Cr).
- ❖ 25% subsidy for modernisation of existing processing units (ceiling Rs.4 Cr).

Cut & Sew (Garmenting) Sector

- ❖ 50% capital subsidy (up to Rs.50 lakh/machine) for CAD/CAM cutting machines.

Non-Conventional Fibre/Yarn

- ❖ 25% capital subsidy (max Rs.1 Cr) for banana, bamboo, hemp, flax, pineapple fibre etc.

Sustainability & Compliance Support

Resource Efficiency Audits

- ❖ Up to 50% subsidy (Rs.3 lakh) for environmental audits.
- ❖ Up to 25% subsidy (Rs.10 lakh) for recommended conservation equipment.

Compliance & Certifications

- ❖ State to publish a Compendium of Compliance Certificates required globally.

Market Development & Branding

- ❖ TN Pavilion in 4 international fairs annually for 10 exhibitors each.
- ❖ 50% reimbursement of stall cost (Rs.2 lakh) + airfare (Rs.1.25 lakh).
- ❖ Annual International Textile Exhibition in TN (Rs.1.5 Cr).

Additional 10% Special Subsidy

- ❖ Applicable for units in 22 "C" category districts to promote balanced regional development.

Technical Textiles - Special Mission (T3M)

- ❖ Launch of Tamil Nadu Technical Textiles Mission with Rs.15 Cr initial budget.
- ❖ Dedicated PMU for business support, market intelligence, and facilitation.
- ❖ Empanelment of National / International consultants to evangelise opportunities.
- ❖ 50% reimbursement of consultancy fees (up to Rs.50 lakh per firm).

R&D Support

- ❖ Rs.25 Cr Research & Business Development Fund for Technical Textiles & MMF.

Special Scheme for Technical Textiles, MMF Yarn (Recycled), MMF Fabric & Apparel

Key benefits:

- ❖ Lower investment thresholds (Rs.50-100 Cr depending on segment).
- ❖ Choice between Special Capital Subsidy or Turnover-based Subsidy.
- ❖ (Turnover-based subsidy ranges 0.75% - 2% depending on district & employment).
- ❖ Extra benefits for diversification projects and companies setting up CFCs.

Institutional Support

- ❖ Textile Trade Facilitation Centre (TTFC) established with a digital platform (Rs.50 lakh).
- ❖ Technical Advisory Committee for continuous policy review.
- ❖ Exporter Excellence Awards across Micro, Small, Medium, Sub-large, Large categories.
- ❖ Strengthened skill ecosystem via Polytechnic / ITI partnerships + placement support.

Ease of Doing Business & FDI

- ❖ Single-window approvals and online incentive disbursal via DBT.
- ❖ 100% automatic route for FDI in textiles applies; TN assures full support.

Kasturi Cotton Bharat - Pinnacle of Superior Indian Cotton

In order to bring Indian cotton to level of certain quality of International standard as well as to enhance export opportunities and foreign earnings, Government of India has launched "Kasturi Cotton Bharat" brand for Indian Cotton. Cotton Textile Export Promotion Council (TEXPROCIL) is the implementing agency with the support of Cotton Corporation of India Ltd (CCI). The program aims at creating premium value for cotton grown in India as per benchmarked specifications. ICAR-CIRCOT is an associate member of the program and plays a vital role finalizing protocols for test parameters and acceptance criteria of cotton which is to be certified for long and extra long staple cotton. ICAR-CIRCOT has been entrusted to act as nodal agency for preparation of SOP and organizing awareness/sensitization programme for the farmers for "clean cotton picking" for controlling trash and contamination at farm level. ICAR-CIRCOT is also playing major role in the evaluation of samples related with "Kasturi cotton" branding. Over all, this initiative will help Indian cotton to fetch premium price as against the current trend of being sold at a discount in domestic and international market. Also, the farmers producing the quality cotton can get incentives for the their products.

Kasturi Cotton Specifications

Kasturi cotton is branded based on cotton fibre quality specifications with benchmark values for staple length, uniformity index, micronaire, bundle strength, colour, moisture content and trash. The current Kasturi cotton standards are as below :

1. Kasturi Cotton Specification for Long Staple Cotton

Name / Parameters	Kasturi Cotton 28 mm+	Kasturi Cotton 29 mm+	Kasturi Cotton 30 mm+	Kasturi Cotton 31 mm+
Staple Length	28 mm+	29 mm+	30 mm+	31 mm+
Uniformity Index	83% or more	83% or more	84% or more	84% or more
Fibre Strength	29.0 (-1.5) g/tex	29.5 (-1.5) g/tex	30.5 (-1.5) g/tex	32.5 (-1.5) g/tex
Micronaire Value	3.7 to 4.7	3.7 to 4.5	3.7 to 4.5	3.7 to 4.5
RD Value	76+	76+	76+	76+
Trash	2% or below	2% or below	2% or below	2% or below
Moisture Content	8% or below	8% or below	8% or below	8% or below

In the long staple cotton category, there are 4 types of kasturi cotton specifications are available namely kasturi cotton 28mm+ to 31mm+. The bench mark values of fibre qualities are fixed in a way that superior quality cotton bales can only fulfil the requirement. The bench mark value for trash is kept at 2% and below which will directly benefit the spinners by way of better yarn realization. The uniformity index of 83 & 84% of cotton ensures the yarn unevenness at minimum level. The benchmark value of micronaire i.e 3.7- 4.5 ensures reduced neps in yarn and good dyeing behavior. The bench mark value of strength ensures seamless spinning operation with reduced end breaks. The colour of the cotton is important quality indicator. For kasturi cotton, the benchmark Rd value is 76 and above ensures better yarn appearance and dyeability. Overall, the kasturi cotton specifications are fixed in a such a way that superior quality cotton can only pass the testing.

2. Kasturi Cotton Specification for Extra Long Staple (ELS) Cotton

Name / Parameters	Kasturi Cotton 32 mm+	Kasturi Cotton 33 mm+	Kasturi Cotton 34 mm+	Kasturi Cotton 35 mm+
Staple Length/UHML	32 mm+	33 mm+	34 mm+	35 mm+
Uniformity Index	83% or more	83% or more	85% or more	85% or more
Fibre Strength	35.0 (-1.5) g/tex	36.0 (-1.5) g/tex	36.5 (-1.5) g/tex	37.5 (-1.5) g/tex
Micronaire Value	3.0 to 4.2	3.0 to 4.2	3.2 to 4.2	3.0 to 4.0
RD Value	73+	73+	74+	74+
Trash	2% or below	2% or below	3% or below	3% or below
Moisture Content	8% or below	8% or below	8% or below	8% or below

In the extra-long staple cotton category, there are 4 types of kasturi cotton specifications are available namely kasturi cotton 32mm+ to 35mm+. The bench mark values of fibre qualities are fixed considering the availability of such cotton produced in India with the best possible quality. The bench mark value for trash is kept at 2% and below and 3% or below for 34mm+ and 35 mm+ which will directly benefit the spinners by way of better yarn realization. The quality bench mark values are kept in such a way to promote ELS cotton production in the country.

AFIS testing of long staple category Kasturi cotton vis-vis worldwide cotton

As we aware that Kasturi cotton branding is done based on HVI testing. An attempt has been made by ICAR-CIRCOT to compare the fibre properties of

Kasturi cotton certified cotton with the world wide available cotton as well as Indian cotton commercially available. The kasturi cotton lot failed during testing also taken for comparative purposes. The following cottons have been taken for comparative purposes

1. Brazillian Cotton
2. Australlian Middling
3. Juli Mali
4. Tanzanian cotton
5. Togo Togi cotton
6. Commercial Indian cotton ((com. Ind)
7. Kasturi cotton- failed lot. CCI is selling this cotton as Kasturi platinum
8. Kasturi cotton certified (Kasturi cert)

All the cotton samples were tested in AFIS for Nep, length and maturity modules. The salient findings are given below

A. Neps Module Testing

The Total nep count (Cnt/g), Fibre Nep Count(Cnt/g) and seed Coat Nep Count(Cnt/g) of the cotton samples are given as Fig 1, 2 & 3 . The results of Neps module testing indicates that certified Kasturi cotton has very low total Nep Counts than Brazilian, Australian and African cottons. The Brazilian and Australian cottons are mechanically harvested and showed total Nep Count to the tune of 200-250 counts per gram. The total Nep Count values of Indian count is lower by more than 50%. The Kasturi certified Indian cotton showed total Nep Count values significantly lower than commercially available Indian cotton which showed its superior properties. The fibre nep count results also showed similar trends. The results of seed coat nep count indicates that certified kasturi cotton has less seed coat neps at par or lesser than Brazilian, Australian and some African cottons. The seed coat nep which is considered one of the major issue in Indian cotton is taken care in the Kasturi cotton certified lots which showed significantly lesser counts (26%) that commercially available Indian cotton and Kasturi cotton failed lots. The lower seed coat Nep Count in kasturi cotton significantly influence the yarn quality especially making it suitable for finer counts.

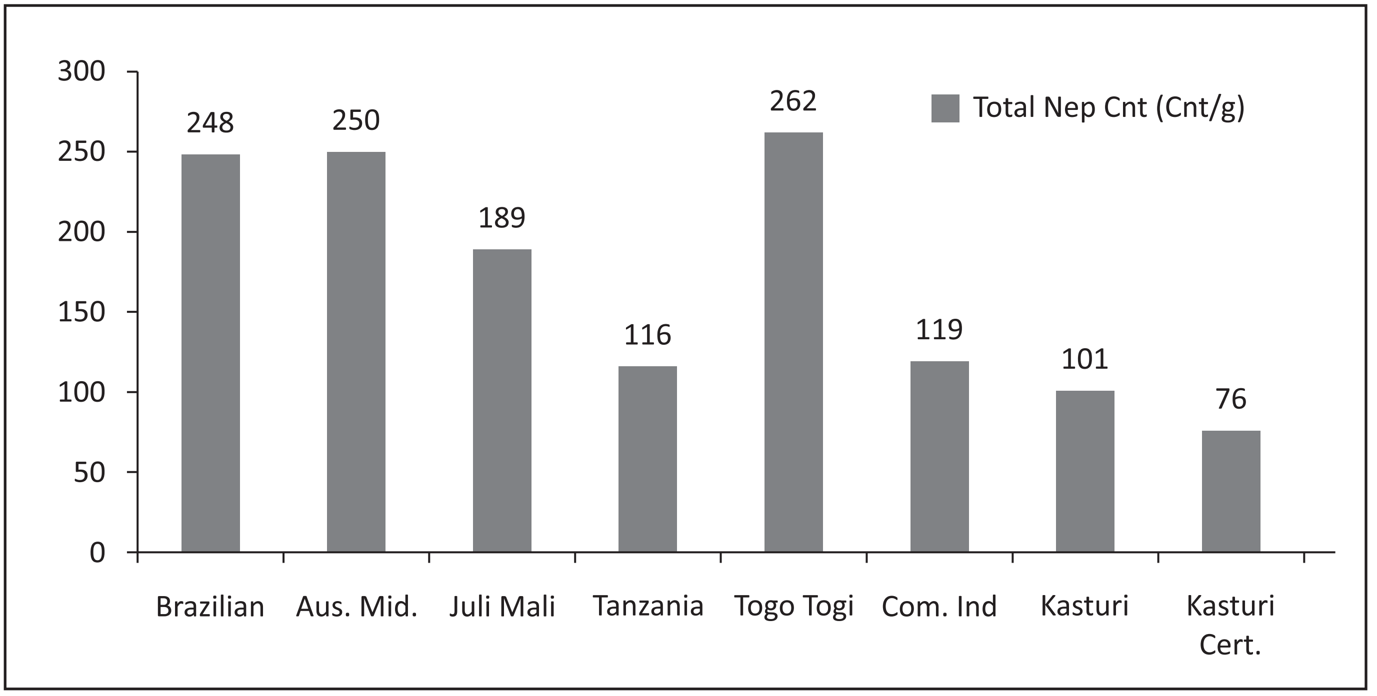


Figure - 1 : Comparison of Total Nep Counts of Kasturi Cotton vis-à-vis world wide cotton

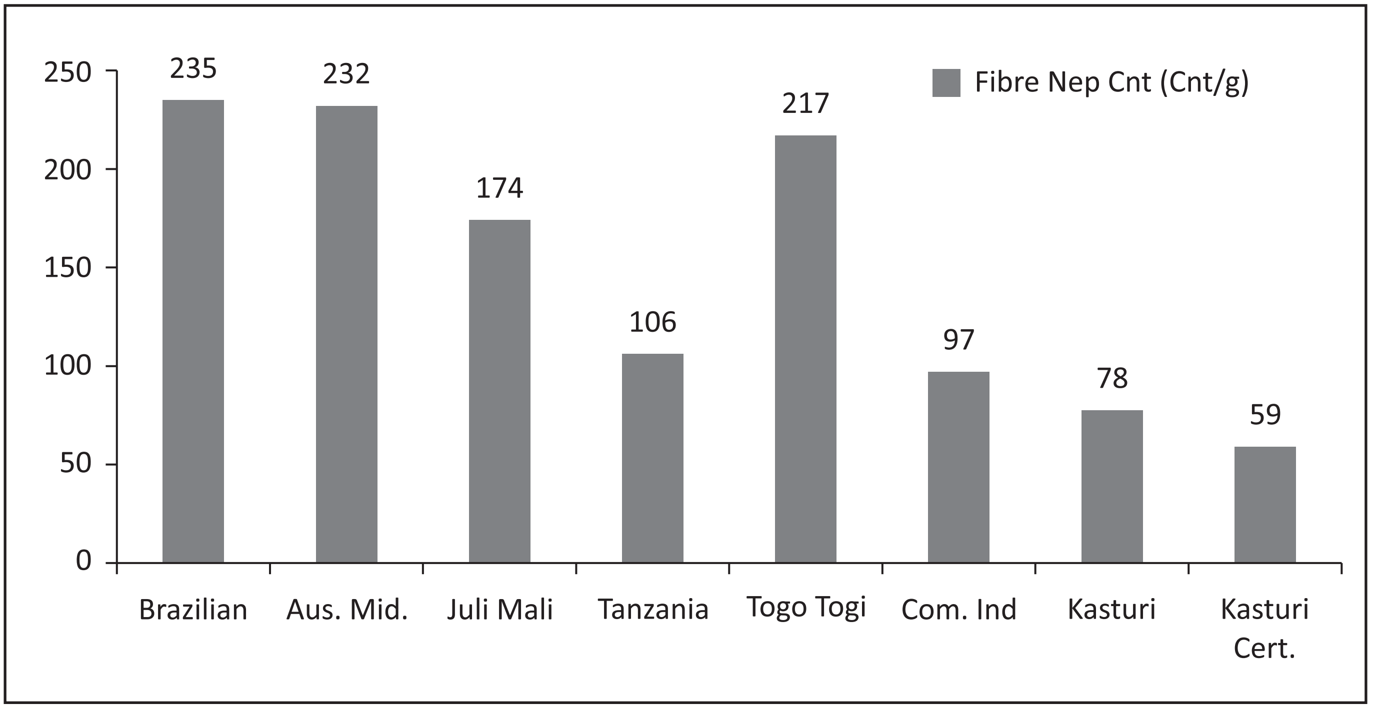


Figure - 2 : Comparison of Fibre Nep Counts of Kasturi Cotton vis-à-vis worldwide cotton

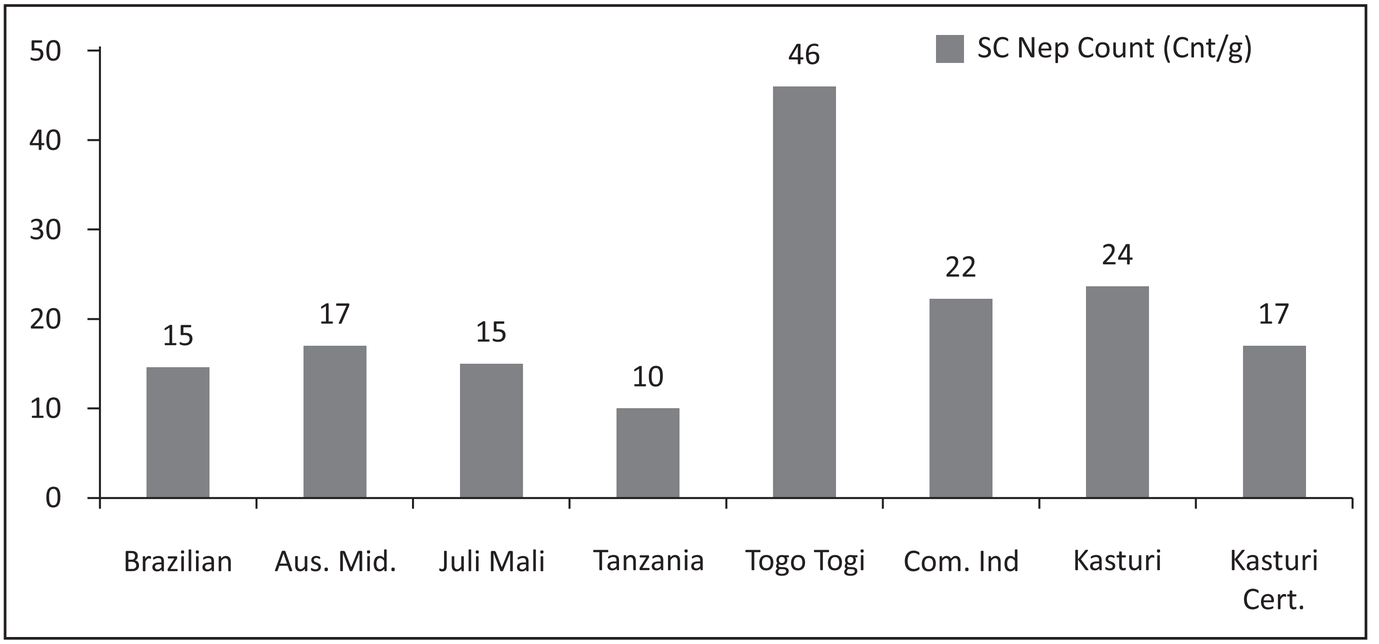


Figure - 3 : Comparison of Seed Coat Nep Counts of Kasturi Cotton vis-à-vis worldwide cotton.

B. Length and Maturity Module

The short fibre content by weight ,SFC(W) and by number SFC (n) of different cottons are given in Figure 4 & 5. The results indicated that Kasturi certified cotton has short fibre content at par with Brazillian and Australian cotton. The maturity and Immature Fibre Content values of Kasturi certified cotton is excellent. Kasturi cotton exhibited higher maturity and lower immature fibre content than the other important fibres and commercially available Indian cotton.

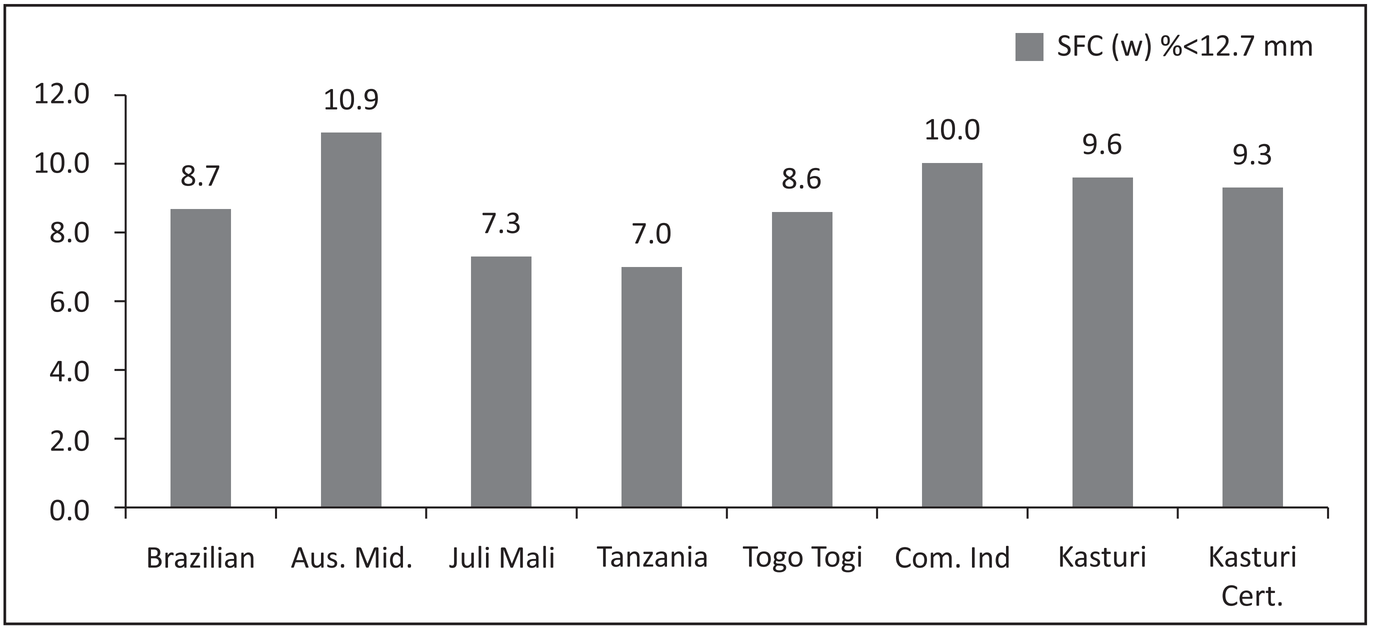


Figure - 4 : Comparison of SFC (n) of Kasturi Cotton vis-à-vis worldwide cotton

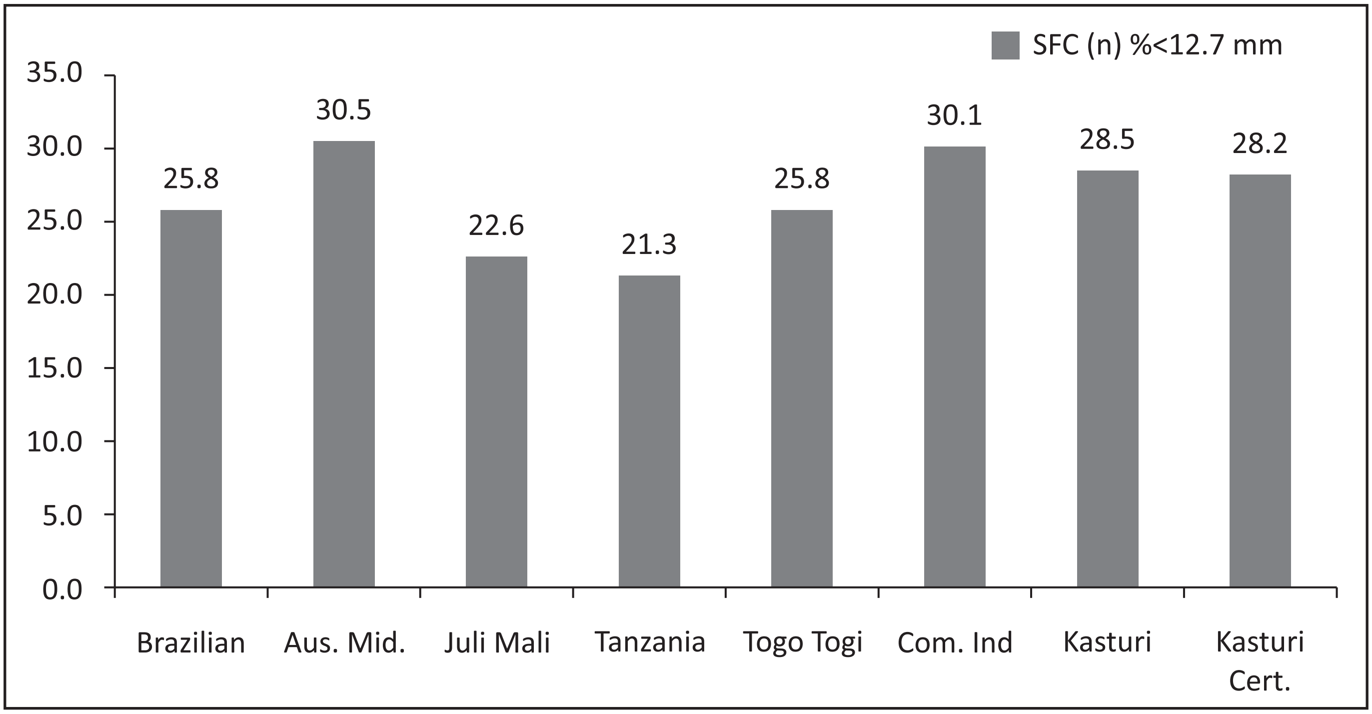


Figure - 5 : Comparison of SFC (w) of Kasturi Cotton vis-à-vis worldwide cotton

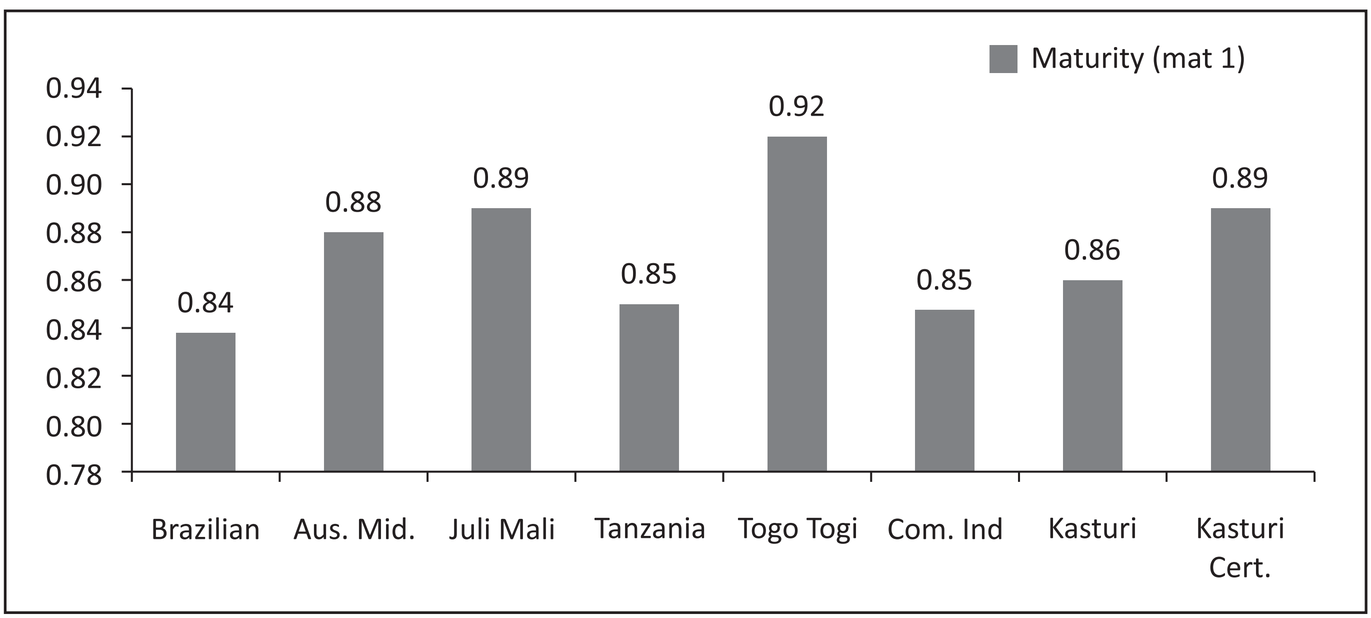


Figure - 6 : Comparison of Maturity of Kasturi Cotton vis-à-vis worldwide cotton

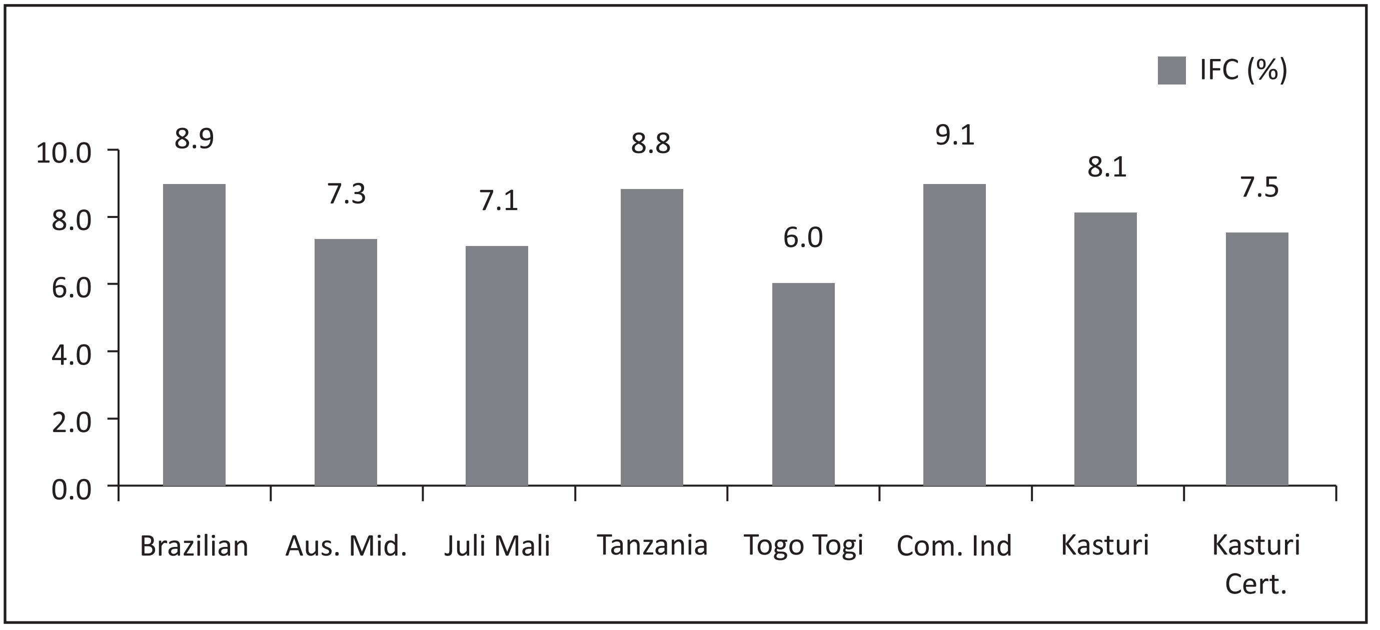


Figure - 7 : Comparison of Immature fibre content of Kasturi Cotton vis-à-vis worldwide cotton

Kasturi Cotton marks the new standard in cotton quality with assured quality bench marks. The quality testing is done at accredited laboratories. Apart from quality, it also provides end to end traceability. Customer testimonials indicates that the use of Kasturi cotton leads to higher yarn realization than normal Indian cotton and at par with any imported cotton. The yarn appearance from Kasturi cotton is good with lustre. The Kasturi cotton can be spun to fines count and woven to finer fabrics with perfect dyeability.

Inputs received from ICAR-CIRCOT

India's textile & apparel exports fell 3.75% to $3.3 Bn in January 2026

- India's textile and apparel exports decreased by 3.75 per cent to $3.27 billion in January 2026, with apparel down 3.84 per cent and textiles dip 3.68 per cent.
- Imports of raw cotton surged 12.33 per cent.
- T&A share in India's exports declined to 8.13 per cent during April - January 2026.

India's textile and apparel (T&A) exports fell by 0.65 per cent to $29.80 billion during the period of April-January 2026. Of the total, apparel exports increased by 1.59 per cent to $13.12 billion, while textile exports declined up by 2.35 per cent to $16.67 billion in April - January 2026.

In January 2026, apparel exports declined by 3.84 per cent to $1.54 billion, from $1.60 billion in January 2025 and textile exports fell by 3.68 per cent to $1.73 billion from $1.79 billion. The share of T&A in India's total merchandise exports fell to 8.13 per cent during April-January 2026, according to the trade data released by the Ministry of Commerce and Industry.

Within the textile segment, exports of cotton yarn, fabrics, made-ups and handloom products fell by 3.43 per cent to $9,615.14 million during April-January 2026. Exports of man-made yarn, fabrics and made-ups stood at $4,055.93 million. Carpet exports decreased by 4.78 per cent to $1,223.43 million. In January 2026, exports of cotton yarn, fabrics, made-ups and handloom products decreased by 4.15 per cent to $995.58 million, while exports of man-made yarn, fabrics and made-ups rose by 1.01 per cent to $430.29 million.

Imports of raw cotton and waste surged by 72.36 per cent to $1,793.25 million during April - January 2026, compared to $1,040.41 million in the same period of the previous fiscal. Imports of textile yarn, fabrics and made-ups rose by 5.30 per cent, from $2,085.40 million to $2,195.83 million. In January 2026, imports of raw cotton and waste increased by 12.33 per cent, from $121.72 million to $136.73 million. Imports of textile yarn, fabrics and made-ups fell by 2.40 per cent to $232.12 million.

Commodity Group wise Performance (FTPA)

According to the Foreign Trade Performance Analysis of principal commodities data released by the Department of Commerce, the country's total exports stood at USD 330 billion during April-December 2025, 2 per cent higher than corresponding period of the previous fiscal of USD 322 billion. At the same time, the country's import had increased at a faster rate during the period. Country's total import during the period has been estimated at USD 579 billion, 6 per cent higher than corresponding period import of USD 546 billion in the previous fiscal.

As far as the export of textile & allied products are concerned, while their export during April-December 2025 had marginally increased by 0.3 per cent, their import increased by 20 per cent over previous year corresponding period.

Foreign Trade Performance

Table - 1 : Quick Estimates for Selected Major Commodities

Exports (Million USD)	Jan '25	Jan '26	% Change
Cotton Yarn / Fabrics / Made-ups, Handloom Products etc	1038.69	995.58	-4.15
Man-made Yarn / Fabrics / Made-ups etc.	425.97	430.29	1.01
RMG of all Textiles	1606.41	1544.79	-3.84
Jute Manufacturing Floor Covering	35.21	28.55	-18.92
Carpet	135.30	118.99	-12.05
Handicrafts excluding handmade carpet	161.61	157.24	-2.70

Imports (Million USD)	Jan '25	Jan '26	% Change
Cotton Raw & Waste	121.72	136.73	12.33
Textile yarn Fabric, Made-up articles	237.84	232.12	-2.40

Source: DGCIS/MOC

The export share of textile and allied products during the first nine months of the 2025-26 fiscal, had declined by 8.02 per cent from previous year corresponding period share of 8.19 per cent. At the same time import share had increased to 1.38 per cent from previous year share of 1.22 per cent.

India's export of items covered under HS Codes 50 to 63

- ❖ India's export of cotton products covered under HS Code 52 during November 2025 stood at USD 489.70 million, as against the previous year same time export level of USD 483.82 million.
- ❖ At the same time, export of Man-made filaments during the period stood at USD 125.81 million, 9 per cent higher than the previous year export level of USD 115.80 million.
- ❖ Manmade staple fibres covered under HS Code 55 stood at USD 129.54 million, 10 per cent higher than the previous year export level of USD 117.81 million.
- ❖ Exports of garments covered under HS Codes 61 & 62 during the period stood at USD 626.95 million and USD 623.57 million respectively, which is higher by 13% and 9% when compared to previous year same time export level of USD 552.67 million and USD 570.41 million respectively.
- ❖ Made-ups exports covered under HS Code 63 increased by 14 per cent during the period.

Table - 2 shows India's export of textile items covered under HS Codes 50 to 63 in USD million during November 2025 compared with same period of the previous year.

India's Import of items covered under HS Codes 50 to 63

- ❖ India's import of cotton products covered under HS Code 52 during November 2025 stood at USD 320.47 million, an increase of 71 per cent compared to previous year same time import level of USD 187.48 million.
- ❖ Import of man-made filaments during the period stood at USD 142.83 million which is higher by 19 per cent when compared with previous year same time import level of USD 120.10 million.
- ❖ Import of garments covered under HS Codes 62 during the period stood at USD 69.25 million, registered a growth of 2%.
- ❖ Import of made ups covered under HS Code 63 stood at USD 59.76 million, which is higher by 15 per cent when compared to previous year same time import level of USD 52.08 million.

Table - 3 shows India's import of textile items covered under HS Codes 50 to 63 in USD million during November 2025 compared with same period of the previous year.

HS Code wise Performance

Export & Import Quantum - November 2025

- ❖ Export of cotton covered under HS Codes 5201-5203 during November 2025 stood at 37.72 million kgs , same as previous year same time export level.
- ❖ At the same time, its imports during the period stood at 175.30 million kgs, 93 per cent higher than previous year same time import level of 90.86 million kgs.
- ❖ Export of cotton yarn of all types covered under HS Codes 5204 to 5207 during the period stood at 96.15 million kgs, which is higher by 5 per cent than previous year same time export level of 91.88 million kgs.
- ❖ Export of woven fabrics containing cotton covered under HS Codes 5208 to 5212 during the period stood at 195.05 million square metres.

Export and Import Value - November 2025

- ❖ Export of cotton in all forms covered under HS Codes 5201 to 5203 during November 2025 stood at USD 59.83 million, which is 7% lower than the previous year export level of USD 64.31 million. At the same time its import during the period stood at USD 299.36 million which is higher by 75% as against the previous year import level of USD 170.72 million.
- ❖ Export of cotton yarn of all types covered under HS Codes 5204 to 5207 during the period was valued at USD 268.75 million, 4 per cent lower than previous year same time export level of USD 280.04 million. Its import stood at USD 3.46 million during November 2025.

Foreign Trade Performance

Table - 2 : Export of Textile items covered under HS Codes – USD Million

HS Code	Commodity	November 2024	November 2025	% Growth
50	Silk	15.50	27.83	79.58
51	Wool, fine or coarse animal hair, horsehair yarn and woven fabric.	10.56	12.96	22.73
52	Cotton.	483.82	489.70	1.22
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.	40.51	80.30	98.24
54	Man-Made Filaments.	115.80	125.81	8.64
55	Man-Made Staple Fibres.	117.81	129.54	9.95
56	Wadding, felt and nonwovens; spacial yarns; twine, cordage, ropes and cables and articles thereof.	50.34	51.79	2.88
57	Carpets and other textile floor coverings.	163.87	163.75	-0.07
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery.	25.15	27.93	11.07
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use.	37.60	34.42	-8.46
60	Knitted or crocheted fabrics.	42.46	37.91	-10.71
61	Articles of apparel and clothing accessories, knitted or crocheted.	552.67	626.95	13.44
62	Articles of apparel and clothing accessories, not knitted or crocheted.	570.41	623.57	9.32
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	423.31	480.53	13.52

Source: MOC

Table - 3 : Import of Textile items covered under HS Codes – USD Million

HS Code	Commodity	November 2024	November 2025	% Growth
50	Silk	15.71	17.71	12.73
51	Wool, fine or coarse animal hair, horsehair yarn and woven fabric.	22.62	25.81	14.09
52	Cotton.	187.48	320.47	70.94
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.	59.84	41.51	-30.64
54	Man-Made Filaments.	120.10	142.83	18.93
55	Man-Made Staple Fibres.	69.37	84.98	22.51
56	Wadding, felt and nonwovens; spacial yarns; twine, cordage, ropes and cables and articles thereof.	42.96	39.21	-8.72
57	Carpets and other textile floor coverings.	14.59	12.45	-14.68
58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery.	16.73	18.91	13.07
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use.	65.76	72.84	10.76
60	Knitted or crocheted fabrics.	67.21	61.40	-8.65
61	Articles of apparel and clothing accessories, knitted or crocheted.	64.20	72.59	13.08
62	Articles of apparel and clothing accessories, not knitted or crocheted.	67.58	69.25	2.47
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags	52.08	59.76	14.75

Source: MOC

Foreign Trade Performance

Table - 4 : Export / Import – USD Million

HS Code	Description	Export			Import		
		November 2024	November 2025	% Growth	November 2024	November 2025	% Growth
5201	Cotton, Not Carded or Combed	53.14	48.06	-9.56	169.12	296.75	75.47
5202	Cotton Waste (Including Yarn Waste and Granted Stock)	6.00	3.72	-38.01	1.56	2.50	60.66
5203	Cotton, Carded or Combed	5.17	8.05	55.81	Neg	Neg	Neg
5204	Cotton Sewing Thread W/N Put Up for Retail Sale	0.89	1.06	19.46	Neg	Neg	Neg
5205	Cotton Yarn (Other Than Sewing Thread) Containing 85% Or More By Weight ff Cotton Not Put up for Retail Sale	262.60	253.37	-3.51	1.64	3.16	93.00
5206	Cotton Yarn (Other Than Sewing Thread) Containing Cotton <85% By Weight not put for Retail Sale	16.14	13.33	-17.42	Neg	Neg	Neg
5207	Cotton Yarn (Other Than Sewing Thread) Put Up for Retail Sale	Neg	Neg	Neg	Neg	Neg	Neg
5208	Woven Fabrics of Cotton Containing >=85% By Weight of Cotton Weighing not more than 200 G/M2	80.70	104.13	29.04	8.75	11.33	29.59
5209	Woven fabrics of Cotton, Containing >=85% Cotton by Weight Weighing>200 G/M2	36.03	35.46	-1.58	2.34	2.41	2.97
5210	Woven fabrics Containing <85% Cotton, mixed mainly or solely with manmade fibres Weighing <=200g/M2	7.32	5.76	-21.29	1.40	1.37	-1.89
5211	Woven Fabrics of Cotton, containing <85% Cotton, mixed Mainly with Manmade Fibres Weighing>200 G/M2	12.76	13.93	9.12	1.50	1.57	4.39
5212	Other Woven Fabrics of Cotton	2.66	1.82	-31.39	Neg	Neg	Neg
	Cotton (HS 5201-5203)	**64.31**	**59.83**	**-6.97**	**170.72**	**299.36**	**75.35**
	Cotton Yarn (HS 5204-5207)	**280.04**	**268.75**	**-4.03**	**1.99**	**3.46**	**73.87**
	Woven Fabrics of Cotton (HS 5208-5212)	**139.47**	**161.10**	**15.51**	**14.78**	**17.65**	**19.42**

Source: MOC

Foreign Trade Performance

Table - 5 : Export / Import – Million kgs/sq.mtrs

HS Code	Description	Export			Import		
		November 2024	November 2025	% Growth	November 2024	November 2025	% Growth
5201	Cotton, Not Carded or Combed	28.70	27.52	-4.09	87.31	169.59	94.24
5202	Cotton Waste (Including Yarn Waste and Granted Stock)	5.03	3.24	-35.66	3.54	5.70	60.85
5203	Cotton, Carded or Combed	4.00	6.96	74.13	Neg	Neg	Neg
5204	Cotton Sewing Thread W/N Put Up for Retail Sale	Neg	Neg	Neg	Neg	Neg	Neg
5205	Cotton Yarn (Other Than Sewing Thread) Containing 85% Or More By Weight ff Cotton Not Put up for Retail Sale	86.30	90.82	5.24	Neg	Neg	Neg
5206	Cotton Yarn (Other Than Sewing Thread) Containing Cotton <85% By Weight not put for Retail Sale	5.45	5.09	-6.62	Neg	Neg	Neg
5207	Cotton Yarn (Other Than Sewing Thread) Put Up for Retail Sale	Neg	Neg	Neg	Neg	Neg	Neg
5208	Woven Fabrics of Cotton Containing >=85% By Weight of Cotton Weighing not more than 200 G/M2	110.75	147.76	33.42	12.25	18.74	52.90
5209	Woven fabrics of Cotton, Containing >=85% Cotton by Weight Weighing>200 G/M2	29.10	29.37	0.92	1.01	0.96	-5.09
5210	Woven fabrics Containing <85% Cotton, mixed mainly or solely with manmade fibres Weighing <=200g/M2	5.98	4.69	-21.61	1.65	1.91	16.20
5211	Woven Fabrics of Cotton, containing <85% Cotton, mixed Mainly with Manmade Fibres Weighing>200 G/M2	9.69	11.73	21.08	Neg	Neg	Neg
5212	Other Woven Fabrics of Cotton	2.99	1.50	-49.67	Neg	Neg	Neg
	Cotton (HS 5201-5203)	**37.73**	**37.72**	**-0.01**	**90.86**	**175.30**	**92.94**
	Cotton Yarn (HS 5204-5207)	**91.88**	**96.15**	**4.64**	**Neg**	**Neg**	**Neg**
	Woven Fabrics of Cotton (HS 5208-5212)	**158.51**	**195.05**	**23.06**	**15.83**	**22.88**	**44.56**

Source: MOC

- Export of woven fabrics containing cotton covered under HS Codes 5208 to 5212 during the period was valued at USD 161.10 million as against previous year export level of USD 139.47 million. At the same time its import stood at USD 17.65 million.

Table - 4 shows export and import of HS Codes 5201 to 5212 during November 2025 compared with the corresponding period export and import in dollar terms.

Table - 5 shows export and import of HS Codes 5201 to 5212 during November 2025 compared with the corresponding period export and import in quantitative terms.

India's export of Cotton - Top 10 Countries

- India's cotton exports observed a 14% decline during Apr - Nov 2025 compared to the same period in 2024.
- Bangladesh, the top export destination, saw a significant drop of 11%.
- Major declines were observed in:
- Vietnam (62%)
- Japan (58%)
- Nepal (33%)
- Greece (20%)
- Among the top 10, only China imported significant quantity of Cotton during the period.

Table - 6 shows the details of cotton export to major countries in quantitative terms.

Table - 6 : Cotton Export-Major Countries (5201)

(Actual Quantity)

S.No.	Country	Apr - Nov 2024	Apr - Nov 2025	% Growth
1	Bangladesh PR	16,58,64,184	14,84,04,149	-11
2	China P RP	19,22,122	80,72,922	320
3	Vietnam Soc Rep	1,58,11,116	60,26,028	-62
4	Indonesia	60,93,612	55,73,304	-9
5	Thailand	5,91,832	5,03,576	-15
6	Nepal	6,29,575	4,21,136	-33
7	Japan	4,67,448	1,94,503	-58
8	Greece	1,10,909	88,585	-20
9	Philippines	-	44,508	-
10	Argentina	-	26,670	-
	TOTAL	**19,79,73,329**	**16,93,93,374**	**-14.44**

Source: MOC

Cotton Yarn Export - Major Countries

❖ India's cotton yarn exports recorded a marginal decline of 0.46%, during Apr-Nov 2025 compared to the same period in 2024, dropping from 696 million kgs to 693 million kgs.

❖ Bangladesh remained the largest importer, registering a decline of 5%.

❖ Strong growth was observed in:

❖ Egypt: up by 106%

❖ China: up by 28%

❖ Several Major markets witnessed sharp declines:

❖ Turkey (26%)

❖ Vietnam (22%)

❖ Portugal (13%)

❖ Sri Lanka DSR (15%)

❖ Korea RP (12%)

Table- 7 shows the details of cotton yarn export to major countries in quantitative terms.

Table - 7 : Export of Cotton Yarn (5205)

(Actual Quantity)

S.No.	Country	Apr - Nov 2024	Apr - Nov 2025	% Growth
1	Bangladesh PR	34,77,70,361	33,04,59,982	-5
2	China P RP	5,75,67,415	7,35,32,770	28
3	Egypt A RP	2,60,77,001	5,36,38,294	106
4	Peru	3,38,87,691	3,69,72,651	9
5	Vietnam Soc Rep	3,20,68,728	2,50,65,016	-22
6	Portugal	2,55,96,604	2,23,77,022	-13
7	Colombia	2,11,57,046	1,93,38,813	-9
8	Korea RP	1,69,73,749	1,48,67,611	-12
9	Sri Lanka DSR	1,37,85,904	1,17,15,302	-15
10	Turkey	97,65,691	71,99,419	-26
	TOTAL	**69,61,84,790**	**69,29,70,637**	**-0.46**

Source: MOC

Cotton Import - Major Countries

❖ India's cotton imports surged expressively rising from 20 lakh bales in Apr - Nov 2024 to 37 lakh bales in Apr - Nov 2025.

❖ Australia became the leading supplier of cotton.

Table - 8 shows the details of India's Import of cotton from major countries in quantitative terms.

Foreign Trade Performance

Table - 8 : Import of Cotton (5201) *(Actual Quantity)*

S.No.	Country	Apr - Nov 2024	Apr - Nov 2025
1	Australia	8,89,01,527	14,00,05,762
2	U S A	4,99,75,547	13,38,61,488
3	Brazil	2,95,22,232	11,02,67,488
4	Mali	2,06,93,587	6,11,65,582
5	Singapore	1,31,89,136	3,67,68,734
6	Switzerland	1,82,75,152	3,61,98,872
7	Tanzania Rep	1,38,57,200	2,21,63,424
8	Egypt A RP	2,61,95,430	1,81,49,563
9	Turkey	47,98,777	1,32,27,751
10	Togo	1,11,31,731	1,28,44,243
	TOTAL	**34,62,82,205**	**63,51,05,324**

Source: MOC

India's IIP Growth Records Strong 6.7% growth in November 2025

India's industrial production growth in November 2025, registered a 6.7% year-on-year increase according to data released by the Ministry of Statistics and Programme Implementation (MoSPI).

The manufacturing sector was a major contributor to this growth, recording a solid 8% year-over-year increase. The mining sector experienced a notable growth of 5.4%, while electricity generation saw a decline of 1.5% during the same period.

The General Index of Industrial Production (IIP) for November 2025 stood at 158 points, compared to 148.1 in November 2024. Sector-wise, the indices were recorded at 141 for Mining, 158.8 for Manufacturing and 181.3 for Electricity. While manufacturing and mining had significant increases, the electricity sector saw a decrease in the General Index of Industrial Production (IIP). This mixed performance highlights both challenges and improvements across key industrial sectors.

Within the manufacturing sector, 20 out of the 23 industry groups posted positive year-on-year growth. Major contributors included the Other manufacturing, which saw a 25.4% increase. The manufacture of other transport equipment followed with a 17.8% rise, while the manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials grew by 17.4%.

The index of manufacturing of wearing apparel stood at 94.4 points during November 2025, reflecting a rise of 5.4% comparing to the previous month index of 89.6. At the same time, the manufacture of textiles reflected a growth of 2.8%, with the index climbing to 109.6 points from 106.6 points in October 2025 index.

The manufacture of textiles showed a year-on-year increase, with the index rising to 109.6 from 106.2 in November 2024, reflecting a growth of 3.2%. The manufacture of wearing apparel registered a decline of 14.4%, with the index fell to 94.4 from 110.3 in the same period last year. The contrasting pattern shows that textile demand remained consistent, whereas the apparel industry encountered setbacks due to weakened consumer demand or supply chain issues.

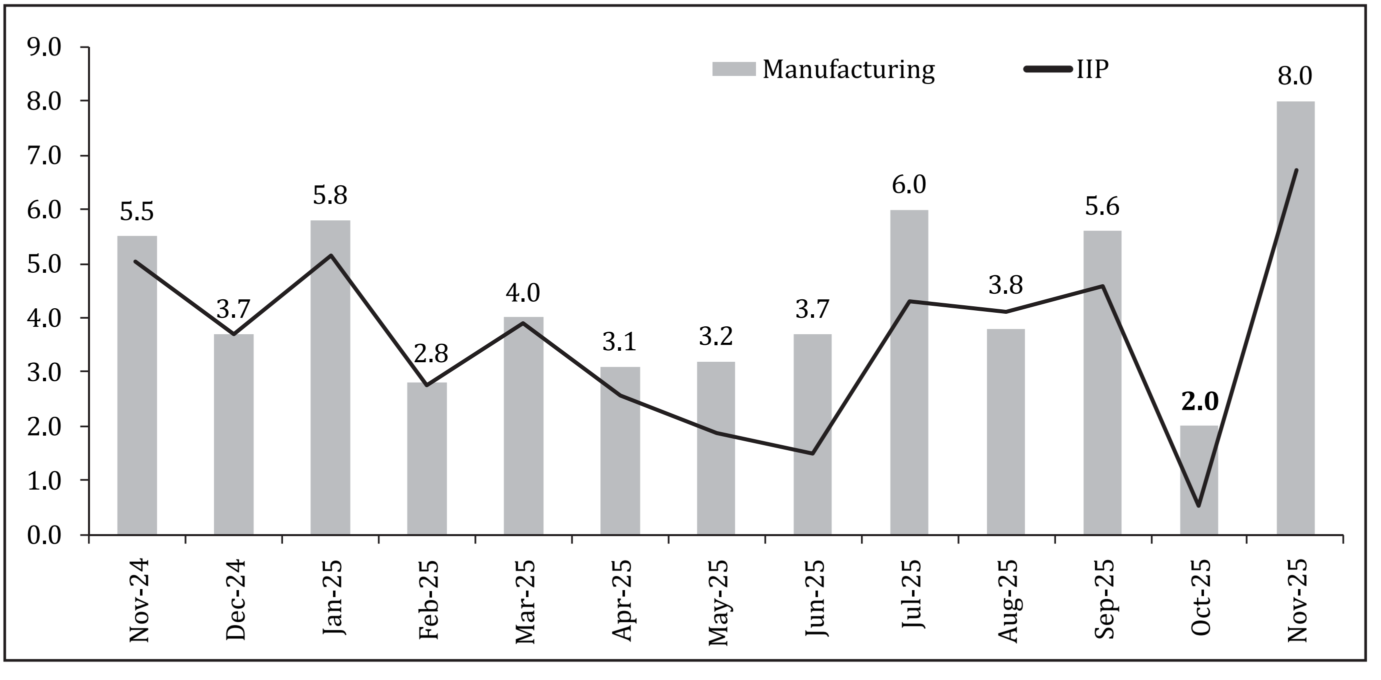
India's industrial performance in November 2025 indicates a broadly positive industrial outlook, boosted by robust manufacturing growth and supported by consistent improvements in mining. The textile industry displayed resilience, with continuous month-on-month and year-on-year growth, showing solid demand and a gradual recovery. In contrast, the apparel industry remained under pressure, experiencing a steep year-on-year decline despite some monthly recovery. This gap reveals uneven pace throughout related industries, suggesting that while textile manufacturing remains steady, the apparel sector is still adjusting to decreased consumer demand and operational obstacles.

Index of Industrial Production

Table - 1 : Component - wise breakup of IIP Growth (%)

Sectoral	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25
Mining & quarrying	-7.2	6.6	-0.4	-1.8	5.4
Manufacturing	6.0	3.8	5.6	2.0	8.0
Electricity	3.7	4.1	3.1	-6.9	-1.5
Primary goods	-0.7	5.4	1.3	-0.6	2.0
Capital goods	6.8	4.5	5.4	2.1	10.4
Intermediate goods	6.1	5.2	6.3	2.5	7.3
Infrastructure/construction goods	13.7	10.4	10.6	7.1	12.1
Consumer durables	7.3	3.5	10.0	-1.3	10.3
Consumer non-durables	0.5	-6.4	-0.3	-5.2	7.3
Overall IIP	4.3	4.1	4.6	0.5	6.7

Exhibit - 1 : Index of Industrial Production (Y-o-Y%)

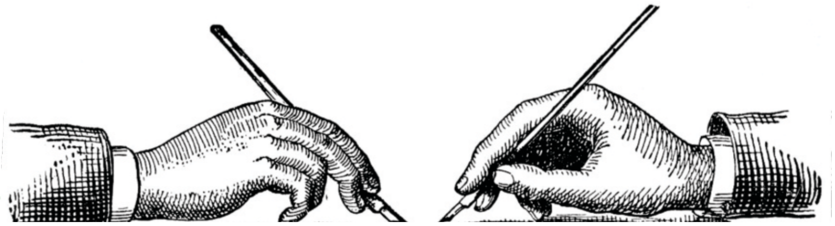


Index of Industrial Production

Table - 2 : Index of Industrial Production (Base 2011-12 =100)

NIC 2008	Description	Weights	Nov. 2024	Nov. 2025	% Change
10	Manufacture of food products	5.3025	136.5	144.5	5.9
11	Manufacture of beverages	1.0354	99.4	97.7	-1.7
12	Manufacture of tobacco products	0.7985	80.3	92.1	14.7
13	Manufacture of textiles	3.2913	106.2	109.6	3.2
14	Manufacture of wearing apparel	1.3225	110.3	94.4	-14.4
15	Manufacture of leather and related products	0.5021	76.3	77.0	0.9
16	Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.1930	98.2	115.3	17.4
17	Manufacture of paper and paper products	0.8724	75.0	78.1	4.1
18	Printing and reproduction of recorded media	0.6798	82.6	78.1	-5.4
19	Manufacture of coke and refined petroleum products	11.7749	135.6	136.1	0.4
20	Manufacture of chemicals and chemical products	7.8730	123.2	130.3	5.8
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	4.9810	251.4	277.8	10.5
22	Manufacture of rubber and plastics products	2.4222	103.6	109.5	5.7
23	Manufacture of other non-metallic mineral products	4.0853	136.7	152.8	11.8
24	Manufacture of basic metals	12.8043	222.0	244.7	10.2
25	Manufacture of fabricated metal products, except machinery and equipment	2.6549	95.2	106.7	12.1
26	Manufacture of computer, electronic and optical products	1.5704	115.9	135.5	16.9
27	Manufacture of electrical equipment	2.9983	121.1	140.2	15.8
28	Manufacture of machinery and equipment n.e.c.	4.7653	117.7	126.9	7.8
29	Manufacture of motor vehicles, trailers and semi-trailers	4.8573	134.4	150.4	11.9
30	Manufacture of other transport equipment	1.7763	159.4	187.7	17.8
31	Manufacture of furniture	0.1311	201.7	230.6	14.3
32	Other manufacturing	0.9415	57.0	71.5	25.4
	Mining	***14.3725***	***133.8***	***141.0***	***5.4***
	Manufacturing	***77.6332***	***147.0***	***158.8***	***8.0***
	Electricity	***7.9943***	***184.1***	***181.3***	***-1.5***
	General	***100.0000***	***148.1***	***158.0***	***6.7***

Editorials



Mills on edge as duty-free cotton imports window ends

Textile mills in the country are worried over the lack of communication from the Centre on extending duty-free import of cotton, which ended on December 31, 2025. This will likely support prices in the domestic market.

The duty waiver, introduced in August 2025 and extended till December-end, was meant to augment supplies and ease pressure on textile units struggling with 50 percent US tariffs.

Mr K Venkatachalam, Chief Advisor, Tamil Nadu Spinning Mills Association (TASMA), said textile mills are concerned as cotton arrivals are at least 60 lakh bales (of 170 kg each) lower than last year, and the production this year is below 300 lakh bales. TASMA is among the organisations which sought extension of the duty-free facility.

Mr Durai Palanisamy, Chairman of the Southern India Mills Association (SIMA), said as of now, it seems the duty-free regime has ended. "We have asked for an extension of the facility. Cotton in transit may be affected. This season, the quality of cotton has been affected due to rain, while production is lower. The industry will be affected," he said. With an upcoming free trade agreement and higher US tariffs, mills may be unable to stay competitive, though farmers will not be impacted, he said.

Stating that there was a difference of over Rs.10,000 a candy (356 kg) between the minimum support price (MSP) and market price, he said export of yarns, made-ups and garments would suffer. "Even if the duty regime exists for a month, it takes several months to recover. We are finding it difficult to retain buyers," he said.

Traders believe the discontinuation of duty exemption will support the domestic prices, which are ruling below the minimum support price levels. "The Cotton Corporation of India has purchased around 64-65 lakh bales till now. So the prices will hinge on CCI's selling strategy," said a sourcing agent in Raichur.

Mr Anand Popat of Cotyarn Tradelink said about 70-80 per cent of the raw cotton arrivals is going to CCI, leaving limited supply in the private market with quality concerns likely to support prices. Also, the balance sheet for the current season is indicating that closing stock will be around 90 lakh bales. "Prices will depend on the selling policy of the CCI," he said.

Mr Atul Ganatra, former President, CAI, said around 32 lakh bales had arrived by the end of December 2025. Another 4-5 lakh bales of long staple cotton and 3 lakh bales of Australian cotton, which are duty free, will come in the next 9 months, along with 4-5 lakh bales of African cotton at 5.5 per cent duty.

"Mills doing exports can buy against open licence and will face only 4 per cent duty. Brazilian cotton is available at Rs.50,000 per candy (356 kg) port delivery. So if the Indian prices go up, then mills will have options to buy Brazilian cotton," he said. The Cabinet is inclined to extend the duty waiver and the Ministry of Textiles has backed it, but the Agriculture Ministry has to concur, a source said.

Business Line 02.01.2026

CCI unlikely to source cotton from Tamil Nadu this year

The Cotton Corporation of India (CCI), which is buying cotton at Minimum Support Price (MSP) from the farmers in all the major cotton growing States, is unlikely to buy cotton from the farmers in Tamil Nadu this year.

A senior official of the CCI told that it purchased 67 lakh bales of cotton from farmers in October, November and December 2025, paying the MSP. There are three main norms that should be met by a State so that the CCI can purchase cotton from the farmers. Area under cotton in a taluk should be minimum 3,000 hectares and there should be a ginning factory and a market centre in that area. In Tamil Nadu, there is no cotton ginning factory close to the growing centre.

Even if the farmers brought the cotton to the ginning factory by bearing the transport cost, there should be a system to verify the quality of the cotton they bring.

In States such as Andhra Pradesh, these norms are met. "We identified nine locations in Tamil Nadu to open procurement centres and finalised four locations. If the farmers and the State government are able to meet the norms, the CCI will procure cotton at MSP from the farmers," the official said.

With a drop in cotton prices in the open market, the CCI purchasing cotton at MSP has supported farmers in States such as Telangana, Gujarat, and Maharashtra. In Tamil Nadu cotton is grown in two seasons and the farmers are selling at less than the MSP.

The farmers should look at bearing the transport cost and bringing cotton to the ginning factory rather than selling at a lower price to traders, the official said. Tamil Nadu is said to produce 3.5 lakh bales to five lakh bales of cotton annually.

The Hindu 03.01.2026

Textiles sector attracts over Rs.60,000 crore in 2025

The textiles sector saw commitments and investments of over Rs.60,000 crore in 2025, said government officials. They hope the trend will continue in the current year too.

"2026 is likely to see a continued focus on investments through PM MITRA and PLI (production-linked incentives). In addition, a strong emphasis on sustainability and technology-led investments, such as those in textile-to-textile recycling, bio- energy and mass decarbonisation new-age fibres and eco-friendly fibres, will continue," said an official.

According to the official, one of the key initiatives, PM MITRA Park projects, alone attracted committed investments of over Rs.14,000 crore with a potential of generating 38,426 jobs, while investment interest for an additional Rs.10,000 crore was received by the authorities. "These included investments by major players such as Vardhman, Trident, Best Corp and Bhilossa," he said.

Announcing the PM Mitra Park scheme in the FY21 Budget, Hon'ble Union Finance Minister Smt Nirmala Sitharaman said: "To enable the textile industry to become globally competitive, attract large investments and boost employment generation, scheme of Mega Investment Textiles Parks (MITRA) will be launched in addition to the PLI scheme. This will create world-class infrastructure with plug-and-play facilities to create global champions in exports."

Talking about the production-linked incentive (PLI) scheme, the official said 85 companies had applied under the revamped scheme, with potential investments of over Rs.20,000 crore. On the FDI front, there have been a number of proposals.

Finland-based Infinited Fiber Company signed an MoU with Andhra Pradesh for an investment of Rs.4,000 crore. Singapore- headquartered RGE (Royal Golden Eagle), a big player in man-made fibres, announced a Rs.4,953 crore investment to set up its first project in India at Thoothukudi in Tamil Nadu. South Korean giant Hyosung is setting up a $220 million (Rs.1,850 crore) tire cord facility in Maharashtra.

Business Line 14.01.2026

Free Trade Agreements Gains : UK & EU Apparel Brands Begin Sourcing Talks with Indian Cos

UK and European apparel brands including Marks & Spencer, Primark and Next, have started negotiations with Indian suppliers as the India-UK and India-EU free trade agreement talks move closer to ratification. Buyers are intensifying factory audits and evaluations in hubs such as Tiruppur in Tamil Nadu, with plans to start or expand sourcing from India amid supply-chain uncertainties in Bangladesh and in anticipation of lower tariffs under the FTAS, said exporters.

"Brands such as M&S, C&A, Primark, Mothercare, Next and Duns have started visiting Tiruppur for technical audits, evaluation of new factories and to explore the possibility of increasing sourcing from their existing suppliers," Tiruppur Exporters Association president Mr KM Subramanian said. "Brands that are already sourcing from India are actively looking to scale up their buying.'

The India-UK FTA proposes the removal of tariffs on 99% of India's exports to the UK. The agreement will come into force only after it is ratified by the UK's Parliament, expected to be completed in the next few months.

Of India's $37 billion textile and apparel exports in 2024-25, the US accounted for the largest share at 28.5%, followed by the EU at 19.6%. The UK was the fifth-largest export destination, with 5.4% of the total exports.

Bangladesh's current political situation has also prompted European buyers to reconsider sourcing strategies and consider imports from India.

"Buyers such as C&A, which source large volumes of jeans and bottoms from Bangladesh, are exploring the possibility of shifting part of their sourcing to India. Some UK buyers have also indicated their willingness to move production from Bangladesh to India," said Mr Vijay Agarwal, chairman of the Cotton Textiles Export Promotion Council. At present, import duties make sourcing from India more expensive compared with Bangladesh. Bangladesh has enjoyed duty-free access to the European market for nearly 25 years. In contrast, Indian apparel and textiles currently attract duties of 12.5% and 9.6%, respectively, in both the EU and the UK.

Implementation of the FTAs with the EU and UK would scrap duties on Indian textiles and apparel, placing India at par with Bangladesh. Despite having well-established supply chains spanning over a decade, European buyers are increasingly keen on reducing concentration risk, exporters said. "Even if Bangladesh stabilises, buyers will not want to put all their eggs in one basket," Mr Agarwal said.

Industry players also see a need to expand capacity in anticipation of higher demand from these markets. "If the geopolitical situation in Bangladesh remains uncertain and FTAS with both the UK and the EU are signed, India could face a capacity shortfall", he said.

The Economic Times 14.01.2026

SIMA welcomes amendments by state govt on wind power policy

The Southern India Mills' Association (SIMA) has welcomed the policy amendments by the Tamil Nadu government on wind power policy.

SIMA Chairman Mr Durai Palaisamy said, "Tamil Nadu has pioneered in making large scale investments in wind energy due to the unique Wind Power Policies of the government since the 1990s. Many of these wind mills are currently more than 20 years old. The wind repowering policy announced in 2025, denying banking facility and evacuation, came as a rude shock for the industry highly relying on captive wind power and pose challenges for the power intensive industries like textiles.

The industry has been continuously appealing to the Government of Tamil Nadu to extend the banking facility for old wind mills and also increase the operational life for the eligible wind mills upto 40 years," he said.

The retention of the annual banking system, the substantial reduction in Infrastructure Development Charges from the earlier proposal of Rs.30 lakh per MW for a period of 5 years to Rs.50,000 per MW/ annum for life extension/refurbishment and simplification of procedures for obtaining life extension certificates from Chartered Engineers are some of the industry-friendly measures, he said, adding, "These initiatives will not only enable greater consumption of green energy by textile manufacturers but will also ease the stress on the industry arising from recent global developments."

The Indian Express 23.01.2026

$100B Textile Export Blueprint: 2x Sale to FTA Partners, Focus on High-value Items

To attain its ambitious goal of textile and apparel exports worth $100 billion by 2030 from about $40 billion at present, India aims to double textile shipments to its FTA partners, focus on traditional and high-value segments like

Geographical Indication products, carpets, handlooms and silk items, as well as develop non-exporting districts into exporting ones, said officials.

The Ministry of Textiles is preparing a roadmap to grow the nation's share of these exports to around 12% from the current 5.8% to its free trade agreement (FTA) partners, besides enhanced targeted branding of high-value products, they added.

The ministry is also working on a diversification-driven strategy by doubling India's share in the imports of top 40 countries to 10% at $55-60 billion from 4.8%, or $28.3 billion, at present.

Traditional markets like the US, EU, and UK together account for 55% of India's exports; emerging destinations such as Australia, Canada, Bangladesh, the UAE, and Sri Lanka contribute 20%.

"We need to increase the market linkage efforts for products with strong export potential, cultural value, and employment intensity," said an official. As per the roadmap, states are being asked to focus on developing new exporters and handholding first-timers, diversify into new products, and bring new districts into the export ecosystem.

The Economic Times 21.01.2026

Textile park at Virudhunagar to attract Rs.10,000 crore investment

A textile park coming up on 1,053 acres at Virudhunagar will attract Rs.10,000 crore investment, said Mr R. Gandhi, Minister for Handlooms and Textiles.

Speaking at the inaugural of two-day International Textile Conference 360, organised in Coimbatore by the Tamil Nadu government and the Confederation of Indian Industry, the Minister said the Prime Minister Mega Integrated Textile Regions and Apparel Parks (PM MITRA) at Virudhunagar on 1,053 acres will have common infrastructure developed at Rs.1,894 crore.

Ms A. Catherine Saranya, Executive Director of the State Industries Promotion Corporation of Tamil Nadu (SIPCOT), said at a road-show organised as a part of the conference, that common infrastructure, including roads, storm water drains, street lights, and five million litres a day treatment plant will come up at Rs.364 crore in the first phase. The land available for industrial development will be 600.83 acres and space is earmarked for spinning, garmenting, textile processing, knitting and technical textile units. There will be 20 MW solar energy plant, 10,000-bedded dormitory, Centre of Excellence, product display area, and skill development centre. "We are building an ecosystem for logistics," she said.

The industry representatives pointed out that the land and power costs were areas of concern and there is a need for policy consistency. Ms. Saranya said the SIPCOT is mulling measures to see if it can be a power distributor so that the industries get power at a lower price.

The Hindu 30.01.2026

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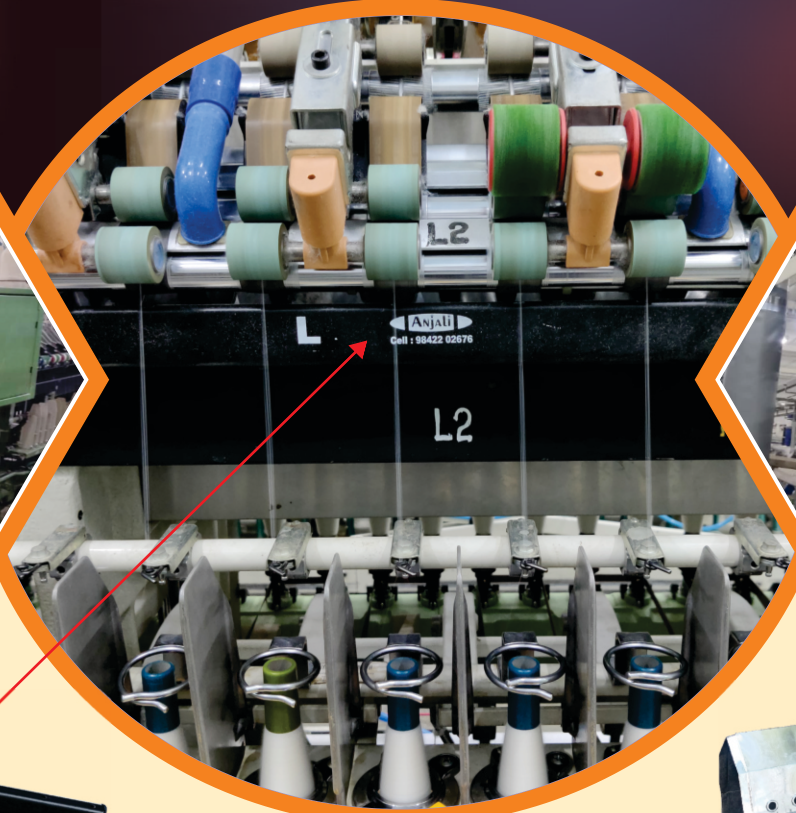

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