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Project Appraisal and Monitoring Services

Textile Sector

About Us

Resurgent India Ltd. is a top-tier financial advisory firm and a Category I Merchant Banker, serving SMEs, large corporates, and government bodies. Our services span Techno-Economic Viability (TEV) studies, Lender's Independent Engineer (LIE) assessments, Agency for Specialized Monitoring (ASM), Detailed Project Reports (DPRs), and Due Diligence assignments. We also support clients through specialized practices in Debt Syndication, Capital Markets, and Valuations, alongside Investment Banking and NBFC Advisory. In addition, we provide Stressed Asset Advisory, Insolvency (IBC) Services, Corporate Legal Services, ESG Advisory, Government Advisory, FinTech Solutions, and Training, enabling clients to access a complete suite of financial and strategic solutions.

Our Project Appraisal and Monitoring vertical assists in both pre- and post-disbursement decision-making for lenders. We have delivered over 2000 TEV studies and more than 750 LIE reports. Furthermore, we are empanelled with nearly all public sector banks, several private banks, and NBFCs for LIE and TEV studies, and with the Indian Banks' Association (IBA) for ASM services. With over 20 years of experience and our team of experts, including engineers, chartered accountants, and industry specialists, we have completed numerous assignments in TEV in various sectors like Agriculture, Logistics, Packaging, Education, FMCG, Textiles, Real Estate, Solar Power, Chemicals, Pharmaceuticals, Infrastructure, Healthcare, Hotel, Ethanol, Iron & Steel, etc.

Textile Sector Overview

India's textiles sector is one of the oldest and most diverse industries in the country, with roots stretching back centuries. It spans from traditional hand-spun and handwoven clusters to sophisticated capital-intensive mills, supported by a robust base of fibres and yarns ranging from cotton, jute, silk, and wool to polyester, viscose, and acrylic. The industry today employs more than 45 million people, underlining its role as one of the country's largest generators of livelihoods. Forecasts suggest the domestic textile and apparel market growing at 10-12% annually, with exports expected to rise sharply in parallel. The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US$ 2.3 billion by 2030. India ranks among the top five global exporters in several textile categories, with exports expected to reach US$ 100 billion. The textiles and apparel industry now contributes approximately 2% of India's GDP and about 11% of manufacturing GVA (Gross Value Added) as of August 2025.

Globally Textile market was valued at US$ 1,114.92 billion in 2024 and is projected to reach US$ 1,612.27 billion by 2033, at a CAGR of 4.2% from 2025 to 2033 as per Grand View Research report. Rising disposable income, urbanization, and increasing population in emerging economies, including China, India, Mexico, etc. are expected to play an important role in fuelling the growth of textile market in the coming years. In addition, increasing penetration of retail outlets and supermarkets is expected to ensure access of customers to different types of clothing.

Categories of Textiles

The Indian textile industry can be broadly classified into following major types based on production focus, technology, and market orientation.

1. **Cotton Textile Industry:** India remains the world's largest cotton producer with an annual output of 5.2 million tons in the 2024-25 crop year, accounting for approximately 33% of global production. It contributes nearly 50% of the total textile production in the country. The industry directly employs over 20 million people across various processes. Cotton textiles generated exports worth US$ 12.3 billion in FY 2024-25, comprising yarn, fabric, and ready-made apparel. Major clusters driving this segment include Coimbatore in Tamil Nadu and Ahmedabad in Gujarat.
2. **Man-Made Fibre (MMF) and Synthetic Textile Industry:** This segment primarily focuses on synthetic fibres such as polyester and nylon, along with semi-synthetic fibres like viscose and rayon. India has achieved self-sufficiency in polyester production, manufacturing around 3.1 million tons annually during FY 2024-25. It accounts for 30% of the overall textile market share.
3. **Woollen Textile Industry:** The woollen segment specializes in products such as shawls, carpets, blankets, and sweaters, with major concentration in northern India. India produced approximately 34,500 tons of raw wool annually in FY 2024-25, though it imports finer varieties for premium products. This niche segment constitutes about 5% of the overall textile market. It supports the livelihood of nearly 1 million artisans and workers. Woollen textiles recorded exports worth US$ 1.7 billion in FY 2024-25, led by handmade carpets and Pashmina shawls. Ludhiana in Punjab leads the country in woollen hosiery and knits.
4. **Silk Textile Industry:** India ranks as the second-largest silk producer globally, manufacturing around 30,600 tons annually in FY 2024-25, with mulberry silk forming the dominant share. The segment is renowned for premium varieties such as Kanjivaram, Banarasi, and Mysore silk sarees. It provides employment to approximately 8 million people across sericulture and weaving stages. Silk products achieved exports of US$ 0.3 billion in FY 2024-25. Major silk clusters include Varanasi in Uttar Pradesh and Mysore-Kolar belt in Karnataka.
5. **Linen Textile Industry:** The country processes high-value linen into apparel, sarees, suiting, and home furnishings. Linen market size reached US$ 621 million (₹5000 crore) in FY 2024 as per IMARC Group, which was driven by rising demand for breathable, sustainable luxury fabrics.
6. **Technical Textile Industry:** Technical textiles represent the fastest-growing segment, manufacturing non-apparel textiles for industrial, medical, agricultural, and protective applications such as geotextiles, medical masks, and bullet-proof jackets, currently contributing nearly 10% to the total textile market. Technical textiles recorded exports of US$ 2.3 billion in FY 2024-25.

Handloom & Power Loom weaving in Textile Industry

Handloom weaving is a manual, labour-intensive process where artisans weave fabric on a hand-operated loom, resulting in unique, often softer, and more expensive textiles. In contrast, a power loom uses electricity and automation to weave fabric at a much faster rate, producing uniform, more affordable textiles in mass quantities.

Handloom represents India's rich cultural heritage through artisanal fabrics woven on traditional manual looms. Iconic products include Banarasi sarees, Chanderi, Maheshwari, and Pochampally weaves. As per the All-India Handloom Census 2019-20 updated in the 2023 report, India operates approximately 3.5 million handlooms.

Power looms serve as the backbone of India's fabric production, delivering high-volume output through mechanized shuttle-less and shuttle looms. It provides direct and indirect employment to over 10 million workers. Power loom fabrics and blends contributed US$ 5.2 billion to exports in FY 2024-25. Prominent clusters include Bhiwandi in Maharashtra and Erode in Tamil Nadu.

Government of India Key Initiatives for Textile Sector

1. **Foreign Trade Policy (FTP)** strongly drives textile growth by permitting free import of second-hand high-performance machinery (air-jet looms, non-woven lines) at 30–50% lower cost. It establishes SEZs with seamless export operations and treats DTA-to-SEZ sales as physical exports, granting suppliers Duty Drawback, RoDTEP, and GST exemption.
2. **The National Textile Policy (NTP)**, focuses on modernization by allowing 100% FDI through the automatic route and promoting technology upgradation via the Amended Technology Up-gradation Fund Scheme (ATUFS), offering 15–25% credit linked capital subsidy on investments in advanced machinery for technical textiles, spinning, weaving, and garmenting units with a ₹635 crore allocation in Union Budget 2025-26.
3. **PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks** were Launched in 2021 with an outlay of ₹4,445 crore (up to 2027-28). The Government aims to establish 7 world-class integrated textile parks (Greenfield/Brownfield) following the "Farm

to Fibre to Factory to Fashion to Foreign" (5F) vision. As of 2025, investment proposals worth over ₹18,500 crore have been received, expected to generate 3 lakh jobs per park (direct + indirect).

4. **Production Linked Incentive (PLI) Scheme for Textiles** was launched with outlay of ₹10,683 crore, over five years by the Ministry of Textiles, Government of India (as part of the broader PLI schemes announced in Union Budget 2021-22). It promotes Man-Made Fibre (MMF) apparel, fabrics, and technical textiles. Expected outcomes of the scheme are ₹19,000 crore investment, ₹3 lakh crore turnover, 7.5 lakh+ jobs.

Challenges in Textile Sector

- **Raw material price volatility:** Cotton prices fluctuate 25–40% annually; crude oil swings push PTA (Purified Terephthalic Acid)/MEG (Mono ethylene Glycol) costs up ₹6–8/kg per US$10/barrel rise, compressing MMF (Man Made Fiber) margins by 12–18%.
- **High power costs:** Spinning/weaving units face ₹7.5–9/unit tariffs in key clusters (Tamil Nadu, Gujarat), 30–40% above competing nations like Vietnam/Bangladesh.
- **Outdated technology:** ~55% looms are shuttle-less but only 18% are high-speed air-jet/rapier; average spindle speed lags China by 15–20%.
- **Working capital blockage:** Delayed GST refunds by 120–180 days, long export receivable cycles choke liquidity for MSME units.

Impact of US Tariffs on Indian Textile Sector and measures being taken by Government & Exporters

- On August 27, 2025, the United States imposed a 50% reciprocal tariff (initially 25% from August 7, later doubled) on most Indian goods, including textiles and apparel. This directly impacts 28–35% of India's textile exports to the US, valued at US$ 10–11 billion annually, rendering Indian products 30–40% costlier than competitors like Bangladesh and Vietnam having tariff in the range of 20%.
- In response, the Government of India extended duty-free cotton imports until December 31, 2025, to reduce input costs and provide partial relief to the battered sector.
- Effective September 22, 2025, the GST Council simplified GST slabs to 5% and 18% directly correcting the long-standing inverted duty structure that had trapped ₹18,000–20,000 crore in input tax credits for spinners and weavers. This timely intervention hailed as a “game-changer” by CITI (Confederation of Indian Textile Industry) and AEPC (Apparel Export Promotion Council). It has boosted domestic MMF demand, spurred ₹30,000+ crore fresh investments under the PLI scheme, and positioned India to divert exports to Europe (by 12–23% growth in non-US markets)
- Indian textile exporters are diversifying into new markets like the EU and UK, negotiating with existing U.S. customers through discounts. Strategies include expanding market reach to around 40 countries, pushing to speed up Free Trade Agreement (FTA) talks, particularly with the European Union, to improve market access and lower duties. Exporters are stepping up efforts to meet the EU's tougher standards on chemicals, product labelling, and ethical sourcing and also investing in eco-friendly certifications to attract buyers in new markets who prioritize green products.

(Source: Global Trade Research Initiative & Apparel Export Promotion Council)

Growth Opportunities in Textile Sector

- **Market Expansion to US$ 350 Billion by 2030:** India's textile sector’s current valuation of approximately US$ 225 billion in 2025, is projected to reach US$ 350 billion by 2030 at a 10-12% CAGR, driven by strong domestic consumption, rising middle-class incomes, and e-commerce penetration, with exports targeting US$ 100 billion (Source: IBEF, October 2025).
- **Technical Textiles Upswing:** Fastest-growing segment with 15-20% CAGR via National Technical Textiles Mission (₹1,480 Crore outlay). Market is expected to hit US$ 40 billion by 2030, fuelled by demand in healthcare, automotive, geotextiles, and mandatory government use in 108 projects (Source: Ministry of Textiles, Invest India, 2025 updates).
- **MMF and PLI Scheme Incentives:** ₹10,683 Crore PLI (extended applications to Dec 2025) boosting man-made fibre apparel/fabrics with expected ₹28,000 Crore investment, ₹2 lakh Crore turnover, and 2.5 lakh jobs (Source: Ministry of Textiles, PIB, September 2021 approval with 2025 amendments).
- **E-Commerce and Domestic Demand Surge:** Online apparel sales booming with 500 million+ social media users; fusion wear, athleisure, and hyper-local brands driving 10-15% annual growth, e-commerce apparel market to reach US$ 63 billion by 2030 at 24% CAGR (Source: Coherent Market Insights, 2025).

Resurgent India has created a strong presence in Project Appraisal in Textile Sector (TEV):

Resurgent India Limited has conducted TEV studies for textile projects across the value chain, covering Spinning (Cotton / Synthetic / Blended Yarns), Weaving/Fabric Manufacturing (grey, denim, knitted & technical fabrics), Dyeing & Printing/Processing units, Garmenting/Readymade Apparel & Made-ups projects and large MMF/PSF plants exceeding ₹300 crore covering PTA/MEG linkage, energy intensity and downstream integration.

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