Industry Report on Home Textiles

March 2026

Prepared for

T.C. Terrytex Limited

Disclaimer

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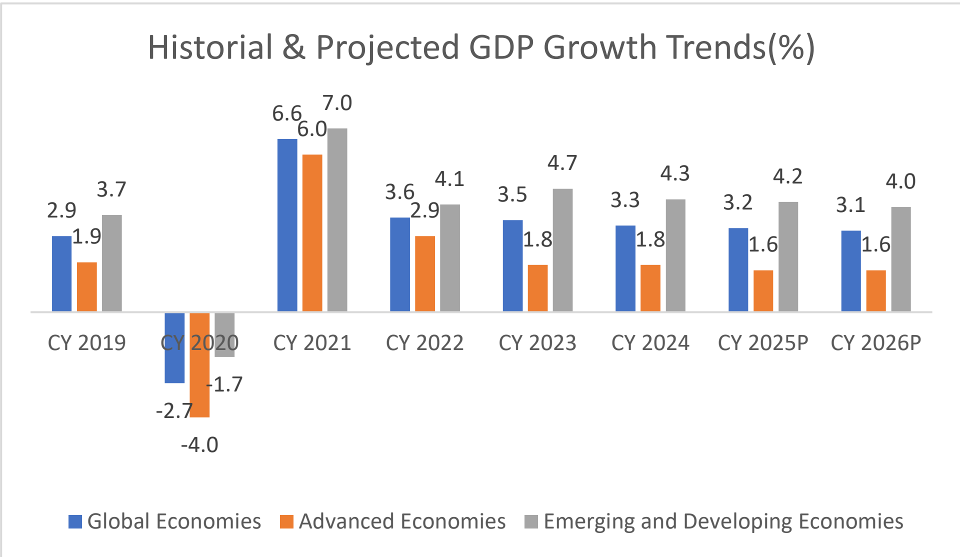
Global Economic Overview

The global economy, which recorded GDP growth at 3.3% in CY 2024, is expected to show resilience at 3.2% in CY 2025. This marks the slowest expansion since 2020 and reflects a -0.1percentage point downgrade from January 2025 forecast. Moreover, the projection for CY 2026 has also reduced to 3.1%. This slowdown This slowdown is largely attributable to several factors such as high inflation in many economies despite central bank efforts to curb inflation, continuing energy market volatility driven by geopolitical tensions, and the extended uncertainty around the trade policies. High inflation and rising borrowing costs affected the private consumption on one hand while fiscal consolidation impacted the government consumption on the other hand. As a result, global GDP growth is projected to slow down from 3.3% in CY 2024 to 3.2% in CY 2025.

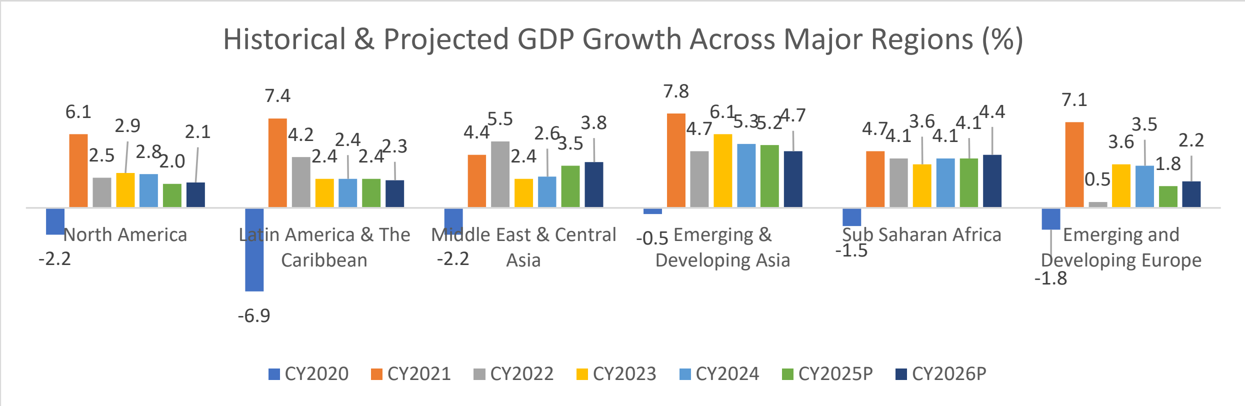


Source – IMF Global GDP Forecast Release October 2025

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

Historical and Projected GDP Growth

GDP growth across major regions exhibited a mixed trend between 2022-23, with GDP growth in many regions including North America, Emerging and Developing Asia, and Emerging and Developing Europe slowing further in 2024. In 2025, GDP growth rate in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to moderate further to 5.2% from 5.3% in the previous year, while in the North America, it is expected to moderate to 2.0% in CY 2025 from 2.8% in CY 2024. Similarly, growth in Emerging and Developing Europe is expected to moderate further to 1.8% from 3.5% in the previous year.



Source-IMF World Economic Outlook October 2025 update.

Except Middle East & Central Asia, all other regions like Emerging and Developing Asia, Emerging and Developing Europe, Latin America & The Caribbean, Sub Saharan Africa and North America, are expected to record a moderation in GDP growth rate in CY 2025 as compared to CY 2024. Further, growth in the United States is expected to come down at 2.0% in CY 2025 from 2.8% in CY 2024 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand.

Global Economic Outlook

The global economy is cautiously moving into a transitional phase, characterized by resilience amid uncertainty. Growth remains generally positive but varies across regions, influenced by changes in consumer demand, trade policy, and monetary and fiscal conditions. In advanced economies, household consumption and services continue to support activity, while manufacturing and export-driven sectors face challenges due to a weaker external environment.

The U.S. economy showed strong growth in Q2 2025 and is expected to benefit from lower interest rates starting in September. Australia also performed well, while Europe is dealing with stagnation. Canada's economy is slowing, and Germany's industrial sector remains under strain; Japan, however, is beginning to recover modestly. Among emerging markets, the Chinese Mainland maintains steady growth, supported by fiscal and credit stimulus, while India is accelerating due to strong domestic demand and investment inflows. Southeast Asian countries like Indonesia and Thailand, attractive for natural resources and semiconductors, are showing resilience amid supply chain diversifications. Several Latin American economies, such as Chile, are benefiting from improved commodity terms of trade, especially after raising copper price forecasts.

Global businesses are revising strategies as economic growth varies across regions and macro conditions shift. Multinationals are rebalancing geographic exposure—focusing on markets with strong domestic demand, stable policies, and clear regulations—while reassessing operations in slower or volatile economies. Supply chain diversification, once a defensive move, is now a structural strategy to access new consumers and reduce single-market risks. Investment is flowing to regions with predictable trade rules, critical inputs, and proximity to end-markets; for example, Mexico has seen increased FDI due to its U.S. proximity and trade clarity. A subtle global shift is emerging despite ongoing risks, businesses are planning with the view that trade disruptions and tariff shocks may be managed through negotiation and gradual recalibration. Recent U.S.-Vietnam and EU-Indonesia trade talks emphasize phased tariff changes and cooperation over punitive actions. This tentative shift suggests a move from high volatility toward a more predictable, data-driven environment.

Trade tensions continue to affect global growth, especially in export-driven economies. However, signs suggest a shift toward a more managed phase of trade policy. Recent product-specific tariffs have been scoped and calibrated, often targeting manufacturers not investing in the U.S. The average U.S. tariff rate declined from 28% in April to around 17% by late 2025 (According to The Budget Lab at Yale).

This reflects two developments:

1. A wave of new trade deal announcements in September that have facilitated a concessional reduction in tariffs from the U.S., for example, the establishment of the 'US-EU Framework on an Agreement on Reciprocal, Fair, and Balanced Trade', the U.S.- Japan trade framework, and a 'Technology Prosperity Deal' memorandum of understanding signed with the U.K.

2. Recalibration by the U.S. of the products subject to tariffs as referred to in Annex II. In early September, the U.S. adjusted its trade framework, linking tariff exemptions more explicitly to security partnerships. Critical minerals were added to Annex II, granting them exemption from tariffs, while materials such as silicone and aluminum hydroxide lost exemption status. A new mechanism allows zero tariffs for countries signing both trade and security agreements with the U.S.

Businesses look increasingly willing to accept that tariffs are unlikely to be rolled back quickly. Instead, they are adapting their strategies – from diversifying sourcing to reconfiguring supply chains – to absorb, manage, or negotiate the impact of tariffs. We expect businesses operating in jurisdictions with clear trade frameworks and supportive domestic policies to begin showing stronger sentiment and investment intentions than those in more uncertain environments. Businesses are increasingly relying on domestic demand to counter tariff-driven export challenges.

Effective September 1, Canada removed many tariffs on U.S. goods imports that are compliant under the U.S.-Mexico-Canada Agreement (USMCA). Bilateral tariffs on autos, aluminum, and steel remain in place, though they are subject to ongoing discussions. The Canadian government has shown willingness to support sectors under pressure from the U.S., providing CAD1.2bn in loans and guarantees to the softwood and lumber industry (currently facing 32.5% U.S. tariffs). Asia Pacific countries are expanding trade partnerships beyond the U.S. Indonesia signed a landmark FTA with the EU, expected to double bilateral trade and eliminate tariffs on 98% of goods. India concluded a major trade deal with the U.K. and is in advanced negotiations with the EU.

Eastern Europe enters Q4 2025 in a fragile but stabilizing economic state. Poland and the Baltic states expect modest growth, supported by resilient consumption and easing inflation. Romania remains an outlier, facing the EU's highest inflation amid fiscal austerity. Regional exports are subdued due to weak German demand and global trade tensions. Ukraine shows resilience through reconstruction and aid, while Russia and Belarus face slowing growth under sanctions.

In Central Asia, Uzbekistan and Kazakhstan continue steady expansion through industrial diversification and regional trade. Kazakhstan's expansionary fiscal stance is backed by oil revenues and reform plans. The Kyrgyz Republic and Tajikistan lead in growth, driven by remittances and domestic demand, though inflation persists. Turkmenistan's outlook remains muted due to hydrocarbon dependence.

Middle East & North Africa enters Q4 2025 with optimism as non-oil sector growth supports sustainable prospects. Governments focus on technology, tourism, manufacturing, financial services, and renewable energy. The UAE grew 3.9% y/y in Q1 2025, with non-oil contribution at 77%. Egypt launched its Narrative for Economic Development, a five-year plan for tourism, ICT, energy, and manufacturing. OPEC+ continues raising oil output to regain market share, but supply is expected to dip to 137,000 barrels/day in October. A cautious approach may firm crude prices, though subdued global demand remains a downside risk.

Global Growth Projection

At broader level, the global economy is expected to experience a slowdown in 2025, with GDP growth projected to decline to 3.2%, down from 3.3% in 2024. This deceleration reflects persistent inflationary pressure, geopolitical uncertainties and tightened monetary policies. However, a slight recovery is anticipated in 2026, with growth projected to improve to 3.1%. In the United Kingdom, headline inflation, which began rising in 2024, is expected to continue increasing in 2025, partly due to changes in regulated prices. This rise is projected to be temporary, with a loosening labour market and moderating wage growth helping inflation return to target by end-2026. In the United States, inflation is expected to rise in the second half of 2025, as the impact of tariffs is no longer absorbed within supply chains and is instead passed on to consumers. Inflation is then expected to return to the Federal Reserve's 2 percent target in 2027. This forecast assumes modest second-round effects, implying upside risks to U.S. inflation and downside risks to employment.

Among emerging market and developing economies, inflation forecasts for Brazil and Mexico are revised upward. For Brazil, the revision is more pronounced and partly reflects the stabilization of inflation expectations above target, due to fiscal policy credibility challenges in the previous year, although currency appreciation is expected to provide relief in late 2025 and 2026. For Mexico, the upward revision is driven by volatile categories such as food and more persistent-than-expected services inflation. For several other economies, inflation forecasts are revised downward compared with the October 2024 WEO. In much of emerging and developing Asia, this is the case. The revision largely reflects lower-than-expected outturns, with food, energy, and administrative prices playing a significant role—particularly in China, India, and Thailand.

In the United States, growth is projected to slow to 2.0 percent in 2025 and remain steady at 2.1 percent in 2026, broadly consistent with July projections and improved from April due to lower effective tariff rates, a fiscal boost from the OBBBA, and easing financial conditions. This reflects a significant slowdown from 2024 and a cumulative downward revision of 0.1 percentage point from the October 2024 WEO and 0.7 percentage point from the January 2025 WEO Update. The revision is primarily driven by greater policy uncertainty, higher trade barriers, and slower labour force and employment growth.

Growth in the euro area is expected to increase modestly to 1.2 percent in 2025 and to 1.1 percent in 2026. While this marks an improvement from April and July, it represents a cumulative downward revision of 0.4 percentage point compared to the October 2024 WEO. The main contributing factors are elevated uncertainty and higher tariffs. Recovering private consumption from higher real wages and fiscal easing in Germany in 2026 provide only a partial offset, while strong performance in Ireland supports growth in 2025. The euro area economy is expected to grow at potential in 2026.

For emerging market and developing economies, growth is projected to moderate from 4.3 percent in 2024 to 4.2 percent in 2025, and further to 4.0 percent in 2026. This is virtually unchanged from the July WEO Update and reflects a cumulative upward revision of 0.6 percentage point from the April 2025 WEO, but remains 0.2 percentage point lower than the October 2024 forecast, with low-income developing countries facing a larger downward revision than middle-income economies.

Growth in emerging and developing Asia is expected to decline from 5.3 percent in 2024 to 5.2 percent in 2025, and further to 4.7 percent in 2026. In several countries—particularly in ASEAN, among the most affected—growth forecasts closely followed changes in effective tariff rates. In China, the 2025 GDP growth forecast was revised downward by 0.6 percentage point in the April 2025 WEO due to escalating trade tensions with the United States and then revised upward by 0.8 percentage point in the July WEO Update following the pause on higher tariffs in May.

In Latin America and the Caribbean, growth is projected to remain stable at 2.4 percent in 2025 and decline slightly to 2.3 percent in 2026. The 2025 forecast is revised upward by 0.4 percentage point relative to April, driven by lower tariff rates for most countries in the region and stronger-than-expected incoming data. The revision is largely attributed to Mexico, which is expected to grow at 1.0 percent in 2025, 1.3 percentage points higher than forecast in the April 2025 WEO. For Brazil, the 2025 projection is revised upward, while the 2026 forecast is revised downward, partly due to the higher tariff rate on exports to the United States. For the region overall, the 2025–2026 forecast is cumulatively 0.5 percentage point lower than the October 2024 WEO, reflecting trade policy changes and uncertainty.

In emerging and developing Europe, growth is projected to decline significantly from 3.5 percent in 2024 to 1.8 percent in 2025, followed by a modest recovery to 2.2 percent in 2026. This decline is primarily driven by a sharp drop in Russia's growth forecast, from 4.3 percent in 2024 to 0.6 percent in 2025, and 1.0 percent in 2026. The 2025 growth forecast is 0.9 percentage point lower than in the April 2025 WEO, largely due to recent data showing a concentration of fiscal expenditures in Q4 2024, which raised the 2024 GDP estimate from 4.1 percent to 4.3 percent. The payback effect is reflected in the 2025 projection.

India Macroeconomic Analysis

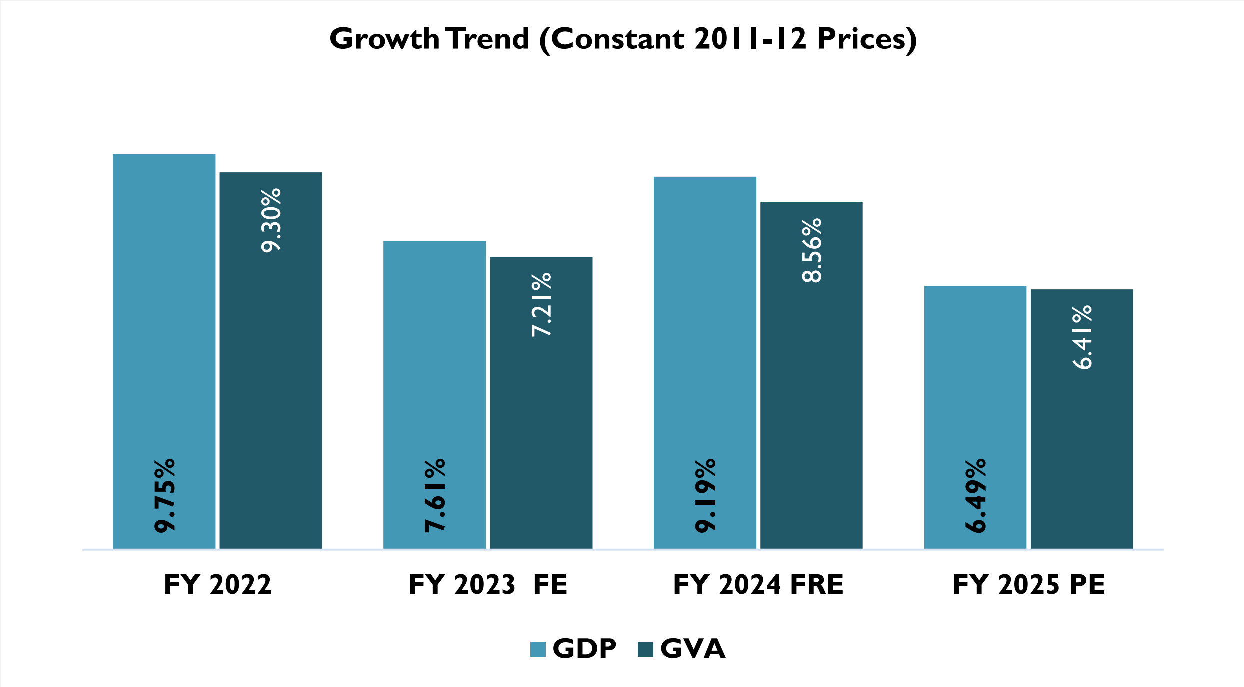
The International Monetary Fund (IMF), in its latest World Economic Outlook, has projected India's economy to grow at 6.6% in CY 2025, marking a 20-basis point upward revision from its previous estimate. This boost is largely credited to a strong first quarter performance in FY26, which helped offset the negative impact of increased U.S. tariffs on Indian exports. With this projection, India is set to remain one of the fastest growing emerging market and developing economies, outpacing China's expected growth of 4.8%. Despite global trade policy shifts and economic uncertainties, India's growth continues to be driven by resilient domestic demand and strong economic fundamentals. However, the IMF slightly lowered its forecast for CY 2026 to 6.2%, anticipating a natural moderation as the early momentum fades.

Country	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 P	CY 2026 P
India	–5.8%	9.7%	7.6%	9.2%	6.5%	6.6%	6.2%
China	2.3%	8.6%	3.1%	5.4%	5.0%	4.8%	4.2%
United States	-2.2%	6.1%	2.5%	2.9%	2.8%	2.0%	2.1%
Japan	-4.2%	2.7%	0.9%	1.4%	0.1%	1.1%	0.6%
United Kingdom	-10.3%	8.6%	4.8%	0.4%	1.1%	1.3%	1.3%
Russia	-2.7%	5.9%	-1.4%	4.1%	4.3%	0.6%	1.0%

Source: World Economic Outlook, October 2025

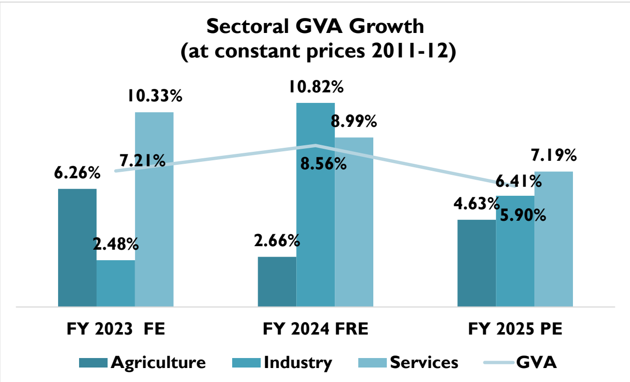
Historical GDP and GVA Growth trend

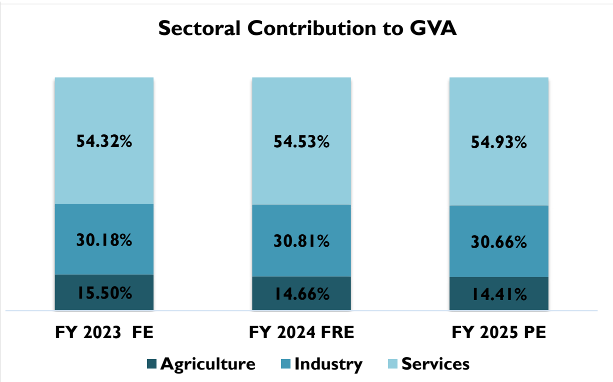
As per the latest estimates, India's GDP at constant prices is estimated to grow to INR 187.96 trillion in FY 2025 (Provisional Estimates) with the real GDP growth rates estimated to be 6.5% for FY 2025. Similarly, real Gross Value Added (GVA) growth is estimated to have moderated to 6.4% in FY 2025. Even amidst global economic uncertainties, India's economy exhibited resilience supported by robust consumption and government spending.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics: FY2025.
FE is Final Estimates, FRE is First Revised Estimate and PE is Provisional Estimates

Sectoral Contribution to GVA and annual growth trend





Source: Ministry of Statistics & Programme Implementation (MOSPI)
FE is Final Estimates, FRE is First Revised Estimate and PE is Provisional Estimates

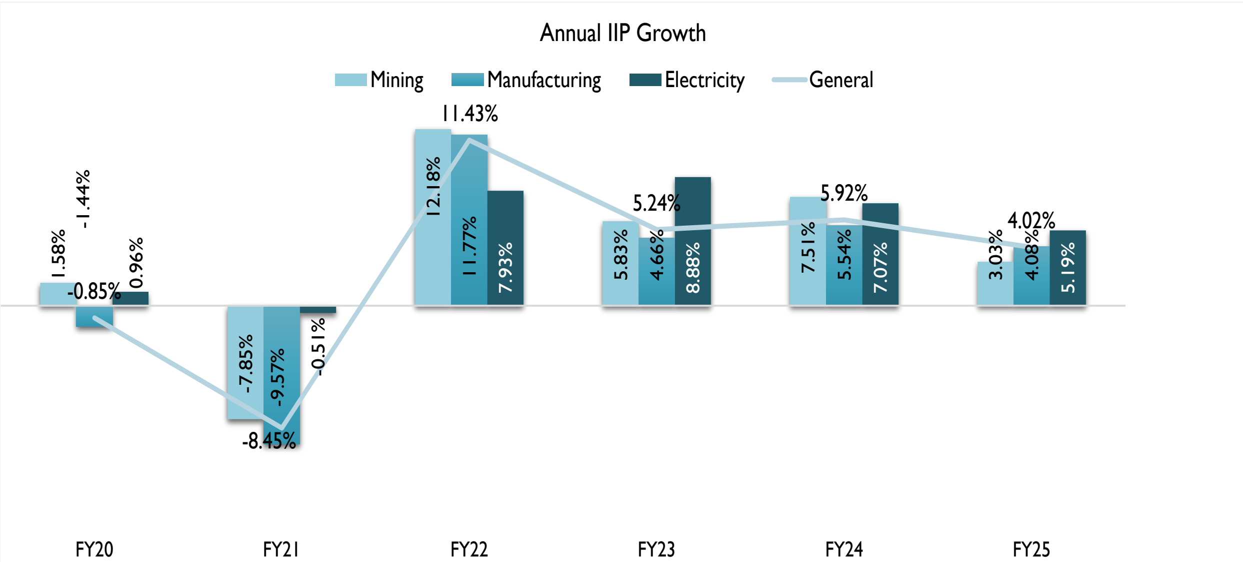
Sectoral analysis of GVA reveals that the industrial sector experienced a moderation in FY 2025, recording a 5.90% y-o-y growth against 10.82% year-on-year growth in FY 2024. Within the industrial sector, growth moderated across sub-sectors with mining, manufacturing, and construction activities growing by 2.69%, 4.52%, and 9.35% respectively in FY 2025, compared to 3.21%, 12.30%, and 10.41% in FY 2024. Growth in the utilities sector too moderated to 6.03% in FY 2025 from 8.64% in the previous year. The industrial sector's contribution to GVA moderated marginally from 30.81% in FY 2024 to 30.66% in FY 2025.

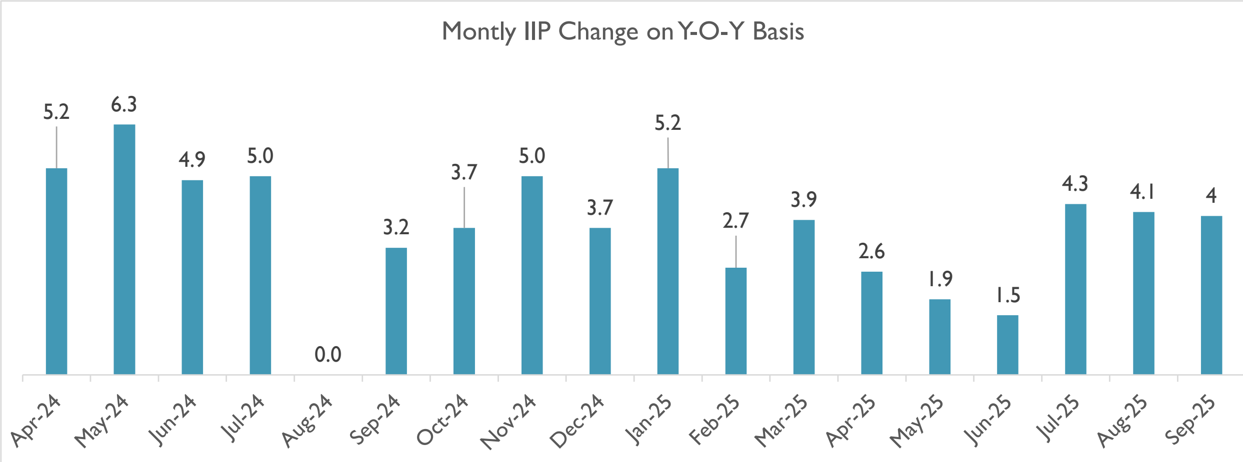
The services sector continued to be the main driver of economic growth, although its pace moderated. It expanded by 7.19% in FY 2025 from 8.99% in FY 2024. The services sector retained its position as the largest contributor to GVA, rising from 54.32% in FY 2023 to 54.53% in FY 2024, with a further increase to 54.93% in FY 2025.

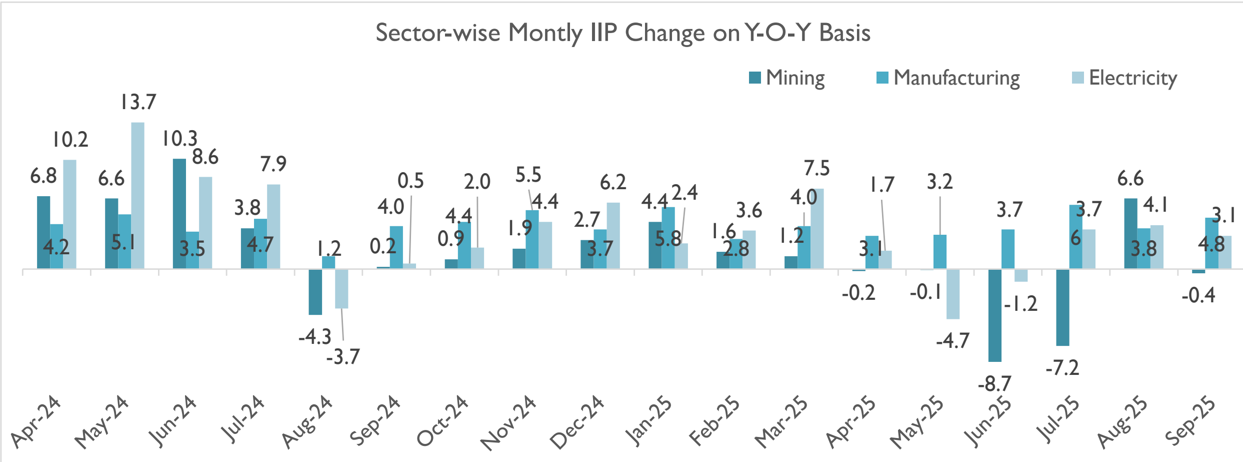
The agriculture sector saw an acceleration, with growth increasing from 2.66% in FY 2024 to 4.63% in FY 2025. However, its contribution to GVA declined marginally from 14.66% in FY 2024 to 14.41% in FY 2025. Overall, Gross Value Added (GVA) growth moderated to 6.41% in FY 2025 from 8.56% in FY 2024.

Annual & Monthly IIP Growth

Industrial sector performance as measured by IIP index exhibited moderation in FY 2025, recording a 4.02% y-o-y growth against 5.92% increase in the previous year. The manufacturing index showed moderation and grew by 4.08% in FY 2025 against 5.54% in FY 2024. Mining sector index too moderated and exhibited a growth of 3.03% in FY 2025 against 7.51% in the previous year while the Electricity sector Index, also witnessed moderation of 5.19% in FY 2025 against 7.07% in the previous year.





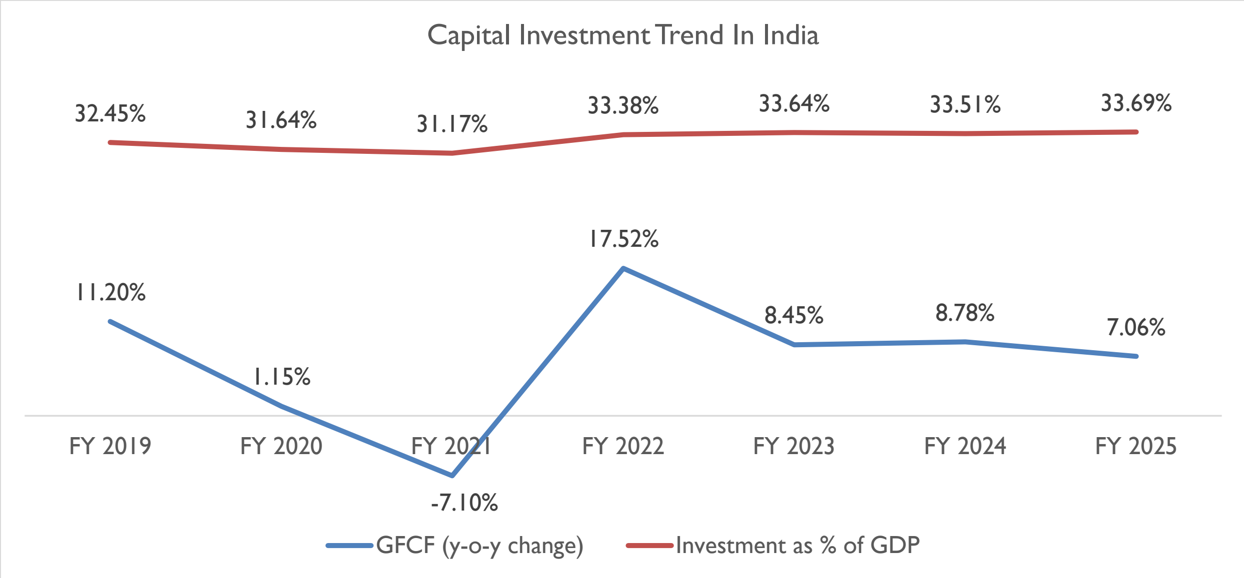


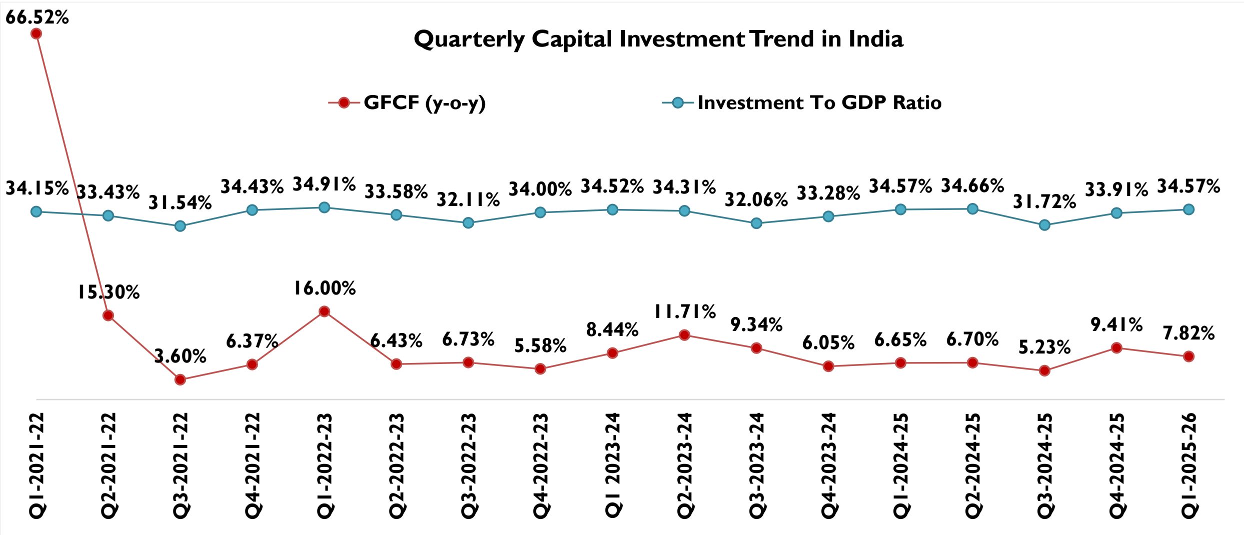
Source: Ministry of Statistics & Programme Implementation (MOSPI)

The IIP growth rate for the month of September 2025 is 4.0% which was 4.1% in the month of August 2025. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of May 2025 are (-)0.4%, 4.8% and 3.1% respectively.

Annual and Quarterly: Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, has shown fluctuations during FY 2025 as it registered 7.06% year-on-year growth against 8.78% yearly growth in FY 2024, taking the GFCF-to-GDP ratio to 33.69%.

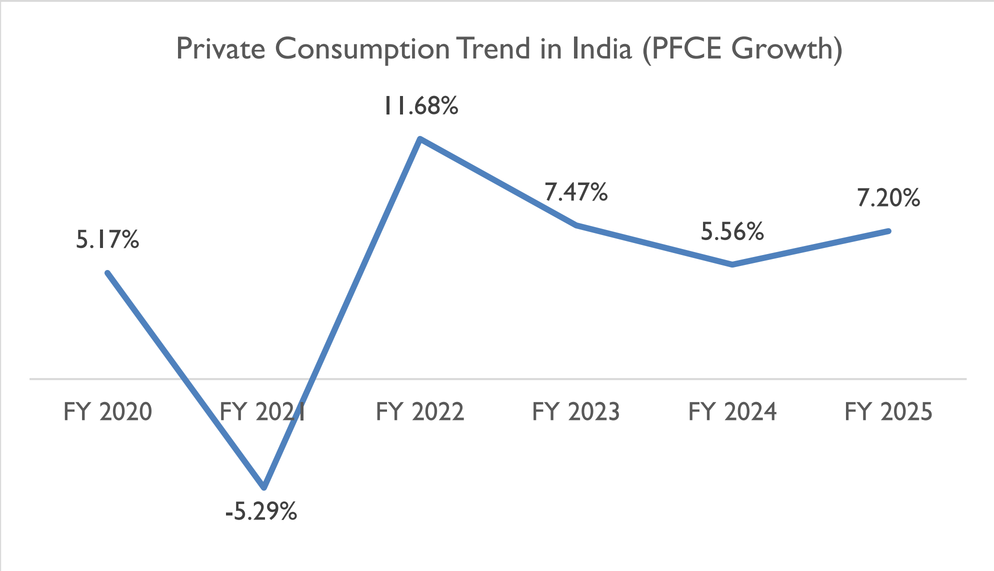


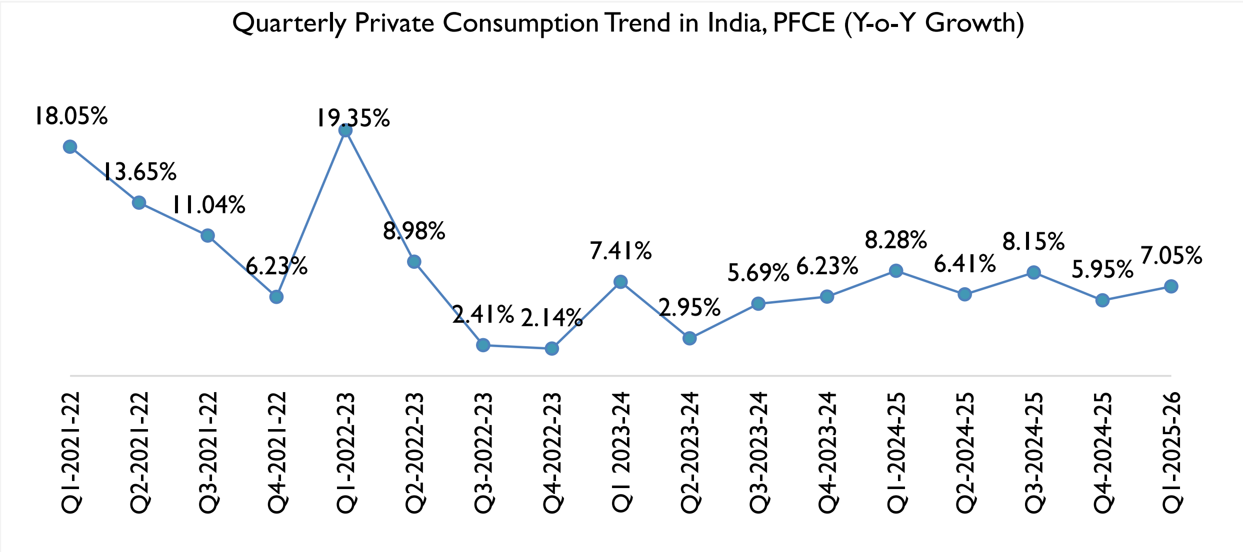


Source: Ministry of Statistics & Programme Implementation (MOSPI)

On a quarterly basis, GFCF showed a fluctuating trend in year-on-year growth. After a sharp spike of 66.52% in Q1 FY 2021-22, growth moderated significantly and remained volatile across subsequent quarters. In FY 2024, the growth rate eased to 6.05% in Q3 (Dec quarter) compared to 9.34% in Q2, as government capital spending slowed ahead of the 2024 general election. It improved slightly to 6.65% in Q1 FY 2024-25 but moderated again to 6.70% in Q2 and 5.23% in Q3, before rebounding to 9.41% in Q4. In Q1 FY 2025-26, growth stood at 7.82%, lower than the previous quarter. The GFCF to GDP ratio measured 34.57% in Q1 FY 2025-2026.

Private Consumption Scenario





Sources: MOSPI

Private Final Consumption Expenditure (PFCE) a realistic proxy to gauge household spending, observed growth in FY 2025 as compared to FY 2024. Quarterly Private Final Consumption Expenditure (PFCE) has reported 7.05% growth rate during Q1 of FY 2025-26 as compared to the 8.28% growth rate in the corresponding period of the previous financial year.

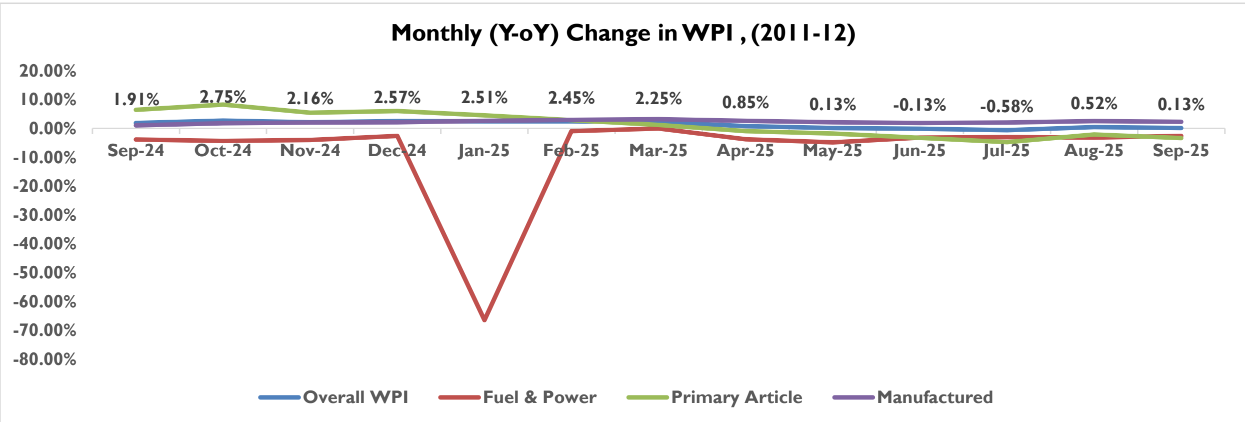
Inflation Scenario

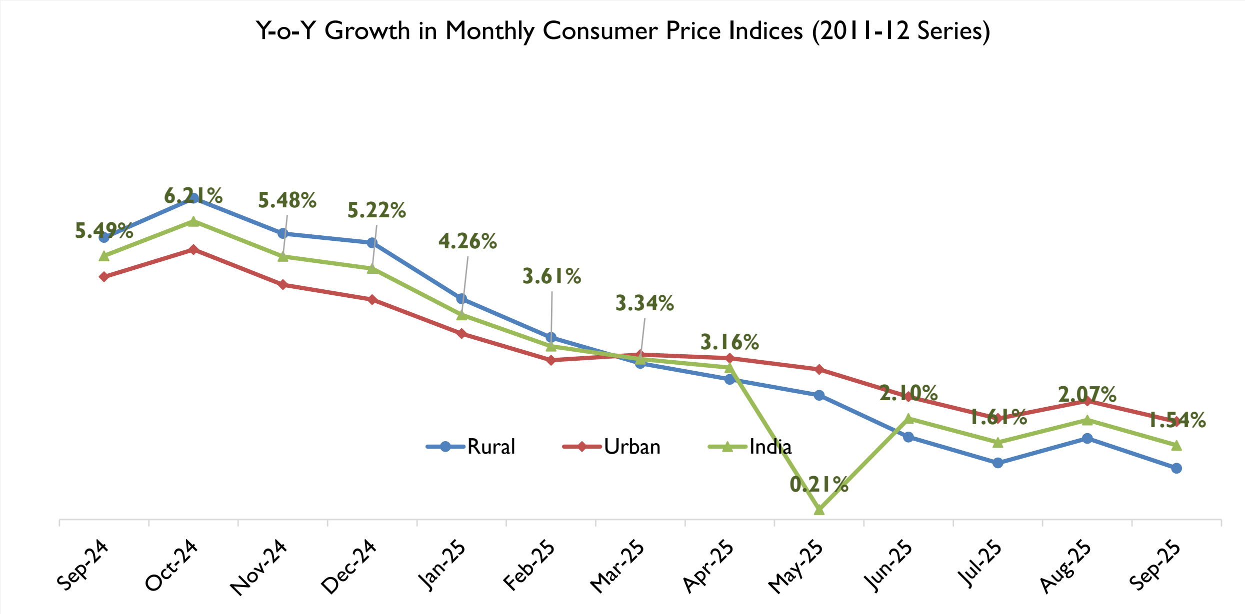
The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from September 2024 to September 2025. The annual rate of inflation based on All India Wholesale Price Index (WPI) number is 0.13% (provisional) for the month of September 2025 (over September, 2024). Positive rate of inflation in September 2025 is primarily due to increase in prices of manufacture of food products, other manufacturing, non-food articles, other transport equipment and textiles etc.

By September 2025, Primary Articles (Weight 22.62%): - The index for this major group decreased by 1.05 % from 191.0 (provisional) for the month of August 2025 to 189.0 (provisional) in September 2025. Price of food articles (-1.38%) and non-food articles (-1.06%) decreased in September 2025 as compared to August 2025. The price of minerals (1.36%) and Crude Petroleum & Natural Gas (0.64%) increased in September 2025 as compared to August, 2025.

Moreover, Fuel & Power (Weight 13.15%): - The index for this major group decreased by 0.14% from 143.6 (provisional) for the month of August 2025 to 143.4 (provisional) in September 2025. The prices of mineral oils and mineral oils (-0.54%) and coal (-0.15%) decreased in September 2025 as compared to August 2025. The price of electricity (1.20%) increased in September 2025 as compared to August 2025.

Furthermore, Manufactured Products (Weight 64.23%): - The index for this major group increased by 0.21% from 144.9 (provisional) for the month of August 2025 to 145.2 (provisional) in September 2025. Out of the 22 NIC two-digit groups for manufactured products, 10 groups witnessed an increase in prices, 6 groups witnessed a decrease in prices and 6 groups witnessed no change in prices. Some of the important groups that showed month-over-month increase in prices were other manufacturing; food products; electrical equipment; textiles and other non-metallic mineral products etc. Some of the groups that witnessed a decrease in prices were manufacture of rubber and plastics products; motor vehicles, trailers and semi-trailers; pharmaceuticals, medicinal chemical and botanical products; leather and related products and printing and reproduction of recorded media etc. in September, 2025 as compared to August 2025.

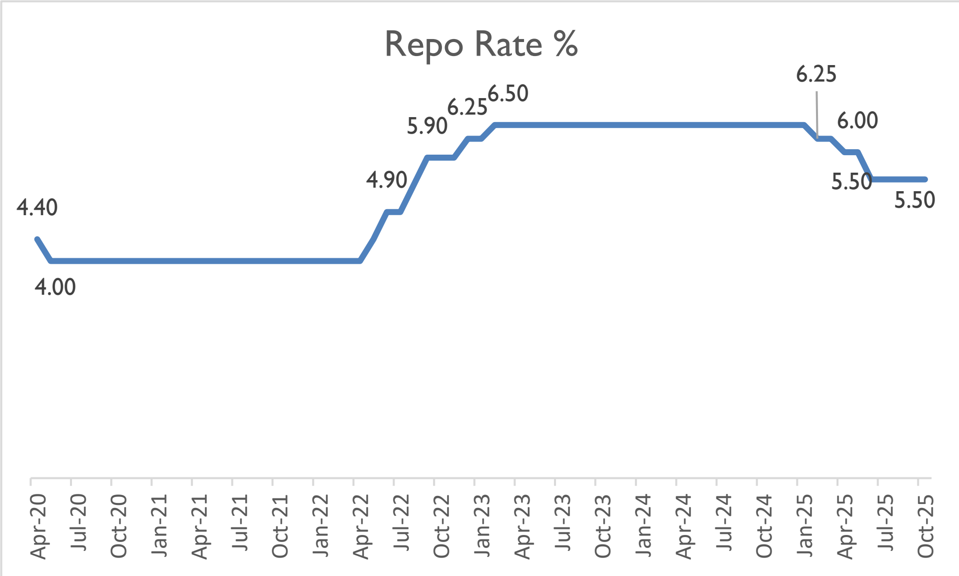




Source: MOSPI, Office of Economic Advisor

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between September 2024 and September 2025. Year-on-year inflation rate based on All India Consumer Price Index (CPI) for the month of September 2025 over September 2024 is 1.54% (Provisional). There is a decrease of 53 basis points in headline inflation of September 2025 in comparison to August 2025. It is the lowest year-on-year inflation after June 2017.

Rural Inflation: A decrease in headline and food inflation in rural sector was observed in September 2025. The headline inflation is 1.07% (Provisional) in September 2025 while it was 1.69% in August 2025. While in Urban inflation, a decrease from 2.47% in August 2025 to 2.04% (Provisional) in September 2025 was observed in headline inflation. The decline in headline inflation and food inflation during the month of September 2025 is mainly attributed to favorable base effect and to decline in inflation of Vegetables, Oil and fats, Fruits, Pulses and products, Cereal and products, Egg, Fuel and light etc. As part of its anti-inflationary stance, the Reserve Bank of India (RBI) hiked the repo rate by 250 basis points between May 2022 and 8 February 2023, holding it steady at 6.50% until January 2025. On 6 June 2025, the RBI reduced the repo rate by 50 basis points, bringing it to 5.50%, where it currently stands as per the October 2025 monetary policy review.



Sources: CMIE Economic Outlook

Growth Outlook

The Union Budget 2025-26 has laid the foundation for sustained growth by balancing demand stimulation, investment promotion and inclusive development. Inflation level is reaching within the central bank's target; the RBI may pursue further monetary easing that will support growth. The medium-term outlook is bright, fueled by the emphasis on physical and digital infrastructure spending. With a focus on stimulating demand, driving investment and ensuring inclusive development, the budget introduces measures such as tax relief, increased infrastructure spending and incentives for manufacturing and clean energy. These initiatives aim to accelerate growth while maintaining fiscal discipline, reinforcing India's long-term economic resilience. The expansion of tax relief i.e zero tax liability for individuals earning up to INR 12 lakh annually under the new tax regime is expected to strengthen household finances and, consequently, boost consumption.

The external sector remains resilient, and key external vulnerability indicators continue to improve. However, tariff-related uncertainty is likely to weigh on exports and investment, prompting us to cut our CY26 GDP growth forecast to 6.2%.

Current Market Scenario: Textile Industry

Overview of Global Textile Industry and Indian Textile Industry

India is among the world's largest manufacturers and exporters of readymade garments, with a well-established textile and apparel industry that plays a vital role in the nation's economy. The domestic apparel market has been expanding rapidly, making India one of the fastest growing and most lucrative fashion hubs globally. The sector also serves as a major employment provider, supporting approximately 12.3 million workers and contributing significantly to industrial growth.

The global apparel industry is projected to grow from USD 1,700 billion in 2021-22 to USD 2,370 billion by 2029-30, reflecting a CAGR of approximately 4.24% over the period.[1]

However, recent economic uncertainties have led to a slowdown in domestic textile demand, as consumers have become more cautious with discretionary spending. At the same time, India's textile exports have been impacted by recessionary trends in key global markets, particularly the United States and the European Union, which are major destinations for Indian garments. Economic slowdowns and reduced consumer spending in these regions have dampened demand, posing challenges for Indian exporters.

Domestically, the apparel industry is also grappling with inflationary pressures and rising raw material costs, including cotton, polyester yarn, and man-made fibers. As input costs surge, manufacturers are forced to increase end-product prices, further discouraging consumer spending. The impact of weaker demand is evident in the anticipated 25-30% decline in festive season orders, signaling a more cautious approach from retailers and consumers alike.

Meanwhile, the Indian textile industry is set for a significant expansion, with its contribution to the GDP expected to double, rising from 2.3% to nearly 5% by the end of the decade. To support this trajectory, the government has introduced a five-year incentive scheme running from 2025-26 to 2029-30, which will reward manufacturers for incremental turnover recorded between 2024-25 and 2028-29. This initiative is specifically designed to boost production in high-growth categories, including man-made fiber (MMF) apparel, MMF fabrics, and ten key segments of technical textiles, further strengthening India's position as a global textile hub.

On a global scale, the apparel industry has been experiencing a shift due to changing trade dynamics, sustainability regulations, and evolving consumer preferences. China, Bangladesh, and Vietnam continue to be strong competitors in the global textile supply chain, with China maintaining its dominance despite rising labour costs. Meanwhile, developed markets are increasingly focusing on

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[1] Federation of Indian Chambers of Commerce and Industry

sustainability and ethical sourcing, pushing manufacturers worldwide to adopt greener production practices.

Despite these challenges, India's textile industry remains resilient, with strong fundamentals, abundant raw materials, and a skilled workforce. The government has introduced production-linked incentives (PLI), infrastructure development programs, and export promotion initiatives to enhance competitiveness. Additionally, the rapid expansion of digital and e-commerce platforms is opening new avenues for growth, particularly in online retail and direct-to-consumer brands.

Looking ahead, the Indian textile industry must adapt to evolving global market conditions, emphasize sustainability and innovation, and strengthen its position as a competitive manufacturing hub. By leveraging technology, process efficiencies, and policy support, India can continue to expand its footprint in both domestic and international apparel markets.

Indian Textile Industry Market Size

The Indian textile industry has a strong presence across the entire value chain, spanning from natural and man-made fibers to apparel and home furnishings. With India accounting for approximately 5% of the global textile and apparel trade, the sector plays a pivotal role in the country's economy. The global apparel market is projected to grow at a CAGR of 8%, reaching USD 2.37 trillion by 2030, while the global textile and apparel trade is expected to expand at a 4% CAGR, reaching USD 1.2 trillion by 2030. Over 70% of India's textile and apparel (T&A) production comes from the SME sector, where compliance poses a significant challenge. For these smaller units, adhering to regulations often means overhauling supply chains, adopting sustainable practices, and partnering with recyclers and waste handlers, all of which can be financially burdensome. Many of these businesses are already grappling with multiple challenges, making compliance an additional strain on their operations.

India's textile exports are well-diversified across various segments, with the current break-up as follows:[2]

- Garments: 39%
- Cotton Yarn, Fabrics & Made-ups: 23%
- Man-Made Textiles: 14%
- Handlooms & Handicrafts: 11%
- Cotton Fiber: 9%
- Others: 4%

The industry is undergoing a structural transformation, focusing on enhancing domestic value addition and increasing the share of value-added and finished products in exports. By 2024-25, India aims to become a net exporter of finished textile products, reducing its reliance on raw material exports.

Furthermore, the Indian textile and apparel market has reached **USD 185.6 billion in FY 2025**, reflecting a 7.0% CAGR from the previous year. This growth is driven by rising domestic demand, increasing disposable incomes, and expanding global trade opportunities. With continued investments in innovation, sustainability, and value chain integration, India is well-positioned to strengthen its competitiveness in the global textile and apparel market.

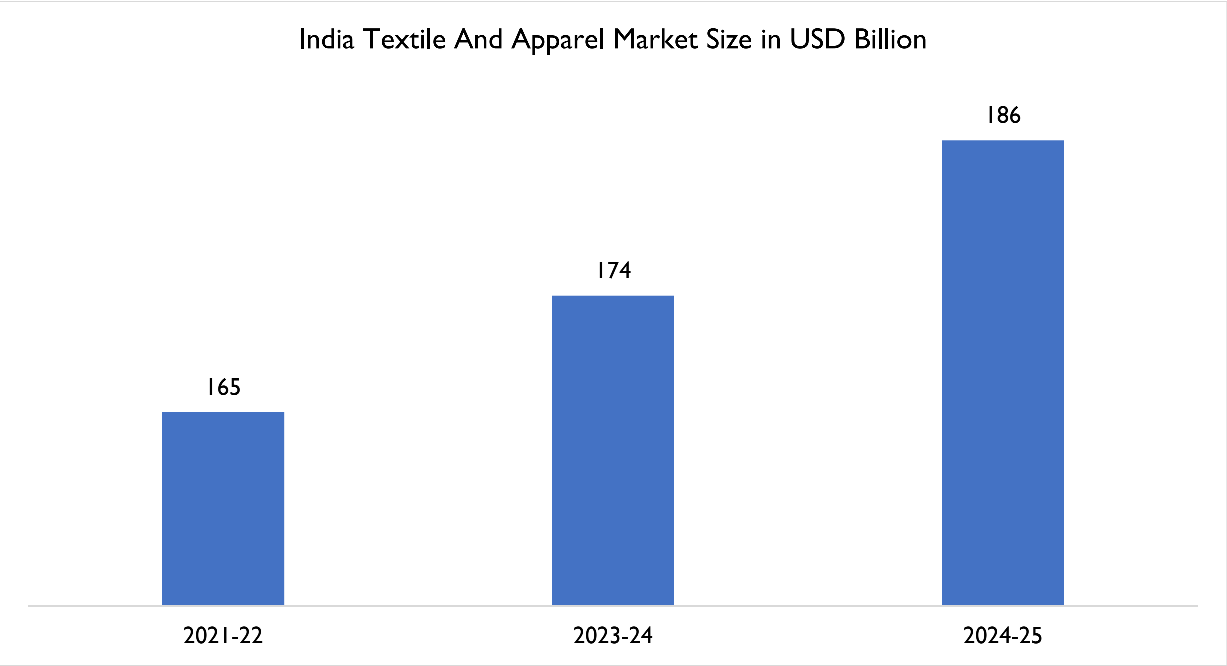
Also, with this the market of domestic textile and apparel industry in India was USD 160 billion in FY 2023 and estimated at USD 350 billion by FY 2030.[3]

[2] Ministry of Textile
[3] Industry Sources, Ministry of Commerce & Industry,, D&B Research Estimates

Historical Growth Trend

The Indian textile industry, one of the oldest and most significant sectors of the economy, plays a crucial role in employment generation and export earnings. With a well-integrated value chain spanning natural fibers, man-made fibers, garments, and home textiles, the industry contributes nearly 2.3% to India's GDP and around 11% to total merchandise exports. Over the past few years, the sector has witnessed both periods of slowdown and recovery, driven by global economic trends, policy support, and evolving consumer preferences.

Below is the graph which shows the historic market size for India Textile and Apparel Industry:



Source: D&B Research Estimates

The Indian textile industry has experienced fluctuations over the past few years, influenced by global economic conditions, policy changes, and market demand. In 2021-22, the industry's market size stood at USD 165 billion, experiencing a slowdown due to pandemic-related disruptions, reduced consumer demand, and supply chain constraints. However, as economic conditions improved, the industry showed signs of recovery, reaching USD 174 billion in 2023-24 and is further projected to grow to USD 186 billion in 2024-25. This indicates a steady resurgence, with an estimated CAGR of approximately 6.2% from 2021-22 onwards.

The Indian textile industry has witnessed significant recovery and growth, driven by multiple factors that have strengthened its competitiveness and market expansion. Government initiatives such as the Production-Linked Incentive (PLI) Scheme, PM-MITRA textile parks, and incentives for man-made fibers (MMF) have played a crucial role in boosting manufacturing and exports. Simultaneously, rising domestic demand, fueled by increasing disposable incomes, urbanization, and evolving lifestyle preferences, has led to greater consumption of apparel, home textiles, and technical textiles. On the global front, India remains a key player in textile trade, with strong export demand from markets such as the United States, European Union, and the Middle East. Additionally, investments in sustainability and innovation, including eco-friendly textiles, digitalization, and smart textile technology, have improved the industry's competitiveness. The growth of e-commerce and organized retail has further expanded market accessibility, allowing brands to reach a broader consumer base. However, challenges such as fluctuating raw material prices, global competition, and supply chain disruptions continue to pose risks. Despite these hurdles, the Indian textile industry is well-positioned for long-term expansion, supported by technological advancements, policy reforms, and strong domestic and international demand.

Key Product Segments

The textile industry comprises various key components, primarily categorized into different types of fibers and their blends. Here's an overview of the main components:

Cotton

- Cotton is a natural fiber renowned for its softness, breathability, and absorbency. It is a popular choice in both apparel and home textiles due to its inherent comfort and versatility. Cotton's ability to absorb moisture makes it ideal for a wide range of uses, from casual wear to bedding. Cotton is often blended with synthetic fibers to enhance the durability of the fabric and reduce production costs. One of the most common blends is cotton-polyester, which combines cotton's absorbency with polyester's strength and wrinkle resistance. This blend not only extends the fabric's lifespan but also improves its ease of care.

Synthetic Fibers

- Synthetic fibers such as polyester, nylon, and acrylic, along with spun filament viscose, play an essential role in the textile industry. Polyester is particularly valued for its durability, resistance to shrinking and stretching, and quick-drying properties, making it ideal for activewear, outerwear, and various home textiles. Nylon and acrylic, known for their strength and elasticity, further add to the versatility of synthetic textiles. Spun filament viscose, meanwhile, offers a soft, breathable texture, enhancing the comfort of blended fabrics.
- Synthetic fibers are frequently combined with natural fibers to improve performance, yielding blends with better moisture-wicking capabilities, greater elasticity, and enhanced durability for sportswear, functional garments, and everyday fabrics. The strength, ease of care, and versatility of synthetic materials contribute significantly to their widespread use across the industry, meeting the diverse needs of both consumers and manufacturers.

Silk Textiles

- India is the world's second-largest silk producer, with Karnataka, Tamil Nadu, and West Bengal as key production hubs. The silk segment includes products such as raw silk, traditional silk sarees, and high-end silk garments, which hold a premium position in domestic and international markets. The high demand for silk apparel, especially sarees, both domestically and in the Indian diaspora, continues to drive growth in this segment. With a focus on preserving traditional techniques and boosting export potential, silk textiles remain an important contributor to India's textile economy.

Handloom and Traditional Textiles

- India's handloom and traditional textiles represent a unique segment distinguished by heritage-rich designs and craftsmanship. Key products in this category include the Banarasi saree, Kanjeevaram, Pashmina shawls, and numerous region-specific fabrics. This segment not only contributes to India's cultural identity but also to its economic output, with a significant number of artisans employed across the country. Government initiatives and increasing global interest in traditional textiles have further boosted this segment's growth, making it an attractive proposition in the export market.

Technical Textiles

Technical textiles represent a high-growth area within India's textile industry, serving specialized needs in sectors such as agriculture, healthcare, construction, and automotive. Products include geotextiles, medical textiles, and agro textiles, each of which is engineered for specific industrial applications. With strong government support through policy initiatives and incentives, the technical textile sector has seen substantial investment and innovation, positioning India as a potential global leader in this space.

Home Textiles

The home textiles segment, which includes products like bed linens, towels, curtains, carpets, and mattresses, is a significant contributor to India's textile exports. India has established a reputation for high-quality home textiles, making it a preferred sourcing destination for retailers and wholesalers across North America, Europe, and the Middle East. The segment benefits from well-developed production capabilities and continues to grow, supported by rising global demand for quality home textile products aimed at enhancing home comfort.

Indian Home Textile Market

Estimated Size of Indian Home Textile Industry

The home textile industry in India is a significant contributor to the country's textile and apparel sector, playing a crucial role in both domestic and international markets. The industry benefits from factors such as rising disposable income, urbanization, growing real estate and hospitality sectors, and increasing demand for sustainable and premium home textile products. India is one of the largest exporters of home textiles, with key global markets including the United States and Europe. Supported by advancements in technology, strategic investments, and government incentives, the industry is poised for steady growth.

The global home textile industry, valued at USD 140.65 billion in 2025 and grow at a CAGR of 6.5%, reaching approximately USD 192.7 billion by 2030, China remains the leading exporter of home textiles, followed by India and Turkey, while Bangladesh and Vietnam have also emerged as major exporters.

India also holds a good share in the global home textiles trade, underscoring its strong presence in the international market. The market has reached **USD 11.5 billion by FY2025**, demonstrating a steady compound annual growth rate (CAGR) over the years compared with USD 10.5 billion in FY 2024, reflecting 9.0% growth.

The US Tariff impositions and highly competitive scenario with China in terms of lower costs and faster turnover is causing a slight disruption in the export scenario of the home textile products. The US government had imposed a tariff of 50% on the apparel being imported by them. This has significantly affected apparel manufacturers and especially the home textile manufacturers, who have suffered setbacks with cancelled orders and decreasing exports. The losses from exports have been in billions and many exporters are being redirected to other countries for exports other than the U.S., which imported more than 60 percent of the home textiles. Currently European countries such as the UK, Germany France, Italy and the UAE are major export destinations which have good demand for the Indian textile products.

Along with the tariffs, Indian Textile industry is hugely impacted by the competition from the Chinese textile manufacturing sector which has strong demand and has lower prices compared to the Indian textile products. The production sector has shifted its focus from mass production to technologically advanced production of various products. It is supported immensely by the national government which has supporting policies such as Special Economic Zones and preferential tax rates have strengthened the sector and has attracted investors through FDI. The government initiatives assist China in taking its companies and expanding their operation overseas through programs such as Belt and Road Initiative and partly funding them for the purpose.

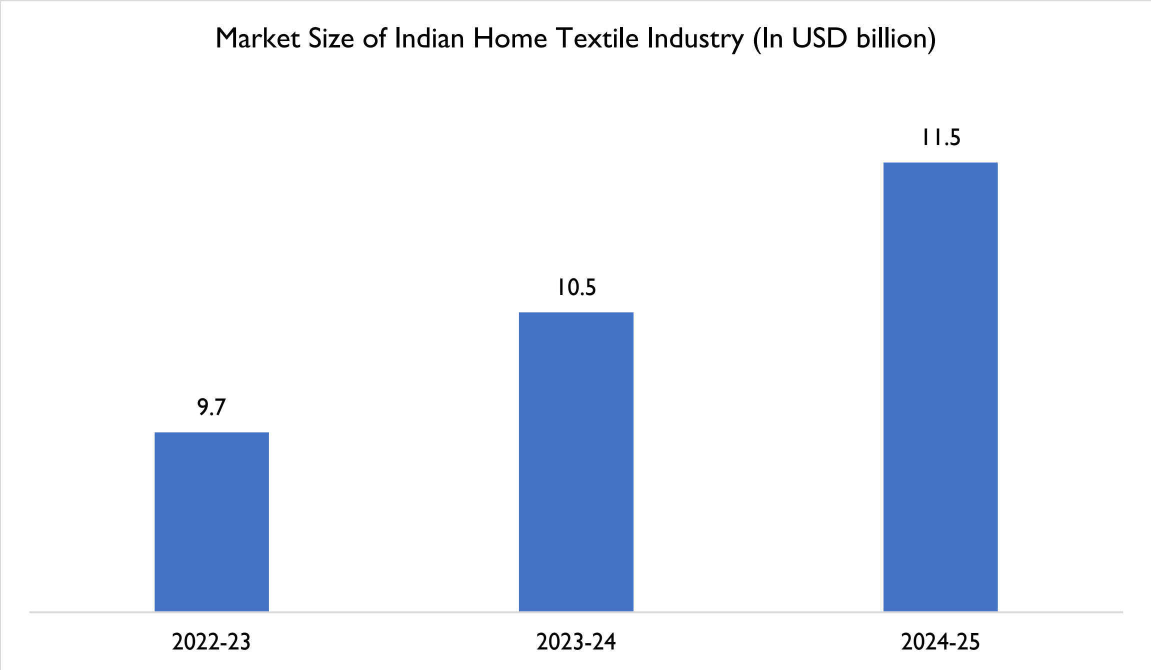
However, the pricing though lower on the Chinese produce is applicable on the certain products only whereas Indian produced textile products such as cotton fabrics, technical textiles, and home textiles. In these products, Indian produce has higher quality compared to its counterparts. Given the preference of high quality is the demand by European and the US Market, the exports have thus sustained and grown in the adverse scenario of higher tariffs.

To remain competitive, Indian home textile companies are leveraging advanced technologies to optimize supply chains and enhance efficiency. For instance, Welspun India introduced Wel-Trak 2.0, a patented end-to-end traceability technology that monitors textile raw materials throughout the production process, ensuring greater transparency and quality control. Additionally, strategic partnerships are playing a crucial role in expanding business operations, improving product offerings, and strengthening market positioning.

Historical Growth Trend

The Indian home textile industry has witnessed steady growth over the years, driven by rising domestic demand, expanding exports, and technological advancements. From a market size of USD 9.7 billion in 2022-23, the industry has grown at a CAGR of approximately 8.6%, reaching USD 11.5 billion in 2024-25.

Below graph indicates the market value for Home Textile Industry:



Source: D&B Research Estimates

- 2022-23 to 2023-24: The Indian home textile market expanded from USD 9.7 billion to USD 10.5 billion, registering a CAGR of 8.25%. This growth was fueled by steady export demand, a revival in domestic consumption, and increased investments in product innovation and sustainable textiles. However, rising operational costs and global economic uncertainties slightly moderated the pace.
- 2023-24 to 2024-25: The market has reached USD 11.5 billion, growing at a CAGR of 8.95%. This acceleration is driven by rising urbanization, increasing preference for premium home furnishings, and government support through PLI schemes and incentives for textile manufacturers. Additionally, advancements in eco-friendly and smart textile technologies are expected to support growth in both domestic and export markets.

Factors Impacting the Market

- **Expansion of Organized Retail and E-Commerce**

The emergence and rapid expansion of organized retail stores such as Fab India, Home Stop, and Home Centre have significantly improved domestic manufacturers' ability to reach a wider consumer base. These retailers provide a well-organized supply chain with minimal risks compared to exports, allowing local manufacturers to thrive.

Additionally, e-commerce platforms like Amazon, Flipkart, and Snapdeal have grown exponentially over the past five years. These platforms offer direct-to-consumer sales channels, enabling manufacturers to enhance brand visibility and reach niche markets.

- **Investment from Global Home Furnishing Giants**

Several international brands recognize India's potential as a home textile manufacturing hub and are making significant investments in the sector. Retail giants such as IKEA, H&M Home, and Home Depot have been at the forefront of this expansion. These companies establish sourcing and design offices in Asian countries, including India, to expedite product development and enhance supply chain efficiency. Such investments indicate strong future growth prospects for India's home textile sector.

- **Changing Consumer Preferences and DIY Culture**

The COVID-19 pandemic led to a surge in DIY (Do-It-Yourself) home improvement activities, as remote work and extended home stays increased the demand for stylish, functional home décor. This trend is expected to continue, with consumers prioritizing aesthetic and sustainable home textile products.

Additionally, evolving global demographic patterns, such as the rise in single-person households and childless families, have altered home furnishing trends. More people opting for independent living have driven an increase in demand for customized and high-quality home textiles.

- **Growth in Residential Construction and Hospitality Industry**

The rapid expansion of residential construction activities, especially in emerging economies like India, Australia, and Southeast Asia, has created lucrative opportunities for the home textile market. As more homes are built and renovated, the demand for premium and budget-friendly home textiles is expected to rise.

Additionally, the revival of the hospitality industry, including hotels, resorts, and serviced apartments, has boosted demand for bed linens, towels, curtains, and other textile products. As the hospitality sector recovers from the COVID-19 slowdown, bulk purchases from hotels and rental properties are contributing to the expansion of home textile revenue.

- **Preference for Cotton-Based Home Textiles**

  The Indian bed linen market has been witnessing steady growth across all price and quality segments. India remains a key supplier of bed linen to global markets, particularly the US and Europe. Cotton is increasingly favoured for bed sheets, blankets, pillows, mattress covers, and duvets due to its durability, comfort, and breathability. The rising consumer preference for organic and sustainable textiles is further shaping the future of this segment.

Key Product Segmentation (Broad Segmental Level- Bed and Bath Linen, Upholstery, etc.)

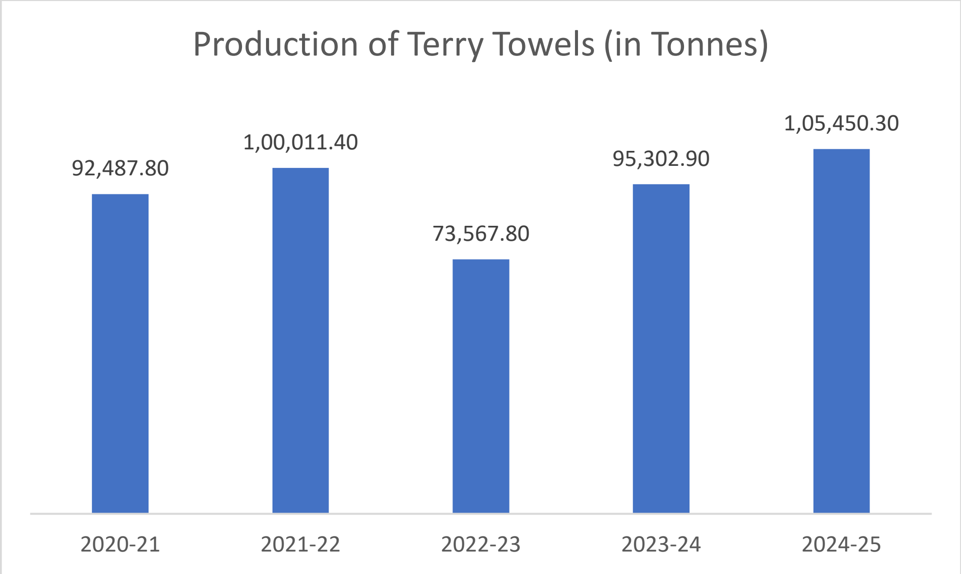
- **Bath Linen**

Bath linen has evolved from a necessity to a lifestyle choice, with growing demand for soft, quick-drying, and skin-friendly fabrics. Innovations such as antimicrobial finishes, moisture-wicking technology, and zero-twist yarns elevate performance, while eco-friendly alternatives like bamboo and Tencel cater to sustainability-conscious consumers. The bath linen segment includes the bath towels, bath mats, bathrobes, hair towels, face towels, bath sheets and hand towels.

- **Terry Towels:**

Terry towels are a staple in households, hotels, and healthcare facilities, known for their exceptional absorbency and soft texture. These towels are crafted using looped pile fabric, where the raised loops on both sides enhance water absorption, making them ideal for drying. Typically made from cotton, terry towels are also blended with bamboo, microfiber, or Egyptian cotton for added softness and durability.

Available in various sizes and thicknesses, terry towels cater to different needs—ranging from lightweight hand towels to plush bath towels and large, luxurious bath sheets. Innovations such as zero-twist yarns, quick-dry technology, and antimicrobial finishes have further improved their functionality, making them a preferred choice for both home and commercial use. As sustainability becomes a priority, many manufacturers are also adopting organic cotton and eco-friendly dyeing techniques to create towels that are both high-quality and environmentally responsible.



Source: CMIE Industry Outlook (sourced from Central Statistics Office Data)

The production of terry towels in India has experienced notable fluctuations from 2020-21 to 2023-24, reflecting shifts in both domestic and international market dynamics:

- 2020-21: Production was at 92,487.80 tonnes, indicating a stable demand during the initial phase of the COVID-19 pandemic.
- 2021-22: An increase of approximately 8.13% led to production reaching 100,011.40 tonnes. This growth can be attributed to the reopening of global markets and a surge in home textile demand as consumers invested more in home furnishings during extended periods at home.
- 2022-23: Production declined by about 26.44% to 73,567.80 tonnes. Factors contributing to this decrease likely include inflationary pressures, reduced consumer spending, and supply chain disruptions affecting raw material availability.
- 2023-24: A recovery was observed with a 29.54% increase, bringing production up to 95,302.90 tonnes. This rebound suggests improved market conditions, stabilization of supply chains, and renewed demand in both domestic and export markets.
- 2024-25: The production reached an all-time high of 1,05,450.3 tonnes owing to the strong demand fulfilled by exports and also indicates the resilience of the sector with latest technology and increased capacity integrated in manufacturing.

The production trends of terry towels in India are influenced by several key factors that shape both domestic output and global competitiveness. Export market dynamics play a crucial role, with India being a major supplier in the global terry towel market. In 2019, the country accounted for approximately 39% of the cotton towel imports to the U.S., up from 30% in 2009, with the U.S. remaining a primary destination, contributing to 60% of India's total home textile exports. Additionally, sustainability initiatives have gained momentum, as manufacturers increasingly incorporate eco-friendly practices such as using sustainable fibers like hemp and recycled cotton blends to align with global consumer preferences for environmentally responsible products. Technological advancements have further propelled growth, with investments in modern shuttle looms and digital innovations enhancing production efficiency and product quality to meet evolving market demands. However, global competition and trade policies present challenges, as India faces stiff competition from textile-producing nations like China, Pakistan, and Turkey. Factors such as trade regulations, tariffs, and international relations significantly impact export volumes and India's share in the global market. Together, these elements underscore the dynamic nature of India's terry towel industry and its efforts to maintain a competitive edge in the international textile sector.

- **Bed Linen, and Bedspreads:**

Bath linen and bedspreads enhance home aesthetics and comfort, offering a blend of functionality, softness, and durability. Indian manufacturers excel in crafting high-quality towels, bathrobes, and bedspreads using premium materials like combed cotton, Egyptian cotton, bamboo fiber, and microfibers, ensuring superior absorbency, plush texture, and long-lasting use.

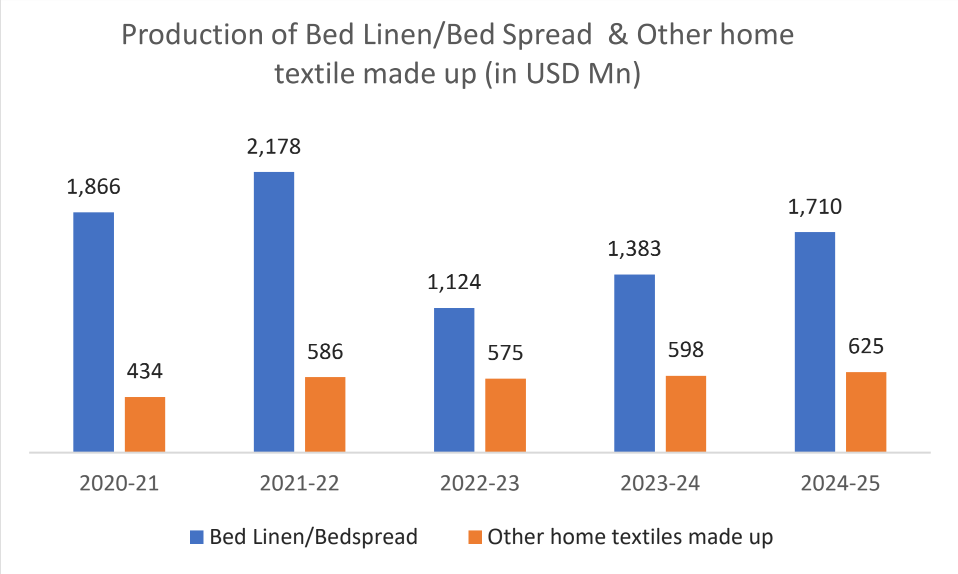
➢ Bed Linen:

Bed linen plays a crucial role in enhancing sleep quality and bedroom aesthetics. Crafted from materials like cotton, silk, linen, and microfiber, Indian bed linens are known for their softness, breathability, and durability. Innovations such as high-thread-count fabrics, moisture-wicking properties, and anti-microbial finishes have elevated their appeal, offering both comfort and hygiene. With a blend of traditional craftsmanship and modern designs, Indian bed linens cater to diverse preferences, from minimalistic elegance to intricate embroidered patterns.

➢ Bedspreads:

Indian bedspreads are renowned for exquisite craftsmanship and diverse fabric choices, from lightweight cotton and linen to luxurious silk and jacquards. Whether quilted, embroidered, or woven, they add warmth and aesthetic appeal, with reversible designs and digital prints blending tradition with modern trends.

With rising consumer preference for premium, sustainable, and customized home textiles, India's bath linen and bedspread segment continues to thrive, combining heritage craftsmanship with innovation.



Source: CMIE Industry Outlook (sourced from Central Statistics Office Data)

The production trends of bed linen/bedspreads and other home textile made-ups in India have witnessed fluctuations over the past four years due to multiple market factors, including demand shifts, economic conditions, and raw material availability.

Bed Linen/Bedspread Production Trends

- 2020-21: Production stood at USD 1,866 million, reflecting stable demand despite pandemic-related disruptions.
- 2021-22: A significant increase to USD 2,178 million (16.7% growth) was observed, driven by rising global demand, recovery in export markets, and pent-up domestic consumption.
- 2022-23: Production declined sharply to USD 1,124 million (-48.4%), likely due to inflation, reduced consumer spending, and weakened export orders from key markets like the U.S. and Europe.
- 2023-24: A moderate recovery to USD 1,383 million (+23%) suggests improving demand conditions, better supply chain management, and evolving consumer preferences.
- 2024-25: Significant increase in the production quantity which almost reached the quantity produced in 2020-21 indicating better global demand thus the increase in the production.

Other Home Textile Made-Ups Production Trends[4]

- 4 Others include (Curtains & Drapes, Cushion Covers & Pillow Shams, Table Linen, Terry Towels & Bath Linens, Kitchen Textiles, Upholstery Fabrics, Throws & Blankets, Floor Coverings)

- 2020-21: Production started at USD 434 million, reflecting steady market performance.
- 2021-22: Marked a substantial growth to USD 586 million (+35%), driven by increasing demand for home furnishings, particularly post-pandemic home improvement trends.
- 2022-23: A slight decline to USD 575 million (-1.9%), indicating market stabilization after the previous year's surge.
- 2023-24: Production increased to USD 598 million (+4%), showing gradual and sustained demand recovery.
- 2024-25: Highest revenue generated from this segment in the past 10 years leading to the growing preference and demand for other home textile products.

- **Blankets and Quilts**

This segment includes blankets, duvets, and quilts, which are primarily in demand during colder seasons. Indian manufacturers produce a range of products using materials such as wool, cotton, and synthetic fibers. The export of quilts and blankets from India is strong, particularly in regions that experience colder climates.

India's home textile industry is well-diversified and continues to expand across these product segments, driven by rising domestic consumption and significant export demand. With a focus on quality, sustainability, and innovation, Indian manufacturers are well-positioned to maintain a strong presence in the global home textiles market.

- **Printed and Knitted Fabrics**

Printed and knitted fabrics play a vital role in mattress production, offering both aesthetic appeal and functional advantages. Knitted fabrics, known for their stretchability and softness, provide a comfortable and breathable surface, enhancing the mattress's adaptability and comfort. These fabrics also allow for better airflow, promoting temperature regulation and ensuring a cooler sleep experience. Printed fabrics, on the other hand, add visual value, featuring intricate designs and patterns that cater to consumer preferences for style and personalization. Together, these fabrics enable mattress manufacturers to create products that not only meet comfort requirements but also reflect modern design trends, making them popular choices in both premium and standard mattress segments.

Overview: Yarns

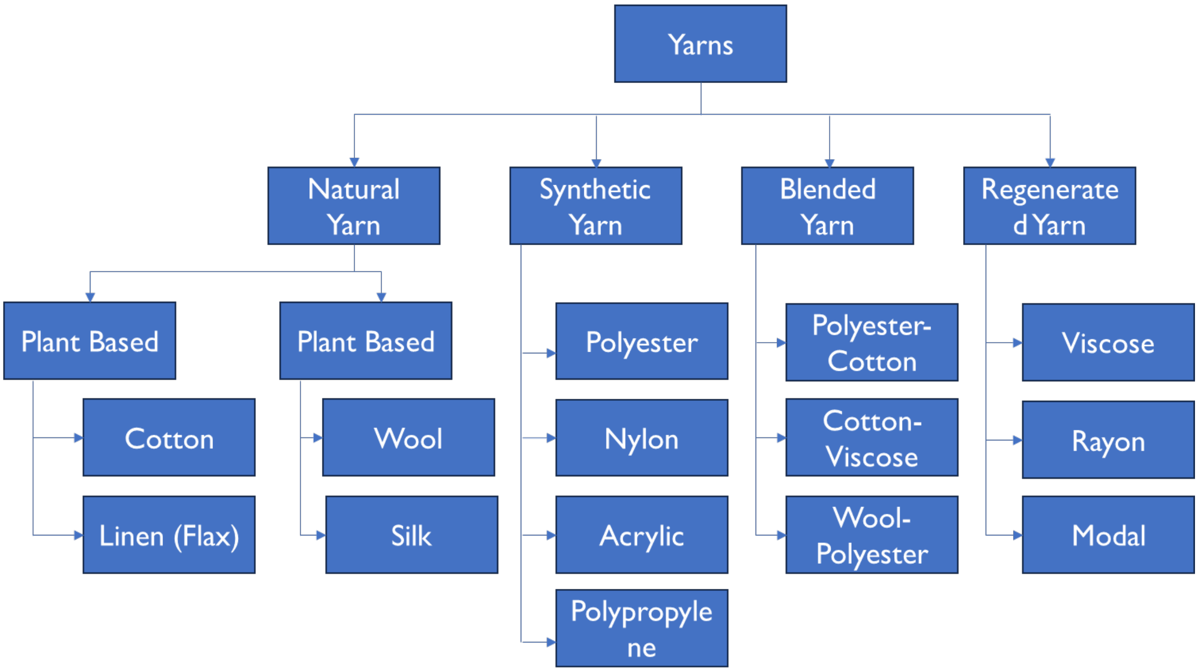
Yarn is a continuous strand of fibers that is produced by spinning or twisting together natural or man-made fibers, and it serves as the primary raw material in the textile industry. It forms the foundation for fabric manufacturing through processes such as weaving, knitting, and crocheting. The properties of yarn such as its fineness, strength, twist, texture, and uniformity play a crucial role in determining the overall quality, durability, appearance, and performance of the final textile product.

Yarns can be made from a wide range of fibers, including natural fibers like cotton and wool, as well as synthetic fibers such as polyester and nylon. The choice of fiber and the method of yarn production significantly influence its characteristics, making yarns suitable for diverse applications. For instance, soft and breathable yarns are preferred for apparel, while strong and durable yarns are used in industrial and technical textiles.

In addition to fiber composition, yarns also vary based on their manufacturing techniques, such as carding, combing, and compact spinning, which affect their smoothness, strength, and consistency. Advances in textile technology have enabled the development of specialized yarns with enhanced properties, including high strength, elasticity, moisture management, and resistance to environmental factors. Moreover, with growing environmental concerns, there is an increasing focus on sustainable yarn production using organic fibers, recycled materials, and eco-friendly processes.

Overall, yarn is a critical component of the textile value chain, influencing both the functional and aesthetic aspects of fabrics, and playing a key role in meeting the evolving demands of consumers and industries.

Types of Yarns



Yarns are broadly classified into natural, synthetic, blended, and regenerated types based on the source and composition of fibers. Natural yarns are derived from plant and animal sources, such as cotton, wool, and silk, and are known for their softness, breathability, and comfort, making them suitable for clothing and home textiles. In contrast, synthetic yarns are man-made fibers produced through chemical processes, including polyester, nylon, and acrylic, which offer high strength, durability, and resistance to wrinkles and wear, making them ideal for performance and industrial applications.

Blended yarns are created by combining two or more types of fibers, typically natural and synthetic, to achieve a balance of properties such as comfort, strength, and cost-effectiveness; for example, polyester-cotton blends are widely used in everyday fabrics. Regenerated yarns, also known as semi-synthetic yarns, are produced by chemically processing natural raw materials into fibers, such as viscose and rayon, and they offer a soft texture and good drape similar to natural fibers while maintaining certain characteristics of synthetic yarns. Together, these types of yarns cater to a wide range of applications across the textile industry, depending on the desired performance and end use.

Cotton Yarn

Cotton yarn is one of the most widely used natural yarns in the textile industry, produced from the fibers of the cotton plant. It is valued for its softness, breathability, and versatility, making it a preferred choice for a wide range of textile applications. Cotton fibers are spun into yarn through processes such as ginning, carding, combing, and spinning, which help improve the strength, uniformity, and smoothness of the yarn.

One of the key characteristics of cotton yarn is its high moisture absorption capacity, which makes it comfortable to wear, especially in warm and humid climates. It allows air circulation and helps in maintaining skin comfort, which is why it is extensively used in apparel such as shirts, t-shirts, innerwear, and baby clothing. Additionally, cotton yarn is skin-friendly and non-irritating, making it suitable for sensitive skin and medical applications like bandages and gauze.

Cotton yarn also offers good strength and durability, particularly when wet, and can withstand repeated washing. It is biodegradable and environmentally friendly compared to synthetic yarns, which enhances its appeal in the context of increasing sustainability awareness. Furthermore, cotton yarn can be easily dyed and finished, allowing for a wide variety of colours and fabric designs.

However, cotton yarn has certain limitations. It tends to wrinkle easily, has lower elasticity, and may shrink after washing if not properly treated. Despite these drawbacks, its comfort and natural properties continue to drive strong demand across global textile markets.

Cotton yarn production Process

The transformation of raw cotton into yarn involves a series of intricate processes, primarily categorized into ginning and spinning. Let's delve deeper into each stage to understand the nuances of cotton yarn production.

➢ **Ginning Process**

Ginning is the foundational step in cotton processing, focusing on separating cotton fibers from seeds and eliminating impurities to prepare the Fibers for spinning

- **Separation (Cotton Picking & Ginning)**
  - Harvesting: Cotton is harvested from fields and transported to ginning facilities.
  - Drying: Upon arrival at the gin, seed cotton is subjected to drying to reduce moisture content, facilitating efficient processing.
  - Initial Cleaning: The dried cotton passes through cleaning equipment to remove foreign matter such as burs, dirt, stems, and leaf material.

- Ginning: The cleaned cotton is then processed through gin stands where revolving circular saws pull the lint through closely spaced ribs, effectively separating the fibers from the seeds.

- **Cleaning & Baling**
  - Secondary Cleaning: Post-ginning, the lint undergoes additional cleaning to ensure the removal of any remaining impurities, enhancing fiber quality.
  - Moisture Restoration: After cleaning, the cotton may be moistened to prevent fiber breakage during subsequent processing stages.
  - Baling: The cleaned and conditioned lint is then compressed into bales, typically weighing around 227 kilograms (500 pounds), for efficient storage and transportation to spinning mills.

- **Major Cotton Ginning Hubs in India:**
  - Gujarat: Leading cotton producer with numerous modern ginning mills.
  - Maharashtra
  - Telangana
  - Madhya Pradesh
  - Punjab

➢ **Spinning Process**

Spinning is the subsequent phase where cleaned cotton fibers are transformed into yarn through a series of methodical steps.

- **Opening & Cleaning**
  - Bale Opening: Compressed cotton bales are fed into machines that loosen and blend the fibers, preparing them for cleaning.
  - Blow Room Process: The loosened fibers pass through a sequence of machines designed to remove impurities and achieve a uniform fiber mass.

- **Carding (Fiber Alignment & Web Formation)**
  - Carding Machine: The fibers are fed into a carding machine, which disentangles, cleans, and aligns them into a thin web. This web is then condensed into a continuous strand known as a sliver.

- **Combing (Optional)**

  - Combing: For finer yarns, the sliver undergoes combing to remove shorter fibers and further align the longer fibers, resulting in a smoother and stronger yarn.

- **Drawing & Roving**
  - Drawing: Multiple slivers are combined and drawn out to improve uniformity and strength.
  - Roving: The drawn sliver is then slightly twisted and wound onto bobbins to form roving, which is suitable for the final spinning process.

- **Spinning (Final Yarn Formation)**
  - Spinning Frame: The roving is fed into a spinning frame where it is further drawn out and twisted to form yarn of the desired thickness and strength.
  - Winding: The finished yarn is then wound onto cones or bobbins, making it ready for weaving or knitting into fabrics.

- **Major Cotton Spinning Hubs in India:**
  - Tamil Nadu: Cities like Coimbatore, Erode, and Tiruppur are renowned as "The Manchester of South India" due to their extensive spinning mills.
  - Maharashtra: Notable centres include Nagpur and Solapur.
  - Gujarat: Ahmedabad and Surat are prominent for their spinning industries.
  - Punjab: Ludhiana is a key hub.

Historical Trends in Cotton Yarn Production

2018-2019: Steady Growth and Export Dominance

- India maintained its position as a leading cotton yarn producer, with exports constituting a significant portion of production.
- Major export destinations included China, Bangladesh, and Vietnam, driven by competitive pricing and quality.

2020: COVID-19 Pandemic Impact

The pandemic led to factory shutdowns, labour shortages, and supply chain disruptions, causing a sharp decline in production and exports.

- Domestic demand plummeted due to reduced consumer spending on textiles and apparel.

2021: Gradual Recovery Amidst Challenges

- With easing restrictions, the industry began recovering; however, challenges like fluctuating cotton prices and global shipping issues persisted.
- The government introduced support measures, including subsidies and incentives, to revitalize the sector.

2022: Emphasis on Sustainability

A global shift towards sustainable textiles prompted Indian manufacturers to adopt eco-friendly practices, such as organic cotton cultivation and green manufacturing processes.

- Innovators like Abhishek Bansal at Arvind Limited led initiatives in sustainable cotton yarn production, aligning with global environmental standards.

2023: Export Resurgence

India's cotton yarn exports surged by approximately 85-90%, attributed to a shift in sourcing preferences away from China and an uptick in demand from markets like the US and EU.

- Despite increased export volumes, operating margins faced pressure due to lower yarn realizations and reduced gross contributions.

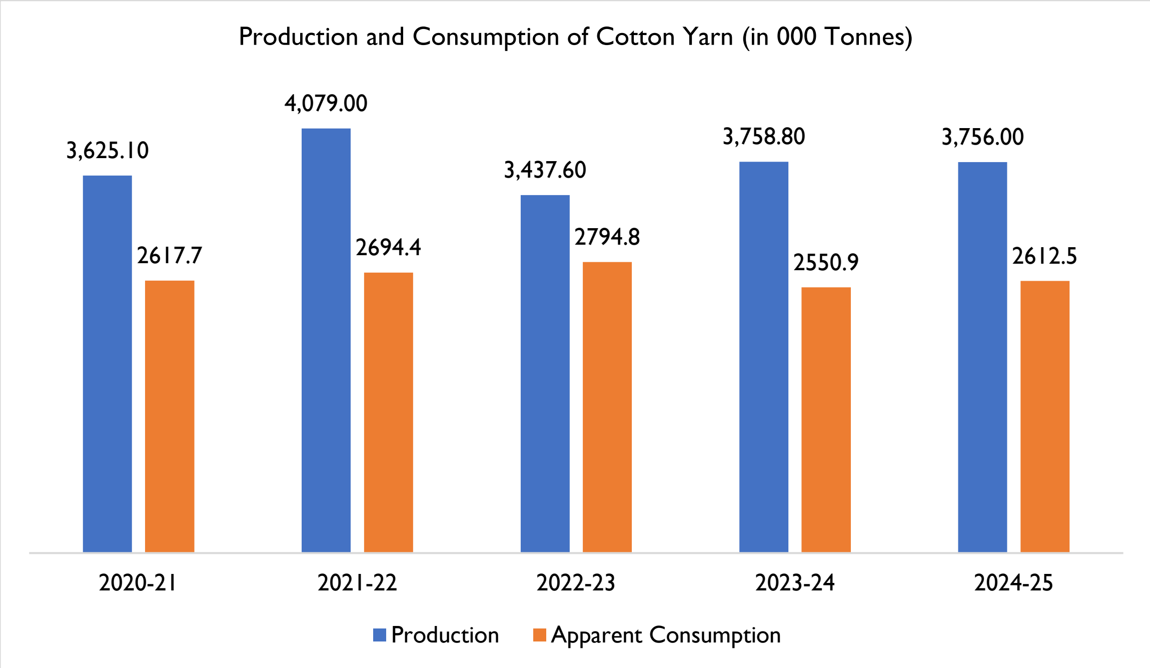
2024: Anticipated Industry Rebound

Projections indicate a 6-8% expansion in the domestic cotton yarn sector, driven by recovering demand in home textiles and ready-made garments.

- The government's focus on boosting cotton production, particularly the extra-long staple variety, aims to enhance raw material availability and quality.

Cotton Yarn Production and Consumption Scenario

The cotton yarn industry, a key component of the textile value chain, has shown fluctuating trends in both production and apparent consumption over the period, reflecting changing market dynamics, raw material availability, and demand conditions.



Source: CMIE Database, Note: Apparent Consumption: (Production + Imports) - Exports

Cotton yarn production increased from 3,625.10 thousand tonnes in 2020–21 to 4,079.00 thousand tonnes in 2021–22, indicating strong recovery and higher manufacturing activity. However, production declined significantly to 3,437.60 thousand tonnes in 2022–23, likely due to factors such as raw cotton price volatility or supply constraints.

In the subsequent years, production recovered to 3,758.80 thousand tonnes in 2023–24, but remained relatively stable at 3,756.00 thousand tonnes in 2024–25, suggesting stabilization in output levels with limited growth momentum.

Apparent consumption of cotton yarn showed a gradual increasing trend initially, rising from 2,617.7 thousand tonnes in 2020–21 to 2,794.8 thousand tonnes in 2022–23, reflecting steady demand from the textile sector.

However, consumption declined sharply to 2,550.9 thousand tonnes in 2023–24, indicating weakening demand conditions, possibly due to shifts towards synthetic yarns, export slowdowns, or changes in consumer preferences. In 2024–25, consumption showed a slight recovery to 2,612.5 thousand tonnes, suggesting partial demand revival.

Synthetic Yarn

Synthetic yarn refers to yarns that are manufactured from chemically produced fibers, primarily derived from petrochemical sources. Unlike natural yarns, these fibers are engineered through industrial processes to achieve specific performance characteristics such as high strength, elasticity, and resistance to environmental factors. Common types of synthetic yarns include polyester, nylon, acrylic, and polypropylene, each designed for varied textile and industrial applications.

The synthetic yarn industry plays a significant role in the modern textile value chain by supplying durable and cost-effective raw materials to sectors such as apparel, home furnishings, automotive textiles, and technical textiles. In India, the growth of synthetic yarn is closely linked to the expansion of the man-made fiber (MMF) segment, which is gaining importance due to changing consumer preferences and increasing demand for performance-based fabrics.

One of the key advantages of synthetic yarn is its high strength and durability, making it suitable for applications that require resistance to wear and tear. These yarns also exhibit excellent elasticity and shape retention, allowing fabrics to maintain their structure even after repeated use. Additionally, synthetic yarns are wrinkle-resistant and easy to maintain, reducing the need for frequent ironing and special care.

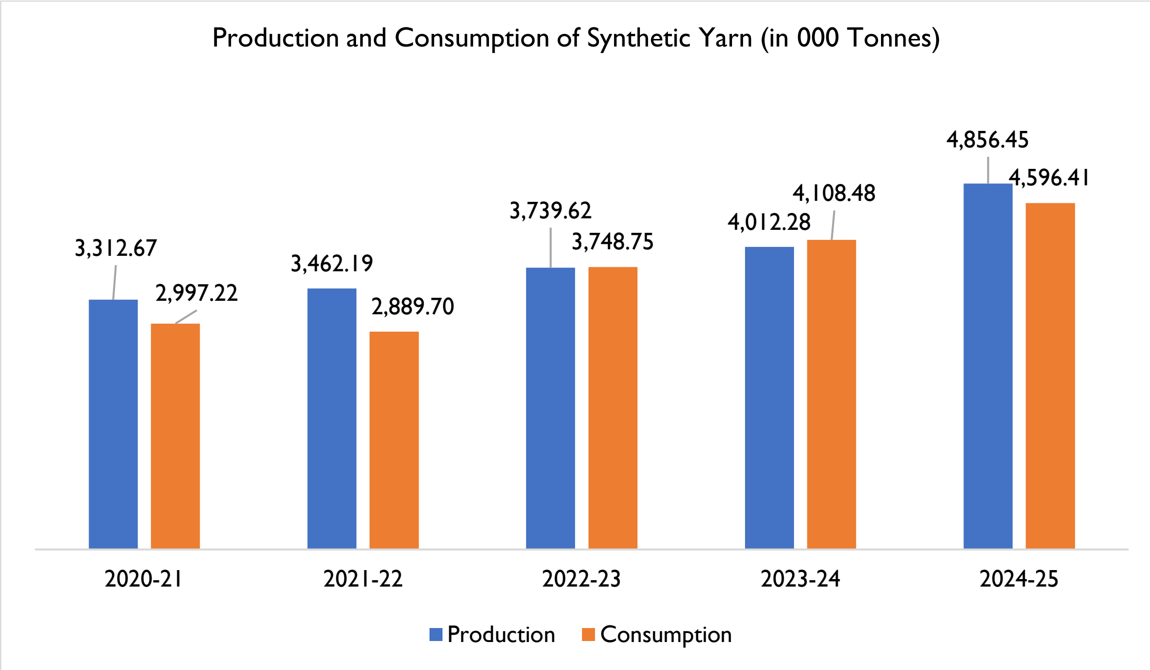
Another important characteristic is their low moisture absorption, which enables quick drying and makes them ideal for sportswear, outdoor clothing, and industrial uses. Synthetic yarns can also be engineered to have specific properties such as water resistance, flame retardancy, and UV protection, enhancing their suitability for specialized applications.

However, synthetic yarns have certain limitations. They are generally less breathable than natural yarns, which may cause discomfort in hot and humid conditions. Moreover, since they are non-biodegradable, they raise environmental concerns, particularly related to microplastic pollution and waste management.

Despite these challenges, synthetic yarn continues to witness strong demand due to its cost efficiency, versatility, and performance advantages. With ongoing advancements in technology, there is increasing focus on developing recycled and eco-friendly synthetic fibers, which are expected to drive sustainable growth in the segment.

Synthetic Yarn Production and Consumption Scenario

The synthetic yarn industry has demonstrated a steady growth trajectory over the five-year period, supported by increasing demand from the apparel, technical textiles, and industrial sectors.



Source: CMIE Database

Production of synthetic yarn witnessed a steady and consistent increase over the period, rising from 3,312.67 thousand tonnes in 2020–21 to 4,856.45 thousand tonnes in 2024–25, indicating strong overall growth in the industry. The expansion was relatively moderate during 2020–21 to 2022–23, suggesting gradual capacity additions and stable demand conditions. However, the pace of growth accelerated in 2023–24 and further strengthened in 2024–25, reflecting significant capacity expansion, increased investments in the man-made fiber (MMF) segment, and rising demand from both domestic and export markets.

On the consumption side, the trend showed some initial volatility, with a slight decline from 2,997.22 thousand tonnes in 2020–21 to 2,889.70 thousand tonnes in 2021–22, which may be attributed to temporary demand disruptions or inventory adjustments. Despite this, the market recovered strongly from 2022–23 onwards, with consumption increasing steadily to reach 4,596.41 thousand tonnes in 2024–25. This growth was primarily driven by rising demand for synthetic textiles across key segments such as fast fashion, sportswear, and technical textiles, highlighting the increasing preference for durable and performance-oriented fabrics.

Key Demand Drivers

The home textile market in India is experiencing steady growth, fueled by rising consumer spending, urban housing expansion, and a growing preference for premium home furnishings. With increasing awareness of quality, comfort, and design, consumers are seeking durable and aesthetically pleasing textiles for their homes. The demand is further amplified by the expansion of organized retail and e-commerce, making home textiles more accessible across tier-1 and tier-2 cities. Additionally, industries like hospitality and healthcare continue to drive bulk demand for high-performance fabrics, reinforcing the sector's long-term growth potential.

Analysis of Key Factors driving the demand for home textile in the industry

- **Rising Disposable Incomes and Economic Growth**

India's economy is experiencing steady growth, leading to a significant rise in disposable incomes, particularly in urban areas. Per capita disposable income is projected to reach INR 2.14 lakh in FY 2023-24, following consistent year-on-year increases. With an 8% growth in FY 2024, building on the 13.3% surge from the previous year, the purchasing power of Indian consumers continues to strengthen. This shift is transforming consumer behavior, with a growing preference for premium, high-quality home improvement products, including home textiles. As middle-class and affluent consumers increasingly invest in aesthetically pleasing and branded home furnishings, the demand for bed linens, curtains, and upholstery is on the rise. This trend highlights a broader shift toward enhancing living environments, making home textiles an integral part of lifestyle upgrades.

- **Urbanization and Real Estate Expansion**

India is undergoing rapid urbanization, with its urban population expected to reach 600 million by 2030. The large-scale migration from rural areas to urban centers is fueling demand for housing, commercial spaces, and infrastructure, thereby driving real estate growth. As new housing developments emerge and rental activity increases, the need for essential home furnishings, including home textiles, is rising. Additionally, the growing diversity in housing, from affordable homes to luxury residences, has created a broad market for bed linens, carpets, and upholstery. Urbanization, coupled with changing lifestyles, continues to be a key driver for home textile consumption in India.

- **Growth of Organized Retail and E-Commerce**

The expansion of organized retail and e-commerce is transforming the home textile market, making products more accessible to a larger consumer base. With India's retail industry projected to reach USD 2 trillion by 2032, the rise of modern retail formats and digital shopping platforms is accelerating demand for specialized home textile products, including mattress fabrics. The growing consumer focus on comfort, wellness, and premium quality has increased the demand for high-performance textiles, particularly knitted fabrics for mattresses, which are favored for their durability and comfort. As online retail and B2B platforms expand, home textile brands are leveraging e-commerce to cater to a wider audience, further fueling industry growth.

- **Increasing Focus on Home Décor and Interior Design**

The home décor segment is witnessing strong growth, driven by evolving consumer preferences and the desire for personalized living spaces. Social media platforms like Instagram and Pinterest have amplified this trend, influenced consumer choices and encouraged investments in luxury home textiles. Products such as designer bed linens, plush mattress covers, and stylish comforters, often crafted from knitted fabrics, are gaining popularity due to their combination of aesthetics and comfort. As consumers increasingly prioritize style, functionality, and sustainability, demand for premium and specialty home textiles continues to rise, making this a vital segment in the industry.

- **Expansion of the Hospitality, Healthcare, and Tourism Sectors**

India's hospitality and healthcare industries are key contributors to the rising demand for specialized home textiles. Hotels, resorts, and hospitals require high-quality bed linens, bath linens, curtains, and upholstery, many of which utilize knitted fabrics known for their comfort and durability. As the tourism sector rebounds post-pandemic, the demand for premium-quality home textiles in hospitality settings is expected to grow significantly. Similarly, the healthcare industry's focus on hygienic and comfortable fabrics is driving the need for specialized linens and mattress fabrics, reinforcing its role as a crucial demand driver for the industry.

- **Export Opportunities and Global Demand**

India is a major exporter of home textiles, renowned for producing cost-effective and high-quality products. With increasing demand from international markets, particularly the US and Europe, exports remain a significant contributor to industry growth. Investments in technology, innovation, and sustainability are helping Indian manufacturers meet stringent global standards, opening new opportunities in eco-friendly and organic textiles. As demand for sustainable products grows, Indian home textiles are well-positioned to capture a larger share of the global market.

- **Post-Pandemic Recovery and Pent-Up Demand**

The home textile industry, like many others, faced challenges during the COVID-19 pandemic, with demand affected by economic uncertainties and supply chain disruptions. However, as the economy stabilizes, pent-up consumer demand is driving a renewed focus on home improvement and comfort. Consumers are increasingly investing in beddings, curtains, and home furnishings that enhance their living spaces. The shift towards quality, wellness, and durability in home textiles underscores a lasting change in consumer behavior, making this segment a key focus for future growth.

- **Innovation and Sustainability in Home Textiles**

Advancements in technology and sustainability are driving significant growth in the home textile industry. Smart textiles, such as temperature-regulating fabrics, antimicrobial and odor-resistant materials, and self-cleaning, stain-resistant textiles, are enhancing consumer convenience and hygiene. Simultaneously, there is a rising demand for customized and personalized home textiles, with brands offering monogrammed bedding, tailor-made upholstery, and bespoke curtains to cater to individual preferences. Additionally, sustainability remains a key focus, with manufacturers increasingly using biodegradable fabrics, plant-based dyes, and eco-friendly materials like Tencel, recycled polyester, and organic wool to reduce environmental impact. These innovations are reshaping the industry by offering smarter, more functional, and sustainable textile solutions.

Regulatory Landscape

The Indian home textile industry functions within a comprehensive regulatory framework that oversees manufacturing, quality standards, labour policies, and environmental sustainability. Governed by both central and state-level regulations, these policies are aimed at fostering sustainable growth, maintaining product quality, and enhancing export competitiveness. Key regulatory aspects cover textile production norms, labour welfare, environmental compliance, and trade facilitation, ensuring that the industry operates efficiently while meeting global standards and sustainability goals.

Regulatory/ Policy Framework governing the industry

- Textile Sector Regulations: The Indian Ministry of Textiles establishes guidelines and policies specific to the sector. Key regulations include the Textile (Development and Regulation) Order, 2001, which oversees textile production, standards, and quality controls across the sector. The Bureau of Indian Standards (BIS) also plays a significant role in setting and enforcing quality benchmarks that ensure home textile products meet national and international requirements.
- Labour and Social Compliance: The industry is governed by multiple labour laws, such as the Factories Act, 1948, which regulates working hours, wages, health, and safety for workers in manufacturing facilities. Additionally, there is a strong emphasis on ensuring labour rights compliance, with adherence to the Code on Wages, 2019, and the Occupational Safety, Health, and Working Conditions Code, 2020. These regulations collectively ensure a safe working environment, with provisions on fair wages, limiting working hours, and outlining safety measures in manufacturing units.
- Environmental Standards: The Indian government has introduced several environmental regulations to address the textile industry's environmental footprint. The Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 regulate emissions and waste management within textile units. Additionally, textile manufacturers are encouraged to implement sustainable practices, such as efficient water usage, waste recycling, and emission control, in line with India's commitments to climate action.
- Export Policies and Trade Facilitation: India's export policies for the textile sector are managed under the Foreign Trade Policy (FTP), which provides guidelines for export and import of textile goods. The Export Promotion Councils (EPCs), such as the Cotton Textiles Export Promotion Council (TEXPROCIL), work alongside the government to facilitate global market access, resolve trade-related issues, and promote Indian textile exports internationally. Additionally, the Quality Control Orders (QCOs) under the BIS mandate strict quality compliance for exported textile goods, ensuring that Indian textiles meet international standards and are competitive in global markets.

Policy Initiatives/ Government incentives designed to promote the industry activity

The Indian government has implemented several policies and incentive programs to bolster the home textile industry, encourage exports, and attract investments:

- **PM-Mega Integrated Textiles and Apparel Park (PM-MITRA):** The Government of India is establishing seven PM-MITRA Parks across Greenfield and Brownfield sites, in collaboration with willing state governments. This initiative aims to create modern, integrated, and world-class industrial infrastructure, incorporating plug-and-play facilities to support the entire textile value chain, including spinning, weaving, processing, garmenting, and textile machinery manufacturing. With a budgetary allocation of ₹4,445[5] crores for the period 2021-22 to 2027-28, the scheme is designed to enhance competitiveness, boost investments, and drive sustainable growth in the textile sector. These parks will be strategically located in regions with strong industry linkages and ecosystem advantages, ensuring seamless access to raw materials, skilled labour, and export markets. Furthermore, the Public-Private Partnership (PPP) model will play a crucial role in accelerating implementation, ensuring that the parks are developed in a structured and time-bound manner to position India as a global leader in textiles.
    1. **Textiles Focused Research, Assessment, Monitoring, Planning and Start-up (Tex-RAMPS) Scheme:** This scheme was announced in November 2025, to bring research, data, and innovation to strengthen the Indian textile sector. The scheme currently has a total financial outlay of Rs 305 crore for the period between FY 2025-26 to 2030-31. It will look at significant gaps present in the sector including research & development, innovation support and developing capacity to produce sufficiently to cater to the supply demand balance. The scheme has 5 major components i.e Research & Innovation
    2. Data, Analytics& Diagnostics
    3. Integrated Textiles Statistical Systems
    4. Capacity Development & Knowledge Ecosystem
    5. Start-up & Innovation Support

- **Production Linked Incentive (PLI) Scheme:** In 2021, the government launched the PLI Scheme for Textiles, particularly for the manufacture of man-made fibers and technical textiles. This scheme offers financial incentives to textile manufacturers based on incremental sales growth, with the goal of increasing India's share in the global textile market and driving sectoral innovation.

- **Scheme for Integrated Textile Parks (SITP, 2005)**: To address the need for modern infrastructure, the government introduced the SITP to develop world-class infrastructure for

[5] Press Information Bureau, Ministry of Textile

textile units. This scheme supports the establishment of textile parks with essential facilities like power, water supply, roads, and common effluent treatment plants, creating a conducive environment for textile manufacturing and export activities.

- **Amended Technology Upgradation Fund Scheme (ATUFS, 2015)**: The ATUFS is an initiative to promote technology upgrades in the textile industry, including the home textile sector. This scheme provides capital subsidies for investments in new machinery and technology, helping manufacturers improve product quality, operational efficiency, and energy consumption, and maintain competitiveness in global markets.
- **Market Access Initiative (MAI) Scheme, 2021**: This scheme supports the home textile industry's export-oriented efforts. The MAI provides financial assistance for participation in trade shows, exhibitions, and buyer-seller meets, helping Indian textile exporters expand into new markets and attract foreign buyers.
- **Duty Drawback Scheme and Rebate of State and Central Taxes and Levies (RoSCTL, 2019)**: To promote exports, the Duty Drawback Scheme and RoSCTL provide refunds on various taxes and levies incurred by textile exporters. These schemes help lower production costs, making Indian home textiles more competitive in the global market.
- **Focus on Sustainability**: Recognizing the growing global focus on sustainable products, the Indian government is also promoting the adoption of eco-friendly practices in textile manufacturing. The Green Manufacturing Initiative and various subsidies for environmentally friendly production processes encourage home textile manufacturers to adopt greener practices, positioning India as a sustainable textile producer.

These policies and incentives collectively create a supportive ecosystem for the Indian home textile industry, encouraging growth, export expansion, and modernization. The government's active role in providing financial incentives, promoting sustainable practices, and developing infrastructure underscores its commitment to positioning India as a global leader in the home textile sector.

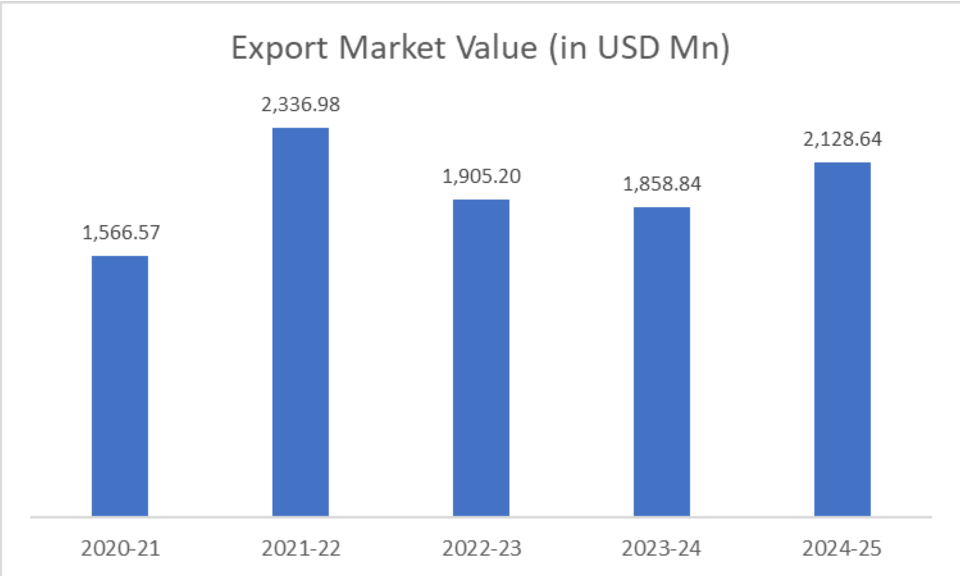
Trade Scenario (HS Code 6302)

The global trade scenario for bed linen, toilet linen, table linen, and kitchen linen are shaped by evolving consumer preferences, rising disposable incomes, and increasing demand for premium and sustainable home textiles. India, China, and Pakistan are among the leading exporters, catering to strong demand from markets such as the United States, European Union, and the Middle East. The shift towards organic, antimicrobial, and eco-friendly fabrics has further influenced trade dynamics, with manufacturers focusing on innovation and compliance with stringent global quality standards. Despite challenges like fluctuating raw material costs and trade regulations, the sector continues to grow, driven by expanding e-commerce channels and rising hospitality and real estate industries worldwide.

Export Scenario: Annual export value & historical growth trend in export value (last 3 years)

The Indian home textile export market, encompassing products such as bed linen, table linen, toilet linen, and kitchen linen, has experienced noticeable fluctuations over the past five years.

Below is the export market for the HS code 6302 which includes bed linen, table linen, toilet linen, and kitchen linen.



Source: Directorate General of Foreign Trade

In 2021-22, exports peaked at USD 2,336.98 million, driven by a surge in global demand as consumers prioritized home improvement during the COVID-19 pandemic. The China+1 strategy, aimed at reducing dependency on China, also played a crucial role, enabling India to capture a larger share of the global market. This growth period was marked by increased orders from markets like the USA, where India supplied nearly 29% of home textile imports, leading to a record export performance.

However, the market saw a gradual decline in the following years, with exports dropping to USD 1,905.20 million in 2022-23, USD 1,858.84 million in 2023-24, and bounced back to the value of USD 2,128.64 million in 2024-25. The increased cotton prices, escalating freight costs due to geopolitical tensions, and increased energy costs in the EU further strained profit margins but however resulted in the revenue bouncing back to around the value in 2021-22.

The global economic slowdown, particularly in major markets like the USA and Europe, led to decreased discretionary spending on home textiles. Regulatory challenges, including complex domestic regulations and environmental compliance requirements, added to the burden, especially for smaller manufacturers. Meanwhile, competitors like Bangladesh and Vietnam gained a competitive edge due to streamlined processes and favourable trade agreements. These intertwined challenges contributed to the declining trend in India's home textile exports in recent years.

Top 3 export markets (countries) & historical trend in exports to those three markets (last 3 years)

- USA

Years	Export Value (In Million USD)
2021-22	1,641.89
2022-23	1,251.80
2023-24	1,245.05
2024-25	1,329.7

The export trend of home textiles from India to the U.S. has steadily declined over recent years. In 2021-22, exports peaked at USD 1,641.89 million due to strong demand for home textiles during the COVID-19 pandemic, driven by consumers' focus on home improvement and hygiene, along with India's reliable position amid global supply chain disruptions. However, in the following years, export values fell to USD 1,251.79 million in 2022-23, USD 1,245.05 million in 2023-24, and USD 1,329.7million in 2024-25 This increase in exports is mainly due to the Indian government's extension of duty-free imports of cotton-based textiles. The relief from the heavy tariffs imposed by US had disrupted the exporters in the country along with the manufacturers. This duty-free period for exports has given a sigh of relief and further exemptions in long term and reduction in tariffs from US could bolster the growth of the exports.

- UK

Years	Export Value (In Million USD)
2021-22	69.35
2022-23	69.92
2023-24	75.35
2024-25	90.35

India's home textile exports to the United Kingdom have experienced modest fluctuations in recent years. In the fiscal year 2021-22, exports were valued at USD 69.35 million, slightly increasing to USD 69.92 million in 2022-23, and further to USD 75.35 million in 2023-24. The data for 2024-25 indicates a sharp increase in the export to USD 90.35 million. This can be mainly attributed to the India-UK Free Trade Agreement (FTA) which makes duty free most of the imports from India. This agreement has benefitted labour intensive sectors like textiles thus making Indian textiles price-competitive making it much attractive to the UK Importers. This factor is expected to safeguard the textile sector even in situations of global trade disruptions and other sector specific constraints.

- Australia

Years	Export Value (In Million USD)
2021-22	61.16
2022-23	71.01
2023-24	61.04
2024-25	78.41

India's home textile exports to Australia have experienced fluctuations in recent years. In the fiscal year 2021-22, exports were valued at USD 61.16 million, increasing to USD 71.01 million in 2022-23. However, they declined to USD 61.04 million in 2023-24 and then rose to USD 78.41 during the end of 2024-25. This drastic increase in the export can be attributed mainly to the India-Australia Economic Cooperation and Trade Agreement (ECTA) in December 2022. The other reasons for increase in the exports can be attributed to the growing Indian immigrants and residents of Indian origin in Australia and the improved logistics and supply chain dynamics between the countries.

- Germany

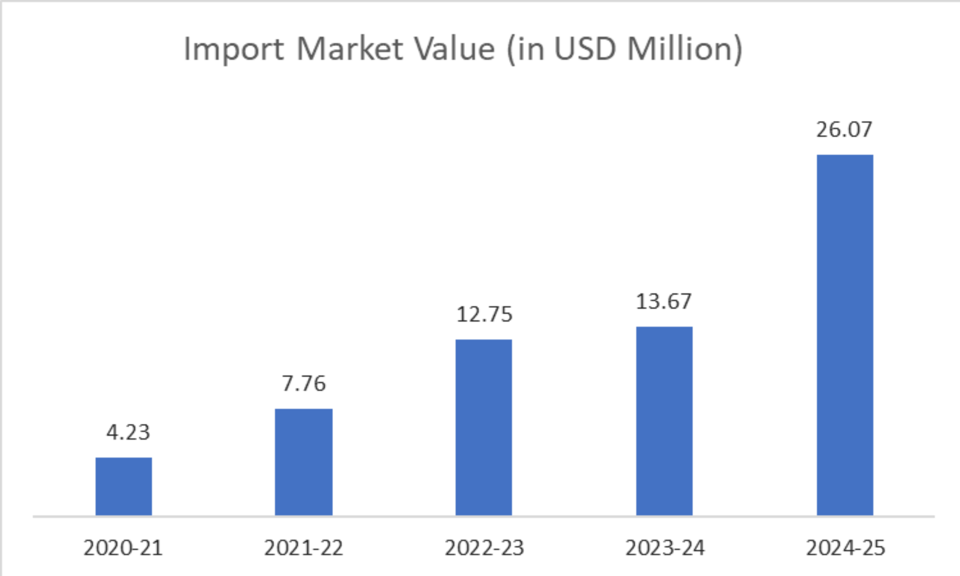
Years	Export Value (In Million USD)
2021-22	72.85
2022-23	62.76
2023-24	53.86
2024-25	68.22

India's home textile exports to Germany have experienced a consistent decline over recent years. In the fiscal year 2021-22, exports were valued at USD 72.85 million, decreasing to USD 62.76 million in 2022-23, further to USD 53.86 million in 2023-24, and reaching USD 68.22 million during the end of 2024-25. This increasing trend can be attributed to several factors, including non-impacted. Additionally, economic challenges within the European Union have influenced purchasing patterns, leading to reduced demand for imported textiles. Despite these challenges, there have been periods of recovery; for instance, during April-May 2024, Germany's imports of Indian textiles increased, which driven by a post-pandemic surge in consumer spending and heightened demand for summer clothing in Western markets.

Import Scenario: Annual import value & historical growth trend in import value (last 3 years)

The import market for home textiles in India, has shown a consistent upward trend over recent years.

Below is the export market for the HS code 6302 which includes bed linen, table linen, toilet linen, and kitchen linen.



Source: Directorate General of Foreign Trade

From USD 4.23 million in 2020-21 to USD 26.07 million in 2024-25 this sharp rise in imports highlights increasing demand driven by changing consumer preferences, urbanization, and rising disposable incomes. The surge in imports can be attributed to the growing inclination toward high-quality and branded home textiles, often sourced from established exporters like China and other Asian countries. In 2023, China remained the dominant supplier to India.

Several factors explain the rising import trend in India's home textile market. First, increasing urbanization and evolving lifestyle preferences have fuelled demand for premium and aesthetically appealing home textiles. Additionally, the shift toward online shopping platforms has made it easier for consumers to access a wider variety of imported products. High import volumes are also driven by the competitive pricing and innovative features offered by international suppliers, such as stain-resistant and wrinkle-free fabrics. Moreover, India's domestic textile industry has faced challenges, including fluctuations in raw material prices, high production costs, and stringent environmental regulations, which have impacted local manufacturers' competitiveness. This combination of factors has led Indian buyers to increasingly opt for imported home textiles.

Top 3 import partners (countries) & historical trend in imports from these three partner countries (last 3 years)

- China

Years	Import Value (In Million USD)
2021-22	4.79
2022-23	6.77
2023-24	8.19
2024-25	11.70

The import trend of home textiles from China to India has shown a steady increase over the past few years, with values rising from USD 4.79 million in 2021-22 to USD 8.19 million in 2023-24, before experiencing a significant increase again to USD 11.70 million in 2024-25 .This trend highlights India's reliance on Chinese imports for home textiles, driven by China's cost-effective production, advanced manufacturing capabilities, and ability to supply large volumes quickly. Though there were fluctuations in the imports, the increasing imports from China created a large trade deficit.

- USA

Years	Import Value (In Million USD)
2021-22	0.83
2022-23	2.8
2023-24	1.53
2024-25	10.96

The import trend of home textiles from the USA to India has shown significant fluctuations over the years. From a modest import value of USD 0.83 million in 2021-22, the figure surged to USD 2.8 million in 2022-23, reflecting increased demand for premium and specialty home textile products. However, imports declined to USD 1.53 million in 2023-24, likely due to currency fluctuations, higher import tariffs, and a shift towards local manufacturing under the "Make in India" initiative. Interestingly, the import value skyrocketed to USD 10.96 million in 2024-25,which can be attributed to India's growing appetite for luxury and high-end home textiles, niche products, and specialty fabrics that are not locally available. Also, the trend reflects India's diversification of sourcing to meet evolving consumer preferences. Factors such as trade agreements, reduced tariffs on specific imports, and the need for unique, high-quality textiles have also contributed to this surge in imports from the USA.

- Malaysia

Years	Import Value (In Million USD)
2021-22	0.81
2022-23	1.87
2023-24	1.94
2024-25	1.76

The import trend of home textiles from Malaysia to India has shown a fluctuating pattern over the years. In 2021-22, imports stood at USD 0.81 million and witnessed a significant increase to USD 1.87 million in 2022-23, likely driven by competitive pricing, trade agreements, and India's need for specific textile products not produced locally. The value slightly rose to USD 1.94 million in 2023-24, reflecting steady demand. However, imports dropped to USD 1.76 million in 2024-25 ,possibly due to increased domestic production, a stronger focus on local sourcing under initiatives like "Atmanirbhar Bharat," and changes in import tariffs. Additionally, competition from other Southeast Asian countries offering similar products at lower prices, along with a focus on sustainability and eco-friendly textiles, may have influenced India's sourcing decisions from Malaysia.

- Japan

Years	Import Value (In Million USD)
2021-22	0.01
2022-23	0.06
2023-24	0.02
2024-25	0.31

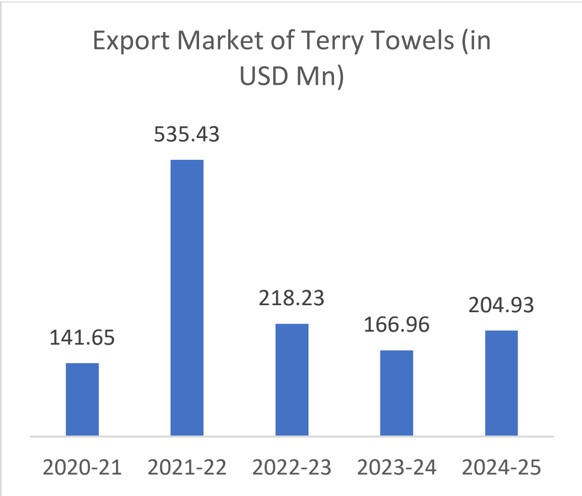
In 2021-22, imports were minimal at USD 0.01 million but rose significantly to USD 0.06 million in 2022-23, possibly due to niche demand for high-quality, premium Japanese textiles known for their craftsmanship and durability. However, imports dropped to USD 0.02 million in 2023-24, reflecting limited demand for premium-priced products amid economic uncertainties. The sharp increase to USD 0.31 million in 2024-25 suggests a resurgence in demand, potentially driven by growing interest in Japanese home aesthetics and luxury home furnishings in urban markets. Strategic trade agreements and evolving consumer preferences for unique, high-quality imports may have contributed to the uptick. However, high costs and competition from other Asian suppliers continue to limit Japan's market share in India's import landscape.

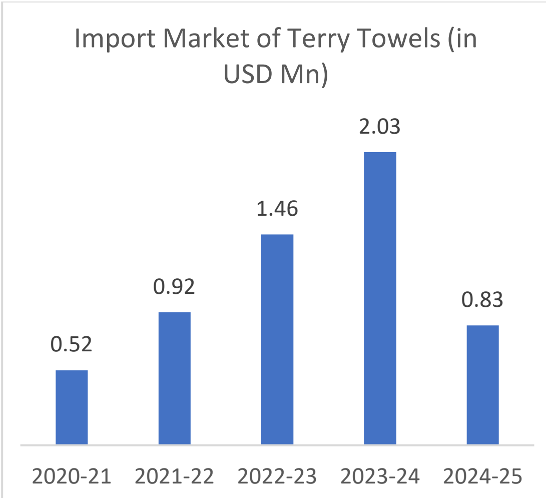
Trade Scenario: Home textile products

Analysis of import & export of home textile products

- **Terry Towels Trade Scenario**

The following analysis focuses on HS Code 63049250, which covers terry towels made of cotton, not knitted or crocheted. These towels are a key segment of India's home textile exports, known for their superior absorbency, durability, and softness. India is one of the leading global suppliers of cotton terry towels, catering to major markets such as the USA, Europe, and the Middle East. The trade performance of this category reflects both domestic production capabilities and global demand trends.



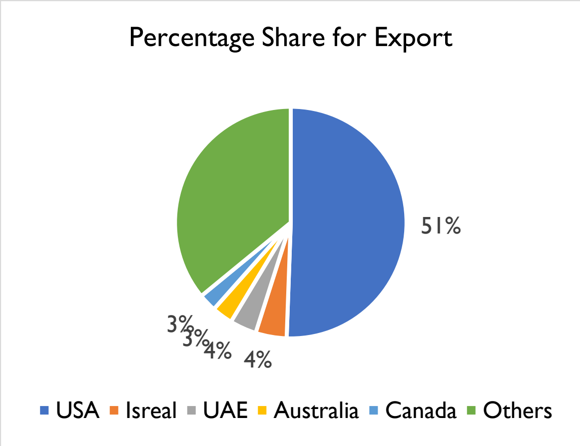


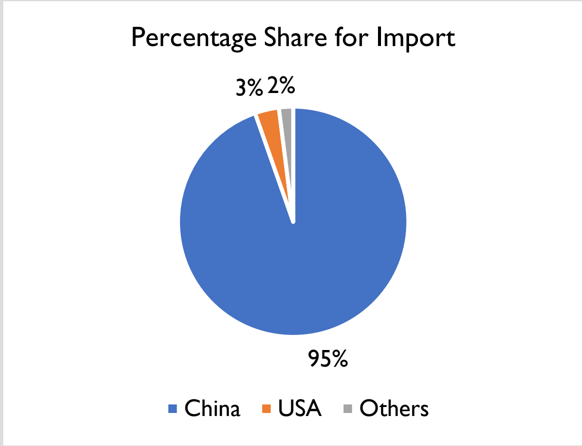
Source: Directorate General of Foreign Trade

India's terry towel exports have shown significant fluctuations over the past five years. In 2021-22, exports peaked at USD 535.43 million, a sharp rise from USD 141.65 million in 2020-21, driven by increased global demand for home textiles during the pandemic. However, exports declined in the subsequent years, falling to USD 218.23 million in 2022-23**,** USD 166.96 million in 2023-24, and an estimated USD 204.93 million for 2024-25 .This was due to the strong global demand for terry towels and innovations in manufacturing such as the sustainable sourcing of organic cotton and personalization of products for various global brands.

India's import of terry towels remains relatively low compared to exports but has shown a gradual increase over the years. Imports rose from USD 0.52 million in 2020-21 to USD 2.03 million in 2023-24, indicating a growing demand for high-end or specialty terry towels that may not be widely produced domestically. This could be driven by increasing consumer preference for premium, luxury, or specialized towels made from high-GSM, microfiber, or blended materials. However, in 2024-25, imports declined to USD 0.83 million, suggesting a shift towards greater self-sufficiency in domestic production. As India continues to strengthen its home textile manufacturing capabilities, reliance on imported towels is expected to remain minimal, with domestic producers catering to both mass and premium segments of the market.

Top countries Export Import Market (For FY 2024-25)





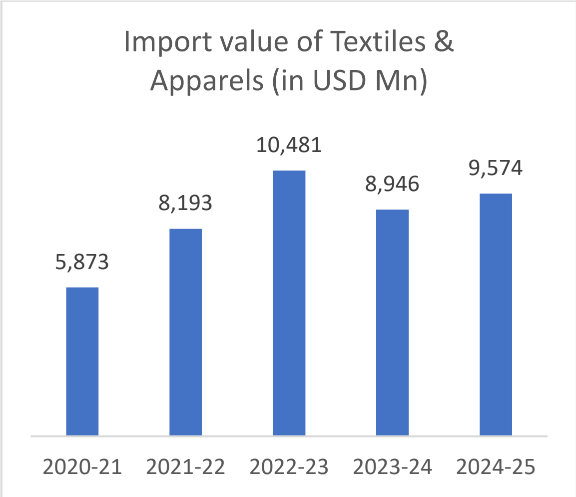
Source: Directorate General of Foreign Trade

The export and import analysis for Terry Towels highlights key trends in the company's global trade strategy. The USA is the dominant export destination, accounting for 51% of total exports, followed by Israel and UAE at 4% each, and Australia and Canada at 3% each, with the remaining 36% spread across other markets. This suggests a strong presence in the North American market, with some penetration in the Middle East and other regions.

On the import side, China overwhelmingly dominates the supply chain, contributing 95% of total imports, followed by the USA at 3% and other countries at 2%. This indicates a heavy reliance on China for raw materials or other essential inputs, making the supply chain vulnerable to geopolitical and trade-related disruptions. Diversification in sourcing could help mitigate risks and enhance supply chain stability.

- **Textile and Apparel Trade Scenario:**

India stands as the 6th largest exporter of textiles and apparel globally, contributing a significant 8.21% to the country's total exports in 2023-24. The export performance of India's textile and apparel sector, as depicted in the chart, showcases a fluctuating trend over the last four years.



Source: Ministry of Textile

India's textile and apparel exports stood at USD 29,877 million in 2020-21, followed by a remarkable surge in 2021-22, reaching a peak of USD 42,347 million, driven by heightened global demand post-COVID-19 as consumers focused on home improvement and fashion, supported by India's robust manufacturing capabilities and competitive pricing. However, the subsequent years saw a decline, with exports decreasing to USD 34,997 million in 2022-23 and further to USD 34,072 million in 2023-24, due to rising raw material costs, global economic uncertainties, and intensified competition from textile-exporting countries like Bangladesh, Vietnam, and China. Additionally, supply chain disruptions and regulatory challenges have impacted India's cost competitiveness. Despite this decline, India's strategic initiatives, such as the Scheme for Integrated Textile Parks (SITP) and cluster-based development programs, aim to bolster the industry's long-term growth potential.

In the fiscal year 2020-21, imports stood at USD 5,873 million, which increased significantly to USD 8,193 million in 2021-22, reflecting a rise in demand for specialized fabrics, machinery, and inputs unavailable locally. The surge continued in 2022-23, reaching a peak of USD 10,481 million due to increased imports of synthetic fibers, technical textiles, and apparel accessories, driven by the need to meet domestic demand and cater to export-oriented manufacturing. However, imports declined to USD 8,946 million in 2023-24, indicating a slight reduction, possibly due to import substitution measures, a focus on local sourcing under the 'Make in India' initiative, and regulatory adjustments. The trend underscores India's reliance on imports for advanced raw materials and technology, highlighting the need for domestic capability enhancements to reduce dependency and strengthen the textile and apparel ecosystem.

India's textiles and apparel sector holds a 3.91% share in the global trade, **with the USA and the European Union accounting for approximately 47% of the country's total textile and apparel exports.** The USA leads as a key export destination with a 28% share, followed by the UK at 6% and the EU at 19%. Within the EU, Germany, France, and the Netherlands contribute 4%, 3%, and 3% of India's global textile and apparel exports, respectively.

To enhance industry competitiveness, the Indian government has introduced initiatives such as the Scheme for Integrated Textile Park (SITP), aimed at establishing world-class infrastructure by developing textile parks with modern facilities. Additionally, the Comprehensive Powerloom, Knitwear, and Silk Mega Cluster initiatives focus on nurturing high-potential clusters to drive productivity and quality. These infrastructure investments are strategically designed to attract investment, boost exports, and strengthen India's position in the global textile trade.

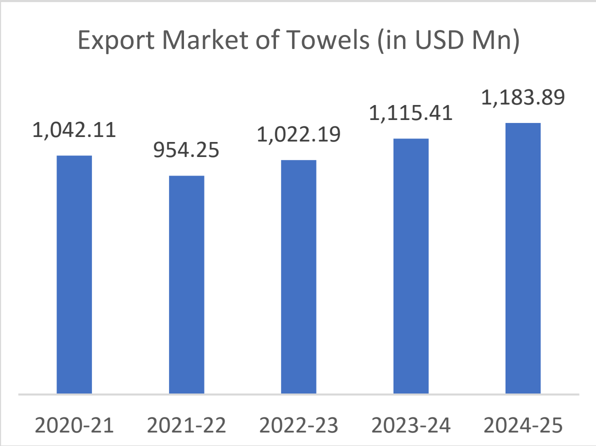
On the import front, India's textile and apparel segment has experienced a fluctuating trend in recent years. Rising from USD 5,873 million in 2020-21 to a peak of USD 10,481 million in 2022-23, the imports reflect growing domestic demand for specialized fabrics, technical textiles, and accessories. However, a slight decline to USD 8,946 million in 2023-24 indicates India's efforts toward import substitution, local sourcing under the 'Make in India' initiative, and regulatory measures to boost domestic capabilities.

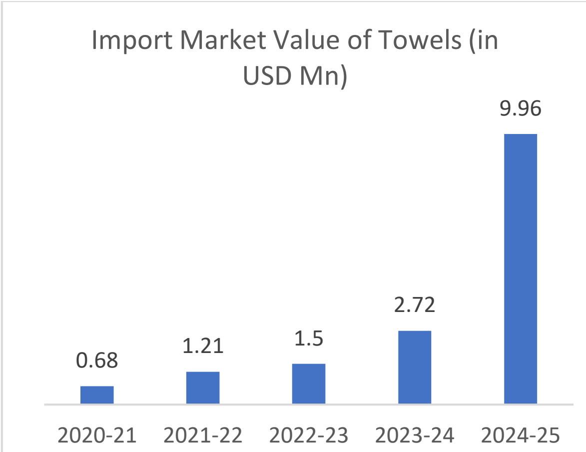
This holistic trade scenario underscores India's resilience and adaptability amid global challenges. By focusing on infrastructure development, strategic investments, and cluster-based approaches, India is poised to strengthen its position in both export and import markets. The combined emphasis on exports and efficient import management ensures a balanced, sustainable growth path for the Indian textile and apparel industry in the global market.

Trade Scenario: Towels (HSN Code: 63026090)

The terry towels manufactured by the company are in great demand domestically and by overseas countries. Towels used domestically in households, in hotels and of various compositions are in demand and its production has been increasing year on year as given in the above section.

Below is the export market for HS code 63026090 which stands for the towels.

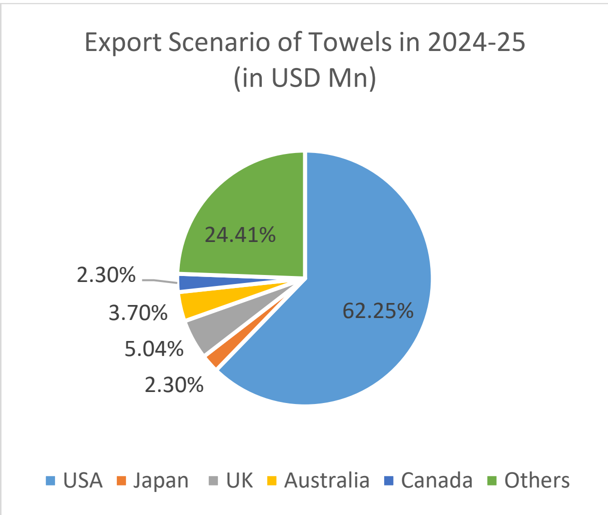


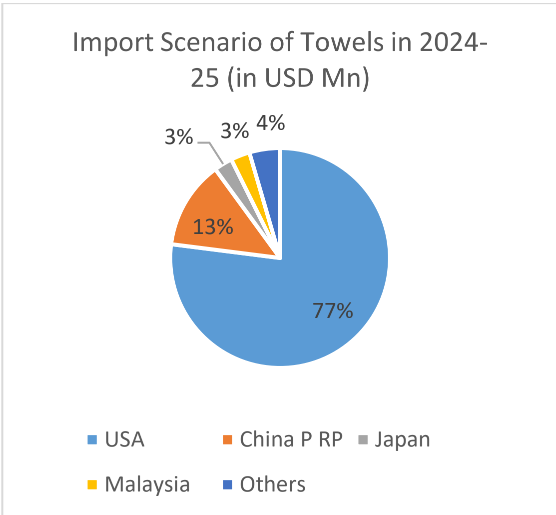


Source: Directorate General of Foreign Trade

The export of the Towels have been recovering post COVID 19 scenario and has achieved the highest revenue in the past 5 years for the second time. This indicates the strong demand for the towels by overseas countries and the high quality of fibers used in the making. The export value increased from USD 1,042.11 Mn in 2020-21 to USD 1,183.89 Mn in 2024-25 growing at rate of 2.58%.

The import of the towels was growing at a very slow but gradual pace between 2020-21 and 2022-23 i.e from USD 0.68 Mn to USD 1.5 Mn. However, in 2023-24, the demand domestically grew owing to increase in preference to branded and high-quality fabric towels and the rising number of hospitality establishments.





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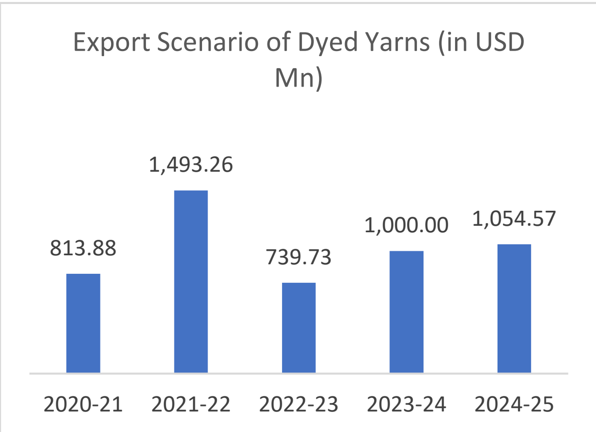
The export and import analysis for Towels highlights key trends in the company's global trade strategy. The USA is the dominant export destination, accounting for 62.25% of total exports, followed by UK at 5%, Australia at 3.7% and Japan and Canada at 2.3% each, with the remaining 24.4% spread across other markets. This suggests a strong presence in the North American market, with some penetration in the pacific countries and other regions.

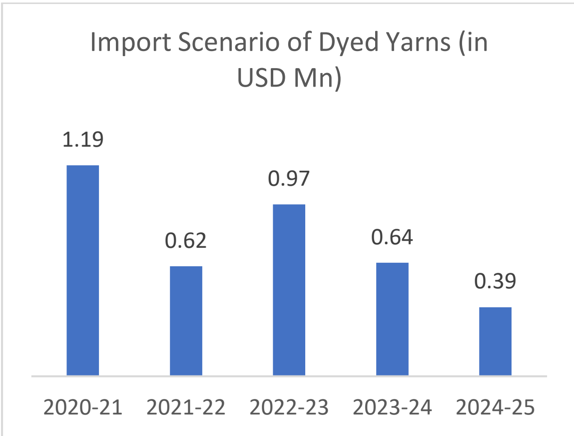
On the import side, USA overwhelmingly dominates the supply chain, contributing 77% of total imports, followed by the People Republic of China at 1.29% and other countries at 4%. This indicates a heavy reliance on U.S.A for raw materials or other essential inputs, making the supply chain vulnerable to geopolitical and trade-related disruptions. Diversification in sourcing could help mitigate risks and enhance supply chain stability.

Trade Scenario: Dyed Yarns (HSN 52052310)

Growing preference for colourful, high-quality home textile products is driving the demand of the dyed yarns. However, the trade of the yarns has experienced minor fluctuations and appears to be recovering to the immediate COVID-19 scenario.

The export and import of the dyed yarns for the past years i.e 2020-21 to 2024-25 is given below:





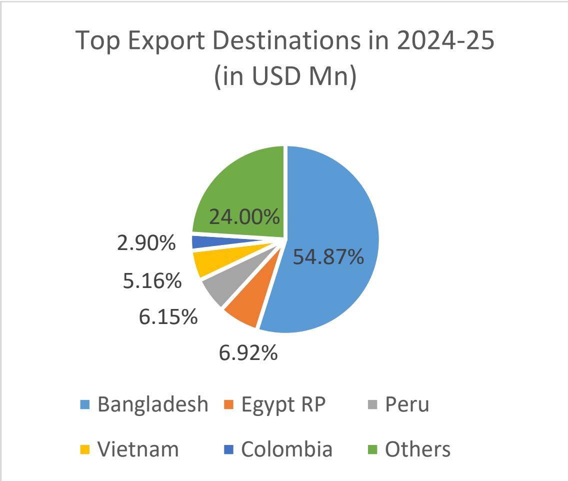
Source: Directorate General of Foreign Trade

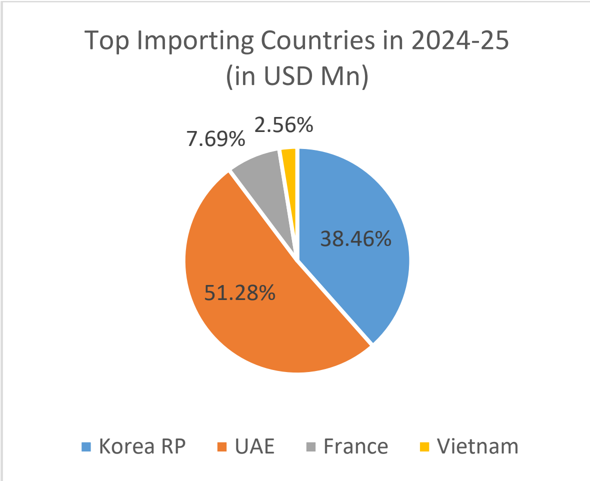
The export scenario of Dyed yarns from India depicts a promising positive recovery from the post COVID scenario. The value which was the highest in the past years especially in 2021-22 i.e USD 1,493.82 Mn and post this period, due to the recession trend in Europe along with high raw material costs led to the decrease in the year 2022-23. But the situation has seemed to improve with global demand increasing and preference for high quality home textiles. The export was valued in 2024-25 at USD 1,054.57 Mn, indicating a good demand and strong growth at a rate of 12.54% since 2022-23.

This growth is expected to continue owing to the demand for organic and coloured towels and other home textile products.

The import trend, on the contrary to exports has continued to decline indicating the self-reliance on sourcing the yarns domestically. This is in alignment of the vision of Atmanirbhar Bharat and becoming a strong global player in the Home textiles segment. As indicated in the graph, the decline in imports was about 20% since 2020-21 to 2024-25 which decreased in the value from USD 1.19 Mn to USD 0.39 Mn.

Top export and import destinations for Dyed Yarns





Source: Directorate General of Foreign Trade

The export and import analysis for Dyed yarns are represented for the year 2024-25 above. Bangladesh is a dominant export destination as of this year, accounting for 54.87% of total exports, followed by Republic of Egypt at 6.92%, Peru at 6.15% and Vietnam and Colombia at 5.16% and 2.9% respectively with the remaining 24% spread across other markets. This suggests a strong presence in the Asian and African market, with some penetration in the South American countries and other regions.

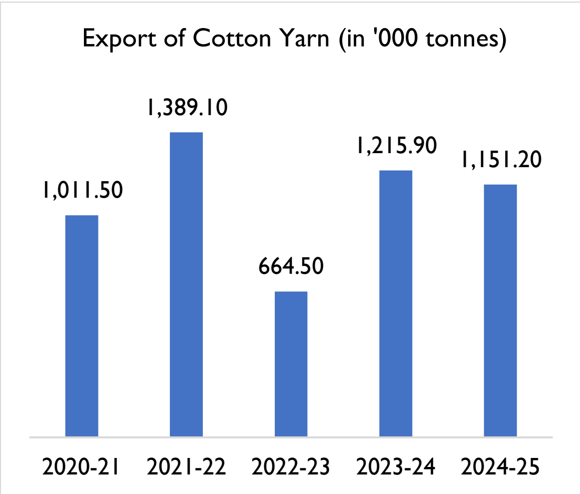
On the import side, the UAE overwhelmingly dominated the supply chain, contributing 51.28 % of total imports, followed by the Republic of Korea at 38.46 % and other countries such as France and Vietnam at 7.69 % and 2.56% respectively. This indicates a shift from conventional countries such as China to UAE for raw materials or other essential inputs.

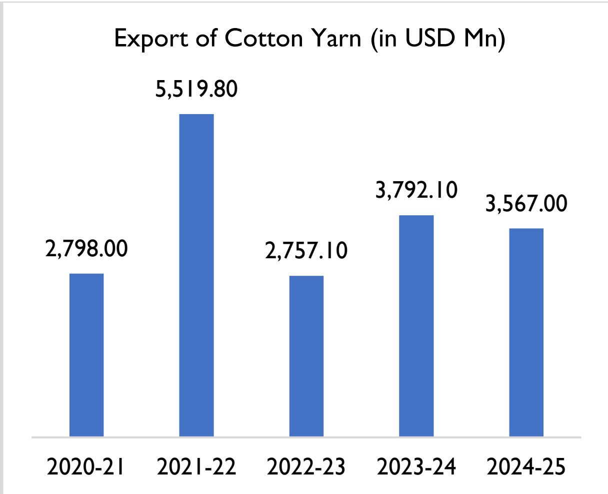
Trade Scenario: Yarn

Cotton Yarn

The overall trade of cotton yarn reflects changing global demand–supply dynamics, price fluctuations, and evolving trade patterns. Export trends show dependence on key international markets, while imports indicate the need to manage domestic supply gaps. Together, trade value, volume, and partner distribution highlight market concentration and diversification, which are important for assessing growth and risk.

Export

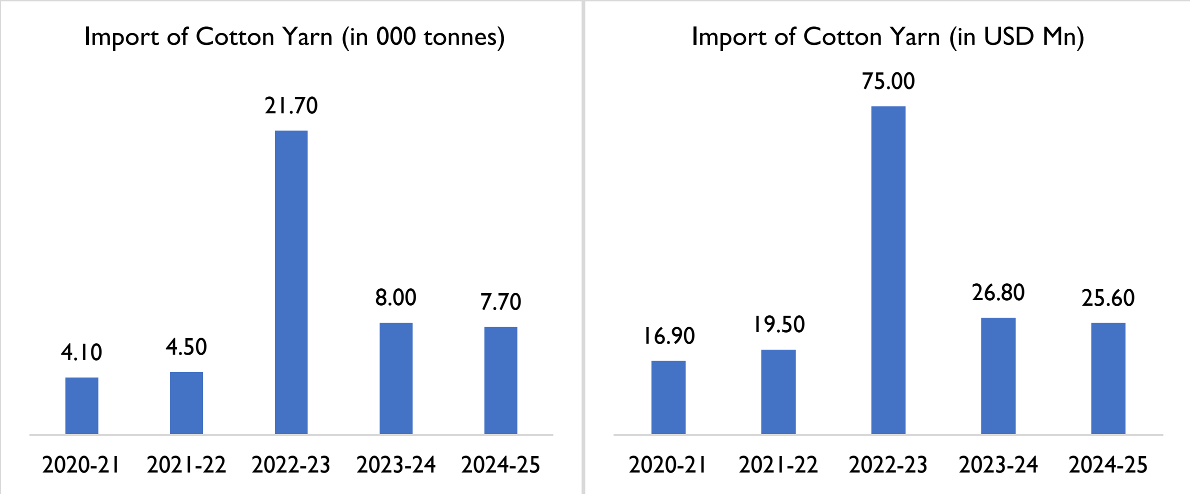




Source: CMIE Database

Export value increased significantly from USD 2,798.0 million in FY2021 to a peak of USD 5,519.8 million in FY2022, before declining sharply to USD 2,757.1 million in FY2023. It then recovered and stabilized at USD 3,792.1 million in FY2024 and USD 3,567.0 million in FY2025, indicating a post-peak correction and relatively stable pricing environment. In terms of volume, exports rose from 1,011.5 thousand tonnes in FY2021 to 1,389.1 thousand tonnes in FY2022, followed by a steep drop to 664.5 thousand tonnes in FY2023. The volumes rebounded to 1,215.9 thousand tonnes in FY2024 and slightly declined to 1,151.2 thousand tonnes in FY2025, reflecting recovery with mild moderation. Overall, the trend indicates a cyclical pattern with a peak in FY2022 followed by stabilization.

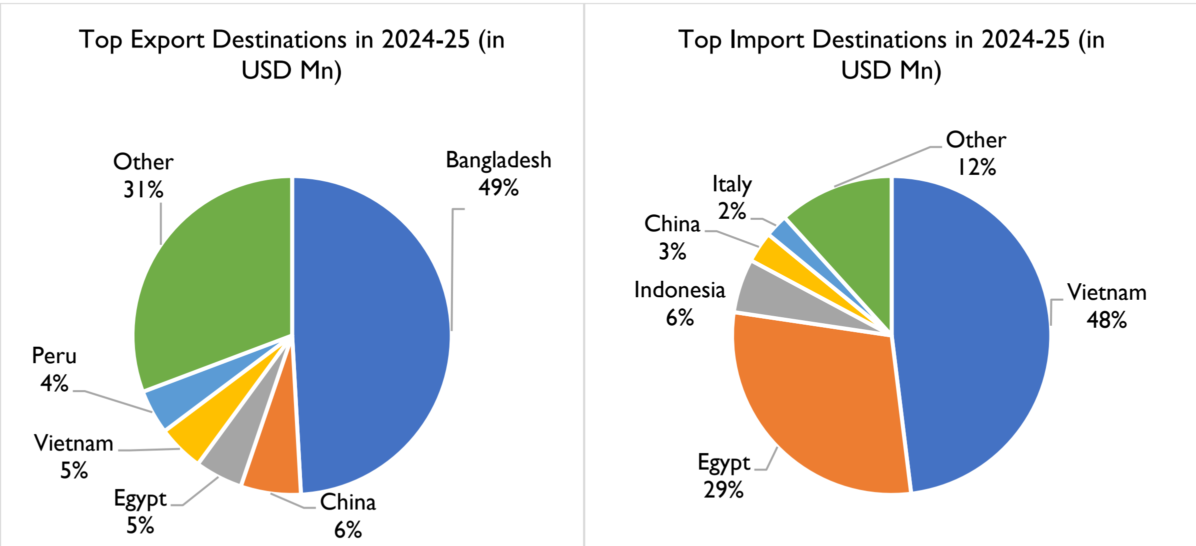
Import



Source: CMIE Database

Import value showed a fluctuating trend over the period, increasing from USD 16.9 million to USD 19.5 million, followed by a sharp surge to USD 75 million, indicating a peak driven by strong demand and/or higher global prices. Subsequently, import value declined to USD 26.8 million and further to USD 25.6 million, reflecting market correction and stabilization. In terms of volume, imports rose from 4.10 thousand tonnes to 4.50 thousand tonnes, before jumping significantly to 21.70 thousand tonnes. This was followed by a decline to 8.00 thousand tonnes and 7.70 thousand tonnes, indicating normalization after a temporary spike. Overall, the trend suggests a cyclical pattern with a peak phase followed by stabilization.

Top export and import destinations Cotton Yarn



Source: CMIE Database

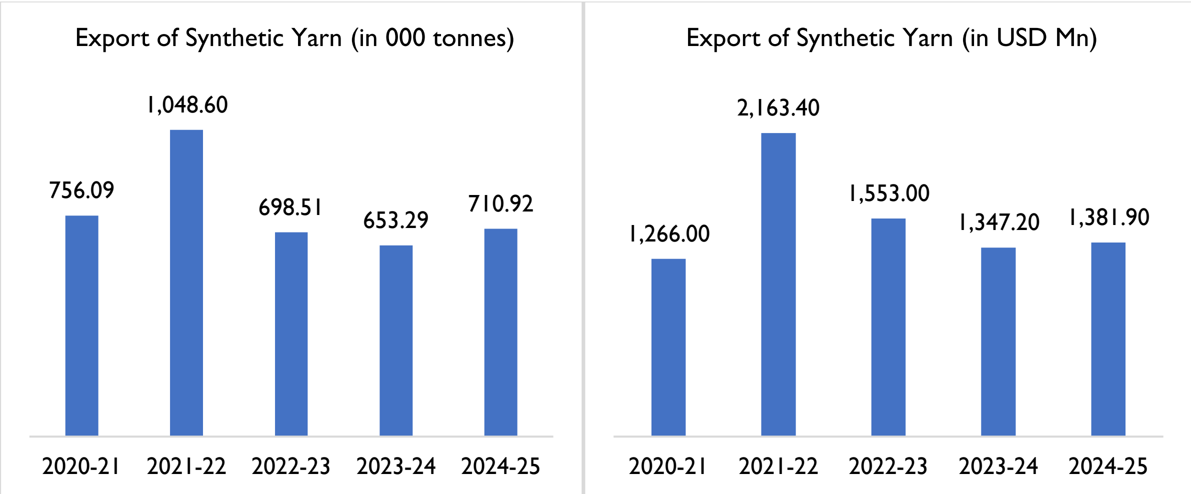
The trade pattern of cotton yarn reflects a high level of concentration on both the export and import sides. On the export front, nearly half of the shipments are directed to Bangladesh 49%, making it the dominant market due to its strong textile manufacturing sector. Other countries such as China 6%, Egypt 5%, Vietnam 5%, and Peru 5% hold relatively small shares, while other markets 31% collectively contribute a significant but fragmented portion. This indicates that although exports are spread across multiple regions, there is a heavy reliance on a single country, increasing exposure to demand or policy changes in that market.

On the import side, the sourcing of cotton yarn is similarly concentrated, with Vietnam 48% and Egypt 29% together accounting for a substantial majority of imports. Additional suppliers such as Indonesia 6%, China 3%, and Italy 2% contribute marginal shares, while other countries 12% provide some diversification. This pattern highlights dependence on a limited number of supplier nations, which could pose risks in case of supply disruptions. Overall, the cotton yarn trade structure underscores the need for broader market diversification and supplier expansion to enhance stability and reduce concentration risks.

Synthetic Yarn

The synthetic yarn market is influenced by industrial demand, technological advancements, and shifts in global textile manufacturing hubs. Its trade patterns reflect changing competitiveness, raw material linkages (like petrochemicals), and evolving sourcing strategies, offering insights into production strength, demand trends, and dependency on key international markets.

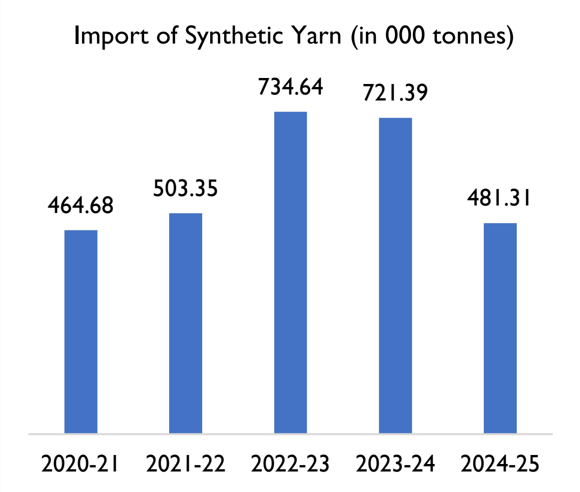
Export

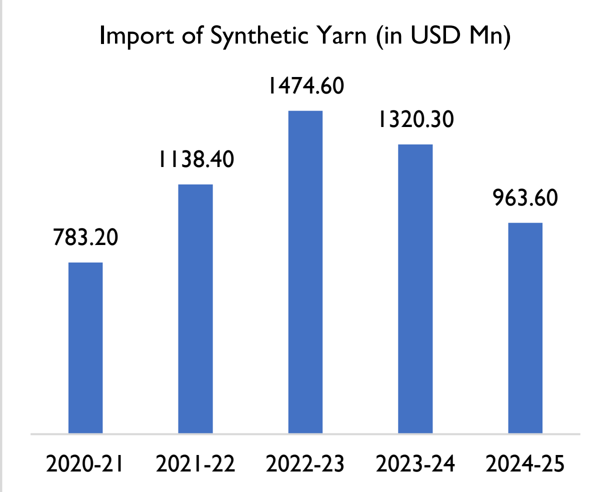


Source: CMIE Database

Export value of synthetic yarn increased from USD 1,266.0 million in FY2021 to a peak of USD 2,163.4 million in FY2022, driven by strong global demand and favourable pricing. However, it declined to USD 1,553.0 million in FY2023 and further to USD 1,347.2 million in FY2024, before slightly recovering to USD 1,381.9 million in FY2025, indicating stabilization after a correction phase. In terms of volume, exports rose from 756.09 ('000 tonnes) in FY2021 to 1,048.60 ('000 tonnes) in FY2022, followed by a decline to 698.51 ('000 tonnes) in FY2023 and 653.29 ('000 tonnes) in FY2024, before increasing to 710.92 ('000 tonnes) in FY2025. Overall, exports reflect a cyclical trend with a peak in FY2022 followed by moderation and gradual recovery.

Import

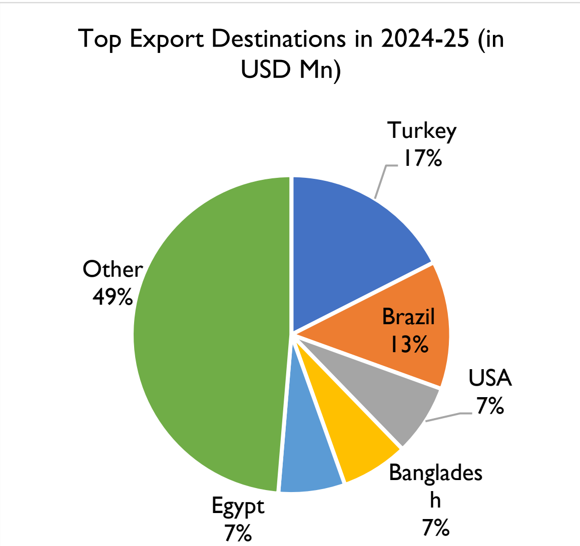


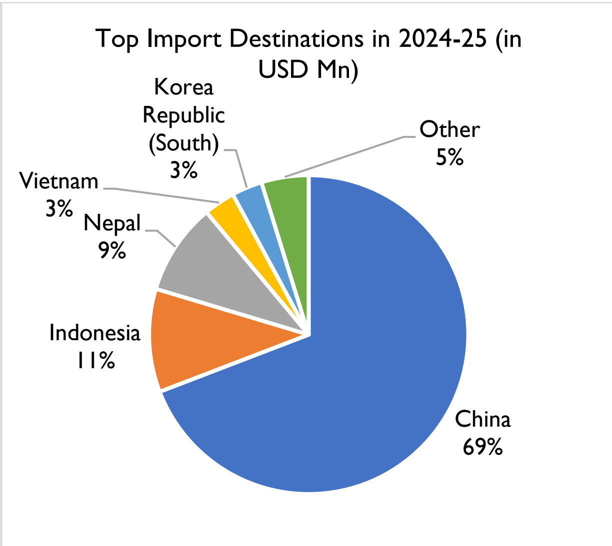


Source: CMIE Database

Import value increased from USD 783.2 million in FY2021 to USD 1,138.4 million in FY2022, and further to a peak of USD 1,474.6 million in FY2023, indicating strong domestic demand and higher global prices. It then declined to USD 1,320.3 million in FY2024 and further to USD 963.6 million in FY2025, suggesting correction and easing demand. In terms of volume, imports rose from 464.69 ('000 tonnes) in FY2021 to 503.35 ('000 tonnes) in FY2022, peaking at 734.64 ('000 tonnes) in FY2023, before slightly declining to 721.39 ('000 tonnes) in FY2024 and significantly dropping to 481.31 ('000 tonnes) in FY2025. This trend indicates a peak demand phase followed by normalization.

Top export and import destinations Synthetic Yarn





Source: CMIE Database

The export destination mix for synthetic yarn is relatively diversified, with Turkey 17% and Brazil 13% emerging as key markets, followed by the USA 7%, Bangladesh 7%, and Egypt 7%, while other countries account for 49%. This indicates a broad global presence with no single dominant market, reducing concentration risk compared to cotton yarn.

On the import side, sourcing is highly concentrated, with China 69% dominating imports, followed by Indonesia 11% and Nepal 9%. Other contributors include Vietnam 3% and South Korea 3%, while other countries account for 5%. This highlights strong dependence on China as a primary supplier, posing potential supply chain risks. Overall, while exports are well-diversified, imports show significant concentration, emphasizing the need for supplier diversification to ensure stability.

Threat & Challenges

Analysis of major threats & challenges impacting the industry-Focus on home textile industry, and bath linen industry

The Indian home textile and bed linen industry operates in a dynamic market environment that presents several challenges. These challenges, if not addressed effectively, can impact growth, profitability, and the industry's long-term competitiveness. Some of the key threats include:

- **Intense Market Competition**

  The home textile industry faces stiff competition from both domestic manufacturers and international players, particularly from countries like China, Pakistan, and Bangladesh. These countries benefit from lower production costs, advanced manufacturing technologies, and economies of scale, making it challenging for Indian manufacturers to compete on price. To stay competitive, Indian textile firms must focus on product differentiation, innovation, and high-quality offerings to maintain their market share.

- **Fluctuating Raw Material Prices**

  The volatility in the prices of key raw materials such as cotton, polyester, and synthetic fibers significantly affects production costs. Cotton, which is a primary input for bed linens and other home textiles, is highly susceptible to climate changes, crop yield variations, and global demand fluctuations. Additionally, disruptions in the global supply chain can lead to higher procurement costs, making it difficult for manufacturers to maintain stable pricing and profit margins.

- **Labour and Skill Shortages**

  Despite India's large workforce, the home textile and bed linen segment faces challenges related to skilled labour availability and workforce efficiency. Many workers lack training in modern textile production techniques, digital printing, and sustainable fabric processing, which affects product quality and consistency. Additionally, the seasonal migration of labourers in some regions causes production slowdowns, increasing operational challenges for manufacturers.

- **Regulatory Hurdles**

  The complex regulatory landscape in India, including tariffs, trade policies, labour laws, and environmental regulations, poses challenges for textile manufacturers. Stringent quality standards for exports, along with fluctuating import-export duties and trade agreements, add to the cost burden. Navigating these regulatory hurdles requires efficient legal compliance, investment in sustainable production methods, and strategic market expansion planning.

- **Sustainability and Environmental Pressures**

As global awareness of sustainable and eco-friendly textiles grows, Indian manufacturers face increasing pressure to adopt environmentally responsible production practices. Issues such as high-water consumption in textile processing, chemical waste disposal, and carbon emissions have led to rising demand for organic, non-GMO, and sustainable textiles. However, transitioning to sustainable raw materials, energy-efficient production, and green certifications requires significant investment, which not all players in the industry can afford.

- **Changing Consumer Preferences and Trends**

  Modern consumers are becoming more design-conscious, health-focused, and sustainability-driven, leading to a shift in preferences for luxury, hypoallergenic, and organic bed linen. Additionally, the rise of fast home fashion and custom-designed home textiles means that manufacturers must constantly innovate, offer trend-responsive designs, and expand premium product lines to remain relevant in the market. Failure to adapt to evolving consumer expectations could result in declining sales and reduced brand loyalty.

- **Supply Chain Disruptions**

  The home textile and bed linen industry is highly dependent on global supply chains, making it vulnerable to disruptions in logistics, raw material procurement, and production schedules. Events such as the COVID-19 pandemic, geopolitical tensions, and transportation bottlenecks have exposed the fragility of supply networks, leading to delays in shipments, increased freight costs, and inconsistent inventory levels. Companies must diversify sourcing strategies, invest in digital supply chain solutions, and establish reliable supplier networks to mitigate these risks.

While the Indian home textile and bed linen industry holds immense growth potential, navigating these challenges will require strategic innovation, investment in technology and sustainability, enhanced workforce training, and efficient supply chain management. Companies that focus on product quality, eco-friendly textiles, and customer-driven trends will be better positioned to thrive in the competitive global market.

SWOT Analysis

Despite a robust manufacturing base, the Indian home textile and bed linen industry continues to evolve amidst both opportunities and challenges. India enjoys an advantage due to abundant raw materials like cotton and a cost-effective production ecosystem. The country also benefits from a skilled labour force with expertise in textile craftsmanship, contributing to consistent quality. With a strong domestic demand and rising export potential, Indian players are positioned well in both traditional and modern markets. Additionally, the expansion of organized retail and online platforms has enhanced product accessibility and customer reach, further strengthening the industry's base.

However, the industry faces several weaknesses that can hinder growth if left unaddressed. Dependence on climate-sensitive raw materials like cotton leads to fluctuating input costs, impacting pricing and profitability. The sector also struggles with a shortage of trained labour in advanced technologies like digital textile printing and sustainable processing methods. Fragmentation within the industry reduces efficiency and limits the ability of smaller players to scale or invest in innovation. Moreover, compliance with environmental and export-related regulations is often burdensome, particularly for mid-sized firms that lack adequate financial or technical resources.

Opportunities lie in the increasing global demand for sustainable, organic, and ethically produced home textiles. Indian companies can capitalize on this trend by investing in eco-friendly fabrics, green manufacturing processes, and international certifications. The rise of health-conscious and design-savvy consumers also opens doors for hypoallergenic, luxury, and custom-designed linen products. Government initiatives promoting textile parks, subsidies for modernization, and trade agreements with key export destinations provide added momentum. Furthermore, adopting digital technologies across design, production, and distribution channels can significantly boost efficiency and global competitiveness.

At the same time, the industry faces several external threats that require proactive strategies. Competition from low-cost manufacturing hubs such as China, Bangladesh, and Pakistan remains intense, especially as these countries benefit from economies of scale and better technological infrastructure. Raw material price volatility, supply chain disruptions, and freight uncertainties have become more common in the post-pandemic world, affecting inventory management and delivery timelines. The shift in consumer behaviour toward fast fashion and frequent design changes puts pressure on manufacturers to innovate quickly and remain trend-relevant. Finally, sustainability regulations and environmental concerns are growing stricter globally, and failure to adapt may lead to reputational risks and loss of export markets.

Strengths

- India has abundant raw materials and cost-effective production capabilities.
- There is strong demand both domestically and internationally.
- Retail and e-commerce networks support a stable supply chain.
- A skilled workforce ensures consistent and high-quality output.

Opportunities

- Rising global demand for sustainable and organic home textiles.
- Premium and luxury segments offer scope for higher-margin products.
- Digital platforms and e-commerce boost market accessibility.
- Government incentives and export policies support industry growth.

Weaknesses

- Fluctuating cotton prices create cost uncertainties.
- Outdated production techniques limit efficiency and scalability.
- Skilled labour shortages affect product quality and consistency.
- Regulatory compliance adds complexity and operational burden.

Threats

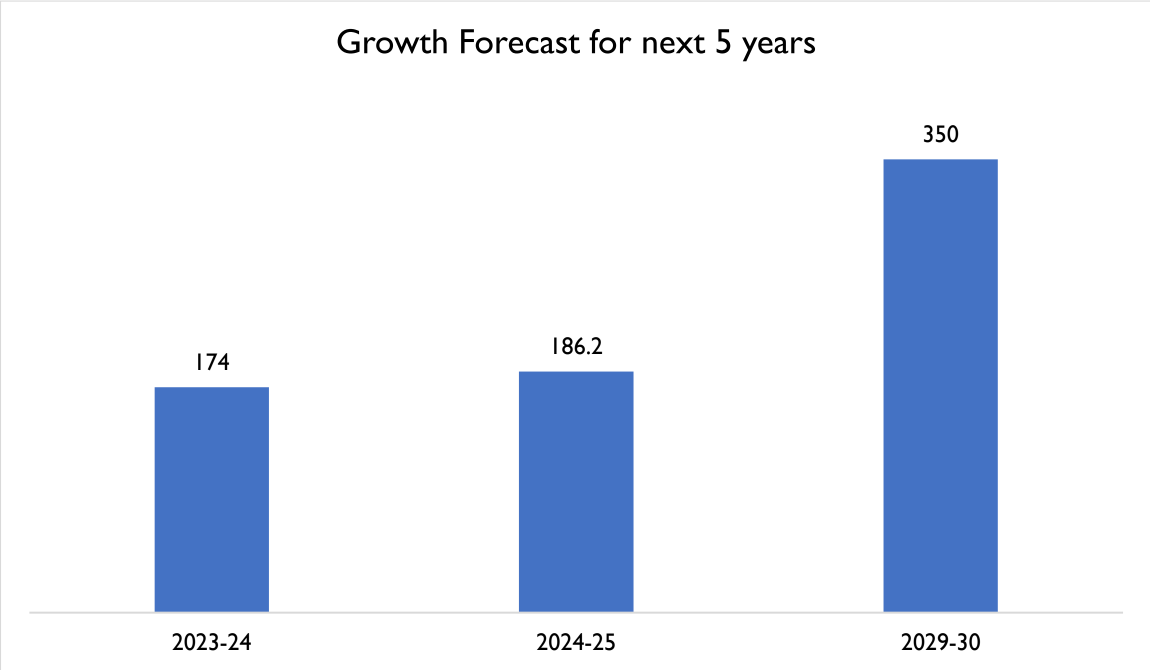
- Stiff competition from low-cost countries like China and Bangladesh.
- Supply chain disruptions impact production timelines and costs.
- Rapidly changing consumer trends demand constant innovation.
- Sustainability mandates require costly production upgrades.

Growth Forecast

Expected growth in industry (next 5 years)

Growth Forecast for India Textile Industry:

The growth of the Indian textile industry is expected to accelerate, driven by rising demand across key segments such as home textiles, technical textiles, cotton, and synthetic fiber production, along with advancements in manufacturing and increasing global exports.



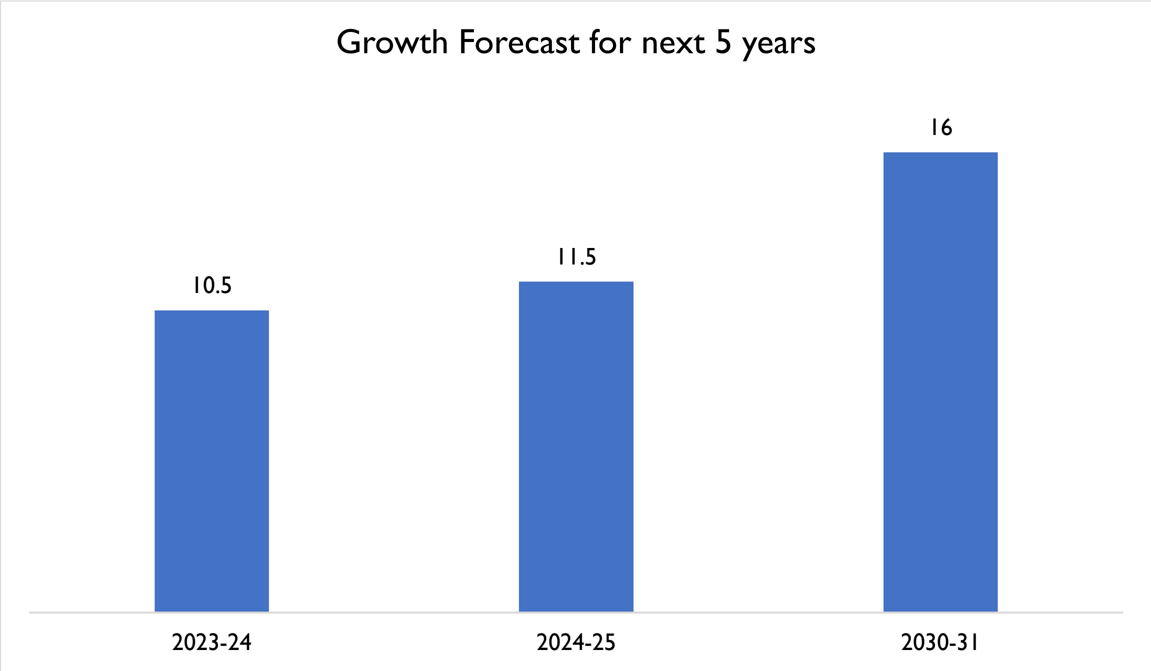
Source: D&B Research Estimates

The Indian textile market has grown from USD 174 billion in 2023-24 to USD 186.2 billion in 2024-25, reflecting a CAGR of 7%. This steady growth is driven by rising domestic demand, strong export performance, and supportive government policies like the PLI scheme. Additionally, advancements in textile technology, increasing adoption of sustainable materials, and expansion in e-commerce have contributed to the industry's positive trajectory.

Looking ahead, the market is expected to reach USD 350 billion by 2029-30, registering a CAGR of 13.4%. This accelerated growth is fuelled by India's expanding role in global textile supply chains, rising foreign investments, and a shift towards value-added and technical textiles. The sector is also benefiting from increasing brand presence in international markets, a growing middle-class consumer base, and digital transformation in manufacturing, ensuring long-term sustainability and competitiveness.

Growth Forecast for India Home Textile Industry:

The Indian home textile industry is on a steady growth trajectory, driven by increasing consumer demand, advancements in textile technology, and a shift toward sustainable products. With the market projected to reach USD 16 billion by 2030-31, the sector is expected to witness consistent expansion in both domestic and international markets.



Source: D&B Research Estimates

The Indian home textile industry is poised for substantial growth, has risen from USD 10.5 billion in 2023-24 to USD 11.5 billion in 2024-25, eventually reaching an impressive USD 16 billion by 2030-31. This remarkable expansion highlights the industry's resilience and evolving market dynamics, with a strong emphasis on innovation and sustainability.

By 2031, the surge in demand for premium, eco-friendly, and technologically advanced home textiles will be a key driver of growth. Rising urbanization, increasing disposable income, and a growing preference for high-quality home furnishings will further propel the market. Additionally, government initiatives supporting the textile sector, coupled with India's strong export presence in global markets, will play a pivotal role in shaping the industry's long-term trajectory.

Key factors impacting future growth in the industry

- **For Textile Industry**

Rising Domestic and Global Demand: Increasing population, urbanization, and disposable income are fueling demand for textiles, including apparel, home textiles, and industrial fabrics.

Government Support and Policies: Initiatives like the PLI scheme, increased export incentives, and infrastructural developments in textile parks are boosting industry growth.

Technological Advancements: Adoption of automation, AI-driven manufacturing, and sustainable textile production methods are enhancing efficiency and product innovation.

Sustainability and Eco-Friendly Practices: Growing consumer preference for organic fabrics, recycled textiles, and sustainable production methods is shaping future industry trends.

Integration of Technical Textiles: Expanding applications of technical textiles in healthcare, automotive, and industrial sectors are opening new growth avenues.

- **For Home Textile Industry**

Increasing Focus on Home Décor: Changing lifestyle trends and rising spending on premium home furnishings are driving demand for home textiles.

E-commerce and Digital Expansion: Online retail platforms are making home textiles more accessible, boosting sales and market penetration.

Sustainability and Eco-Friendly Products: Demand for organic cotton, bamboo fabrics, and sustainable manufacturing practices is shaping the future of home textiles.

Rising Hospitality and Real Estate Sector: Growth in hotels, housing, and interior design trends is increasing the demand for home textiles like bed linens, curtains, and upholstery.

Export Growth and Global Demand: Strengthening trade relations and rising exports to key markets like the U.S. and Europe are contributing to industry expansion.

Competitive Landscape

The Indian bed & bath linen and home textile industry operates in a highly competitive environment, with a mix of large-scale manufacturers, mid-sized players, and niche brands catering to diverse consumer needs. Leading companies such as Welspun India, Trident Group, Bombay Dyeing, Alok Industries, Indo Count Industries, and Himatsingka Seide dominate the market, leveraging their brand strength, economies of scale, and global distribution networks. These established players compete primarily on product quality, innovation, pricing strategies, and sustainability efforts to maintain their market share in both domestic and international markets.

At the same time, mid-sized and emerging brands are carving out their niche by offering premium, customized, and eco-friendly textile solutions to cater to the evolving preferences of urban consumers. The expansion of organized retail, e-commerce, and direct-to-consumer (D2C) brands has intensified competition, making digital presence and omnichannel distribution crucial factors for success.

Analysis of key factors shaping competition in the sector

- Product Innovation & Functional Textiles – As consumer expectations rise, companies are focusing on premium bed linens, moisture-wicking and temperature-regulating fabrics, antibacterial bath towels, and hypoallergenic materials. The demand for luxury and wellness-oriented home textiles is driving R&D investments in organic cotton, bamboo textiles, and smart fabrics.
- Quality & Branding – Well-established brands like Welspun, Trident, and Bombay Dyeing emphasize superior fabric quality, high thread counts, durability, and comfort, reinforcing their premium positioning. Consumer trust in recognized brands plays a crucial role in driving sales, particularly in hospitality, healthcare, and luxury home textile segments.
- Cost Competitiveness & Raw Material Sourcing – The industry is highly sensitive to cotton price fluctuations, import/export duties, and supply chain disruptions. Companies that streamline production costs and ensure efficient procurement of raw materials gain a pricing advantage in both domestic and export markets.
- E-commerce & Digital Presence – The surge in online shopping, direct-to-consumer (D2C) brands, and marketplace platforms like Amazon, Flipkart, and Myntra has significantly altered the competitive landscape. Brands that leverage digital marketing, influencer collaborations, and seamless customer experiences through e-commerce platforms are gaining a competitive edge.
- Sustainability & Eco-Friendly Offerings – Increasing awareness of organic, biodegradable, and ethically sourced textiles is reshaping the industry. Consumers are actively seeking GOTS-certified organic cotton, chemical-free dyes, and sustainable packaging. Companies investing in green manufacturing and sustainable supply chains are attracting eco-conscious buyers.

- Export Market & Global Positioning – India is a key exporter of bed and bath linens, with major markets in the US, Europe, and the Middle East. Players like Welspun and Indo Count have a strong international footprint, benefiting from India's cost-competitive yet high-quality textile production. However, competition from China, Bangladesh, and Vietnam remains a significant challenge.

The Indian bed & bath linen and home textile sector is shaped by a mix of innovation, quality differentiation, cost efficiency, digital expansion, and sustainability efforts. With rising consumer demand for premium home textiles, rapid urbanization, and increasing disposable incomes, the market presents strong growth potential. However, maintaining competitiveness in the face of global competition, raw material price volatility, and evolving consumer preferences will require continuous adaptation and strategic investments by industry players.

Company Profiling for Key Players:

- **Trident Group**

Company Overview

Trident Group, founded in 1990 and based in Ludhiana, Punjab, India, is a diversified business conglomerate with a presence in home textiles, paper, stationery, and chemicals. The company employs over 17,000 people and operates in more than 150 countries.

The Budhni Complex in Madhya Pradesh spans around 800 acres and includes manufacturing units for spinning, terry towels, and bed linen, along with a 60 MW captive power plant. The facility also provides residential accommodation for employees and features green spaces. Additionally, Trident's manufacturing facilities in Dhaula and Sanghera, Punjab, focus on producing yarn and paper, contributing to the company's diverse product portfolio.

Manufacturing Units

Budhni Complex, Madhya Pradesh

Dhaula Unit, Punjab

Sanghera Unit, Punjab

Product Offerings

Home Textiles:

- Terry Towels
- Bed Linen (Bedsheets, Pillow Covers, and Quilts)
- Bathrobes and Bath Mats

Yarn:

- Cotton Yarn
- Blended Yarn
- Specialty Yarn

Paper & Stationery:

- Eco-Friendly Copier Paper
- Writing and Printing Paper
- Notebooks and Diaries

Chemicals:

- Sulfuric Acid
- Aluminum Sulfate
- Industrial Chemicals

Key Strengths

- Vertically Integrated Operations

The company processes cover the entire value chain, from raw material sourcing to finished product delivery, enabling effective quality control and cost management across its diverse product offerings.

- Global Market Presence

Trident has built a strong international presence, supplying products to markets in the United States, Europe, and the Middle East, which has expanded its market reach and brand visibility.

- Sustainable Practices

Trident operates a wheat straw-based paper manufacturing facility that focuses on eco-friendly production methods, supporting environmental sustainability.

- Diverse Product Portfolio

The company has a broad range of products, including terry towels, bed linens, yarn, paper, and chemicals, enabling the company to serve diverse market segments and maintain a balanced product portfolio.

- **Welspun Living Ltd**

Company Overview

Welspun Living Limited (WLL), formerly known as Welspun India Limited, is an Indian textile manufacturer headquartered in Mumbai, Maharashtra. Founded in 1985. The company's manufacturing facilities have a combined production capacity of over 90 million meters of bed linen and 70,000 metric tons of towels annually.

Manufacturing Units

Anjar, Gujarat:

Vapi, Gujarat

Chandan Velly, Telangana

Little Rock, Arkansas, USA

Product Offerings

Bedding Solutions:

- Utility Bedding: Pillow fillers, mattress pads, and comforters made from sustainable fabrics at Anjar facility, Gujarat.
- Bed Sheets: Available in solid colours and striped patterns.
- Fashion Bedding: Printed and woven textured designs from WLL's design studios.

Bath Solutions:

- Towels & Bathrobes: Solid, yarn-dyed, dobby, and jacquard designs using Indian, Egyptian and Turkish cotton.
- Bath Rugs**:** Machine and hand-tufted rugs made from cotton, nylon, PET, and specialty yarns.

Flooring Solutions:

- Carpet Tiles & Broadloom Carpets: Aesthetic and functional carpets for various applications.
- Area Rugs & Artificial Grass: For indoor and outdoor use.

Key Strengths

- Commitment to Sustainability

In the 2024 S&P Global Corporate Sustainability Assessment, Welspun Living Limited (WLL) achieved an Environmental, Social, and Governance (ESG) score of 83, reflecting a 26% improvement from its 2023 score of 66. This achievement underscores WLL's dedication to sustainable practices, earning it the distinction of being the top-ranked Indian company in the Textile, Apparel & Luxury Goods category.

- Employee-Centric Culture

The company fosters a positive work environment through transparent communication and dedicated Learning & Development programs, earning recognition as a Great Place to Work.

- Innovation and Technology

The company utilizes advanced technologies to improve product quality, operational efficiency, and competitiveness. The company leverages AI and ML in its manufacturing processes to optimize resource use and enhance customer service. WLL has developed multiple innovations and holds numerous global patents, demonstrating its focus on advancing home textiles.

- **Alok Industries**

Company Overview

Alok Industries Limited, founded in 1986 and headquartered in Mumbai, India, is a textile company engaged in the cotton and polyester segments. The company employs around 22,245 people and exports products to more than 90 countries, including markets in the United States, Europe, South America, Asia, and Africa. Alok Industries has a spinning capacity of 450,000 spindles, producing over 4,500 tons of yarn per month, and a polyester yarn production capacity of 1,250 tons per day.

The company's garment unit produces 1.5 million pieces per month, and embroidery operations have an annual capacity of 30 billion stitches, supported by Schiffli and Multiheaded machines. Additionally, Alok Industries processes 90 lakh meters of woven fabrics and 1,440 metric tons of knitted fabrics each month, with 1,400 metric tons of knit processing capacity. Yarn dyeing is carried out at 750 tons per month, and printing operations handle 24 lakh meters monthly.

Manufacturing Units

Vapi and Silvassa, Gujarat.

Products Offerings

- Home Textiles:
  Bed linens, terry towels, and related products.
- Apparel Fabrics:
  Woven and knitted fabrics suitable for various garments.
- Garments:
  Finished apparel products.
- Polyester Yarns:
  Partially Oriented Yarn (POY), Fully Drawn Yarn (FDY), Polyester Staple Fiber (PSF), and Draw Textured Yarn (DTY).

- Textile Accessories:

  Handkerchiefs, cotton jute bags, aprons, and napkins
- Corrugated Packaging:

  Boxes and tubes

Key Strengths

- High Production Capacity:

Alok Industries operates extensive facilities capable of meeting significant demand for yarn, garments, woven and knitted fabrics, and processing. This capacity enables the company to efficiently handle bulk orders and optimize lead times.

- Strategic Location:

Alok Industries' manufacturing facilities are located close to ports and raw material sources, supporting efficient logistics and cost-effective export operations.

- Embroidery Capabilities:

Alok Industries' embroidery unit, equipped with 61 Schiffli and 69 Multiheaded machines, efficiently handles intricate and large-volume embroidery projects for the fashion and home textiles segments.

Financial KPI Peer Benchmarking

Particular	Unit	Trident Limited			Welspun Living Limited			Alok Industries Limited		
		As at and for Fiscal			As at and for Fiscal			As at and for Fiscal		
		FY 2025	FY 2024	FY 2023	FY 2025	FY 2024	FY 2023	FY 2025	FY 2024	FY 2023
Revenue from Operations	INR in Millions	69,870.80	68,088.30	63,322.60	1,05,450.90	96,792.40	80,937.60	37,087.80	55,095.90	69,892.00
Revenue Growth (in %)	in %	2.62%	7.53%	-9.51%	8.95%	19.59%	-13.08%	-32.69%	-21.17%	-4.38%
EBITDA	INR in Millions	9,107.80	9,404.40	9,470.90	12988.9	13690.2	7525.9	37.9	478.3	-785.2
EBITDA Growth (in %)	in %	-3.15%	-0.70%	-37.40%	-5.12%	81.91%	-44.62%	-92.08%	-160.91%	-113.92%
EBIT	INR in Millions	6,047.30	6,332.20	6,586.80	10776.5	11203.6	4317.9	-1832.4	-2536.7	-3787.1
EBIT Growth (in %)	in %	-4.50%	-3.87%	-45.23%	-3.81%	159.47%	-57.00%	-27.76%	-33.02%	-241.96%
Profit After Tax	INR in Millions	3,707.30	3,499.90	4,416.10	6440.2	6727.4	2025.1	-8164.3	-8468.2	-8804.6
Profit After Tax Growth (in %)	in %	5.93%	-20.75%	-47.03%	-4.27%	232.20%	-66.62%	-3.59%	-3.82%	322.08%
EBITDA Margin	in %	13.04%	13.81%	14.96%	12.32%	14.14%	9.30%	0.10%	0.87%	-1.12%
EBIT Margin	in %	8.65%	9.30%	10.40%	10.22%	11.57%	5.33%	-4.94%	-4.60%	-5.42%
PAT Margin	in %	5.31%	5.14%	6.97%	6.11%	6.95%	2.50%	-22.01%	-15.37%	-12.60%
Net Worth	INR in Millions	46,209.90	43,154.10	41,926.30	48,210.90	45,158.10	40,878.10	-2,06,301.20	-1,97,758.70	-1,89,004.30
Total Borrowings	INR in Millions	15,757.80	20,608.10	13,741.10	24,686.20	25,205.10	23,504.00	2,59,602.50	2,60,076.20	2,41,513.40
Debt/Equity	In Times	0.34	0.48	0.33	0.51	0.56	0.57	-1.26	-1.32	-1.28
ROE	in %	8.30%	8.23%	10.99%	13.80%	15.64%	5.03%	4.04%	4.38%	4.78%
ROCE	in %	9.62%	10.60%	12.00%	15.04%	16.63%	6.35%	-3.17%	-4.39%	-6.60%
Total Debt / EBITDA	In Times	1.73	2.19	1.45	1.90	1.84	3.12	6849.67	543.75	-307.58
Fixed Asset Turnover Ratio	in %	1.59	1.62	1.67	2.99	2.72	2.22	0.78	1.07	1.28
Current Ratio	in %	2.01	1.58	1.40	1.68	1.72	1.66	0.93	0.66	0.41

Note: We have sourced the company's quarterly financials from BSE, and for TC Terrytex, we used the restated financials provided by the company.

The increase in revenue from operations for the peer companies reflects a positive growth trend, primarily driven by higher sales volumes and/or improved pricing strategies. This suggests strong market demand for the company's products and potentially enhanced operational efficiency. The growth may also indicate favourable industry conditions, such as rising export demand or supportive government policies. This was however observed in only two companies i.e., Trident Group and Welspun, but the peer Alok Industries had a decline in the revenue by around 32% owing to lesser sales and exports. This scenario thus impacted the EBITDA which declined since 2024.The EBITDA trend for Trident Group and Well Spun remained similar to the revenue, showing a significant increase indicating the impact of increased revenue which translates to better profitability.

Wellspun Living Limited had the highest EBITDA among peer but was lesser compared to its value in 2024 i.e., INR 12,988.9 Mn was the EBITDA IN FY 2025 which was slightly lesser than INR 13,690.2 Mn. PAT among the peers indicated an improving trend with WellSpun being the highest of INR 6440.2 Mn, while Trident Group and Alok industries had a profit after tax of INR 3,707.30Mn and INR -8164.3 Mn respectively indicating better operational efficiency. The EBITDA Margin for the peers ranged from 8.56% to 13.04%, the least being 0.10% of Alok Industries and the highest being 13.04% of Trident Group. Similarly the PAT Margin increased for three peers including T.C Terry whereas the Wellspun limited PAT decreased, the value ranged between 2.53% to 6.11%. Debt-Equity ratio of the home textile companies considered were ranging between 0.34 to 1.09, however Alok Industries had a negative debt-equity ratio of 1.26 indicating losses indicating reduced equity.

Return on Equity (ROE) ranged from 4.04% to 13.80% between the competitive players considered, the higher and positive percentages indicated better and strong returns from equity. However, the value of 4.04% is lower in case of Alok industries which is having lower profitability. Current Ratios of the companies considered are in a lower to ideal range where 0.93 ratio of Alok Industries which indicates weaker short-term liquidity to borrow a lot to meet its obligations. The other three competitors which had current ratio between 1.34 to 2.01 which shows a good picture indicating better investment probability and ability to meet unexpected and short term obligations.

Sep 2025 Financials

Company Name	Unit	Trident Group	Welspun Living Ltd	Alok Industries
Year		Sept-2025	Sept-2025	Sept-2025
Revenue from Operations	INR in Millions	17,871.70	24,409.10	9,410.90
Revenue Growth (in %)	in %	4.70%	7.88%	0.92%
EBITDA	INR in Millions	2,142.30	1,533.30	98.40
EBITDA Growth (in %)	in %	-26.60%	-31.98%	-78.49%
EBIT	INR in Millions	1,474.20	671.70	-47.40
EBIT Growth (in %)	in %	-32.71%	-59.64%	-69.36%
Profit After Tax	INR in Millions	909.30	148.60	-1,623.80
Profit After Tax Growth (in %)	in %	-35.03%	-83.36%	-5.23%
EBITDA Margin	in %	11.99%	6.28%	1.05%
EBIT Margin	in %	8.25%	2.75%	-0.50%
PAT Margin	in %	5.09%	0.61%	-17.25%

Company Profile: T.C. Terrytex Limited

Company Snapshot

Section	Details
Name	T.C. Terrytex Limited
Industry	Home Textile
Establishment Year	2005
Headquarters	Mohali, Punjab
Regional Presence	Punjab
Plant Location	Sarsini, Mohali, Punjab
Customer Base	
Products & Services	Suvin towels, organic towels, and kitchen towels
Customers	Bed Bath & Beyond, Walmart, Kmart, Fred Meyer, Costco Wholesale, and others

Overview

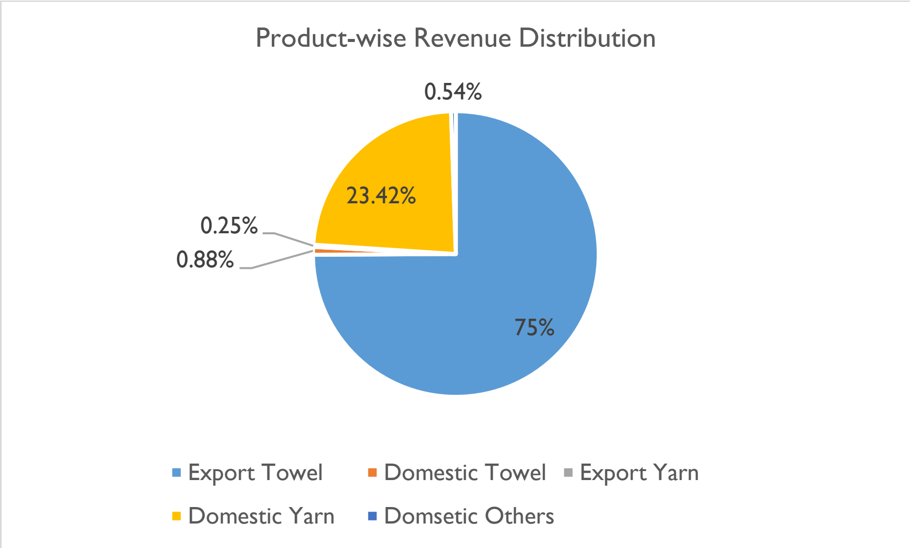
T.C. Terrytex Limited, established in April 2008, focuses on providing a comprehensive range of home textile solutions. The company manufactures various terry toweling products including face and hand towels, bath towels, bath sheets, bath mats, and bath robes, catering to diverse customer requirements in the home textiles segment.

T.C. Terrytex Limited operates a modern manufacturing facility spread across approximately 80,451.51 square meters, supported by extensive in-house research and development. The company's production process begins at the cotton yarn stage, where quality control measures are implemented from the point of raw cotton procurement. Specializing in towel manufacturing, TC Terrytex serves both domestic and international markets, with 70% of its revenue generated from exports and 30% from domestic sales of dyed yarn.

The primary raw material, yarn, is sourced from suppliers in Punjab and undergoes thorough inspection and processing to meet quality standards. This yarn is chemically treated and processed to enhance its thickness and durability before being dyed. The dyed yarn is sold within India for use in products such as apparel, accessories, home décor, and furniture.

For towel production, the dyed yarn is woven on looms using warp and weft threads to create the desired fabric. Designed towels are crafted with dyed yarn, while standard towels use processed but untreated yarn. These products are then finished and exported to various countries, positioning TC Terrytex as a key contributor in the global towel industry.

Revenue generated from:



The best-selling product of the company has been consistently, i.e Towels. It constitutes 76% of the sales of which around 75% is due to the revenue from the exports of the same. Approximately 1% of sales are domestic, which were contributed by that of Yarns. The export revenue has been attributed primarily to Australia and the USA which constitute about 62% of the exports whereas the other overseas countries contribute to the remaining revenue from exports. Domestically, the revenue from sales is contributed by Haryana, Delhi and Tamil Nadu.

Product Offerings:

TC Terrytex Limited offers a diverse range of towel products catering to both domestic and international markets, all manufactured under certified standards like Oeko Tex and, where applicable, Organic and BCI certifications. The product portfolio includes **SILVASAFE**, a silver-based antimicrobial treatment that enhances hygiene and freshness in towels. The **Suvin Towels** are crafted from premium Indian Suvin cotton, offering plush absorbency, while the **Organic Towels** are made from eco-friendly cotton grown without harmful chemicals, promoting environmental and consumer health. The **Supima Cotton Towels**, made with American Pima cotton, provide durability, breathability, and a luxurious texture. For hospitality needs, the **Hotel Towel Range** features high-GSM combed cotton towels with elegant designs suited for hotel bathrooms. The **Solid Towel**

Collection includes Combed, Carded, and Ring-Spun Long Staple Towels, all designed for superior absorbency, softness, and comfort. The **Fashion Towels**, available in Dobby and Jacquard styles, bring vibrant colour and texture to home décor. Lastly, the **Kitchen Towels**, made from absorbent cotton, are practical, durable, and available in various designs and colours to suit any kitchen style. Each product reflects the company's focus on quality, functionality, and diverse customer needs.

Manufacturing Units:

TC Terrytex Limited operates a modern and well-integrated manufacturing facility located in Mohali, Punjab, spread across 80,451.51 square meters. The plant is equipped with advanced machinery including state-of-the-art air jet looms from Tsudocama, SMIT rapier looms, and Bonas Jacquards, all running at a high speed of 550 RPM with multi-pick capabilities. The facility houses a total of 131 looms—103 air jet dobbies / looms and 28 jacquards—ensuring flexibility and efficiency in weaving operations.

The dyeing section has a capacity of 35 metric tons per day, supported by an automated colour kitchen and automatic dyeing machines to maintain consistency and quality. The stitching and finishing unit are capable of processing 30 metric tons per day, with automated systems for length cutting, hemming, and packing. Overall, the plant has a total installed manufacturing capacity of 15,602 MTPA, which includes **9,727** MTPA for terry towels and **5,875** MTPA for dyed yarn. The company generates a major portion of its revenue from exports, with key markets including the U S A and Australia.

Strength:

One of the key strengths of TC Terrytex Limited lies in its agile and efficient product development capabilities. The company has dedicated machinery that enables fast sampling, allowing for quicker turnaround in product prototyping. It is also equipped to handle small order lots efficiently, ensuring timely production without compromising on quality. A skilled in-house design team continuously works on developing innovative quality programs. TC Terrytex Limited maintains a strong commitment to timely delivery, consistently meeting customer deadlines with quality-assured products. The company ensures a prompt response to customer inquiries and emails within 24 hours, minimizing lead time and enhancing customer satisfaction.

Awards and Certifications:

TC Terrytex holds multiple industry certifications, ensuring compliance with global quality and sustainability standards. These include STEP OEKO-TEX for textile safety, GOTS for organic textiles, ISO 9001:2015 for quality management, GRS, RCS and OCS certification for use of recycled and organic content in the supply chain certified by Intertek,BSCI for social compliance, BCI (Better Cotton Initiative) for sustainable cotton sourcing, Made in Green for environmentally friendly production, and Responsible Cotton certification for ethical sourcing practices.

Financial Analysis of T.C. Terrytex Limited:

Figure in INR Millions	FY2025	FY2024	FY2023
Revenue from Operations	6,734.80	6,544.22	5,441.31
Revenue Growth (in %)	2.91%	20.27%	NA
EBITDA	590.40	503.45	452.36
EBITDA Growth (in %)	17.27%	11.29%	NA
EBIT	476.67	420.14	347.90
EBIT Growth (in %)	13.46%	20.76%	NA
Profit After Tax	170.01	134.40	90.28
Profit After Tax Growth (in %)	26.50%	48.87%	NA
EBITDA Margin	8.77%	7.69%	8.31%
EBIT Margin	7.08%	6.42%	6.39%
PAT Margin	2.52%	2.05%	1.66%
Net Worth	1,813.05	1,641.45	1,504.34
Total Borrowings	1,752.00	1,936.00	2,043.90
Debt/Equity	0.97	1.18	1.36
ROE	9.84%	8.54%	6.19%
ROCE	13.35%	11.79%	9.49%
Total Debt / EBITDA	2.97	3.85	4.52
Fixed Asset Turnover Ratio	5.56	5.71	5.16
Current Ratio	1.33	1.33	1.39

The scale of operations of TC Terrytex Limited exhibited a steady improvement over the review period, with revenue from operations increasing by approximately 2.9% in FY 2025 compared to the previous year, reaching INR 6734.80 Million. The growth was driven by an increase in product sales but to a lesser extent, with exports contributing significantly to revenue.

The company's profitability ratios showed an improving trend, with EBITDA increasing from INR 452.36 Million in FY 2023 to INR 590.40 Million in FY 2025. However, EBITDA margin fluctuated slightly, standing at 8.77% in FY 2025, influenced by raw material costs, employee expenses, and power costs. Additionally, the introduction of new products with a lower raw material cost percentage further optimized expense. Net profit after tax (PAT) followed a similar trend, increasing from INR 90.28 Million in FY 2023 to INR 170.01 Million in FY 2025, with PAT margin improving to 2.52%.

The capital structure of the company improved over the period, with the debt-equity ratio declining from 1.36 times in FY 2023 to 0.97 times in FY 2025. This improvement was driven by an increase in net worth, which rose from INR 1504.34 Million to INR 1813.05 Million, supported by retained earnings and equity strengthening.