



# Industry Report on Synthetic Readymade Garments & Synthetic Grey Fabric

**For Borana Weaves**

14<sup>th</sup> April 2025

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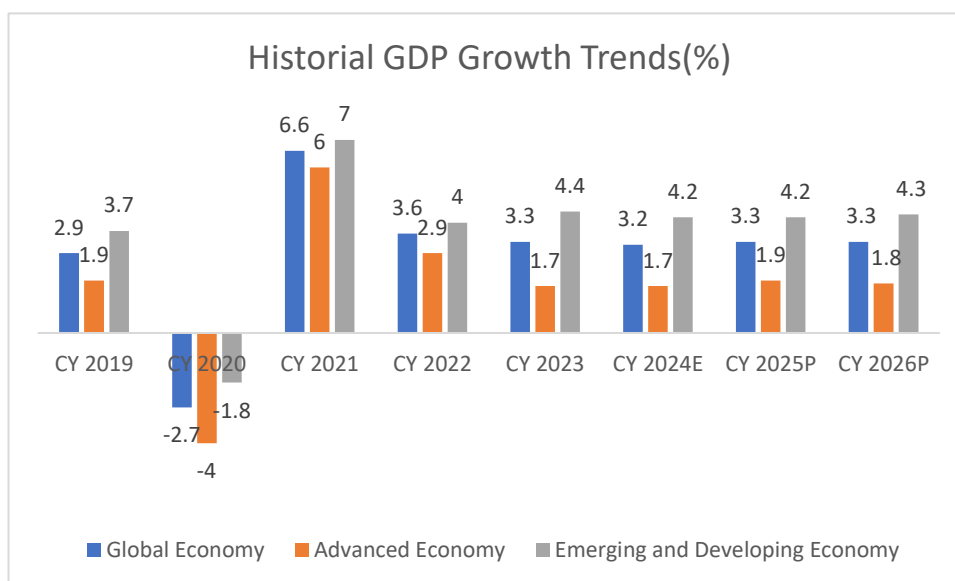
## Global Macroeconomic Landscape

### Global Economic Overview

The global economy, which grew by 3.3% in 2023, is expected to record a sluggish growth of 3.2% in 2024 before rising modestly to 3.3% in 2025. Between 2021-2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China, the largest manufacturing hub of world, was facing a crisis in the real estate sector and prices of properties were declining between 2020 - 2023, with the reopening of the economy, consumer demand is picking up again. The Chinese Government took several steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

The year 2024 continued to remain a challenging year marked by uncertainties and transformative shifts. Numerous factors such as high inflation in many economies despite central bank effort to curb inflation, continuing energy market volatility driven by geopolitical tensions particularly in Ukraine and Middle East, and the re-election of Donald Trump as US President extended uncertainty around the trade policies as well as overall global economic growth. 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 estimated to grow by 3.2% in CY 2024 as compared to 3.3% in CY 2023.

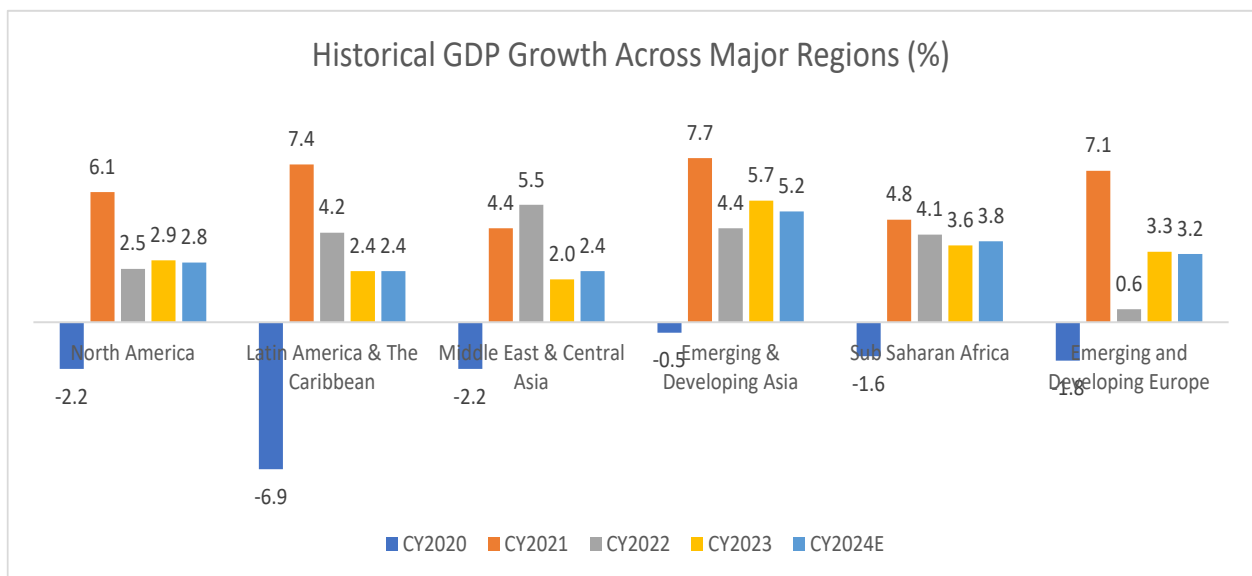


Source – IMF Global GDP Forecast Release January 2025

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.)

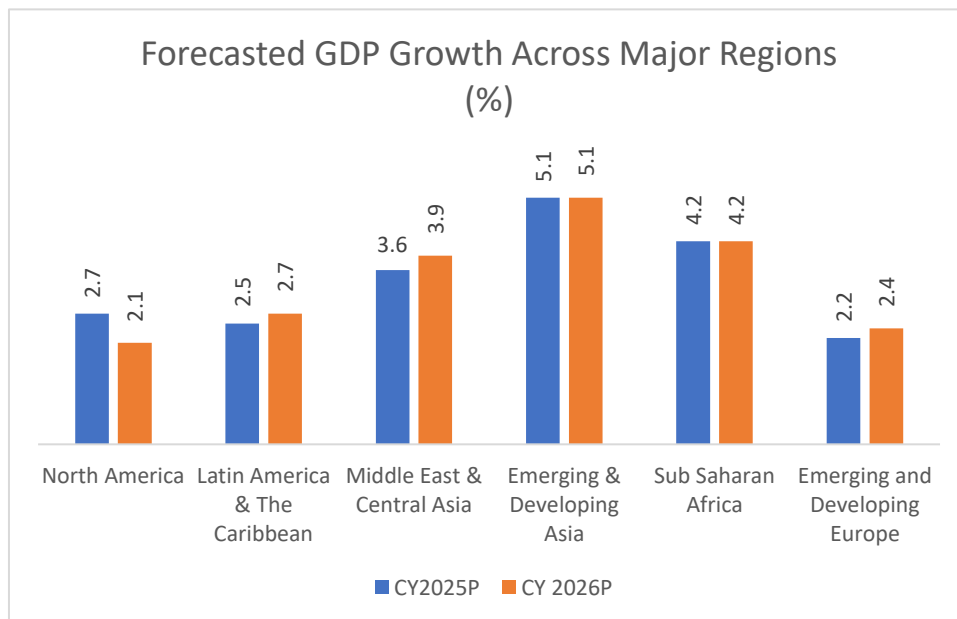
## GDP Growth Across Major Regions

GDP growth of major regions including Emerging and Developing Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to decrease from 5.2% in CY 2024 to 5.1% in CY 2025, while in the North America, it is expected to decrease from 2.8% in CY 2024 to 2.7% in CY 2025.



Source-IMF World Economic Outlook January 2025 update.

Except for Emerging and Developing Asia, Emerging and Developing Europe and North America, all other regions are expected to record an increase in GDP growth rate in CY 2025 as compared to CY 2024. Further, growth in the United States is expected to come down at 2.7% in CY 2025 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand. India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.



Source-IMF, OECD, and World Bank, D&B Estimates

## Global Economic Outlook

As 2025 begins, there is some uncertainty due to the likely shift in policy following numerous elections around the world. New policies could lead to new trajectories for inflation, borrowing costs, and currency values, as well as trade flows, capital flows, and costs of production. Meanwhile, governments and central banks continue to navigate a balance between a desire to suppress inflation and a goal to boost growth.

Real GDP in advanced economies is projected to grow 1.9% in 2025, up from 1.7% in 2024. In the US, economic activity is expected to remain robust, supported by solid income and productivity, even as real GDP growth slips from 2.8% in 2024 to 2.1% in 2025. In Europe, steady income growth and falling interest rates should drive stronger consumer spending growth and a modest recovery in investment. Real GDP growth in Japan is likely to rebound toward 1.1% driven by a gradual acceleration in real wages and consumer spending. Additionally, real GDP growth in mainland China slowing to 4.6% in 2025 as structural property sector and demographic challenges will restrain economic activity despite fiscal and monetary policy support. India should remain a bright spot, with real GDP growth expected at 6.5%, driven by public investment and strong domestic demand. Latin America is expected to see a mildly stronger expansion, despite a notable slowdown in growth in Brazil.

The emerging markets that have advantageous locations and preferential trade agreements across major blocs will grow. India, Saudi Arabia, Mexico, Brazil, the United Arab Emirates and Southeast Asian economies will benefit from maintaining or developing strong trade and investment relations across geopolitical blocs. India will continue to foster trade and investment ties across geopolitical divides while being a critical driver of South-South trade. Southeast Asia is likely to remain the top destination for foreign investment among

emerging markets. In the US, protectionist measures will be used in a transactional manner to extract trade, immigration, drug traffic control, defense spending and other political concessions from trading partners. We anticipate targeted tariffs on trading partners. However, we note that a scenario factoring 60% tariffs on Chinese imports and a 10% universal tariff on all imports from other US trading partners (assuming proportional retaliation against US exports) would reduce global GDP by 1.4% after two years, with GDP in the US, mainland China, Mexico and Canada reduced by 2.0% to 3.0%.

In Europe, the European Commission will also make increasing use of trade-defensive tools such as tariffs and step up scrutiny of foreign direct investments in strategic sectors. And, in emerging countries, this trend will increasingly manifest in resource nationalism, as governments from Mexico to Indonesia seek greater state involvement in the resources sector or higher value-added process to occur domestically.

Global inflation is expected to decline steadily, to 4.2% in 2025 and to 3.5% in 2026 still somewhat higher than the 3.1% pace in 2019. In advanced economies, where inflation surged to multidecade highs following the pandemic, price pressures are expected to moderate but remain uneven. Wage cost pressures, potential tariffs and limited innovation undermining global competitiveness in some sectors are likely to persist across European economies and the UK. In the US, we expect the moderating trend in inflation will remain in place through early 2025, though it could then change as deregulation, potential immigration restrictions and tariffs lead to a renewed inflation impulse. In contrast to President-elect Trump's first term, these inflationary pressures would come in a new paradigm defined by fragile supply conditions, elevated geopolitical tensions and structural upside risks to inflation. Geopolitical tensions such as the wars in Ukraine and the Middle East could further exacerbate inflation volatility, particularly in energy and agricultural commodities.

Mainland China will face a different macroeconomic challenge: the risk of deflation due to subdued consumer spending trends, cautious business investment and ongoing deleveraging in the property sector. This has prompted authorities to announce stimulus measures to prevent exacerbating deflationary pressures. Indeed, deflation could slow the economic recovery by delaying consumer purchases, eroding corporate revenues and worsening real debt burdens, particularly if property sector weakness and slowing exports continue to weigh on private sector confidence. Emerging markets will grapple with the challenge of curbing inflation while contending with fragile supply chains, volatile commodity prices and foreign exchange fluctuations. Several Asian emerging economies, including India and Indonesia, are better positioned to maintain price stability due to proactive fiscal measures and monetary prudence. The combination of a diversified supply base that mitigates reliance on external inputs and importing deflation from China should further support disinflation.

## India Macroeconomic Analysis

In India, growth is expected to decelerate to 6.5% in FY 2024 from 8.2% in FY 2023, reflecting a slowdown in investment and weak manufacturing growth. However, services activity has been steady, while growth in the agricultural sector has recovered. Private consumption growth has remained resilient, primarily driven by improved rural incomes accompanied by a recovery of agricultural output. In contrast, higher inflation and slower credit growth have curbed consumption in urban areas

Country	Real GDP Growth (CY 2023)	Estimated GDP Growth (CY 2024)	Projected GDP Growth (CY 2025)	Projected GDP Growth (CY 2026)
India	8.2%	6.5%	6.5%	6.5%
China	5.2%	4.8%	4.6%	4.5%
Russia	3.6%	3.8%	1.4%	1.2%
Brazil	3.2%	3.7%	2.2%	2.2%
United States	2.9%	2.8%	2.7%	2.1%
Japan	1.5%	-0.2%	1.1%	0.8%
Canada	1.5%	1.3%	2.0%	2.0%
France	1.1%	1.1%	0.8%	1.1%
Italy	0.7%	0.6%	0.7%	0.9%
South Africa	0.7%	0.8%	1.5%	1.6%
United Kingdom	0.3%	0.9%	1.6%	1.5%
Germany	-0.3%	-0.2%	0.3%	1.1%

Source-IMF World Economic Outlook January 2025 update.

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

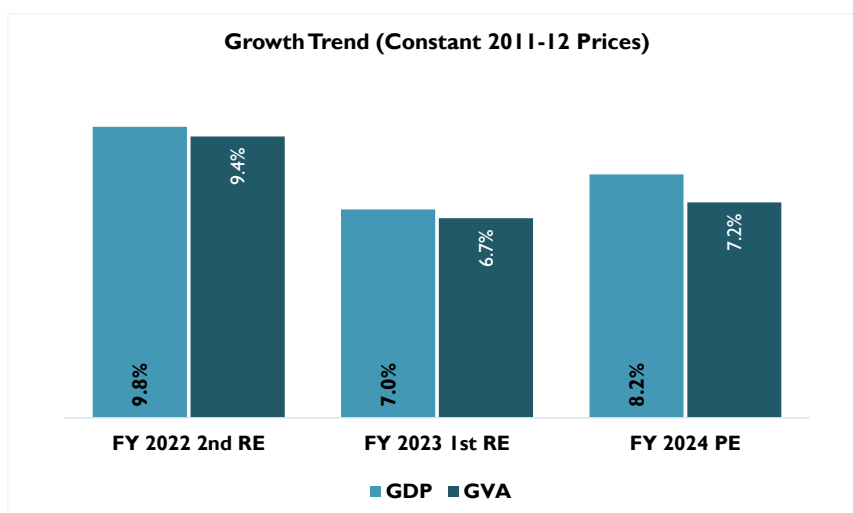
Countries have been arranged in descending order of GDP growth in 2023).

There are few factors aiding India’s economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex (capital expenditure) cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of the central government increased by 11.1% increase in capital expenditure (budget estimates), to the tune of INR 11.11 trillion in the Union Budget 2024-2025 constituting 3.4% of the GDP. The improvement was accentuated further as the Budget 2025-2026 announced an 10% increase in capital expenditure, coupled with INR 1.5 trillion in interest-free loans to states. This has provided much-needed confidence to the private sector, and in turn, expected to attract the private investment.

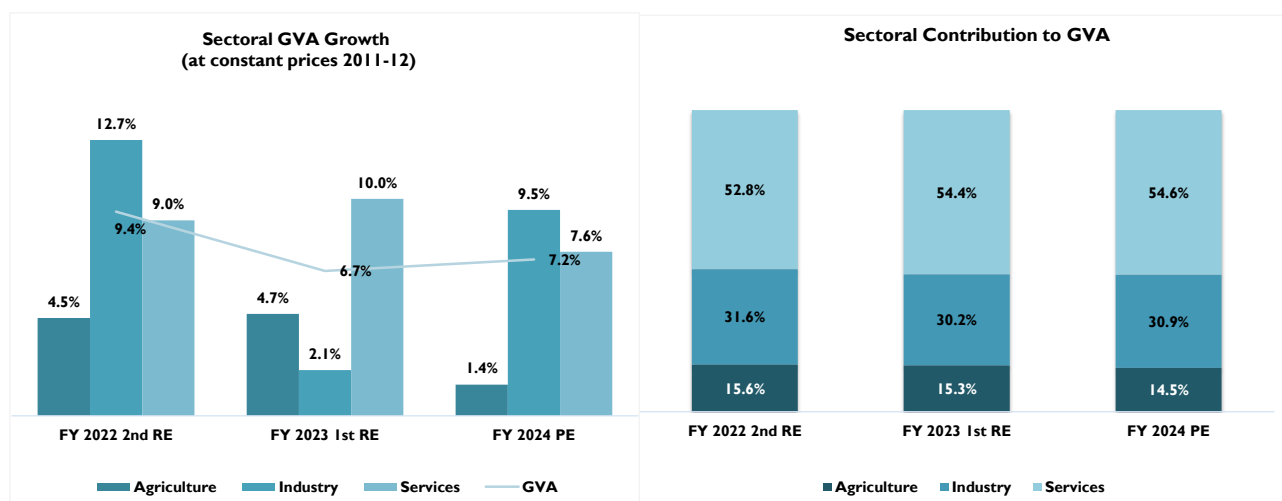
### Historical GDP and GVA Growth trend

As per the provisional estimates 2023-24, India’s GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24

## Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

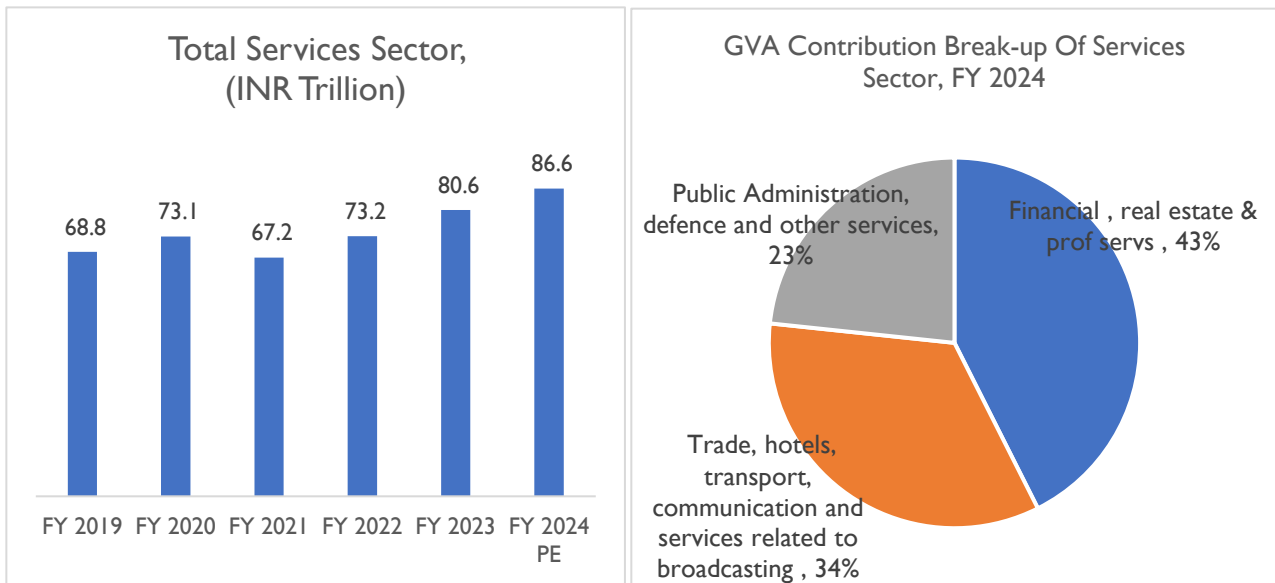
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.1%, 9.9% and 9.9% in FY 2024 against a y-o-y change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.6% against 10% y-o-y growth in the previous year.

### Expansion in Service Sector

Services sector is a major contributor to the country's overall economic growth. In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the provisional estimated), registering a CAGR of nearly 5%. Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services<sup>1</sup> observed 4.5% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24.

<sup>1</sup> Other services include Education, Health, Recreation, and other personal services.



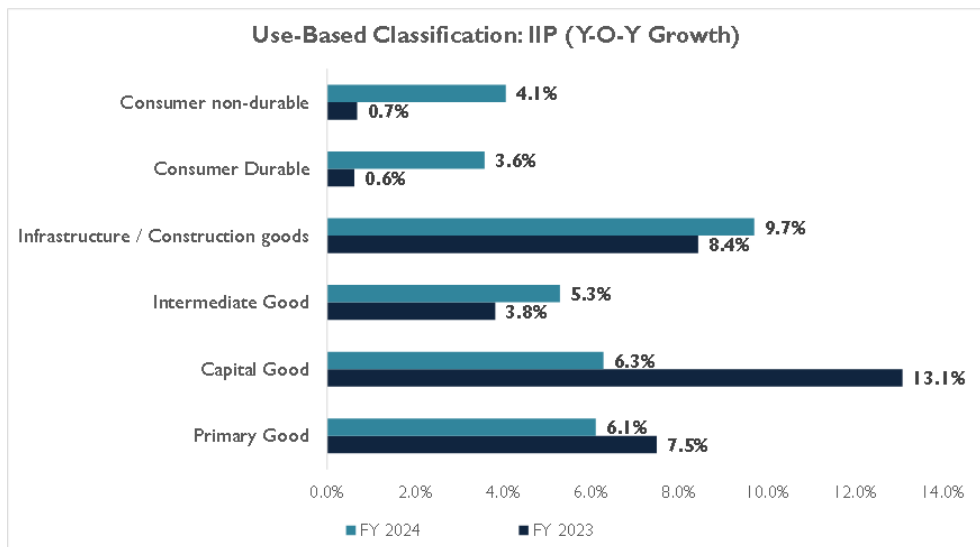
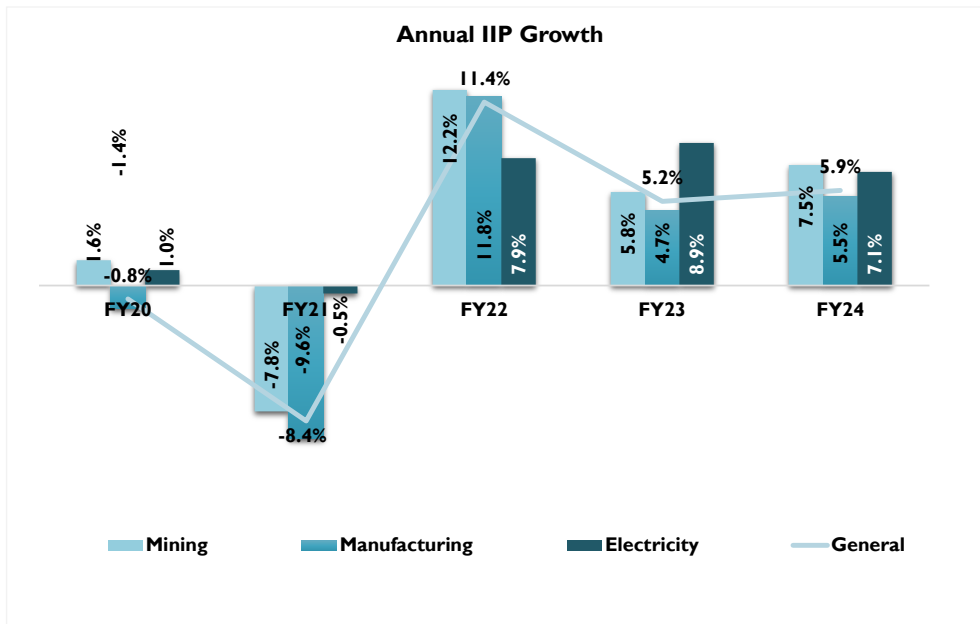
Sources: MOSPI, CMIE Economic Outlook and Dun & Bradstreet Research Estimates<sup>2F2</sup>

India's HSBC Services Purchasing Managers' Index, an important indicator to track service sector performance, measured 60.3 in July 2024 against 60.5 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

### IIP Growth

Industrial sector performance as measured by IIP index; in FY 2024 it is growing at 5.9% (against 5.2% in FY 2023). Previously IIP index exhibited temporary recovery in FY 2022 from the low of Covid induced slowdown in industrial growth during FY 2020 and FY 2021. Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% y-o-y growth in FY 2023 while mining sector index too grew by 7.5% in FY 2024 against 5.8% in the previous years. Mining & manufacturing both shown improvement according to previous except the Electricity sector Index, witnessed an improvement of 7.1% in FY 2024 against 8.9% in the previous year.

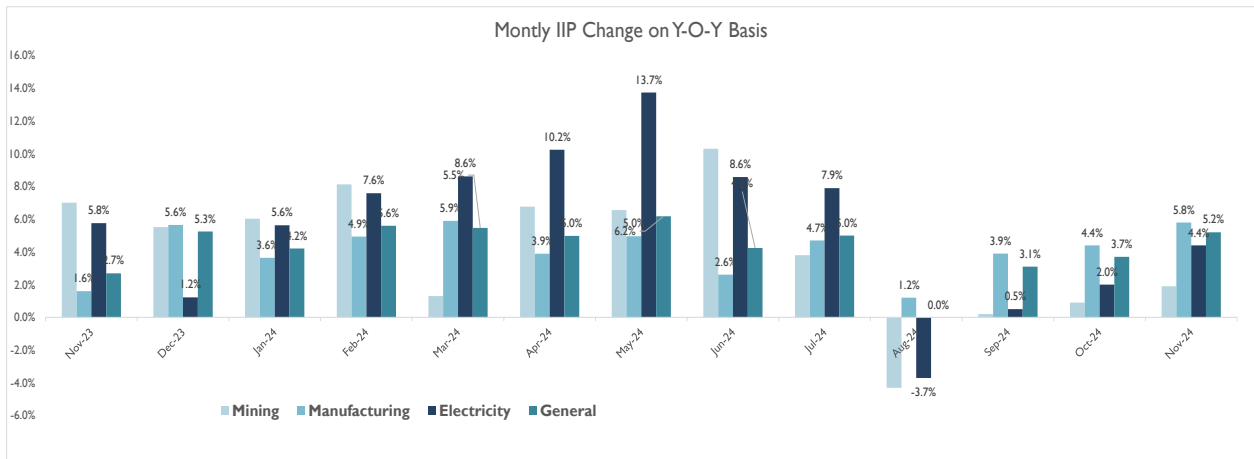
<sup>2</sup> Projection as Based on CMIE Growth rate till FY 2029 and FY 2030 is based on Dun & Bradstreet assumption.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

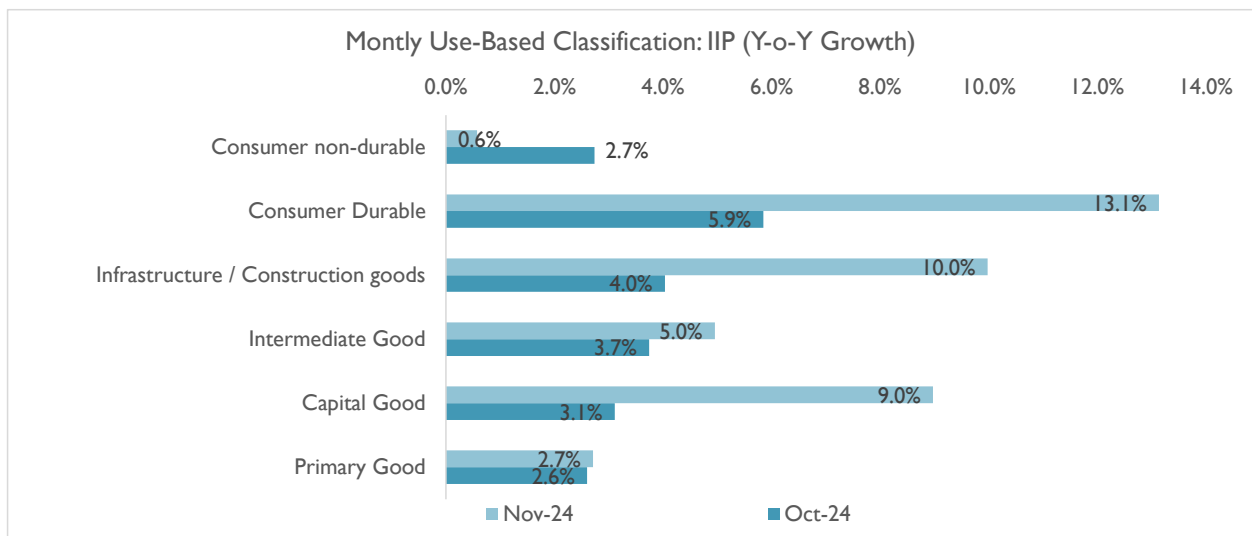
As per the use-based classification, most segments have shown growth for FY 2024 compared to FY 2023. Capital good and primary goods were segments which faced less growth as compared to previous year. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance. In contrast all the segments except the above two have shown growth.

## Monthly IIP Growth Trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal. Overall IIP index grew by 5.2% in November 2024 against 2.3% y-o-y growth observed in November 2023. However, the mining sector index growth slowed to 1.9% in November 2024, against 7.0% y-o-y growth in November 2023 while the manufacturing sector index exhibited substantial improvement and they grew by 5.8% in November 2024 against 1.6% in November 2023, respectively.



Sources: MOSPI

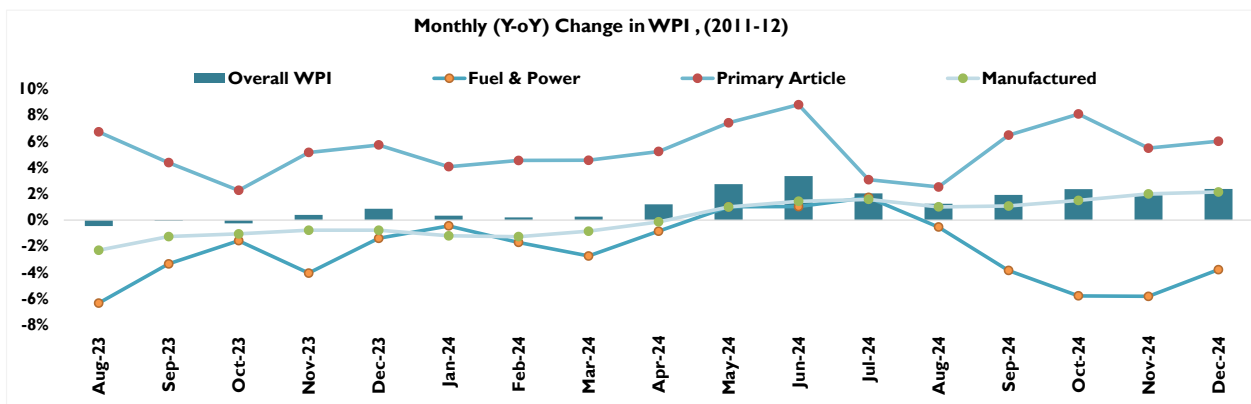
As per the use-based classification, growth in all segments excluding consumer non-durable increased in November 2024 as compared to the previous month. Growth in consumer non-durable segment slowed in November 2024 to 0.6% as against 2.7% in October 2024.

## Inflation Scenario

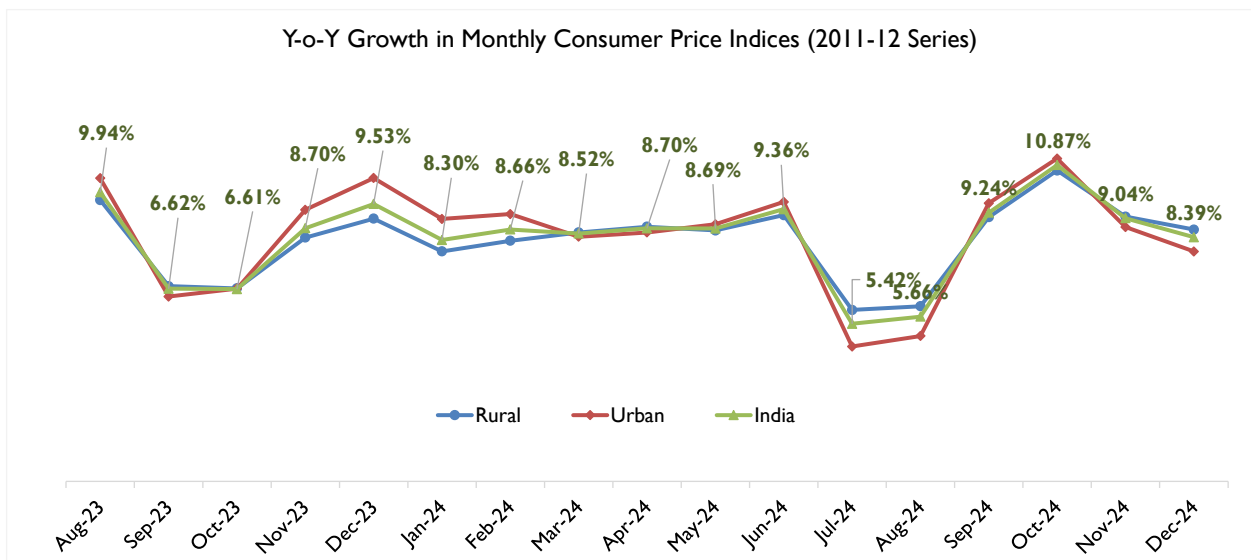
The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from August 2023 to December 2024. Overall WPI number measured 2.4% in December

2024. Positive rate of inflation in December 2024 is primarily due to increase in prices of food articles, manufacture of food products, other manufacturing, manufacture of textiles and non-food articles etc. By December 2024, Primary Articles WPI inflation moderated compared to October prices level but increase marginally compared to the previous month and measured 6.0%. The Price of food articles (-3.08%) and crude petroleum & natural gas (- 2.87%) decreased in December 2024 compared to the previous month i.e. November 2024. However, the Price of non-food articles grew by 2.53% and minerals by 0.48% in December 2024 as compared to November 2024.

Moreover, power & fuel, the index for this major group increased by 1.90% to 149.9 in December 2024 from 147.1 in the month of November 2024. Price of electricity (8.81%) and coal (0.07%) increased in December 2024. The price of mineral oils (-0.06%) decreased in December 2024 as compared to November 2024.



Source: MOSPI, Office of Economic Advisor.



Source: MOSPI, Office of Economic Advisor

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between August 2023 and December 2024. Rural CPI inflation peaked at 9.67% in August 2023, declining to 8.65% in December 2024. Urban CPI inflation followed a similar trend, rising to 10.42% in August 2023 and then

dropping to 7.90% in December 2024. Overall, the national CPI inflation rate increased to 9.94% in August 2023 but moderated to 8.39% by December 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas. CPI measured above 6% tolerance limit of the central bank since July 2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to the current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

## Growth Outlook

India's H1 FY2024-25 GDP slowdown is cyclical, driven by credit tightening and delayed fiscal spending, but strong fundamentals should support growth in the second half of the fiscal year. Politically, the continuation of the National Democratic Alliance (NDA) government signals sustained reforms, with optimism around labour and land reforms. The government is also taking steps to control retail inflation by managing food prices and import duties. Retail inflation eased to 5.2% y/y in December, down from 5.5% in November as vegetable prices moderated following a bumper summer harvest and favorable monsoon. Still-high food prices and geopolitical tensions continue to pose risks to inflation and growth. High retail credit and rising unsecured loans signal consumption-driven borrowing, yet urban demand remains under pressure. Rural demand has shown resilience, benefitting from favorable monsoons, robust agricultural output and elevated food prices. The RBI's September economic review highlighted a contrasting trend in rural and urban consumption demand in H1 FY2024- 25, with rural demand remaining robust, while urban demand showed weakness.

On external front, the global business environment remains cautious, with geopolitical tensions, particularly in Gaza, posing potential risks to global stability. In mid-January 2025, the Indian rupee dropped below INR 86.6 USD, due to strong dollar demand from foreign banks, likely due to outflows from equities and the weakness in regional peers as the dollar strengthened. Rupee continued to face pressure due to sustained foreign fund outflows and the broad strength of the American currency in the overseas markets due to unabated dollar demand from oil importers and weak risk appetite

Looking ahead to 2025, India's projected GDP growth of 6.5% stands out as the fastest among major emerging markets, significantly outpacing China's 4.6%, and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2026, reflecting strong economic fundamentals and continued momentum.

This decent growth momentum in near term CY 2025 is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1<sup>st</sup> Feb 2024. The Union Budget for FY26, which takes a balanced approach to sustaining economic momentum. 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 lacs annually under the new tax regime is expected to strengthen household finances and, consequently, boost consumption.

## Textile Industry in India

India is currently one of the largest manufacturers of readymade garments and amongst the largest exporters as well. Domestic market for readymade garments too has grown at a fast pace helping India emerge as one of the fastest growing and lucrative readymade garment markets in the world. Apparel manufacturing alone provides employment to a population of 12.3 Mn.

Domestic demand in the last years witnessed a slowed down as consumers paired down their discretionary spending on the wake of economic uncertainty. Exports too suffered the same fate as recessionary scenario in key export markets – US and EU – dampened demand for readymade garments in those markets.

Domestically, due to the current market slowdown, clothing manufacturers are projected to experience a decline of 25-30 percent in order bookings for the upcoming festive season. This decrease in demand can be attributed to inflation and the fluctuating costs of inputs such as cotton, polyester yarn, and man-made fibers, which have led to higher prices for customers. As a result, there is a slowdown in demand for clothing products.

However, according to Confederation of Indian Industry (CII), the Indian textile and apparel industry is expected to grow at a 10% CAGR from 2019-20 to reach USD 190 billion by 2025-26 Whereas, domestic apparel market in India stood at USD 40 billion in 2020 and is expected to reach USD 135 billion by 2025.

### Value Chain Overview

The Indian textile industry is a vital and complex sector that significantly contributes to the nation's economy. Spanning the entire spectrum from raw material production to the final product, this industry integrates several stages, including yarn production, weaving, and fabric manufacturing. Below is a detailed analysis of the key attributes of this value chain. The textile value chain in India can be segmented into the following primary activities:

- **Raw Material Production**

- **Natural Fibers:** India is one of the world's largest producers of cotton and jute, which are fundamental to the textile industry. The cultivation practices of these fibers directly impact the quality and sustainability of the raw materials.
- **Synthetic Fibers:** Man-made fibers, supplied by the petrochemical industry, have gained prominence since the mid-20th century. These fibers are crucial for producing a wide range of textile products, including easy-care clothing and furnishings.

- **Spinning**

The spinning stage involves converting raw fibers into yarn. This process is pivotal as it determines the quality and characteristics of the yarn, influencing the final textile product. India boasts a robust spinning sector that integrates both natural and synthetic fibers, catering to a wide array of market demands.

- **Weaving and Knitting**

- **Weaving:** This process involves interlacing yarns to create fabric. India has a significant number of weaving units, although challenges related to quality and cost often result in the importation of woven fabrics.
- **Knitting:** The knitting sector in India is more integrated, with many facilities capable of producing finished garments directly from yarn. This segment has experienced substantial growth, with local production meeting a significant portion of domestic demand.

- **Fabric Processing**

After fabric creation, it undergoes various treatments such as dyeing, printing, and finishing to enhance its properties. This stage is crucial for adding value to the fabric, making it suitable for the final product market. The processing sector plays an essential role in ensuring the fabric meets consumer expectations in terms of quality and aesthetics.

- **Apparel Manufacturing**

The final stage of the value chain involves converting fabric into finished garments. India's apparel manufacturing sector is diverse, ranging from traditional handloom products to modern, mass-produced clothing. This segment is labour-intensive, employing millions and serving as a vital component of the economy.

- **Marketing and Distribution**

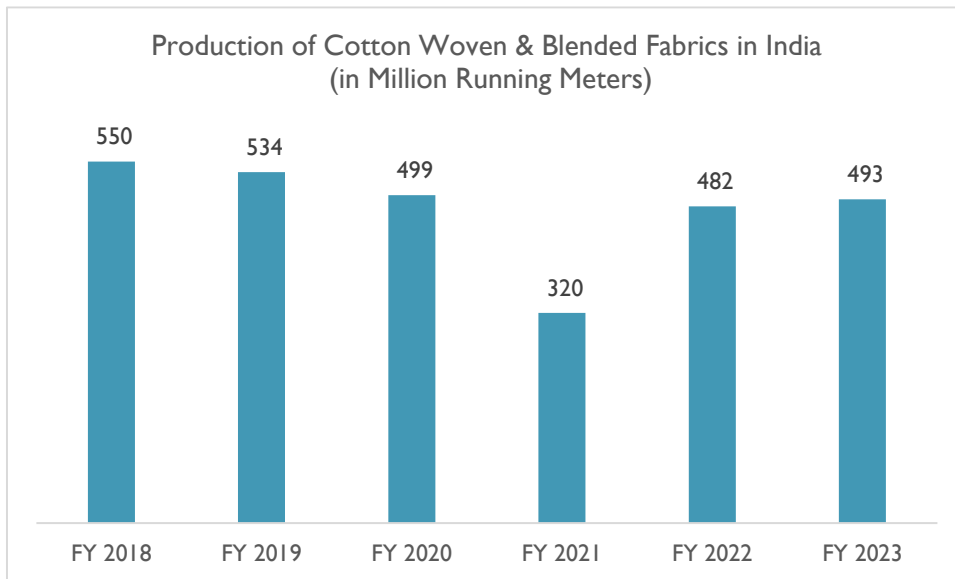
Effective marketing and distribution are critical for the success of textile products. This includes branding, sales strategies, and logistics to ensure products reach consumers efficiently. The Indian textile industry is increasingly focused on enhancing its marketing capabilities to compete effectively in global markets.

## Textile production scenario in India

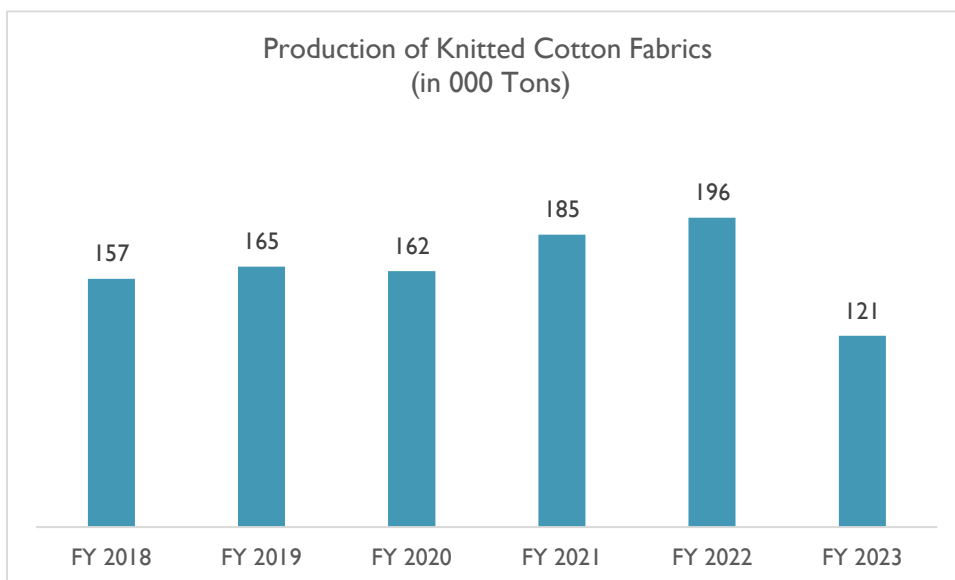
The total annual production of fabric (comprising of cotton woven fabrics and polyester/viscose blended fabric) in India is estimated to be nearly 493 million running meters<sup>3</sup> in FY 2023. Meanwhile the annual production of knitted cotton fabric is estimated to be nearly 121 thousand tons in FY 2023.

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<sup>3</sup> Specialized unit of measurement used in textile industry. It refers to the length of continuous material or fabric that is typically uncut or unaltered.



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



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

The Indian textile and apparel industry, contributing 2% to the nation's GDP and 7% of industrial output, is currently navigating a challenging period. Despite a 4% share in global trade and over 10% contribution to India's export basket in 2021-22, the industry is facing a downturn. Domestic sales have lagged, with consumer spending shifting towards food, electronics, and vehicles, reducing demand for garments. The spinning sector is particularly affected by under-utilization due to decreased yarn imports from China and weak domestic demand from weavers and knitters.

In response to these challenges, initiatives like the Production Linked Incentive (PLI) and PM Mitra schemes have been introduced to attract investments in man-made fibers and technical textiles, aiming to reduce import dependence. However, the industry remains reliant on imported man-made fibers, particularly from China, Vietnam, and Taiwan. The struggles of Bangladesh's garment industry, marked by labor unrest, political

instability, and declining exports, are creating significant opportunities for the Indian textile sector. As global brands seek to diversify their supply chains and mitigate risks, India stands to benefit from increased demand for its textile products, provided it can maintain quality and sustainability in its offerings. Additionally, a 40% rise in freight costs due to disruptions in the Red Sea region is further straining operational costs and impacting product pricing.

## Key components

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, play a significant role in the textile industry. Polyester is valued for its durability, resistance to shrinking and stretching, and quick-drying properties. These characteristics make polyester an excellent choice for activewear, outerwear, and various home textiles. Synthetic fibers are frequently used in combination with natural fibers to enhance performance characteristics. For instance, blends can offer improved moisture-wicking properties and greater elasticity, addressing specific needs in sportswear and functional garments. Their strength and ease of care further contribute to their widespread use in the industry.

### Blended Textiles

Blended textiles are created by mixing two or more different types of fibers to achieve desired properties. This can enhance the functionality, comfort, and aesthetic appeal of the fabric.

### Types of Blends

- **Cotton-Polyester Blends:** These are among the most common, providing a balance of comfort and durability. For example, a 65/35 polyester-cotton blend is often used for everyday apparel, while a 50/50 blend is preferred for softer fabrics.
- **Cotton-Viscose Blends:** Used in formal wear and sportswear, these blends offer a soft feel and good drape while maintaining breathability.

- **Wool-Acrylic Blends:** Commonly used in knitwear, these blends combine the warmth of wool with the affordability and ease of care of acrylic.

### **Functional Fibers**

Functional fibers, such as bicomponent fibers and core spun yarns, are designed to offer unique properties by combining different materials. Bicomponent fibers are produced by blending two distinct polymers, resulting in fabrics that leverage the strengths of both components. For example, a polyester-nylon blend can enhance both durability and performance. Core spun yarns feature a filament core wrapped with staple fibers, such as spandex wrapped with cotton. This construction provides garments with added stretch and comfort, making them suitable for applications where flexibility and a comfortable fit are essential.

### **Environmental Considerations**

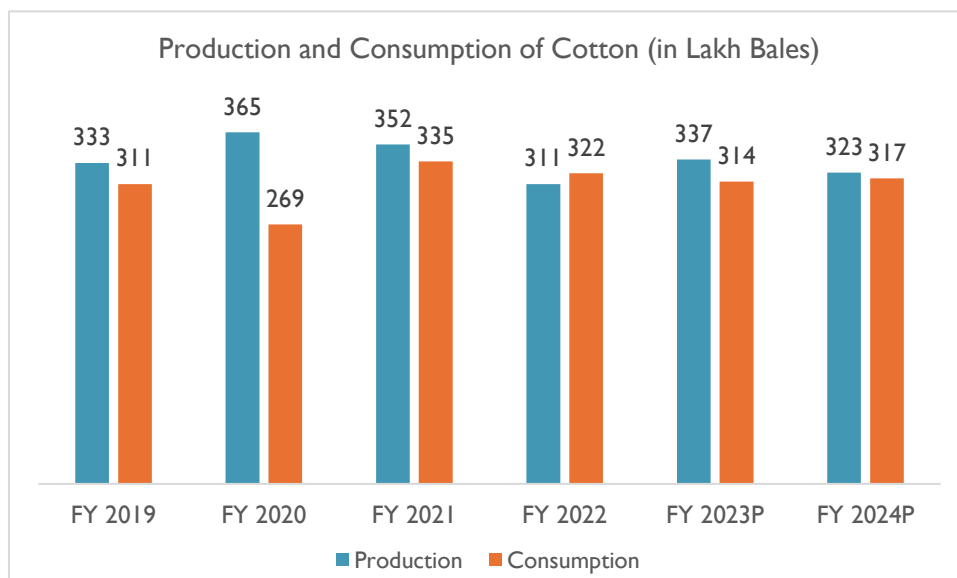
Blended textiles present challenges for recycling, particularly when combining natural and synthetic fibers. The different properties of these fibers make separation difficult, complicating the recycling process. However, efforts are ongoing to develop advanced technologies capable of separating and reusing these fibers to improve sustainability in the textile industry.

In summary, the textile industry is characterized by a diverse range of components, including natural fibers like cotton, various synthetic fibers, and blended textiles that leverage the strengths of multiple materials. Understanding these elements is crucial for manufacturers to produce fabrics that meet consumer demands for comfort, durability, and sustainability.

### **Market Segmentation**

#### **Cotton**

India is unique in its ability to cultivate all four species of cotton: *Gossypium arboreum* and *Gossypium herbaceum* (Asian cotton), *Gossypium barbadense* (Egyptian cotton), and *Gossypium hirsutum* (American Upland cotton). Notably, *Gossypium hirsutum* represents 90% of the hybrid cotton production in the country, with all current Bt cotton hybrids belonging to this species. Cotton production in India is largely concentrated in nine major states, categorized into three agro-ecological zones: the Northern Zone, which includes Punjab, Haryana, and Rajasthan; the Central Zone, comprising Gujarat, Maharashtra, and Madhya Pradesh; and the Southern Zone, which includes Telangana, Andhra Pradesh, and Karnataka. Additionally, cotton is cultivated in Odisha and Tamil Nadu.



Sources: Ministry of Textile, COCPC

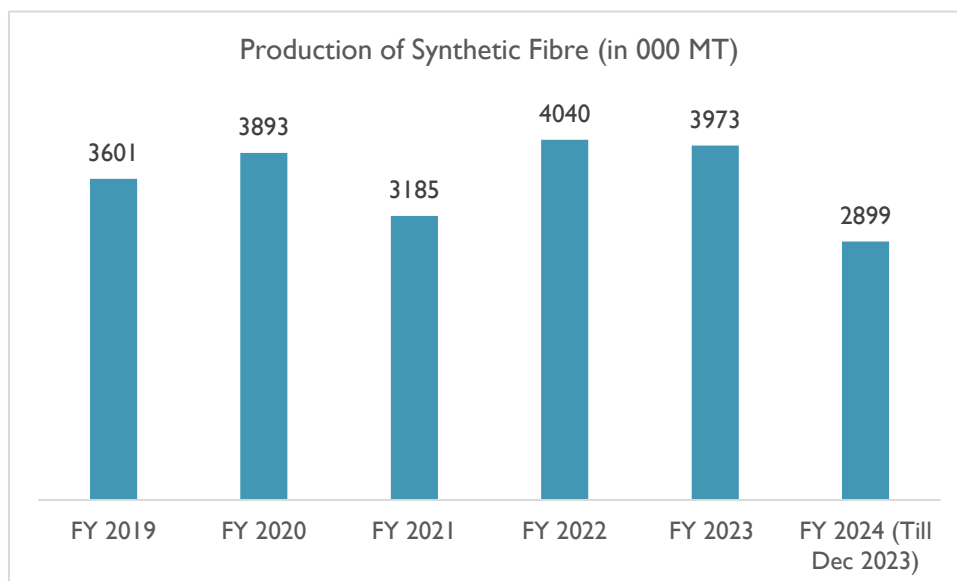
For the 2023-24 cotton season, India ranks second globally in cotton production, with an estimated output of 323.11 lakh bales (5.50 million metric tonnes), accounting for 23.83% of the world's total production of 1,429 lakh bales (24.31 million metric tonnes). Furthermore, India is the second-largest consumer of cotton worldwide, with an estimated consumption of 317 lakh bales (5.39 million metric tonnes), representing 22.69% of the global total consumption of 1,397 lakh bales (23.75 million metric tonnes). Cotton constitutes around 60% of the raw material consumption in India's textile industry, with annual usage reaching approximately 316 lakh bales (170 kg each).

Cotton stands as one of the most significant commercial crops in India, contributing approximately 24% to total global cotton production. It plays a vital role in the livelihoods of around 6 million cotton farmers, along with an additional 40 to 50 million individuals involved in related sectors such as cotton processing and trade. In the Indian textile industry, the consumption ratio of cotton to non-cotton fibres is notably around 60:40, contrasting with the global average of 30:70. Beyond its fundamental role in providing clothing, which ranks just after food as a basic necessity, cotton significantly contributes to India's net foreign exchange earnings. The country exports a variety of cotton products, including raw cotton, intermediate goods such as yarn and fabrics, and finished items like garments, made ups, and knitwear. Given its substantial economic importance, cotton is often referred to as "White Gold" in India.

### Synthetic Fibre

The Indian textile industry is witnessing a remarkable shift towards synthetic fibres, which have become a cornerstone of this vibrant sector. As the world's second-largest producer of man-made fibres, India produces approximately 2,899 thousand MT of synthetic fibres. These fibres, which include popular varieties like polyester and viscose, account for nearly 100% of non-cotton and blended fabrics in the country. The

versatility, durability, and cost-efficiency of synthetic fibres are key factors driving their increasing prominence in the textile market.



Source: Ministry of Chemical & Fertilizer Annual Report 2024

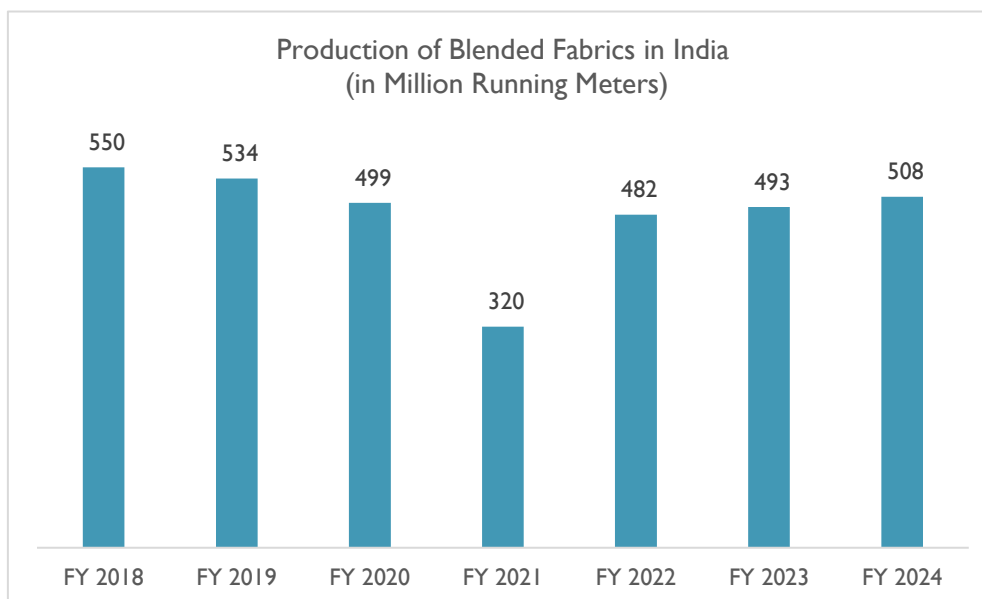
In recent years, the demand for synthetic fibres has surged due to their adaptability and unique properties. With applications spanning various industries, including fashion, sports, and industrial textiles, synthetic fibres are valued for their lightweight nature, hydrophobic characteristics, and resilience in high-speed machinery. This versatility not only enhances the functionality of textile products but also aligns with the evolving preferences of consumers who seek both style and performance. As a result, synthetic fibres are emerging as a vital pillar in the Indian textile landscape, facilitating the sector's agility in responding to changing market dynamics.

Looking ahead, the synthetic fibres market in India is poised for significant growth. With projections indicating a robust expansion in the demand for man-made fibres, the industry is expected to continue investing in innovation and technology to enhance production capabilities. This trend aligns with the global shift towards sustainable practices, as manufacturers increasingly focus on developing eco-friendly synthetic options. By embracing this evolution, the Indian textile industry is set to not only meet domestic and international demand but also establish itself as a leader in the global synthetic fibres market.

### **Blended Yarn**

Blended yarns are gaining prominence in the textile industry due to their versatility and enhanced performance. India, a major producer and exporter of yarns, has seen significant growth in the production of blended yarns, particularly polyester/cotton and polyester/viscose varieties. These blends offer a combination of strength, durability, and comfort, which are ideal for apparel and home textiles. With the share of blended fabrics growing steadily, this market segment is expected to outpace the traditional 100% cotton yarn demand

in the coming years. The compound annual growth rate (CAGR) of blended yarns from 2021 to 2024 was 16.6%, indicating a positive trend.



Source: CMIE

The use of blended yarns extends across a wide range of applications. Poly/cotton blends, for instance, are commonly used in shirting, suiting, uniforms, and casual wear, while poly/viscose blends are favoured for pants, skirts, and suiting. Other blends, such as cotton/acrylic and poly/wool, are used for sweaters, blankets, and suiting, offering different properties like warmth, resilience, and softness. As the market for technical textiles grows in India, blended yarns are being used for specialized applications, such as sewing threads, filter cloths, and medical textiles, with poly/cotton blends remaining highly popular in this space.

Research and development efforts continue to focus on enhancing the functionality of blended yarns. Institutes like the Central Institute for Research on Cotton Technology (CIRCOT) have been involved in creating new blends, including cotton-rich blends with fibres like PLA and bamboo viscose, which target sportswear and medical applications. The continued innovation in this field is expected to further boost the demand for blended yarns, both in the domestic and export markets, as they offer improved performance characteristics over traditional cotton yarns.

<sup>4</sup>To conclude, the Indian textile market is segmented into cotton, synthetic fibres, and blended fibres, each with significant contributions to fabric consumption, particularly in the household sector. As of 2018, cotton accounted for 42.56% of the total fabric consumption, driven by its traditional importance in the textile sector. Man-made fibres (MMF), including synthetic fibres like polyester and viscose, made up the largest share at 56.17%, reflecting their increasing prominence due to versatility, durability, and cost-efficiency. Blended fabrics, which include both cotton and synthetic fibres, have also witnessed steady growth, with

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<sup>4</sup> Ministry of Textile, To Promote Growth of Man-Made Fibre Textile Industry in India

demand shifting towards synthetic blends, especially in rural areas, where the compound annual growth rate (CAGR) for man-made and blended fibres reached 13.1% between 2006 and 2016, compared to 11.2% in urban areas. The overall CAGR for blended fabrics between 2014 and 2018 was 6%, slightly higher than that of cotton (5.59%). Synthetic and blended fabrics together form a critical part of the Indian textile landscape, responding to evolving consumer preferences and facilitating the growth of the sector, especially in rural regions where consumption is on the rise.

### Growth forecast

Despite the recessionary scenarios in the global economy, the industry has an optimistic outlook where the demand for textile production from domestic as well as export markets is expected to grow strong in the coming years. Higher disposable income and shift in consumption pattern is driving the domestic market. In addition, growing importance of India as a major textile manufacturing hub has helped in the growth of Indian textile sector would continue to fuel its growth.

Buoyed by favourable demographics, shift in lifestyle choices and structural shift in industry structure, the demand for readymade garments is likely to continue growing at healthy rate. Government initiatives such as the Make in India campaign and the implementation of Goods and Services Tax (GST) are expected to create a conducive environment for fabric manufacturers and exporters, fostering their growth and competitiveness.

Technological advancements, such as automation and digitalization, enhance manufacturing processes and product quality, while a skilled workforce adds to the industry's competitive advantage. With the right strategies and adaptation to market dynamics, the Indian fabric textile industry is well-positioned to experience sustained growth and make significant contributions to the country's economy.

According to estimates, cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. This would ensure that the growth in cloth production in the country would continue to grow at a healthy rate, on par or higher than the historical growth.

However, this growth is dependent on revival of domestic demand as well as subsiding recessionary factors on a global scale to increase the export demand. With economic growth expected to rebound in the coming quarters, domestic demand is likely to improve.

## Synthetic Textile Industry in India

Synthetic fabrics are man-made textiles produced from chemical processes. These fabrics are derived from synthetic fibers such as polyester, nylon, acrylic, and spandex, which are made by polymerizing small molecules into long chains. Synthetic fabrics are widely used in various industries, including fashion, home furnishings, and industrial applications, due to their durability, versatility, and cost-effectiveness.

Synthetic fabrics are prized for their durability, wrinkle resistance, and quick-drying properties. These textiles, made from fibers like polyester, nylon, and acrylic, are strong, resistant to wear and tear, and maintain their shape and appearance even with extensive use. They also offer moisture-wicking and low absorbency features, making them ideal for activewear and easy-to-clean home textiles. Additionally, synthetic fabrics like spandex are known for their exceptional elasticity, providing comfort and flexibility in various garments.

### Common Types:

- **Polyester:** Widely used in clothing, home textiles, and industrial applications due to its strength, durability, and resistance to shrinking and stretching.
- **Nylon:** Known for its high strength, elasticity, and resistance to abrasion. Commonly used in hosiery, outerwear, and upholstery.
- **Acrylic:** Often used as a wool substitute, acrylic is lightweight, soft, and warm, making it ideal for knitwear and home textiles.
- **Spandex (Lycra):** Famous for its exceptional elasticity, spandex is used in activewear, swimwear, and form-fitting garments.
- **Rayon:** Although semi-synthetic, rayon is often grouped with synthetic fabrics due to its chemical processing. It is soft, breathable, and used in clothing and home furnishings.

The market for synthetic fabrics is driven by the growing demand for affordable, durable, and high-performance textiles. A significant trend is the increasing focus on sustainability, with manufacturers exploring the use of recycled materials and eco-friendly production processes. The popularity of activewear and athleisure continues to boost demand for synthetic fabrics, particularly those offering moisture-wicking and quick-drying capabilities. Additionally, there is a rising interest in blending synthetic and natural fibers to create fabrics that combine performance with environmental consciousness.

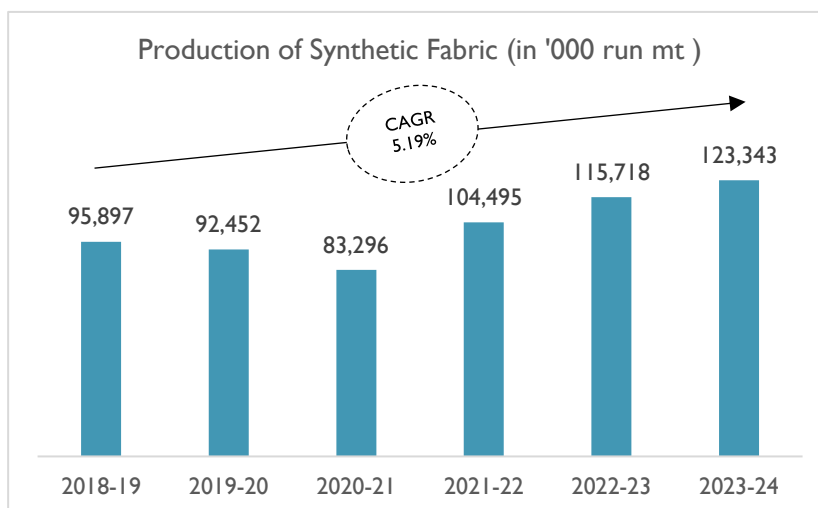
While synthetic fabrics offer numerous advantages, their environmental impact is a significant concern. The production of synthetic fibers is energy-intensive and heavily reliant on petrochemicals, contributing to carbon emissions. Moreover, synthetic fabrics are non-biodegradable, leading to long-term pollution as they persist in the environment. The shedding of microplastics from synthetic textiles during washing is another growing environmental issue, as these tiny particles pollute waterways and pose risks to marine life.

Synthetic fabrics have a wide range of end-use applications across various industries due to their versatility and performance characteristics. In the apparel industry, they are extensively used in sportswear, activewear,

and outdoor clothing because of their durability, moisture-wicking properties, and ease of maintenance. In the home textiles sector, synthetic fabrics are popular for items like curtains, upholstery, and bed linens, where stain resistance and longevity are key. Additionally, these fabrics are used in the production of industrial textiles, including automotive interiors, geotextiles, and protective clothing, owing to their strength and resistance to environmental factors.

### Production Scenario

The synthetic fabric industry in India has demonstrated significant variability in production over the past few years, reflecting the sector's adaptability to changing market conditions. As a pivotal segment of the textile industry, synthetic fabric plays an essential role in meeting diverse consumer demands and contributing to economic growth. The industry's performance is indicative of broader market trends, technological advancements, and shifts in consumer preferences.



Source: CMIE

In the fiscal year 2018-19, production was robust at 95,897 thousand metric tons. However, this was followed by a slight decline in 2019-20 to 92,452 thousand metric tons. The downturn continued into 2020-21, with production dropping to 83,296 thousand metric tons, a trend attributed to the global disruptions caused by the COVID-19 pandemic. Despite these challenges, the industry showed resilience, with a Compound Annual Growth Rate (CAGR) of approximately 5.19% over the period from 2018-19 to 2023-24, reflecting a steady recovery and growth trajectory.

Despite the setbacks, the industry rebounded in 2021-22, with production rising to 104,495 thousand metric tons. This recovery was further bolstered in 2022-23, reaching 115,718 thousand metric tons. The upward trend continued into 2023-24, with production escalating to 123,343 thousand metric tons. This growth reflects the sector's resilience and optimistic outlook, driven by increased demand and a resurgence in industrial activities.

## Demand Scenario

The demand for readymade garments, including synthetic options, is rising steadily in India, driven by several key factors

**Changing Consumer Preferences:** The Indian market is experiencing a notable shift towards synthetic textiles, driven by their affordability, durability, and ease of maintenance. Current demand for polyester in India stands at approximately 4 million tonnes and is projected to rise to 6.7 million tonnes by 2025, indicating a growing consumer preference for synthetic materials. As of 2023, approximately 35% of India's population lives in urban areas, and this is expected to increase to 40% by 2030, driving the demand for urban-friendly, easy-to-maintain textiles, many of which are synthetic.

**Growing Apparel Industry:** India's apparel market is projected to grow from USD 74.5 billion in 2022 to USD 102.2 billion by 2026, with synthetic textiles playing a significant role in this growth due to their affordability and versatility. The athleisure trend is significantly influencing demand for synthetic fabrics, owing to their versatility and performance benefits. As lifestyles shift and focus on fitness and active living increases, the demand for polyester filament yarn (PFY) is expected to grow by 15-20% in fiscal year 2022.

**Rising Disposable Income:** India's per capita income was estimated at INR 172,000 (USD 2,100) in FY 2023, marking an increase of around 7.5% from the previous year. This rising income level is contributing to higher spending on clothing, including synthetic textiles.

**Technological Advancements:** Advances in synthetic fiber production technology have enhanced the performance characteristics of these materials. The Indian textile industry invested over INR 2,000 crores (USD 240 million) in R&D in 2022, with a significant portion focused on synthetic textiles, including the development of eco-friendly and recycled fibers. Ongoing investments in research and development are anticipated to drive further innovations in synthetic textiles.

**Export Potential:** India's exports of man-made fiber (MMF) textiles are poised for significant growth. The Indian textile industry anticipates that these exports will rise to USD 11.4 billion by 2030, up from previous levels. In fiscal year 2022-23, exports reached USD 5.78 billion, despite a decline from the previous year, underscoring both the challenges and opportunities within the MMF sector.

**Market Trends Driven by Fashion:** Evolving fashion trends, particularly the rise in brand consciousness and rapidly changing styles, are increasing the appeal of synthetic textiles. With the global end-use market for man-made fibers expected to expand by 3.7% by 2025, the Indian synthetic textile industry is well-positioned to benefit, with growth opportunities in both domestic consumption and exports.

**Growth in the Retail Sector:** India's organized retail market, including e-commerce, is rapidly expanding. This growth is enhancing the accessibility and availability of synthetic textiles across the country, contributing significantly to the increasing demand for these products.

## **Increase in Popularity of Synthetic Garments**

Synthetic fibers, such as polyester, are typically 30-40% more affordable than natural fibers like cotton, making them more accessible to a broader segment of the population. This cost advantage extends across various synthetic fabrics, including nylon and acrylic, enhancing their appeal in price-sensitive markets. The affordability of synthetic textiles makes them a popular choice for a wide range of consumers, particularly in economically diverse regions.

Synthetic garments are valued for their durability, resistance to wear and tear, and low maintenance requirements. They are often wrinkle-resistant, quick-drying, and less prone to shrinking, which makes them ideal for everyday use. Additionally, the versatility of synthetic fabrics allows them to mimic the texture and appearance of natural fibers while offering additional benefits like stretch and stain resistance. The rise of fast fashion has further amplified the popularity of synthetic garments, as they enable fashion brands to quickly produce trendy, affordable clothing.

Recent advancements in fabric technology have enhanced the quality and performance of synthetic textiles. Innovations such as moisture-wicking, breathability, and eco-friendly production processes have increased the appeal of synthetic garments to consumers. Despite historical criticisms regarding environmental impact, there is a growing interest in sustainable synthetic textiles, such as recycled polyester, which aligns with the rising consumer demand for eco-friendly fashion options. The influence of global fashion trends, particularly from Western markets, has also played a significant role in shaping the popularity of synthetic garments in India.

## **Demand From Other Applications**

The demand for synthetic textiles has been expanding into various non-apparel applications due to their distinct properties and benefits. In outdoor applications, synthetic fabrics like polyester and spandex are favoured for sportswear and activewear because of their moisture-wicking, stretchability, and durability, making them ideal for activities such as running and hiking. Additionally, their lightweight, water-resistant, and tear-resistant qualities make them increasingly popular in outdoor gear and equipment, including tents and backpacks.

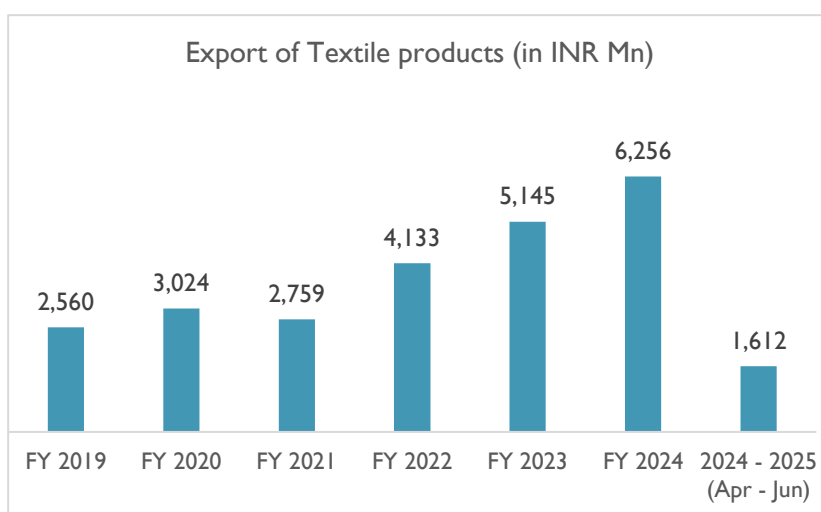
In the realm of innerwear, synthetic fabrics like nylon and elastane are preferred for their softness, elasticity, and ability to retain shape, providing comfort and a good fit for lingerie and shapewear. Their moisture-wicking properties also enhance comfort by keeping the skin dry, particularly in warmer climates. In home textiles, synthetic materials are used extensively for upholstery, curtains, and carpets due to their durability, stain resistance, and ease of maintenance. Microfiber is popular in bedding for its softness, hypoallergenic properties, and affordability.

The versatility of synthetic textiles extends to technical and medical applications as well. In industrial settings, they are employed in filtration systems, conveyor belts, and protective clothing due to their strength and

resistance to chemicals. The automotive industry utilizes synthetic fabrics for seat covers, airbags, and interior linings, enhancing durability and comfort in vehicles. In medical textiles, synthetic materials are crucial for hygiene products like surgical gowns and masks, and for compression wear used in medical treatments. This broad applicability underscores the growing importance of synthetic textiles beyond traditional apparel.

### Export Demand

India's textile industry, a key player in the global market, saw its textile exports reach over USD 44 billion in FY 2022, representing about 15% of the country's total export earnings and 4.6% of global textile trade. The sector's exports are led by ready-made garments, cotton textiles, and increasingly by man-made fibers. Major markets include the United States, the European Union, Bangladesh, the UK, and the UAE. Growth is driven by rising global demand, supportive government initiatives like the Production Linked Incentive (PLI) scheme, and India's diverse product range. However, challenges such as competition from lower-cost producers, quality control issues, environmental concerns, and market volatility persist. Looking ahead, India's textile exports are projected to grow to USD 65 billion by FY 2026, with emphasis on man-made fibers and technical textiles, supported by innovation and sustainability efforts. Addressing these challenges will be crucial for maintaining and enhancing India's global position in the textile market.

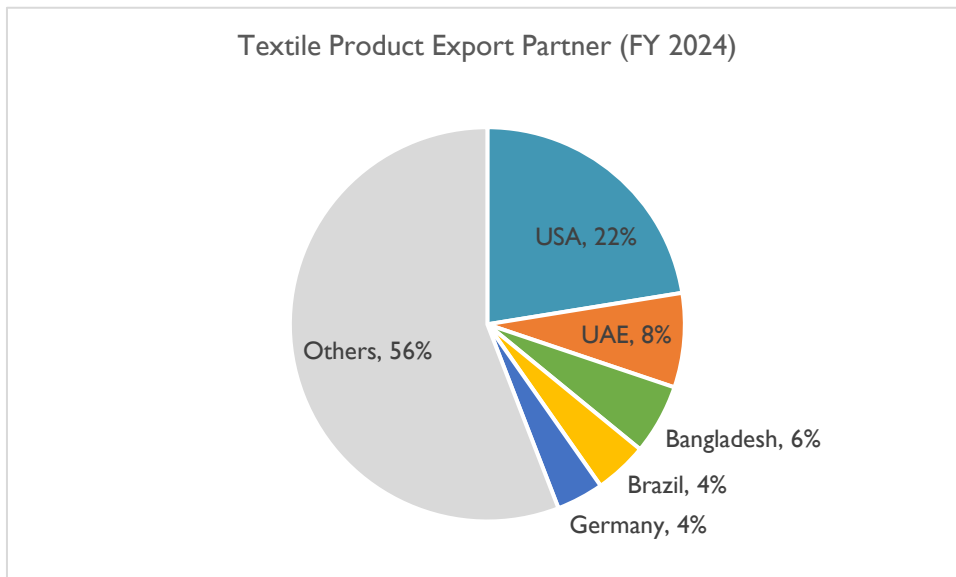


Source: Ministry of Commerce<sup>5</sup>

In the fiscal year 2024, the export of textile products experienced a notable increase, reaching INR 6,256 million compared to INR 5,145 million in FY 2023. This upward trend has been consistent since FY 2019, reflecting robust growth in the sector. The first quarter of FY 2024-25, covering April to June, also saw significant export activity amounting to INR 1,612 million.

<sup>5</sup> HS code: 5911

The composition of textile exports in FY 2023-24 reveals that 'Other Technical Textile Products'<sup>6</sup> dominated the sector, contributing 71% of the total export value at INR 44,171.63 million. This category's prominence highlights the growing demand for specialized textiles. Other notable segments include 'Filtering Cloths,' accounting for 8% of the total exports, and 'Endless Fabrics for Paper Machines' (both <650 g/m<sup>2</sup> and ≥650 g/m<sup>2</sup>), contributing 5% each. The diversification in textile exports underscores a trend towards technical textiles and specialized applications, driving the growth observed in 2024.



Source: Ministry of Commerce

India's textile export landscape reveals a broad and diverse global footprint, with significant trade relationships across various regions. The United States is the largest export destination, accounting for 22% of total textile exports, highlighting its critical role in India's textile trade. The UAE follows as the second-largest partner with 8%, serving as both a key market and a re-export hub for the Middle East. Bangladesh accounts for 6% of exports, likely reflecting support for its garment industry, while Germany and Brazil represent 4% each, indicating India's presence in the European and South American markets. The "Others" category, comprising 56% of exports, underscores India's extensive market diversification. This distribution suggests opportunities for reducing reliance on primary markets, expanding into emerging economies, and leveraging regional connections to enhance global competitiveness.

<sup>6</sup> Note: Other Technical Textile Products are specialized textiles designed for specific applications in industries such as automotive, construction, and healthcare. These products include materials used in protective clothing, industrial filters, and medical textiles, reflecting their growing importance and demand in the global market.

## Export of Synthetic Textiles

India's synthetic textile export sector faces both opportunities and challenges. While global demand fluctuates and competition intensifies, there is significant growth potential driven by evolving consumer preferences and expanding domestic production. Key segments like apparel, fabric, and filament show varied performance, reflecting shifts in global demand towards synthetic fibers such as polyester. Despite facing stiff competition from lower-cost producers, India's market can benefit from increasing global demand for synthetic textiles by focusing on high-value products and strategic investments.



Sources: Ministry of Commerce

In terms of overall synthetic textile exports, the sector saw fluctuations from FY 2019 to FY 2024. The export value peaked at INR 116.1 billion in FY 2020 but then experienced a decline to INR 74.8 billion in FY 2021. The sector rebounded to INR 96.4 billion in FY 2022, followed by a slight increase to INR 111.6 billion in FY 2023. For FY 2024, exports were recorded at INR 108.5 billion. This trend indicates a recovery and a steady growth trajectory, driven by both domestic and international market dynamics.

The export performance of synthetic textiles from India has shown fluctuations over recent years, reflecting a mix of growth and challenges within the sector. Despite experiencing variations in export values, there has been a general upward trend in recent years, indicating resilience and adaptation within the market. This growth can be attributed to factors such as increasing global demand for synthetic textiles, evolving consumer preferences towards synthetic materials, and enhanced domestic production capabilities. The sector's ability to recover and achieve higher export values in subsequent years suggests a positive outlook and the potential for sustained growth, driven by strategic investments and market adaptations.

India's major export partners in the synthetic textile sector include the United Arab Emirates (UAE), Bangladesh, and Sri Lanka. The UAE is the leading partner, accounting for approximately 12% of India's synthetic textile exports, reflecting its significant demand for Indian products and strategic trade connections. Bangladesh follows with a 10% share, benefiting from its proximity and established trade relations with India. Sri Lanka holds a 4% share, underscoring its role as a key regional partner in the synthetic textile trade. These

partnerships are pivotal for India's export strategy, highlighting the importance of maintaining strong trade relations with these countries to leverage market opportunities and drive growth.

## **Regulatory Landscape**

The regulatory environment for the textile and fabric manufacturing industry in India is governed by a robust framework designed to support sustainable growth, ensure quality, and enhance competitiveness. This comprehensive set of policies and initiatives at both national and state levels plays a critical role in driving compliance, fostering innovation, and expanding market access for Indian textile manufacturers.

### **National Textile Policy (2000)**

The National Textile Policy, originally established in 2000 and subsequently updated, outlines a strategic vision for the textile sector's development. This policy aims to improve industry competitiveness, attract investment, and promote technological advancements. It addresses reforms across various segments, focusing on both traditional and technical textiles, with the goal of positioning India as a leading global textile hub.

### **Production-Linked Incentive (PLI) Scheme (2020)**

The Production-Linked Incentive (PLI) Scheme represents a major policy initiative aimed at enhancing domestic manufacturing within the textile sector. With an allocation of approximately INR 10,683 crore (around USD 1.44 billion), this scheme provides incentives for the production of man-made fiber (MMF) apparel, fabrics, and technical textiles. The PLI Scheme supports manufacturers by encouraging innovation and promoting sustainability in textile production.

### **Technical Textiles Mission**

The Technical Textiles Mission is focused on advancing the development and application of specialized textile products across various sectors, including healthcare, automotive, and geo-textiles. This initiative seeks to boost research and development, attract investment in advanced machinery, and integrate innovative textiles into mainstream manufacturing, thereby enhancing the competitiveness of the Indian textile industry.

### **Mega Integrated Textile Regions and Parks (MITRA) Scheme (2022)**

The MITRA scheme was announced in the budget for 2021-22. It aims to attract significant investments and create world-class infrastructure within the textile sector. Under this initiative, seven Mega Textile Parks were to be established over three years.

### **Environmental Regulations**

The textile industry in India is governed by stringent environmental regulations aimed at promoting sustainable manufacturing practices. Compliance with waste management, effluent treatment, and pollution control measures is mandated under the Environment Protection Act. These regulations are designed to

reduce the environmental impact of textile production and encourage eco-friendly practices, such as water conservation and energy efficiency.

### **Product Safety and Quality Standards**

The Textiles Regulation Act of 1988 enforces standards for safety and quality in textile products. This includes regulations on labelling, safety testing, and the materials used in manufacturing textiles. These standards are crucial for maintaining consumer trust and ensuring high-quality products in both domestic and international markets.

### **Export Promotion and Trade Policies**

The Indian government has implemented various export promotion policies, offering financial support and incentives for textile manufacturers targeting international markets. These policies focus on improving quality, providing market intelligence, and establishing trade agreements to facilitate exports. The objective is to enhance India's share in global textile and apparel trade, which is projected to reach USD 65 billion by FY26.

In summary, India's regulatory framework for the textile and fabric manufacturing industry is designed to foster growth, sustainability, and global competitiveness. Key initiatives such as the National Textile Policy, the PLI Scheme, the Technical Textiles Mission, and stringent environmental regulations collectively shape the industry landscape, providing a supportive environment for innovation and regulatory compliance.

## Growth Forecast

The Indian synthetic textile market is projected to see substantial growth, with exports of man-made fibers (MMF) expected to increase by 75% by 2030, rising from USD 6.5 billion to approximately USD 11.4 billion. This surge reflects the broader global trend of rising synthetic fiber consumption, which currently dominates the market at 72%. As consumer preferences shift towards synthetic materials due to their cost-effectiveness and versatility, India is well-positioned to enhance its role in the global textile supply chain. Government initiatives, including the Production-Linked Incentive (PLI) scheme, are anticipated to further drive growth by attracting investments and boosting domestic production capabilities.

The production of synthetic fabric in India is also set for significant expansion, driven by growing domestic and export demands. The demand for polyester, a key synthetic material, is forecasted to grow from about 4 million tonnes to 6.7 million tonnes by 2025, reflecting a compound annual growth rate (CAGR) of approximately 15%. The government's goal to increase overall textile production to USD 250 billion by 2030 emphasizes the importance of scaling up synthetic fabric production. Investments in technological advancements and manufacturing capacity will be essential to achieving these targets and enhancing India's global competitiveness in the synthetic textile sector.

## Competitive Landscape

### Major Players

Company Name	Description
<p><b>SAAM Textiles</b></p>	<p><b>Founded Year:</b> 2001</p> <p><b>Headquarters:</b> Mumbai, India</p> <p><b>Products &amp; Capabilities:</b> Synthetic fabrics, including polyester, viscose, wool, and organic cotton. Specializes in weaving, processing, and fabric development.</p> <p>SAAM Textiles stands out for its vertically integrated operations, which means 90% of its mill capacity is directed to its own factories. The company is committed to sustainability, with 100% of its power needs met by renewable sources like solar and wind energy. SAAM is recognized for its adherence to international quality standards and certifications, including those from SGS and ITS.</p>
<p><b>Paramount Textile Mills</b></p>	<p><b>Founded Year:</b> 1979</p> <p><b>Headquarters:</b> Thirali, near Madurai, India</p> <p><b>Products &amp; Capabilities:</b> High-quality fabrics, including fine cotton, Micro Modal, Tencel, Bamboo, and specialty yarns. Also supplies high-end bedding products.</p> <p>Paramount is known for its vertical integration and global reach, supplying premium fabrics to European and US markets. The company has been recognized for its commitment to quality and innovation, with a strong focus on high-end bedding products. Their extensive certifications include Global Organic Textile Standards (GOTS) and Fair Trade, highlighting their dedication to ethical practices and sustainability.</p>
<p><b>Madhav Fashion</b></p>	<p><b>Founded Year:</b> 2005</p> <p><b>Headquarters:</b> Surat, Gujarat, India</p> <p><b>Products &amp; Capabilities:</b> Embroidery, printed, and plain fabrics. Offers customization services and produces a wide range of fabrics including viscose, nylon, and various embroidered designs.</p> <p>With over two decades in the textile industry, Madhav Fashion is known for its high-quality embroidery fabrics and innovative designs. The company is committed to customer satisfaction and quality, employing state-of-the-art technology and skilled professionals. Their expansion into global markets and focus on sustainability make them a notable player in the textile sector.</p>

**JAINCOTEX  
MILLS**

**Founded Year:** 30+ years ago (exact year not specified)

**Headquarters:** Surat, Gujarat, India

**Products & Capabilities:** Embroidery yarns, including spun polyester, staple viscose, acrylic yarn, and various counts. Utilizes advanced machinery for production.

JAINCOTEX MILLS is a significant player in the embroidery yarn market with a reputation for high tenacity and durability in their products. The company boasts one of the largest fleets of Schiffli cocoon machines in Asia and employs advanced machinery for efficient production. With a strong domestic and international presence, they export to several countries and maintain a high growth rate in the industry. The company's commitment to technological advancement and customer satisfaction underpins its longstanding success.

## Financial Snapshot

### Expense Snapshot

The financial performance of textile companies has been marked by shifts in expense allocation across various categories over recent fiscal years. Analyzing the proportion of expenses dedicated to raw materials, power and fuel, salaries and wages, selling, general, and administrative (SGA) expenses, and interest provides insights into cost management and operational efficiency in the textile sector.

	Raw Material Expenses	Power & Fuel Expenses	Salaries and Wages	SGA Expenses	Interest Expenses
FY 2019	50%	6%	9%	4%	2%
FY 2020	50%	5%	9%	5%	2%
FY 2021	49%	4%	8%	4%	2%
FY 2022	43%	5%	8%	6%	2%
FY 2023	45%	7%	9%	6%	2%

In recent years, the percentage of expenses allocated to raw materials has remained consistently high, averaging around 50%. This stable allocation underscores the critical role that raw materials play in textile production, reflecting the industry's ongoing reliance on high-quality inputs to maintain product standards and meet market demands. However, there was a slight decrease from 50% in FY 2019 to 43% in FY 2022, with a partial recovery to 45% in FY 2023, indicating some fluctuation in raw material costs and sourcing strategies.

Power and fuel expenses have shown a gradual reduction from 6% in FY 2019 to 4% in FY 2021, with a slight increase to 7% in FY 2023. This variation suggests that while there have been efforts to manage and potentially reduce energy costs through efficiency measures, fluctuations in energy prices or consumption may have impacted the overall expenditure in recent years.

Salaries and wages have remained relatively stable, fluctuating between 8% and 9% of total expenses over the period. This consistency indicates stable labor costs, which are critical for maintaining operational stability. SGA expenses have increased from 4% in FY 2019 to 6% in FY 2022, reflecting potentially higher spending on administrative and sales activities. Interest expenses have remained low and stable at around 2%, suggesting effective debt management and minimal impact from financing costs on overall profitability.

## Profitability Margins

The profitability metrics of textile companies over recent fiscal years reveal insights into financial performance and operational efficiency. By analysing operating profit and net profit margins, we can assess how well companies have managed their core operations and overall financial health amidst evolving market conditions.

	Operating Profit	Net Profit
FY 2019	10%	5%
FY 2020	8%	6%
FY 2021	15%	16%
FY 2022	17%	22%
FY 2023	14%	15%

Operating profit margins have shown notable variations across the fiscal years, starting at 10% in FY 2019 and experiencing a dip to 8% in FY 2020. This decrease reflects a period of potential operational challenges or increased costs. However, the sector demonstrated a significant rebound in FY 2021 with an operating profit margin of 15%, and further improvement to 17% in FY 2022. This upward trend indicates enhanced operational efficiency and better cost management. Although there was a slight decline to 14% in FY 2023, the overall performance remains strong, suggesting sustained operational effectiveness despite minor fluctuations.

Net profit margins have displayed a more consistent upward trajectory. Starting at 5% in FY 2019, net profit margins increased to 6% in FY 2020 and then saw a substantial rise to 16% in FY 2021. The trend continued positively in FY 2022, reaching 22%, reflecting a significant improvement in profitability, possibly due to better cost control, increased revenue, or effective strategic initiatives. In FY 2023, the net profit margin was 15%, indicating a slight retreat but still maintaining a strong profitability position compared to earlier years.

Overall, the data indicates that textile companies have improved their profitability over the years, with stronger operational and net profit margins. These trends highlight successful management of core operations and effective strategies to enhance financial performance, even amidst market challenges and fluctuations.

## Threats and Challenges

### **Fluctuating Raw Material Prices**

The volatility in raw material prices, particularly for petroleum-based synthetic fibers like polyester, poses a major challenge. Global oil price fluctuations directly affect the cost of production, impacting profit margins and operational efficiency for manufacturers.

### **Rising Labor Costs**

Increasing wages in India are pressuring synthetic textile manufacturers to manage higher production costs. This trend affects competitiveness, especially against countries with lower labour costs, and is particularly impactful in regions with high operational expenses.

### **Increased Competition from Low-Cost Imports**

The influx of low-cost textile imports from countries such as Bangladesh and Vietnam present a significant threat. These countries benefit from lower production costs and tariffs, challenging Indian manufacturers to innovate and reduce costs to remain competitive.

### **Stringent Environmental Regulations**

The industry faces growing pressure from environmental regulations aimed at reducing pollution and promoting sustainable practices. Compliance with these regulations often requires substantial investments in cleaner technologies and processes, which can strain financial resources, especially for smaller enterprises. The synthetic textile industry contributes to the growing textile waste problem in India, with a significant portion of synthetic textiles not being biodegradable. The production processes also lead to pollution, including air and water contamination, necessitating improved waste management practices and cleaner production technologies.

### **Outdated Technology**

Many manufacturers operate with outdated machinery, resulting in inefficiencies and lower productivity. The lack of investment in modern equipment hinders competitiveness against more technologically advanced counterparts.

### **Market Demand Fluctuations**

The synthetic textile sector experiences fluctuating consumer demand influenced by changing fashion trends and economic conditions. While there is increasing interest in sustainable textiles, price sensitivity remains a challenge, complicating inventory management and production planning.

### **Regulatory Challenges**

Fragmented regulations and compliance costs further complicate the industry's ability to manage textile waste effectively. Existing regulations often do not address the complexities of synthetic textile waste, leading to inadequate environmental responses.

### **Technological Limitations**

Recycling challenges arise from the presence of blended fabrics and the lack of advanced sorting and recycling technologies. There is also a need for greater innovation in manufacturing processes to develop more sustainable materials and practices.

### **Consumer Awareness and Preferences**

Shifting consumer preferences towards sustainable and ethically produced textiles pose a challenge for the synthetic textile industry. Increasing awareness of environmental impacts may shift demand away from synthetic options, affecting brand loyalty and sales.

### **Economic Factors**

Rising input costs and global economic uncertainty can strain profitability. The fluctuating prices of raw materials and energy, combined with reduced consumer spending during economic downturns, impact demand and operational costs.

## Company Profiling – Borana Weaves

### Overview

Borana Weaves Limited is a textile manufacturer based in Surat, specializing in the production of unbleached synthetic grey fabric. This fabric serves as a fundamental material for further processing, such as dyeing and printing, in various industries, including fashion, traditional textiles, technical textiles, home décor, and interior design. The versatility of grey fabric allows it to complement a wide range of unbleached fabrics across different styles, making it a valuable resource in the textile supply chain.

Operating in a competitive landscape with relatively few players of comparable scale in the grey fabric sector, Borana Weaves has established a significant market presence. The company has developed strong relationships with its customers, facilitating consistent demand for its products. The strategic use of advanced automation in its manufacturing processes enhances operational efficiency. By utilizing water jet looms, the company can minimize the reliance on extensive manual labour, thereby reducing labour costs and mitigating risks associated with labour disputes or inspections. This technological advantage also improves productivity and contributes to the overall quality of the fabric produced.

Situated in Surat, a major textile and apparel manufacturing hub in South Gujarat, Borana Weaves benefits from its strategic location, which provides easy access to raw materials, particularly POY Yarn. The concentration of the company's registered office, corporate offices, manufacturing units, and suppliers within the region enables effective responses to regional market dynamics and challenges.

The adoption of water jet looms presents significant benefits in the production of synthetic grey fabric. These machines offer greater precision in the weaving process, resulting in fabric that exhibits uniform texture and consistent quality. Unlike traditional power looms, which may require more mechanical components and labour-intensive setups, water jet looms can operate at higher speeds with reduced downtime. This efficiency enhances the ability to meet larger production demands without compromising on quality. Additionally, the water jet technology places less tension on the polyester textured yarn, decreasing the likelihood of breakage during weaving. This results in fewer interruptions in the production cycle, lower waste generation, and a more streamlined manufacturing process compared to traditional methods. Furthermore, the reliance on water as a propulsion method lessens energy consumption, and the absence of harmful chemicals associated with conventional fabric treatments promotes a more sustainable approach to textile manufacturing.

## Capacity Utilization<sup>7</sup>

Borana Weaves Limited has demonstrated steady growth in production capacity and utilization across its units in recent years, highlighting the company's effective production management and operational scaling. Unit 1's utilization rate increased from 96.05% in FY 2022-23 to 98.86% in FY 2023-24, and as of 31 December 2024, it has maintained a high utilization of 98.38% for the three quarters of FY 2024-25. In FY 2021-22, Unit 1's utilization was lower at 72.45% due to a shorter operational period. The upward trend in utilization rates underscores Borana Weaves' capability to optimize production in response to demand. Unit 2 has also performed robustly, operating at 75.28% utilization in FY 2023-24, with a decline to 64.79% in the first three quarters of FY 2024-25, potentially reflecting shifts in market demand or strategic production adjustments

Further demonstrating the company's growth, Unit 3, which commenced operations in FY 2023-24, achieved an initial utilization of 77.96% and improved to 84.26% by the first three quarters of FY 2024-25, showcasing Borana Weaves' ability to effectively ramp up new facilities. Looking ahead, the proposed Unit 4 is expected to begin operations in FY 2025-26, with an installed capacity projected at 84.56 million meters. This expansion is anticipated to significantly enhance the company's production capabilities, reinforcing Borana Weaves' commitment to capturing rising market demand while improving efficiency across its production units.

Financial Year	Unit No.	Period of Utilization (Months)	Installed Capacity (Meters)	Actual Production (Meters)	Utilization (%)
FY 2024-25 (As on 31/12/2024)	Unit 1	09	34,992,000	34,426,322	98.38%
FY 2023-24	Unit 1	12	46,656,000	46,128,664	98.86%
FY 2022-23	Unit 1	12	46,656,000	44,816,051	96.05%
FY 2021-22	Unit 1	07	21,384,000	15,494,341	72.45%
FY 2024-25 (As on 31/12/2024)	Unit 2	09	67,068,000	43,456,232	64.79%
FY 2023-24	Unit 2	12	82,944,000	62,441,246	75.28%
FY 2022-23	Unit 2	05	32,130,000	25,487,739	79.32%
FY 2024-25 (As on 31/12/2024)	Unit 3	09	72,900,000	61,426,035	84.26%
FY 2023-24	Unit 3	03	24,300,000	18,945,524	77.96%
FY 2025-26	Unit 4 (Proposed)	--	84,564,000	--	--

The consistent growth in production capacity utilization across Borana Weaves' operational units, showcasing their strong performance and capacity to expand further in the coming years.

Borana Weaves Limited has outlined an ambitious plan for its production capacity over the next five years, reflecting its commitment to meeting growing market demand. In FY 2024-25, the company intends to operate with 700 machines, resulting in an installed capacity of 226.8 million meters for the full year. As it

<sup>7</sup> As per the information provided by the company.

transitions into FY 2025-26, the number of machines is set to increase to 1,048, with an expected installed capacity of 311.36 million meters. Notably, production from the additional 348 machines will commence in December 2025, allowing for a significant ramp-up in output.

From FY 2026-27 onwards, Borana Weaves plans to maintain the 1,048-machine count, projecting an installed capacity of 339.55 million meters each year through FY 2029-30. This stable capacity suggests a strategic approach to sustaining high production levels while optimizing operational efficiency. Each machine is designed to deliver a capacity of 900 meters per day for specific denier, enabling the company to effectively scale its operations to meet increasing demand. This proactive capacity expansion reflects Borana Weaves' intention to enhance its competitive edge in the textile market while ensuring it can swiftly adapt to fluctuations in customer needs.

## SWOT Analysis

### **Strengths**

- **Technological Advancements**

Borana Weaves has invested significantly in state-of-the-art textile manufacturing technologies, including 700 high-tech water jet looms. This enables high production efficiency and superior quality, positioning the company as a technological leader in the industry.

- **Diverse Product Portfolio**

The company primarily focuses on a single product line, offering grey fabric exclusively. This specialization enables the company to concentrate its efforts within a specific market segment, catering to niche customer needs with a focused approach.

- **Strong Market Reputation**

Borana Weaves has built a solid reputation for quality and reliability in the textile industry. Its commitment to high-quality craftsmanship and sustainable practices is well-regarded by domestic customers.

- **Vertical Integration**

Borana Weaves has integrated key operations, such as spinning and texturizing, within its manufacturing process. This vertical integration improves control over the supply chain and enhances production efficiencies.

### **Weaknesses**

- **Higher Operating Costs**

While the investment in advanced machinery increases production efficiency, it also adds to the company's operational costs, which could impact profitability, especially during periods of fluctuating demand.

- **No Global Presence**

Borana Weaves operates exclusively in the domestic market, with no presence internationally. Expanding into global markets could open up significant growth opportunities.

- **Dependence on Technological Upgrades**

The company's heavy reliance on machinery means it must continuously invest in the latest technology to stay competitive. This can strain financial resources, especially in the face of rapid technological changes.

### **Opportunities**

- **Growing Demand for Sustainable Textiles**

With increasing awareness of environmental concerns, there is a growing demand for sustainable and eco-friendly textiles. Borana Weaves' commitment to high-quality, grey fabric positions it well to capitalize on this trend.

- **International Expansion**

Exploring export opportunities and expanding its presence in international markets could provide Borana Weaves with access to larger consumer bases and new revenue streams, particularly in regions where Indian textiles are in high demand.

### ***Threats and Challenges***

- **Intense Competition**

The Indian textile industry is highly competitive, with both established players and new entrants vying for market share. The competition from both domestic and international textile manufacturers could exert pressure on pricing and market positioning.

- **Volatile Raw Material Prices**

Fluctuations in the prices of raw materials, such as cotton and synthetic fibres, could impact production costs and margins, especially in times of economic uncertainty.

- **Regulatory Challenges**

Changing government regulations related to labour, environmental standards, and trade policies could impose additional compliance costs, which may affect operational flexibility.

- **Economic Slowdown**

Any slowdown in the global or domestic economy could reduce consumer spending on textiles, this could directly impact revenue growth.

## Financial Performance

Key Indicators (INR Million)	FY 2024	FY 2023	FY 2022
Revenue from Operations	1,991	1,354	423
EBITDA	414	260	52
PAT	21%	19%	12%
EBITDA Margin (%)	23.6	16.4	18
PAT Margin (%)	12%	12%	4%

Borana Weaves has demonstrated significant growth over the past three fiscal years. In FY 2024, the company reported revenue of INR 1,991 million, marking a substantial increase from INR 1,354 million in FY 2023 and INR 423 million in FY 2022. The EBITDA also rose notably, reaching INR 414 million in FY 2024, compared to INR 260 million in FY 2023 and INR 52 million in FY 2022. This upward trend is reflected in the EBITDA margin, which improved from 12% in FY 2022 to 19% in FY 2023 and further to 21% in FY 2024. The company's PAT also followed a similar growth pattern, increasing to INR 236 million in FY 2024 from INR 164 million in FY 2023 and just INR 18 million in FY 2022. PAT margins remained steady at 12% for FY 2024 and FY 2023, a significant improvement from 4% in FY 2022. This reflect Borana Weaves' steady expansion and profitability improvements, driven by strong revenue growth and efficient cost management.

## Peer Benchmarking

Major Textile Players	Key Indicators (INR Million)				
	Revenue from Operations	EBITDA	PAT	EBITDA Margin (%)	PAT Margin (%)
Jindal Worldwide Limited	1,861,424	148,712	67,486	8%	4%
Vardhman Textiles Ltd.	92,990	12,919	6,076	14%	7%
Arvind Ltd.	71,005	7,676	3,049	11%	4%
KPR Mill Ltd.	40,537	7,992	5,549	20%	14%
Gokaldas Exports Ltd	23,789	2,841	1,310	12%	6%
Shahlon Group	3,109	287	40	9%	1%
Borana Weaves	1,991	414	236	21%	12%

Source: Companies Annual Report, D&B analysis

The performance of major players in the textile industry, including Jindal Worldwide Limited, Vardhman Textiles Ltd., Arvind Ltd., KPR Mill Ltd., Gokaldas Exports Ltd., Shahlon Group, and Borana Weaves, reflects a diverse range of financial outcomes in FY 2024. With revenue figures varying from ₹1,861,424 million for Jindal Worldwide to ₹1,991 million for Borana Weaves, the industry showcases the scale at which these companies operate, each with its unique market positioning and profitability.

The industry trend highlights varying levels of operational efficiency, as seen in the EBITDA margins. Companies like KPR Mill Ltd. (20%) and Borana Weaves (21%) demonstrate strong operational efficiency, significantly outperforming peers in terms of EBITDA margin, reflecting their ability to manage costs effectively while driving profitability. In comparison, larger firms like Jindal Worldwide Limited (8%) and Arvind Ltd. (11%) operate on thinner margins, possibly due to higher costs associated with their extensive operations.

Profitability, as measured by PAT margins, shows a similar trend. KPR Mill Ltd. (14%) and Borana Weaves (12%) lead in terms of net profitability, benefiting from their focus on operational excellence and market positioning. In contrast, companies such as Shahlon Group (1%) and Jindal Worldwide Limited (4%) report much lower PAT margins, indicating challenges in maintaining cost efficiency or dealing with market volatility.

Overall, the data suggests that while larger players command greater market share, smaller and mid-sized companies like KPR Mill Ltd. and Borana Weaves are achieving superior profitability due to their focus on sustainability, cost management, and niche markets. The industry is marked by varying performance, with profitability heavily influenced by operational efficiency and market positioning.

## Glossary

Term	Definition
Global Economy	The interconnected economic activities of countries worldwide, including trade, investment, and finance.
GDP (Gross Domestic Product)	The total monetary value of all goods and services produced within a country in a specific period.
Inflation	The rate at which the general level of prices for goods and services rises, eroding purchasing power.
Central Banks	National financial institutions that oversee monetary policy, regulate banks, and provide financial stability.
Fiscal Policy	Government spending and tax policies used to influence economic conditions.
Emerging Markets	Economies that are in the process of rapid growth and industrialization, typically characterized by lower income.
Recession	A significant decline in economic activity across the economy lasting more than a few months.
Geopolitical Tensions	Political and economic conflicts or issues that arise between countries, affecting global stability and trade.
Consumer Demand	The desire of consumers to purchase goods and services, influencing production and economic growth.
Supply Chain	The network between a company and its suppliers to produce and distribute a specific product or service.
Interest Rates	The amount charged by lenders to borrowers for the use of money, usually expressed as a percentage.
Disinflation	A reduction in the rate of inflation – prices are still rising, but at a slower rate.
Economic Sanctions	Penalties applied by one or more countries against a targeted country, group, or individual to influence behavior.
Industrial Production	The output of the industrial sector, including manufacturing, mining, and utilities.
Household Consumption	The total expenditure by households on goods and services.
Fiscal Consolidation	Policies aimed at reducing government deficits and debt accumulation.
Labor Market	The supply of available workers in relation to the available work.
Core Inflation	A measure of inflation that excludes certain items that face volatile price movement, typically food and energy.
Debt Burden	The amount of debt that a government, corporation, or individual carries, which may affect financial stability.
Stimulus Measures	Actions taken by governments or central banks to encourage economic growth, typically through increased spending or tax cuts.
GVA (Gross Value Added)	A measure of the value of goods and services produced in an area, industry, or sector of the economy.

CAGR (Compound Annual Growth Rate)	The mean annual growth rate of an investment over a specified time period longer than one year.
IIP (Index of Industrial Production)	An index that measures the growth of various sectors in the industrial sector over time.
WPI (Wholesale Price Index)	An index that measures the changes in the price of goods sold and traded in bulk by wholesalers.
CPI (Consumer Price Index)	An index that measures changes in the price level of a basket of consumer goods and services purchased by households.
Private Final Expenditure (PFCE)	A measure of household consumption and expenditure on goods and services.
Gross Fixed Capital Formation (GFCF)	A measure of net increase in physical assets (investment) within a specified time frame.
Monetary Policy	The process by which a central bank manages the supply of money and interest rates to influence the economy.
Repo Rate	The rate at which the central bank lends money to commercial banks, influencing the cost of borrowing.
Capital Expenditure (CapEx)	Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings, or equipment.
Public Capital Expenditure	Government spending on projects intended to create future benefits, like infrastructure.
Emergency Credit Linked Guarantee Scheme (ECLGS)	A scheme by the Indian government providing guarantees to banks for loans extended to MSMEs to mitigate the impact of the pandemic.
CAGR (Compound Annual Growth Rate)	The mean annual growth rate of an investment over a specified period, used to measure growth in the textile industry.
Natural Fibers	Fibers derived from plants or animals, such as cotton and jute, used extensively in textile manufacturing.
Synthetic Fibers	Man-made fibers, including polyester and nylon, produced from chemical processes, used for their durability and versatility.
Spinning	The process of converting raw fibers into yarn, influencing the quality of the final textile products.
Weaving	A method of creating fabric by interlacing yarns at right angles, forming a textile structure.
Knitting	A process of creating fabric by interlocking loops of yarn, often used for producing garments directly from yarn.
Fabric Processing	The treatment of fabric through dyeing, printing, and finishing to enhance its properties and appearance.
Blended Textiles	Fabrics created by mixing two or more different types of fibers to achieve specific performance and aesthetic properties.

Functional Fibers	Specially designed fibers that combine materials to provide unique properties, such as stretchability or moisture-wicking.
Cotton-Polyester Blend	A common fabric blend that combines cotton's softness and breathability with polyester's durability and wrinkle resistance.
Gossypium arboreum	One of the four species of cotton cultivated in India, commonly known as Asian cotton.
Gossypium herbaceum	Another species of cotton cultivated in India, also known as Asian cotton.
Gossypium barbadense	A species of cotton known as Egyptian cotton, recognized for its superior quality and softness.
Gossypium hirsutum	The most widely cultivated species of cotton in India, representing 90% of the hybrid cotton production and includes all current Bt cotton hybrids.
Bt cotton	Genetically modified cotton that is resistant to certain pests, contributing to higher yields and reduced pesticide use.
Bales	A standard measure for cotton; one bale typically weighs 170 kg.
Synthetic fibers	Man-made fibers produced from chemical substances, which include popular varieties such as polyester and viscose.
Man-made fibers (MMF)	Fibers created through chemical processes, often used to produce a variety of textile products.
Blended yarn	Yarns produced from a combination of different fibers, such as polyester/cotton or polyester/viscose, offering enhanced properties like strength and comfort.
Technical textiles	Textiles designed for specific performance characteristics and applications beyond basic clothing, including industrial and medical uses.
Goods and Services Tax (GST)	A comprehensive indirect tax in India on the supply of goods and services, which aims to streamline the taxation process and improve compliance.
Eco-friendly synthetic options	Synthetic fibers that are produced using sustainable practices, reducing environmental impact.
Viscose	A semi-synthetic fiber made from regenerated cellulose, often used for its silk-like feel and drape in textiles.
PLA (Polylactic Acid)	A biodegradable and bioactive thermoplastic made from renewable resources like corn starch, often used in sustainable textiles.
Bamboo viscose	A fiber made from bamboo pulp, known for its softness and eco-friendliness, used in textiles and apparel.
Nylon	A synthetic fiber known for high strength, elasticity, and abrasion resistance, commonly used in hosiery, outerwear, and upholstery.
Acrylic	A lightweight and warm synthetic fiber often used as a substitute for wool in knitwear and home textiles.
Spandex (Lycra)	A synthetic fiber famous for its exceptional elasticity, commonly used in activewear and form-fitting garments.

Rayon	A semi-synthetic fiber, often grouped with synthetic fabrics, made from regenerated cellulose; known for being soft and breathable.
Moisture-Wicking	A property of fabrics that allows them to draw moisture away from the body, keeping the skin dry and comfortable.
Microplastics	Tiny plastic particles that result from the degradation of synthetic fabrics, posing environmental risks, particularly to marine life.
Athleisure	A fashion trend combining athletic and leisure apparel, emphasizing comfort and performance.
Eco-Friendly Textiles	Fabrics produced through sustainable processes, often made from recycled materials, minimizing environmental impact.
Urban-Friendly Textiles	Fabrics designed for city dwellers, emphasizing ease of maintenance and adaptability to urban lifestyles.
Filament Yarn	Continuous strands of fibers used in various textile applications, known for strength and versatility.
Production Linked Incentive (PLI)	A government scheme aimed at boosting domestic manufacturing in various sectors, including textiles.
Export Earnings	The income generated from selling goods abroad, contributing to the overall economic performance of a country.
Disposable Income	The amount of money individuals have available to spend after necessary expenses, influencing consumer behavior and demand for goods.
Raw Material Expenses	The costs associated with acquiring the materials needed for production, which constitute a significant portion of total expenses in the textile industry.
Power and Fuel Expenses	The expenditures related to energy consumption required for manufacturing processes, including electricity and fuel costs.
Salaries and Wages	The costs incurred for compensating employees, which typically include direct wages, salaries, bonuses, and benefits.
Selling, General, and Administrative (SGA) Expenses	The costs associated with selling products and managing business operations, including marketing, administrative salaries, office supplies, and rent.
Interest Expenses	The costs incurred by a company for borrowed funds, usually expressed as a percentage of total expenses, reflecting the company's debt management strategy.
Operating Profit Margin	A profitability ratio that measures the percentage of revenue that remains after covering operating expenses, indicating operational efficiency.
Net Profit Margin	A profitability metric that shows the percentage of revenue that remains after all expenses, taxes, and costs have been deducted, reflecting the overall financial health of a company.
Fluctuation	Variations or changes in a specific measure, such as expenses or profit margins, often influenced by market conditions, operational changes, or external factors.

Cost Management	Strategies and practices aimed at controlling and optimizing expenses to enhance profitability and operational efficiency within a company.
Profitability Metrics	Financial indicators, such as operating profit and net profit margins, that assess a company's ability to generate profit relative to its revenue, expenses, or assets.
Operational Stability	A state in which a company's operations run smoothly without significant disruptions, often linked to consistent labor costs and effective resource management.
Revenue Growth	An increase in a company's sales over time, often a key driver of improved profitability and financial health.
Capacity Utilization	A measure of how much of a company's total production capacity is being used over a specific period, expressed as a percentage of the installed capacity.
Installed Capacity	The total production capability of a manufacturing unit or facility, typically expressed in meters for textile companies, representing the maximum output achievable under optimal conditions.
Actual Production	The quantity of goods produced within a given period, measured in meters, reflecting the real output of a manufacturing unit compared to its installed capacity.
Utilization Rate	The percentage of the actual production compared to the installed capacity, indicating how efficiently a company is using its production resources.
Operational Period	The duration for which a manufacturing unit operates during a fiscal year, typically measured in months.
Production Management	The process of planning, organizing, directing, and controlling the production activities of a company to maximize efficiency and output.
Fiscal Year (FY)	A one-year period that companies use for financial reporting and budgeting, which may not necessarily align with the calendar year.
Calendar Year (CY)	The Calendar Year (CY) refers to the 12-month period from January 1 to December 31, commonly used for financial reporting, budgeting, and analysis across various industries.
Denier	A unit of measurement for the fineness of a fiber, representing the weight in grams of 9,000 meters of the fiber, commonly used in the textile industry to specify the thickness of yarn.
Revenue from Operations	The total income generated by a company from its primary business activities, excluding any income from investments or other non-operational sources.
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	A financial metric used to assess a company's operating performance by measuring its profitability before accounting for financial deductions and non-cash expenses.
PAT (Profit After Tax)	The net profit of a company after all expenses, including taxes, have been deducted from total revenue, reflecting the company's overall profitability.

EBITDA Margin (%)	A profitability ratio that indicates the percentage of revenue that exceeds the company's operating expenses, calculated as $(\text{EBITDA} / \text{Revenue from Operations}) \times 100$ .
PAT Margin (%)	A profitability ratio that shows the percentage of revenue that remains after all expenses have been paid, calculated as $(\text{PAT} / \text{Revenue from Operations}) \times 100$ .