



Apparel INDIA

YR 26 ISSUE 04

APPAREL EXPORT PROMOTION COUNCIL MAGAZINE | APRIL 2026 | RNI NO. HARENG/2012/45083 ₹ 100



INDIA-NEW ZEALAND FTA
Duty-free access opens new export opportunities for Indian apparel



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YR 26 | ISSUE 04 | April, 2026 | PAGES 60



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01| CHAIRMAN'S MESSAGE

02| INDIA'S INDEX OF INDUSTRIAL PRODUCTION (IIP DATA)

03| INDIA'S READY-MADE GARMENT (RMG DATA)

04| BHARAT TEX

- 1➤ AEPC Briefs Ministry on Bharat Tex 2026 Preparations
- 2➤ Bharat Tex 2026 Round Table Sets the Stage for India's Global Textile Ambitions

05| COUNCIL AFFAIRS

- 1➤ Hon'ble Union Minister Shri Piyush Goyal Holds Interaction with Apparel Exporters, Led by AEPC Chairman Dr. A. Sakthivel, in Tiruppur
- 2➤ Stitching India's Apparel Export Strategy: Dr. A. Sakthivel Highlights MMF Focus, Workforce Needs
- 3➤ AEPC Chairman Meets Additional Secretary Aarti Kanwar
- 4➤ International Women's Day at AEPC
- 5➤ AEPC Chairman Nominated to NITI Aayog High-Powered Committee

06| COVER STORY

- 1➤ India-New Zealand FTA: A Strategic Breakthrough for India's Apparel Sector

07| POLICY AFFAIRS

- 1➤ Export Promotion Mission: Boosting India's Exports with Niryat Protsahan and Niryat Disha
- 2➤ AEPC Welcomes Extension of RoSCTL Scheme, Seeks Long-Term Policy Stability
- 3➤ Jan Vishwas Bill 2026: A Game-Changer for Ease of Doing Business
- 4➤ PLI Momentum Builds as Government Signals Expansion of Textile Scheme
- 5➤ Startup India Fund of Funds 2.0 to Catalyse Innovation in Manufacturing Ecosystem

08| BRAND JOURNEY

- 1➤ Fabindia: Weaving Tradition into a Modern Retail Legacy

09| SUCCESS STORY

- 1➤ From a Homegrown Enterprise to Global Scale: The Shahi Exports Story

10| FASHION & TREND

- 1➤ Femina Miss India Showcased 'Vishwa Sutra' as Indian Handlooms Entered Global Fashion Narrative
- 2➤ Bombay Times Fashion Week April 2026: Where Heritage Craft, Celebrity Glamour and New-Age Innovation Converge

11| FTAs

- 1➤ PM Narendra Modi Hails India-New Zealand FTA as Growth Catalyst for Apparel Trade and Investment
- 2➤ India-South Korea FTA Upgrade: Advancing Towards a More Balanced Trade Partnership

- 3➤ FTAs Drive India's Trade Growth Despite Short Term Export Dip: NITI Aayog

12| FOCUS COUNTRY

- 1➤ Spain

13| INDIA NEWS

- 1➤ Govt Clarifies Eligibility Under RELIEF Scheme to Boost Export Risk Coverage
- 2➤ India-US Trade Portal: A Digital Bridge to the \$500 Billion Goal
- 3➤ India's Textile Demand Nears ₹15 Lakh Crore: Textile Ministry Survey Highlights Shifting Consumer Trends
- 4➤ India, South Korea Look to Revive CEPA Upgrade Talks; Focus on Green Energy and Digital Trade
- 5➤ Ministry of Textiles Organises Northern Zone Stakeholder Consultation on Union Budget Announcements 2026-27
- 6➤ Giriraj Singh Inaugurates NITRA Conference on Protective Textiles, Signals New Opportunities for Industry
- 7➤ India's Textile Exports Rise 2.1% to ₹3.16 Lakh Crore in FY26; Apparel Segment Leads Growth
- 8➤ MSME Exporters Call for Dedicated RBI Funding Window to Boost Apparel Sector
- 9➤ Cluster-Based Rural Model in Bihar Signals New Opportunities for Agro-Textile Value Chains
- 10➤ Textiles Minister Highlights Role of Technical Textiles in Footwear Growth

14| SUSTAINABILITY CORNER

- 1➤ Turning Textile Waste into Opportunity: Navi Mumbai's Circular Model
- 2➤ Milkweed Fibre Gains Ground as a Sustainable Alternative for India's Textile Sector
- 3➤ Ireland Pushes Circular Textiles With Producer Responsibility Framework
- 4➤ Sustainability in the Apparel and Textile Industry: India's Path from Compliance to Leadership

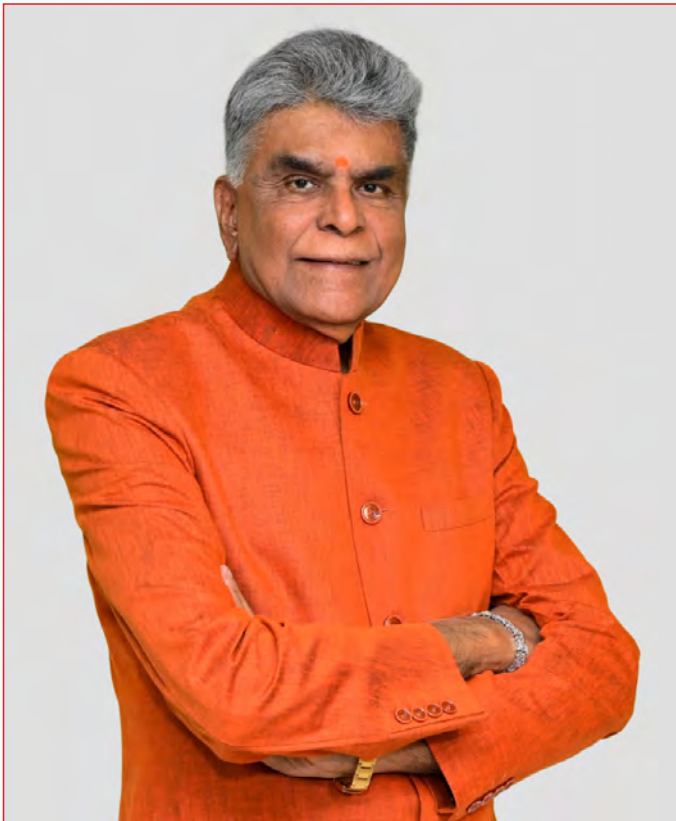
15| GST UPDATE

- 1➤ GST collection for February rises by 8.1% to ₹1.83 trillion

16| GLOBAL NEWS

- 1➤ Global Growth Slows as IMF Flags War-Driven Risks
- 2➤ Global Cotton Output Set to Decline in 2026-27 Amid Demand Pressures and Shifting Trade Dynamics
- 3➤ UAE's Exit from OPEC Signals Shift in Global Oil Dynamics

CHAIRMAN'S MESSAGE



New Zealand offers a niche but high value market with apparel imports valued at around USD 1.22 billion. Currently, India holds a modest share of about 4.4 percent in this market, while countries such as China, Bangladesh and Vietnam account for a dominant share. This clearly highlights the significant headroom for growth. With strong alignment between India's export strengths and New Zealand's import demand, the agreement provides a clear pathway to scale up our presence, and industry estimates suggest that exports could grow multiple times in the coming years.

At the same time, this opportunity calls for a strategic shift within the industry. Greater focus on man made fibres, diversification into varied product categories and enhanced design capabilities will be essential to meet evolving global requirements.

Dear Fellow Exporters,

The global apparel trade environment continues to evolve rapidly, shaped by changing sourcing strategies, economic uncertainties and shifting consumer preferences. In this dynamic landscape, India's apparel sector has shown resilience and a growing ability to adapt, positioning itself as a reliable partner in global supply chains.

A key development that reinforces this trajectory is the conclusion of the India New Zealand Free Trade Agreement. This forward looking agreement provides full duty free access for Indian exports and significantly enhances our competitiveness in a developed market. For the apparel industry, this represents a meaningful opportunity to expand our presence and strengthen our position in the developed world.

The policy environment in India continues to move in a positive direction. The Export Promotion Mission, through Niryat Protsahan and Niryat Disha, aims to create a more supportive ecosystem for exporters by combining financial assistance with market development initiatives. Continued support through schemes such as RoSCTL, along with initiatives like PM MITRA Parks and the Production Linked Incentive scheme, will play a crucial role in strengthening the manufacturing base and improving competitiveness.

Over the past months, AEPC has remained actively engaged with stakeholders across government and industry to address key concerns and identify growth opportunities. A key highlight was the interaction of Hon'ble Union Minister of Commerce and Industry, Shri Piyush Goyal, with apparel exporters in

Tiruppur, where he engaged directly with industry leaders under the leadership of AEPC. The interaction provided an important platform to discuss sectoral priorities such as enhancing cost competitiveness, strengthening the man made fibre segment and improving workforce availability.

As part of its continued efforts to build global visibility, AEPC organised a roundtable discussion with major global brands and buying houses for Bharat Tex 2026 in Bengaluru, which received an extraordinarily encouraging response from major global buyers and their sourcing heads/CXOs and set the tone for the upcoming event. Preparations for Bharat Tex 2026 are progressing steadily, with strong participation expected from both domestic and international stakeholders.

As we look ahead, expanding our reach and strengthening industry participation remains a key priority. In this regard, we have set a target of achieving 10,000 memberships by the end of this year. This reflects our commitment to creating a wider and more inclusive platform that supports exporters across regions and scales, while enhancing the collective strength of the sector.

India's apparel industry is well placed to capitalise on emerging opportunities. With continued policy support, industry collaboration and a clear focus on innovation and diversification, we can build a stronger and more competitive presence in global markets.

I extend my best wishes to all our members

for continued progress and success in the months ahead.

Warm regards,

Dr. A. Sakthivel
Chairman, AEPC



India's Index of Industrial Production (IIP)

Textiles & Wearing Apparel update for India's Index of Industrial Production (IIP) for the month of February in FY 2025-26

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2024-25	2025-26	2025-26 over 2024-25	2024-25	2025-26	2025-26 over 2024-25
April	105.3	105.7	0.4	105.1	114.2	8.7
May	107.0	103.8	-3.0	123.6	126.5	2.3
June	106.2	107.8	1.5	122.6	127.5	4.0
July	109.1	107.3	-1.6	111.7	112.7	0.9
August	109.4	107.7	-1.6	112.5	107.2	-4.7
September	109.3	110.7	1.3	103.7	100.6	-3.0
October	111.1	106.6	-2.4	104.0	89.6	-6.1
November	106.2	110.0	3.2	110.3	105.3	-14.4
December	114.2	111.1	-2.5	119.1	109.4	-8.1
January	113.7	109.5	-3.7	121.1	108.6	-10.3
February	106.6	107.1	0.4	121.4	101.2	-16.6
March	112.1			144.8		
Cumulative Index (Apr-Feb 2025-26)	108.9	108.0	-0.8	114.1	109.4	-4.1

Source: CSO, 2026

*Figures for February 2026 are Quick Estimates. (Base: 2011-12=100)

➤ **Manufacturing of Textiles Index** for the month of February, 2026 is 107.1, which has increased by 0.4% as compared to February, 2025.

➤ **Manufacturing of Textiles Index** for the financial year 2025-26 (April-February) is 108.0, which has shown a decline of 0.8% to as compared to the year 2024-25 (April- February).

➤ **Manufacturing of Wearing Apparel Index** for the month of February, 2026 is 101.2, which has declined by 16.6% as compared to February, 2025.

➤ **Manufacturing of Wearing Apparel Index** for the financial year 2025-26 (April-February) is 109.4, which has declined by 4.1% as compared to the financial year 2024-25 (April- February).

INDIA'S READY-MADE GARMENT (RMG)

India's RMG Export to World

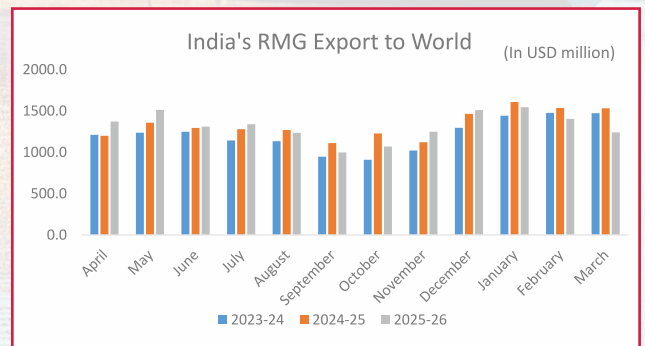
Month	(In US\$ Mn.)			YoY Growth (%)	
	2023-24	2024-25	2025-26	2024-25	2025-26
				Over	Over
				2023-24	2024-25
April	1210.9	1198.4	1371.3	-1.0	14.4
May	1235.8	1357.4	1511.5	9.8	11.4
June	1248.0	1293.9	1309.8	3.7	1.2
July	1142.0	1278.0	1338.7	11.9	4.7
August	1133.5	1268.2	1234.6	11.9	-2.6
September	946.3	1110.1	997.6	17.3	-10.1
October	908.8	1227.6	1069.4	35.1	-12.9
November	1021.2	1121.1	1247.4	9.8	11.3
December	1295.3	1463.4	1509.3	13.0	3.1
January	1441.4	1606.4	1544.8	11.5	-3.8
February	1476.3	1534.9	1403.0	4.0	-8.6
March	1472.8	1531.3	1240.5	4.0	-19.0
Total	14532.2	15989.3	15772.1	10.0	-1.4

- Note- 1) Data for the month of March 2026 is provisional data released on PIB by Ministry of Commerce on 15.04.2026
 2) Sum of the value for (Apr-Mar) 2023-24 is USD 14532.2 mn and (Apr-Mar) 2024-25 is USD 15989.3 mn. and (Apr-Mar) 2025-26 is USD 15772.1 mn.
 3) Source: DGCI&S 2026; Compiled by R&PA Department, AEPC



RMG exports for the month of March 2026 has declined by 19.0 % as compared to March 2025 and declined by 15.8 % as compared to March 2024.

Similarly, cumulative RMG exports for the period April- March 2025-26 is USD 15772.1 million. showing a decline of 1.4 % over April- March 2024-25 and a growth of 8.5 % over April- March 2023-24.





AEPC BRIEFS MINISTRY ON BHARAT TEX 2026 PREPARATIONS



The Apparel Export Promotion Council (AEPC) Bharat Tex management team, led by AEPC Chairman Dr. A. Sakthivel, met Ms. Neelam Shami Rao, Secretary, Ministry of Textiles, and Ms. Aarti Kanwar, Additional Secretary, at the Ministry to review preparations for Bharat Tex 2026. The team included Mr. Naren Goenka, Chairman Bharat Tex, Mr. Bhadrash Dodhia, Co Chairman Bharat Tex, and Mr. Rakesh Kumar, CEO Bharat Tex.

Bharat Tex 2026 is India's flagship global textile and apparel event, scheduled to be held from 14 to 17 July 2026 at Bharat Mandapam, New Delhi. Organised by a consortium of Textile Export Promotion Councils and supported by the Ministry of Textiles, the event will bring together the entire textile value chain and connect Indian industry with global buyers, brands, and policymakers.

During the meeting, the team apprised the Secretary and Additional Secretary of the latest updates and progress. Discussions also focused on the roadmap ahead.

The Ministry officials were also invited to upcoming pre events, including buyer meets and international roadshows, which are being planned to build early momentum and ensure strong global participation.

With early planning and close coordination between industry and government, Bharat Tex 2026 is expected to further strengthen India's position as a leading global textile sourcing destination.



BHARAT TEX 2026 ROUND TABLE SETS THE STAGE FOR INDIA'S GLOBAL TEXTILE AMBITIONS

At a time when global supply chains are shifting and sourcing strategies are being redefined, India is positioning itself as a serious contender for leadership in the textile and apparel sector. The curtain raiser and round table discussion for Bharat Tex 2026, organised by the Apparel Export Promotion Council in Bengaluru, reflects this growing ambition and strategic clarity.

Held on April 24, 2026 at ITC Windsor, the interaction brought together nearly 40 leading global brands and buying houses, including Walmart, PVH Corp., Ralph Lauren, Marks & Spencer, C&A and Columbia Sportswear. Their participation reflects a growing global interest in India as a sourcing destination.



◆ *A Vision for Scale and Global Positioning*

The programme opened with a welcome address by Dr. A. Sakthivel, Chairman of AEPC, followed by a keynote address by Naren Goenka, Chairman of Bharat Tex. A detailed presentation outlined the vision for Bharat Tex 2026, scheduled to take place in New Delhi from July 14 to 17.

The event is being positioned as a comprehensive global platform that will showcase the entire textile value chain, from raw materials to finished products, while also highlighting innovation, sustainability and sourcing opportunities.

◆ *Industry Expectations Come Into Focus*



The round table discussion turned into an open exchange of ideas, with global buyers outlining key priorities shaping sourcing decisions today. These included strengthening the value chain, improving sustainability and circularity, ensuring traceability and meeting compliance standards.

The conversation made it clear that while India is well placed, there are gaps that need urgent attention, particularly in consistency and scale.

◆ Addressing Gaps with Practical Solutions

In his address, Dr. Sakthivel acknowledged challenges related to fabric quality and technology. He emphasised the need for immediate and long term solutions. In the short term, he suggested the import of specialised fabrics to meet global demand. In the long term, he stressed the importance of strengthening domestic capabilities.

He also highlighted the need for collaboration with international partners, including Taiwan, to bring advanced technologies into India's synthetic yarn manufacturing segment.

◆ Trade Agreements Strengthen India's Position

India's Free Trade Agreements with key economies are opening new opportunities for exporters by improving market access and competitiveness. These agreements are expected to play a critical role in positioning India as a preferred sourcing hub.

Both Dr. Sakthivel and Mr. Goenka underlined that the current moment presents a significant opportunity for the industry to expand its global footprint.

◆ A Defining Decade Ahead

The discussions reflected a broader consensus that the

coming decade will be crucial for India's apparel industry. The focus will need to remain on improving quality, scaling production, adopting new technologies and building stronger global partnerships.

Equally important will be the role of global buyers in supporting and promoting India as a reliable sourcing destination.

◆ More Than Just an Event

The session concluded with a vote of thanks by Raju Goenka, Vice Chairman of AEPC, after a constructive exchange on enhancing participation and ensuring the success of Bharat Tex 2026.

Bharat Tex 2026 is not just an industry event. It represents a larger effort to reposition India in the global textile landscape. If the momentum seen in Bengaluru continues, the event could mark a significant step in India's journey towards becoming a leading global sourcing hub





Hon'ble Union Minister Shri Piyush Goyal Holds Interaction With Apparel Exporters, Led By AEPC Chairman Dr. A. Sakthivel, In Tiruppur

On the sidelines of his visit to Coimbatore, Union Minister of Commerce and Industry Shri Piyush Goyal visited Tiruppur on April 10, engaging with apparel exporters and related stakeholders to outline the government's evolving strategy to boost exports and strengthen India's position in global trade.



During his interactions in the region, Shri Piyush Goyal highlighted that India is actively working on revising its trade frameworks to align with emerging global opportunities. He noted that the government is expanding market access through ongoing negotiations with multiple countries, enabling Indian exporters to tap into a wider share of global trade.

Mega Textile Hub to Strengthen Tiruppur's Global Position

A key focus of the visit was the proposed development of a mega textile hub near Tiruppur, envisioned as an integrated manufacturing and export ecosystem. The initiative is expected to enhance scale, improve logistics efficiencies, and attract fresh investments into the sector.

Tiruppur, widely recognised as India's knitwear export capital, continues to play a pivotal role in driving foreign

exchange earnings. The government's renewed emphasis on the region reflects a strategic push to strengthen established clusters while building next-generation infrastructure to support future growth.

Industry Interaction Facilitated by AEPC Chairman Dr. A. Sakthivel

As part of the visit, apparel exporters and related stakeholders had the opportunity to engage directly with the Minister in a meeting facilitated under the leadership of AEPC Chairman Dr. A. Sakthivel.

The interaction provided a constructive platform for exporters to share on-ground perspectives and align with the government's policy direction. Dr. A. Sakthivel, along with industry stakeholders, described the engagement as positive and forward-looking, reflecting strong confidence in the government's vision for the textile sector.

Aligning Policy with Industry Growth

The Tiruppur engagement underscores a broader policy direction where trade reforms, infrastructure development, and industry collaboration converge to accelerate export growth.

With initiatives such as revised trade frameworks, expanded global market access, and the proposed mega textile hub, India is positioning itself to capture a larger share of the global textile market, while reinforcing Tiruppur's role as a key driver of the country's export economy.



STITCHING INDIA'S APPAREL EXPORT STRATEGY: DR. A. SAKTHIVEL HIGHLIGHTS MMF FOCUS, WORKFORCE NEEDS



A hybrid meeting on “Stitching India’s Apparel Export Strategy” was held on April 1, 2026, under the chairmanship of Ms. Neelam Shami Rao, Secretary, Ministry of Textiles. She chaired the meeting with stakeholders from the Central Government, during which a detailed presentation was made.

Speaking on the occasion, Dr. A. Sakthivel, Chairman, Apparel Export Promotion Council (AEPC), appreciated the

presentation and highlighted the importance of Man-Made Fibre (MMF) garments for the future, noting that India is currently weak in MMF fashion wear.

He requested that top priority be given to the development of the MMF processing sector under the PM MITRA Scheme, along with a 50% capital subsidy and access to lower interest rates.

Dr. Sakthivel further suggested that the Government consider introducing a Special Advance License Scheme for importing MMF fabrics for re-exports, which would support the domestic sector in producing quality MMF fabrics aligned with international standards.

Highlighting human resource challenges, he stated that hostel facilities are essential to support migrant workers in the manufacturing sector. He requested that the Government provide 50% capital subsidy for hostel construction, with the remaining 50% extended as a loan at an interest rate of 5%, to ensure adequate accommodation and workforce stability.

Dr. Sakthivel appreciated and thanked Ms. Neelam Shami Rao, Secretary, Ministry of Textiles, for conducting the meeting.

AEPC Chairman Meets Additional Secretary Aarti Kanwar

AEPC Chairman Dr. A. Sakthivel met Aarti Kanwar, Additional Secretary, Ministry of Textiles, in a cordial meet-and-greet interaction.

The meeting provided an opportunity for a brief exchange of views and strengthening institutional engagement between the Apparel Export Promotion Council and the Ministry of Textiles





INTERNATIONAL WOMEN'S DAY AT AEPC



The Council marked International Women's Day with a thoughtful and inclusive celebration. A specially designed e-greeting card was shared with all staff to commemorate the occasion and extend warm wishes.

As a gesture of appreciation, all women employees were presented with gift vouchers. The celebrations also included refreshments for all employees, fostering a sense of camaraderie and collective participation. The initiative reflected the Council's continued commitment to acknowledging and celebrating the role of women in the workplace.

On the occasion, the Council also organized a one-hour online webinar titled "Burnout in Working Women: How to Reclaim Balance." The session addressed key concerns such as mental and physical stress, emotional fatigue, and practical strategies to build resilience and maintain a healthy work-life balance.



AEPC CHAIRMAN *NOMINATED TO NITI AAYOG* *HIGH-POWERED COMMITTEE*



In a significant development for the apparel export sector, Apparel Export Promotion Council (AEPC) Chairman Dr. A. Sakthivel has been nominated as a member of a high-powered standing committee constituted by NITI Aayog. The committee, titled the High-Powered Education-to-Employment and Enterprise (EEE) Standing Committee, has been set up to recommend measures to strengthen the services sector as a key driver of growth, employment, and exports.

The committee will focus on bridging the gap between education and employment, identifying high-potential sectors, and assessing the impact of emerging technologies such as AI

on jobs and skills. It aims to align India's workforce capabilities with future industry requirements while enhancing global competitiveness in services.

This nomination provides AEPC a valuable platform to contribute to national policy discussions, particularly in areas such as skilling, workforce mobility, and export competitiveness. It also reinforces the sector's commitment to supporting India's vision of becoming a global leader in services with a strong employment-oriented growth framework.



INDIA-NEW ZEALAND FTA: A Strategic Breakthrough for India's Apparel Sector

The India-New Zealand Free Trade Agreement (FTA) marks a decisive shift in India's engagement with developed markets, with strong and immediate implications for the textile and apparel industry. Signed by Hon'ble Union Commerce and Industry Minister Piyush Goyal and Hon. Minister for Trade and Investment Todd McClay, the agreement delivers what the industry has long sought, full duty elimination and assured market access.

At the centre of this opportunity is the apparel sector, which now enjoys 100% duty-free access to New Zealand. For Indian exporters, this removes a key cost disadvantage and immediately improves competitiveness in a market that imports over USD 1.2 billion worth of ready-made garments annually.





According to AEPC Chairman Dr. A. Sakthivel, India currently holds just about 4.4% share in New Zealand's apparel imports, leaving substantial room for growth. With tariffs eliminated, categories such as cotton T-shirts, shirts, knitwear, and garments are expected to see strong traction. The industry estimates that exports could increase up to threefold within the next two years, driven by better pricing and improved market access.

Beyond immediate gains, the FTA aligns well with India's structural strengths. The country's dominance in cotton-based apparel, coupled with growing capabilities in man-made fibres, positions exporters to cater to evolving demand patterns in New Zealand. At the same time, provisions enabling duty-free inputs and streamlined trade processes are expected to improve efficiency across the value chain.

The agreement also carries wider economic implications. As one of India's largest employment-generating sectors, textiles and apparel stand to benefit through increased production, job creation, and MSME growth. Enhanced services access and mobility provisions further strengthen the ecosystem supporting exports, from design to retail integration.

Strategically, the FTA helps India diversify beyond traditional markets and deepen its presence in developed economies. It reinforces India's positioning as a reliable sourcing destination while aligning with the broader vision of expanding labour-intensive exports.

For AEPC and the industry, the focus now shifts to execution, leveraging the agreement through targeted outreach, capacity building, and market development initiatives.

The message is clear: the India–New Zealand FTA is not just another trade pact, it is a high-impact opportunity to scale India's apparel exports, strengthen global competitiveness, and unlock sustained growth in a new market.

Key Takeaways

100% Duty-Free Access: Zero tariffs on Indian apparel exports to New Zealand from day one

- ◆ **Earlier Tariff Barrier Removed:** Up to 10% duty eliminated, improving price competitiveness
- ◆ **Market Size:** New Zealand imports ~\$1.2 billion worth of ready-made garments annually
- ◆ **India's Current Share:** ~4.4% — significant headroom for expansion
- ◆ **Export Potential:** RMG exports projected to treble in 2 years (industry estimate)
- ◆ **Key Product Segments:** Cotton T-shirts, shirts, knitwear, value-added garments
- ◆ **MMF Opportunity:** Scope to expand in man-made fibre apparel to match NZ demand trends
- ◆ **MSME Boost:** Labour-intensive sector to see higher production and job creation
- ◆ **Input Advantage:** Duty-free access to select raw materials improves cost efficiency
- ◆ **Services Push:** Access across 118 sectors supports design, sourcing, and retail linkages
- ◆ **Strategic Gain:** Entry into a stable, high-value developed market
- ◆ **Diversification:** Reduces reliance on traditional markets like US & EU
- ◆ **Implementation Edge:** One of India's fastest-concluded FTAs (under 1 year)



EXPORT PROMOTION MISSION: *Boosting India's Exports with Niryat Protsahan and Niryat Disha*



The **Export Promotion Mission (EPM)** is designed as a comprehensive framework to strengthen India's export ecosystem through two broad pillars: Niryat Protsahan and Niryat Disha. The initiative addresses both financial and non-financial constraints faced by exporters, with a strong focus on MSMEs, e-commerce players, and emerging export segments.

Niryat Protsahan: Financial Enablers for Export Growth

Niryat Protsahan focuses on addressing one of the most critical constraints in Indian exports, access to affordable and adequate trade finance. The scheme aims to ease liquidity pressures, reduce financing costs, and improve credit flow to exporters.

A key component is **interest equalisation or interest subvention**



support, which reduces the effective cost of pre-shipment and post-shipment credit. This is particularly relevant for MSMEs that face higher borrowing costs due to perceived risk.

The scheme also integrates **export factoring and receivables financing**, enabling exporters to convert invoices into immediate liquidity and mitigate payment delays from overseas buyers.

Another important intervention is the **Collateral Guarantee for Export Credit**, which enables exporters, especially MSMEs, to access bank finance without providing traditional collateral. By offering guarantee cover to lending institutions, the initiative reduces credit risk and encourages higher lending.

In addition, Niryat Protsahan includes **export credit cards for e-commerce exporters and deep-tier financing mechanisms**, aimed at integrating smaller players into global value chains. It also provides **credit enhancement for new or high-risk markets**, encouraging diversification into non-traditional geographies.

Niryat Disha: Non-Financial and Market Access Enablers

Complementing financial support, Niryat Disha addresses non-financial barriers that constrain export competitiveness, focusing on market access, compliance, branding, logistics, and capacity building.

A key intervention under this pillar is the **Market Access Support (MAS) Scheme**, which facilitates participation in international trade fairs, exhibitions, buyer-seller meets, and branding initiatives. The scheme helps bridge the gap between Indian exporters and global buyers, particularly for MSMEs.

Another flagship initiative is **TRACE (Trade Regulations, Accreditation and Compliance Enablement)**, which provides financial assistance for testing, certification, inspection, and compliance with international standards. This support is critical in enabling exporters to meet stringent regulatory requirements in developed markets.

The scheme also supports branding, packaging, and market development, helping exporters build the “Brand India” image and improve product presentation to meet global consumer expectations.

Further, Niryat Disha provides assistance for overseas warehousing, logistics, and fulfilment support, enabling

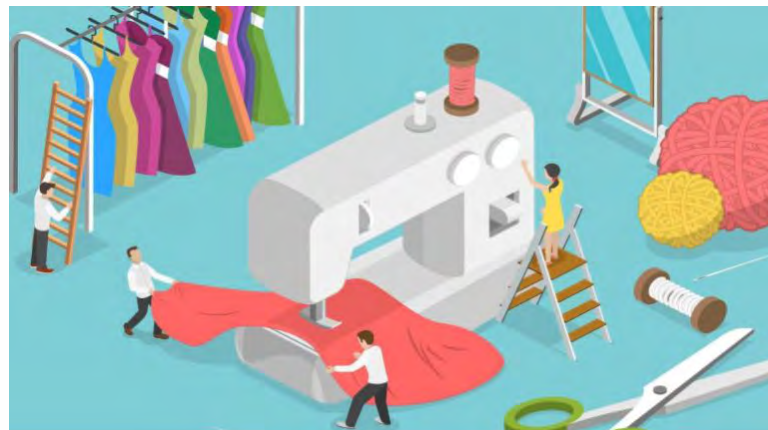
exporters to establish a presence in key markets and reduce delivery timelines.

To improve competitiveness of exporters in remote regions, the scheme includes inland transport reimbursements. It also focuses on capacity building, trade intelligence, and district-level export facilitation, aligned with the Districts as Export Hubs initiative.

A Dual Approach to Export Competitiveness

By combining financial enablers under Niryat Protsahan with market access and compliance support under Niryat Disha, the Export Promotion Mission presents a balanced and structured approach to export growth.

The initiative not only addresses immediate financial challenges but also strengthens the long-term competitiveness of Indian exporters in global markets, with a clear emphasis on inclusion, diversification, and sustainability.





AEPC Welcomes Extension of RoSCTL Scheme, Seeks Long-Term Policy Stability



The Apparel Export Promotion Council (AEPC) and the wider apparel exporting community have welcomed the Government of India's decision to extend the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for apparel and made-ups exports until September 30, 2026. The move, notified recently, provides a six-month extension beyond the earlier deadline of March 31, 2026.

The RoSCTL scheme, a critical support mechanism for the sector, enables the reimbursement of embedded state and central taxes and levies that are not otherwise refunded under existing frameworks. The continuation of the scheme is expected to help maintain the global competitiveness of Indian apparel exports, especially amid ongoing geo-economic uncertainties and persistent cost pressures.

Welcoming the announcement, AEPC Chairman Dr. A.

Sakthivel expressed gratitude to the government leadership, including Prime Minister Narendra Modi, Finance Minister Nirmala Sitharaman, Commerce and Industry Minister Piyush Goyal, and Textiles Minister Giriraj Singh, for their continued support to the apparel industry.

“The extension has provided much-needed relief to exporters and will help sustain export momentum during a challenging global environment,” Dr. Sakthivel stated. He emphasized that the scheme plays a vital role in offsetting cost disadvantages and ensuring a level playing field for Indian exporters in international markets.

While appreciating the government's timely intervention, AEPC has reiterated its long-standing demand for a more extended policy horizon. The Council has urged the government to consider continuing the RoSCTL scheme for at least five years to provide stability and predictability for exporters.

Industry stakeholders believe that a long-term extension would enable better planning, capacity expansion, and investment in the sector, thereby strengthening India's position as a reliable global sourcing hub for apparel and made-ups.

The extension comes at a crucial time for the textile and apparel sector, which is navigating fluctuating global demand, supply chain disruptions, and rising input costs. With policy support such as RoSCTL, exporters are optimistic about sustaining growth and enhancing India's share in the global apparel trade.



JAN VISHWAS BILL 2026: A Game-Changer for Ease of Doing Business

In a significant move to improve India's regulatory environment, the Jan Vishwas (Amendment of Provisions) Bill, 2026 has been passed by Parliament. The reform marks a major step towards simplifying compliance, reducing litigation, and fostering a trust-based governance system. For industries such as textiles and apparel, where compliance frameworks often span multiple laws, this development is particularly important.

The Bill reflects the commitment of the Government of India to promote both ease of doing business and ease of living by rationalising outdated and cumbersome legal provisions.

A Massive Decriminalisation Drive

One of the most striking aspects of the Bill is its scale. It amends 784 provisions across 79 Central Acts, administered by 23 Ministries. Of these, 717 provisions have been

decriminalised, while 67 have been amended to improve ease of living. Overall, more than 1,000 minor offences have been rationalised.

The reform replaces imprisonment for minor procedural violations with graded monetary penalties, marking a shift from punitive enforcement to a more facilitative and business-friendly approach.



Why This Matters for the Industry

For sectors such as apparel exports, where compliance requirements are extensive and often complex, the Bill offers several tangible benefits:

- Reduced risk of criminal liability for minor lapses
- Lower compliance burden, especially for MSMEs
- Faster resolution of disputes through adjudication
- Improved investor confidence due to predictable regulations

This transition is expected to create a more enabling ecosystem for exporters, manufacturers and entrepreneurs.

Introduction of Adjudication Mechanisms

A key reform under the Bill is the introduction of structured adjudication systems. Instead of lengthy court proceedings, minor violations will now be handled through:

- Appointment of adjudicating authorities
- Issuance of show cause notices
- Provision for personal hearings
- Defined appellate mechanisms

This will significantly reduce litigation, ease pressure on courts and ensure quicker resolution of compliance issues.

Sectoral Reforms: A Broader Impact

While the Bill spans multiple sectors, its impact on regulatory philosophy is uniform:

- Health and safety laws now emphasise proportional penalties
 - Procedural lapses are treated differently from serious violations
 - Consistency across laws reduces regulatory fragmentation

This harmonisation is particularly important for industries like textiles, which often operate under multiple regulatory frameworks.

AEPC Welcomes the Reform

The Apparel Export Promotion Council (AEPC) has welcomed the passage of the Jan Vishwas Bill, describing it as a

progressive and much-needed reform for the industry.

AEPC believes that the shift towards decriminalisation and simplified compliance will:

- Encourage entrepreneurship in the apparel sector
- Support MSME exporters in navigating regulatory requirements
- Enhance India’s competitiveness in global markets
- Strengthen trust between businesses and regulatory authorities

The Council has highlighted that such reforms are vital for achieving India’s ambition of becoming a global textile and apparel hub.





PLI Momentum Builds as Government Signals Expansion of Textile Scheme

India's textile sector is gaining strong momentum under the Production Linked Incentive (PLI) Scheme, with fresh investments, rising industry participation, and policy recalibration collectively reinforcing the country's ambition to emerge as a global hub for next-generation textiles.

In a significant development, the Government has approved 52 new applications under Round III of the PLI Scheme for Textiles, announced on April 10, 2026. The latest approvals come alongside indications from the Union Textiles Minister Shri Giriraj Singh that the scheme's product coverage will be expanded, reflecting a responsive policy approach aligned with industry needs.

Robust Investment Pipeline Strengthens Growth Outlook

The newly approved projects bring a committed investment of ₹6,708 crore, with an expected turnover of ₹21,186 crore, marking a substantial scale-up in capacity creation across key textile segments.

As these projects move towards implementation, they are expected to:

- Expand India's footprint in value-added textile manufacturing
- Strengthen supply chain resilience
- Enhance scale and export competitiveness

Strategic Focus on MMF and Technical Textiles

The composition of approved applications highlights a clear emphasis on high-growth, high-value segments:

- 5 projects in MMF Apparel
- 19 in MMF Fabrics
- 18 in Technical Textiles
- 10 spanning multiple segments

This distribution underscores the Government’s continued focus on Man-Made Fibre (MMF) and technical textiles, which are increasingly driving global textile trade due to their versatility, durability, and wide-ranging industrial applications.

Early Gains Reflect Growing Industry Confidence

The PLI scheme is already demonstrating tangible outcomes. During the first three quarters of FY 2025–26:

- **Investment realised:** ₹944.48 crore
- **Turnover generated:** ₹4,473 crore
- **Exports recorded:** ₹363.55 crore

These early indicators point to rising industry confidence and the scheme’s effectiveness in catalysing fresh investments and production.

Policy Expansion to Broaden Scope

Building on this momentum, the Government is now looking to expand the scheme’s product coverage, with the aim of making it more inclusive and aligned with evolving industry requirements.

The proposed expansion is expected to:

- Bring in additional product categories
- Address industry concerns related to participation and

raw material availability

- Further improve the ease of doing business under the scheme

Importantly, the core focus on MMF and technical textiles is likely to remain central, even as the scope widens.

Outlook: Innovation, Exports and Employment

With a strong pipeline of investments and a policy framework that continues to evolve, the PLI scheme is poised to play a pivotal role in:

- Driving innovation in advanced textile categories
- Strengthening India’s position in global value chains
- Generating employment across textile manufacturing clusters

A Step Towards Global Leadership

The twin developments, growing industry participation and the Government’s intent to expand the scheme, highlight a dynamic and responsive policy ecosystem.

As India scales up capabilities in MMF and technical textiles, the PLI scheme is emerging as a key instrument in positioning the country as a competitive global manufacturing hub for value-added textiles.



Startup India Fund of Funds 2.0 to Catalyse Innovation in Manufacturing Ecosystem



In a significant move aimed at strengthening India's innovation landscape, the Government of India has approved the launch of the Startup India Fund of Funds 2.0 (FoF 2.0) with a corpus of ₹10,000 crore. The initiative, announced by the Department for Promotion of Industry and Internal Trade (DPIIT), is designed to mobilise venture capital for startups across sectors, with a renewed focus on innovation-driven manufacturing.

The scheme builds upon the earlier Fund of Funds for Startups (FFS), launched in 2016 under the Startup India Action Plan, and seeks to address the evolving needs of the country's startup ecosystem by enabling access to capital across various stages of growth.

At its core, FoF 2.0 aims to support startups through investments routed via SEBI-registered Alternative Investment Funds (AIFs). These AIFs will, in turn, invest in startups engaged in developing innovative products, technologies, and solutions. The scheme also envisages mentoring and nurturing supported startups to ensure sustainable growth and successful market outcomes.

A key highlight of the scheme is its segmented investment approach, which includes dedicated support for:

- Deep-tech startups working on complex, research-intensive solutions
- Early-stage startups through micro venture capital funds
- Technology-driven manufacturing startups aligned with the 'Make in India' vision
- Sector-agnostic startups across stages

For the textile and apparel sector, the emphasis on innovation-led manufacturing presents a promising opportunity. With increasing global demand for sustainable, technology-integrated, and efficient production systems, the scheme could pave the way for startups working in areas such as smart textiles, circular fashion, advanced materials, and supply chain digitisation.

The scheme will be implemented primarily through the Small Industries Development Bank of India (SIDBI), along with other potential implementing agencies. An empowered committee under the chairmanship of the DPIIT Secretary will oversee its implementation and performance, ensuring alignment with national priorities.

Importantly, up to 5 per cent of the returns generated under the scheme will be allocated towards ecosystem development activities, including capacity building, mentorship, workshops, and shared infrastructure support—further strengthening the innovation ecosystem.

As India positions itself as a global manufacturing hub, initiatives like FoF 2.0 are expected to play a crucial role in fostering entrepreneurship and accelerating the development of next-generation manufacturing capabilities. For the apparel export sector, this opens up avenues to integrate innovation more deeply into value chains, enhancing competitiveness and resilience in an increasingly dynamic global market.



fabindia

BRAND JOURNEY

FABINDIA: WEAVING TRADITION INTO A MODERN RETAIL LEGACY

From a modest two-room setup in Delhi to a nationwide retail powerhouse, Fabindia stands as one of India's most compelling examples of how traditional craftsmanship can be scaled into a contemporary business model without losing its roots.



From Export House to Indian Retail Pioneer

Founded in 1960 by John Bissell, Fabindia began as an export-oriented enterprise, sourcing handwoven textiles and home furnishings from rural India for international markets such as the US and UK. Operating initially out of a small Delhi office, the company worked closely with artisan clusters, ensuring quality while preserving traditional techniques.

A turning point came in 1976, when regulatory constraints pushed the company to open its first domestic retail store in Greater Kailash, New Delhi. This marked Fabindia's transition from an export house to a homegrown retail brand, tapping into a nascent but growing urban demand for handcrafted, ethnic products.





Leadership Shift and Strategic Expansion

The 1990s marked another inflection point. Under the leadership of William Bissell, who took charge in 1993, Fabindia recalibrated its strategy following the loss of a key international client. The focus shifted decisively towards expanding the domestic retail footprint.

What followed was a phase of rapid diversification. Beginning in the early 2000s, Fabindia expanded beyond textiles into home décor, furniture, organic foods, personal care, and handcrafted jewellery. This multi-category approach helped position the brand not merely as a clothing retailer but as a holistic lifestyle destination rooted in Indian traditions.

The introduction of Experience Centres in 2017-18 further strengthened this positioning. These spaces integrated retail with curated experiences such as dining through FabCafe, wellness offerings, and interior design services, reflecting a shift towards experiential consumption.

A Business Model Rooted in Inclusion

At the core of Fabindia's success lies its social enterprise approach. The company has built a supply chain that directly connects more than 55,000 rural artisans to urban and global markets. Its Supplier Region Company model, introduced in 2007, goes a step further by making artisans shareholders in regional production units. This ensures not just livelihood support but also a stake in value creation.

In an industry often criticised for fragmented supply chains and uneven value distribution, Fabindia's model offers a scalable framework for inclusive growth.

Scale, Reach and Market Position

Today, Fabindia operates over 300 stores across India and maintains a presence in international markets. With revenues touching approximately ₹1,688 crore in FY2023, the brand continues to balance commercial growth with its artisanal ethos.

Leadership under CEO Rajeshwari Srinivasan reflects a renewed focus on strengthening operations while navigating a competitive retail landscape increasingly shaped by fast fashion and digital-first brands.

Looking Ahead

Recent reports of acquisition talks involving the Tata Group signal growing strategic interest in heritage-led retail brands. Whether or not such a move materialises, Fabindia's journey underscores a larger trend: the rising value of authenticity, sustainability and craft in modern retail.

As India's fashion ecosystem evolves, Fabindia remains a case study in how legacy, when combined with innovation, can create enduring brand equity.

FROM A HOMETOWN ENTERPRISE TO GLOBAL SCALE: The Shahi Exports Story

In India's evolving apparel export landscape, where scale, sustainability and inclusive growth define success, Shahi Exports stands out as a powerful example of how a hometown enterprise can transform into a global manufacturing leader. Built on a foundation of resilience and purpose, the company reflects the immense potential of India's labour intensive manufacturing sector.

Founded in 1974 by Sarla Ahuja, Shahi began as a small, home based operation with a simple yet transformative vision to create livelihoods through garment manufacturing. What started with a handful of women stitching garments from home has today grown into India's largest apparel manufacturer and exporter, employing over 96,000 people across more than 50 factories.



Building from Humble Beginnings

The origins of Shahi are deeply rooted in necessity and determination. Sarla Ahuja, equipped with basic sewing skills, began fulfilling export orders from her home while also encouraging women from low income backgrounds to join her initiative.

This early focus on women's employment became a defining pillar of the company's growth. Over time, Shahi transitioned from a small home based setup to a structured manufacturing unit, setting up its first production facility in Delhi in 1974 with a capacity of around 200 pieces per day.

A major turning point came in 1988 when the company expanded to Karnataka, leveraging the state's business friendly environment, skilled workforce and strong industrial ecosystem. This strategic move laid the foundation for large scale manufacturing and long term expansion.



Timeline: Shahi Exports

1> Home-based business started with 15–20 machines, focusing on women's employment

1974

2> First factory established in Delhi with an investment of INR 5,000

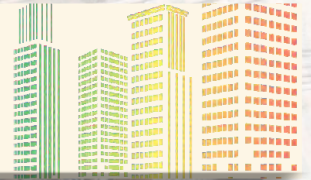
1988

- 1> First factory set up in Bengaluru
- 2> Second unit established in Bommanahalli



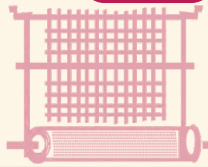
1993

- 1> Corporate office in Okhla, Delhi moved to Faridabad



1996

- 1> Sarla Fabrics Ltd. (SFL), a weaving and processing mill, established



2000–2001

- 1> Internal laboratory set up for quality assurance
- 2> Company incorporated as a private limited entity
- 3> Knits division formed



2005–2007

- 1> Women's operations structured into Ladies (LSD) and Men & Bottoms (MNB) divisions
- 2> Gap Inc.'s P.A.C.E. programme piloted for women's empowerment

2010–2012

- 1> Denim manufacturing initiated in Bengaluru
- 2> Knits Processing Division established in Shivamogga, Karnataka

2014

- 1> Became a key stakeholder in the Textile Sector Skill Council



2017

- 1> Incubated Good Business Lab (GBL) to improve worker well-being
- 2> Among the first to adopt HIGG FEM and ZDHC programmes

2018

- 1> Two solar power plants established



2021

- 1> Cradle to Cradle Certified Gold achieved with Arvind Collection
- 2> 70 per cent of electricity sourced from renewable energy
- 3> First migrant support centre established

2022

- 1> First Sustainability Report launched
- 2> 100 per cent coal phase-out achieved in garment units
- 3> 78 per cent recycled water usage in textile mills

2024

- 1> Joint venture with Little King Global for synthetic performance fabrics
- 2> Expanded spinning capabilities





Leadership & Legacy: The People Behind Shahi Exports

Founder

Next Generation



Sarla Ahuja
 Founder, Shahi Exports
Sarla Ahuja founded Shahi Exports in 1974, starting from a small home-based operation. With a focus on garment manufacturing and women's employment, she built the foundation of what has grown into India's largest apparel exporting company. Her approach combined entrepreneurship with social impact, particularly in enabling women to access formal employment.



Anant Ahuja
 Director, ESG & Sustainability
Anant Ahuja represents the next phase of leadership, with a focus on sustainability, responsible manufacturing and long-term impact. His work reflects a continued emphasis on building a business that balances growth with environmental and social responsibility.

Leadership



Harish Ahuja
 Managing Director & Chairperson
Harish Ahuja has led Shahi Exports through its expansion into a large-scale manufacturing enterprise. Under his leadership, the company has strengthened its global presence, built long-term relationships with international brands and scaled operations across multiple locations.



Scale, Capacity and Global Reach



Today, Shahi operates at a scale unmatched in India's apparel sector. With a presence across multiple states including Karnataka, Tamil Nadu, Telangana, Odisha and Uttar Pradesh, the company has built a robust and diversified manufacturing network.

Its workforce of over 96,000 employees, nearly 70 per cent of whom are women, underscores its role as a major generator of inclusive employment.

Shahi supplies garments to some of the world's leading brands, including Walmart, Gap Inc., H and M, Uniqlo, Nike and PVH, positioning itself as a key player in global apparel value chains.

The company's vertically integrated operations, with over 80 per cent of fabric sourced in house, provide a strong competitive advantage in terms of cost, quality and supply chain reliability.

Production Scale:

- Over 50 factories 
- Capacity across multiple integrated facilities 

Employees:

~96,000+ workforce, ~70% women





Growth Driven by Strategy and Professionalisation

A defining factor behind Shahi's success has been its early adoption of professional management practices. Unlike many traditional apparel businesses, the company built a strong organisational structure with experienced professionals leading different business divisions.



This approach enabled faster decision making, operational efficiency and scalability. Over the years, Shahi has also expanded geographically to address labour availability and logistical challenges, ensuring long term sustainability of operations.

The company's growth trajectory places it among the very few Indian apparel exporters to achieve billion dollar scale, setting a benchmark for the industry.

Embedding Sustainability and Worker Welfare

Sustainability and social responsibility are integral to Shahi's business model. The company has consistently focused on reducing its environmental footprint while investing in worker well being.

One of its flagship initiatives is the P.A.C.E. programme, launched in partnership with global stakeholders. The programme has trained over 90,000 workers, improving productivity while enhancing life skills and financial independence.

In addition, Shahi has collaborated with organisations such as Good Business Lab to design evidence based interventions that improve workplace conditions, promote female workforce participation and enhance overall employee well being.

Quality as a Competitive Advantage

Shahi's ability to maintain global standards is rooted in its integrated manufacturing model and strong process controls. By managing the supply chain from fibre to finished garment, the company ensures traceability, consistency and compliance with international quality benchmarks.

This has helped build long standing relationships with global buyers, who increasingly prioritise reliability, transparency and sustainability in sourcing.

Navigating Challenges with Resilience

Despite its success, Shahi has operated in a challenging ecosystem. Complex labour regulations, supply chain inefficiencies and intense competition from countries like

Bangladesh and Vietnam have posed significant hurdles.

The company has addressed these challenges through strategic expansion, vertical integration and continuous investment in people and processes. Its ability to adapt to changing global dynamics, including shifting trade patterns, has been critical to sustaining growth.

AEPC Support in the Growth Journey

The Apparel Export Promotion Council has played an important role in supporting Shahi's journey. Industry recognition, including export performance awards conferred on founder Sarla Ahuja, has strengthened the company's global credibility.

Through policy advocacy, export promotion and industry representation, AEPC continues to provide a supportive ecosystem for companies like Shahi to scale globally.

A Vision for the Future

Looking ahead, Shahi is focused on expanding its global footprint, diversifying supply chains and strengthening its presence in emerging segments such as synthetic and value added textiles.

Its long term vision remains centred on building a globally competitive, sustainable and inclusive manufacturing enterprise, one that continues to generate large scale employment while meeting evolving global demands.

A Story that Reflects India's Manufacturing Potential

Shahi Exports' journey is not just a corporate success story, it is a reflection of what India's apparel sector can achieve with the right mix of vision, scale and policy support.

From a modest home based operation to a billion dollar enterprise, Shahi represents the transformative power of labour intensive manufacturing in driving economic growth and social impact.

As India looks to strengthen its position in global value chains, stories like Shahi's offer both inspiration and a roadmap for the future.



Femina Miss India Showcased 'Vishwa Sutra' as Indian Handlooms Entered Global Fashion Narrative



The 61st edition of Femina Miss India 2026 concluded on April 18 in Bhubaneswar, with Sadhvi Satish Sail being crowned the winner. Indian handlooms took centre stage at the event through the *'Vishwa Sutra Weaves of India for the World'* collection, which was presented in the opening round.

Unveiled as a first of its kind initiative, *'Vishwa Sutra'* was led by the Office of the Development Commissioner Handlooms under the Ministry of Textiles in collaboration with the National Institute of Fashion Technology. The collection brought together





30 distinct handloom weaves from across India, each representing a state, and reinterpreted them through inspirations drawn from 30 countries, reflecting a rich interplay of cultural elements, silhouettes and design sensibilities.

Positioned within a contemporary global design narrative, the collection went beyond presentation to signal a strategic shift. It framed Indian handlooms as globally relevant and design forward while retaining their authenticity. At the same time, it highlighted the depth and continuity of India's weaving traditions, with techniques preserved and refined across generations as part of the country's living cultural heritage.

Curated through a global fashion lens, the collection paired iconic weaves with distinct international influences. Odisha Ikat was styled with Greek forms, Kanchipuram reflected Norwegian lines, Muga incorporated Egyptian elements, Patola drew from Spanish aesthetics, and Banarasi was interpreted through UAE inspired ensembles. These combinations created a fresh design vocabulary that placed Indian textiles firmly within a global fashion context.



The showcase gained further significance as it was presented by the 30 state winners during the opening round, turning the runway into a visual narrative of India's diversity and craftsmanship. The winning moment added another layer of

meaning, with Sadhvi Satish Sail wearing a traditional Kunbi weave reimagined through a Central European silhouette. Rooted in heritage, the Kunbi weave symbolised generational skill and the enduring threads of community.

Speaking on the initiative, Dr. M. Beena, Development Commissioner Handlooms, highlighted the role of the sector in sustaining cultural identity, supporting livelihoods and enabling women led entrepreneurship. She emphasised the vision of connecting traditional weaves to modern markets under the broader idea of taking India's craft heritage from village economies to global platforms.

The initiative also aligned with the Government's push to transform traditional industries into globally competitive sectors under the Vocal for Local to Global vision and the 5F framework, Farm to Fibre to Factory to Fashion to Foreign. It underscored the growing importance of handlooms not only as cultural assets but also as drivers of sustainable economic growth and global market presence.

'Vishwa Sutra' ultimately presented Indian handlooms as dynamic, adaptable and fashion ready. By bringing together craft, design and global storytelling on a high visibility platform, it signalled a future where India's textile legacy is not just preserved, but actively shaping international fashion conversations





BOMBAY TIMES FASHION WEEK APRIL 2026:

*Where Heritage
Craft, Celebrity
Glamour and New-
Age Innovation
Converge*



The April 2026 edition of the Bombay Times Fashion Week reaffirmed Mumbai's position as a dynamic hub of fashion, creativity and cultural storytelling. Held from April 3 to 5 at the iconic Grand Hyatt Mumbai, the three day showcase brought together established couturiers, emerging designers, celebrities and industry stakeholders under one roof to present the Spring Summer 2026 narrative.





A Confluence of Couture, Culture and Commerce



BTFW April 2026 stood out not just as a runway event, but as a curated experience reflecting the evolving identity of Indian fashion. Designers leaned into a blend of nostalgia, craftsmanship and contemporary aesthetics, highlighting how Indian couture continues to adapt to global sensibilities while retaining its rooted ethos.

The runway witnessed a wide spectrum of collections, from opulent couture and bridal wear to experimental silhouettes and sustainable fashion narratives, offering relevance for both luxury consumers and the emerging conscious buyer.

Grand Finale Brings Back Vintage Glamour



The event culminated in a grand finale by veteran designer Suneet Varma, whose collection Retro Revival Glam paid homage to vintage Bollywood elegance. The line featured fluid drapes, intricate embellishments and a colour palette inspired by the golden era of Indian cinema.

Actors Avinash Tiwary and Medha Shankar added star appeal as showstoppers, reinforcing the enduring relationship between fashion and film.

Celebrity Presence Amplifies Impact



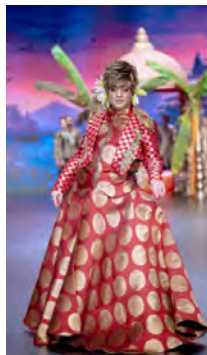
Celebrity participation remained central to the fashion week's appeal, enhancing both visibility and cultural resonance. Actor Bipasha Basu, alongside Taha Shah Badushsha, walked the ramp for designer Rohit Verma, whose collection Banaras Ki

Goonj celebrated the richness of Indian textiles, particularly Banarasi weaves.



In another notable moment, badminton champion Saina Nehwal turned showstopper for designer Samant Chauhan, highlighting the growing crossover between sport, celebrity and fashion.

Sustainability and Craft Take Centre Stage



A key highlight of this edition was its emphasis on sustainability and textile heritage. The "Reviving Handloom Love" showcase brought focus to the preservation of India's handloom legacy, reinforcing the importance of conscious consumption and craft revival within the fashion ecosystem.

Designers such as Rohit Verma further reinforced this direction by incorporating indigenous textiles into contemporary silhouettes, underlining the commercial relevance of heritage crafts in modern

fashion.

Emerging Designers Signal the Future



BTFW also served as a launchpad for emerging talent. Institutions like Sasmira's Institute of Design & Textiles and Amity School of Fashion Technology presented collections by young designers who experimented with bold concepts, sustainable materials and unconventional storytelling.

Among the notable debuts was Vazaneh by Prbhjiit Maniktala, which delivered an emotion driven couture narrative, blending personal storytelling with intricate craftsmanship. These showcases reflected a wider industry shift towards individuality and narrative led design.

Fashion as Narrative and Experience



What distinguished this edition of BTFW was its movement beyond aesthetics into storytelling. Each collection carried a deeper narrative, whether rooted in nostalgia, sustainability or personal journeys, reflecting a broader shift in consumer expectations.

PM Narendra Modi Hails India–New Zealand FTA as Growth Catalyst for Apparel Trade and Investment



Prime Minister Narendra Modi has described the India–New Zealand Free Trade Agreement (FTA) as a landmark development that is set to inject fresh momentum into bilateral ties, with far-

reaching implications for trade, investment and sectoral collaboration, including textiles and apparel.

In a statement shared on X, the Prime Minister emphasised that the agreement reflects deep mutual trust, shared values and a common ambition to expand economic engagement. He underlined that the FTA is expected to benefit a wide spectrum of stakeholders, including MSMEs, artisans, startups and entrepreneurs, while opening new avenues for export-led growth.

From an apparel export perspective, the agreement is particularly significant as it ensures tariff-free access for Indian exporters to the New Zealand market from the outset. This is expected to enhance the competitiveness of Indian garments and textile products, enabling exporters to tap into a niche but high-value market with growing demand for quality and sustainable products.

The Prime Minister also highlighted New Zealand's commitment to invest USD 20 billion in India, which is likely to strengthen collaboration across manufacturing, innovation

and supply chains. This aligns with India's ongoing efforts to integrate more deeply into global value chains and supports initiatives aimed at boosting domestic manufacturing and exports.

The FTA further places emphasis on skill development and talent mobility, expanding opportunities for Indian professionals and students in emerging sectors. Enhanced cooperation in agricultural productivity and rural development, through partnerships and Centres of Excellence, is also expected to have indirect benefits for the textile value chain, particularly in natural fibres and sustainable raw material sourcing.

In addition, the agreement promotes traditional knowledge systems such as AYUSH, yoga and organic products, which could complement India's growing focus on sustainable and eco-friendly textile production. The push towards resilient supply chains and competitively priced goods is likely to create new growth engines for exporters across sectors.

New Zealand Prime Minister Christopher Luxon has also termed the agreement a historic milestone, noting that it opens access to one of the world's fastest-growing major economies while supporting New Zealand's strategy to diversify export markets.

He underscored that the FTA will deepen collaboration in areas such as agri-technology and food production, while also strengthening linkages across business, education and innovation ecosystems. The role of the Indian diaspora was highlighted as a key factor in further enhancing bilateral engagement.

For India's apparel sector, the agreement represents an opportunity to expand market reach, strengthen trade linkages and position itself more competitively in global markets. As both nations move towards implementing the pact, the India–New Zealand FTA is poised to mark the beginning of a new phase of economic cooperation with tangible benefits for exporters and industry stakeholders.



India–South Korea FTA Upgrade: Advancing Towards a More Balanced Trade Partnership

India and South Korea are set to deepen their economic engagement with the proposed upgrade of the Comprehensive Economic Partnership Agreement (CEPA), a key Free Trade Agreement (FTA) between the two nations. The move signals a strategic effort to make existing FTAs more balanced, effective and aligned with India's evolving trade priorities.

Announcing the development, Union Commerce and Industry Minister Piyush Goyal stated that both countries are working in “mission mode” to fast-track the upgrade of the agreement. The focus is on addressing structural concerns in the current FTA framework, including non-tariff barriers, ease of doing business, and rules of origin.



The renewed push follows discussions between Prime

Minister Narendra Modi and South Korean President Lee Jae Myung, where both sides committed to expanding bilateral trade from \$27 billion to \$50 billion by 2030. Upgrading the existing FTA within the next year is central to achieving this target.

Recalibrating FTAs for Balanced Growth

The India–South Korea CEPA, operational since 2010, is among the early FTAs signed by India. Over time, concerns emerged regarding trade imbalances and limited gains for certain sectors. India's imports from South Korea stood at \$21.06 billion in 2024–25, while exports were \$5.82 billion, resulting in a trade deficit of \$15.24 billion.

The ongoing upgrade reflects India's broader approach of revisiting existing FTAs to ensure they deliver equitable outcomes. Strengthening rules of origin, preventing third-country routing, and expanding market access for Indian goods are key priorities in this recalibration.



FTAs Drive India's Trade Growth

Despite Short Term Export Dip: NITI Aayog

India's expanding network of Free Trade Agreements is steadily reshaping its global trade landscape, with partner countries accounting for a significantly larger share of overall trade. Even as recent data indicates a moderation in exports, policymakers maintain that FTAs remain central to India's long term strategy of boosting competitiveness, market access, and integration into global value chains.

According to the latest Trade Watch Quarterly report released by NITI Aayog, the share of India's trade with FTA partners has risen sharply from 4.6 per cent in 2006 to 28.8 per cent in 2024. This marks a structural shift in India's trade orientation, reflecting a sustained push towards deeper economic engagement with key global markets.

India currently has 13 FTAs in force, including agreements with ASEAN, Japan, South Korea, the UAE, Australia, and SAFTA nations. These partnerships have facilitated improved market access, enabled participation in global production networks, and supported the flow of technology and investment into the domestic economy.

At the same time, the report notes that exports to FTA partners declined by 7 per cent year on year in the third quarter of FY26, covering the October to December period. Export value during the quarter stood at 40.26 billion dollars, marking the third consecutive quarterly contraction. The decline was led by reduced shipments to Singapore, Australia, Bhutan, and Mauritius, while exports to Thailand, Sri Lanka, the UAE, and Malaysia recorded growth.

In contrast, imports from FTA partners increased by 6 per cent year on year to 70.98 billion dollars, driven by higher inflows from ASEAN countries, Singapore, Japan, and Thailand. This trend reflects India's growing integration with global supply chains, where imports of intermediate goods play a vital role in supporting domestic manufacturing and export competitiveness.

Suman Bery, Vice Chairman of NITI Aayog, underscored that FTAs should be viewed as a two way mechanism rather than a one sided tool for export growth. He emphasised that imports are equally important in driving efficiency and competitiveness, as exposure to global markets encourages domestic industries to upgrade and innovate.

Despite the recent export slowdown, Bery noted that India's overall trade performance remains resilient in a challenging global environment, with services exports continuing to perform strongly.

Arvind Virmani, Member of NITI Aayog, highlighted that diversification remains a key strategy for India amid global

uncertainties. He stressed that exporters need to align more closely with evolving international demand patterns and expand into new product segments to sustain growth.

He further pointed out that achieving this shift will require investment in technology, modern machinery, and workforce skills, alongside a deeper understanding of global consumer preferences.

The report also indicates that India is gradually moving towards a more value driven trade model, where design, branding, and product adaptation are becoming critical. Sectors such as gems and jewellery are already responding to changing global demand, reflecting the need for Indian exporters to tailor offerings to international markets.

Looking ahead, India continues to pursue new trade agreements with key partners, including regions such as the Gulf, as part of its strategy to diversify export destinations and expand market access. At the same time, geopolitical developments, particularly in West Asia, remain an important factor influencing the pace of such negotiations.

The broader trend points to steady structural progress. While the recent dip in exports to FTA partners signals the need for closer attention, it does not diminish the growing importance of these agreements in India's trade strategy. The focus now is on leveraging FTAs more effectively by strengthening competitiveness, enhancing value addition, and aligning production with global demand.

As India advances its trade agenda, FTAs are expected to remain a cornerstone of its economic strategy, supporting both growth and resilience in an increasingly dynamic global trade environment.





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FOCUS COUNTRY IS

Spain



Economic Overview:

Spain is a high-income, core-EU and eurozone economy; strong growth driven by public consumption, tourism and other service exports; tight labor market despite high structural unemployment; efforts to narrow persistent fiscal deficits through tax and spending measures; high but declining unemployment supported by job growth and immigration

➤ **Economic Indicators:**

Indicators	Value (in USD)
GDP, 2024	1.73 trillion
GDP per capita, 2024	35,326.8
GDP growth (annual), 2024	3.5%
Inflation, consumer prices (annual), 2024	2.8%

Source: Worldbank 2026

➤ **Average Tariff for India:**

9.6% (India has announced successful conclusion of FTA negotiations with European Union on 27-January, 2026)

➤ **Exchange Rate :**

Indicators	Value (in USD)
Indian Rupees (INR) per Euro (USD)	107.3
Euro (EUR) per US Dollar (USD)	0.87

Source: X-Rates (April 2026)

➤ **Spain's RMG Trade:**

Spain's RMG Import from World and India (In USD Mn.)				
	2023	2024	2025	% Change 2025 over 2024
Spain's RMG imports from World	20348.6	19567.9	24669.9	26.1
Spain's RMG imports from India	703.5	689.7	711.6	3.2
India's Share in Spain's total RMG imports from World, %	3.5	3.5	2.9	

Source: UN Comtrade 2026

The above table shows that Spain's RMG import from the World were to the tune of USD 24669.9 million in 2025 showing a growth of 26.7% as compared to 2024. RMG import from India has also increased to USD 711.6 million, registering a growth of 3.2% as compared to 2024. India's percentage share in Spain's RMG import from the World was 2.9% in 2025.

➤ **Top RMG Supplier to Spain:**

The above table shows that China has remain the top supplier of RMG to Spain with 16.0 % share in 2025. India is the 12th largest supplier of RMG to Spain with 2.9 % share. Bangladesh and Morocco has a share of 15.1 %, and 7.8% respectively.

Top RMG Supplier to Spain and India's Position			
Position	Countries	Imported value in 2025 (in USD mn)	% Share
	World	24669.9	100
1	China	3943.0	16.0
2	Bangladesh	3726.7	15.1
3	Morocco	1916.2	7.8
4	Italy	1809.6	7.3
5	Cambodia	1746.2	7.1
6	Turkey	1494.0	6.1
7	Netherlands	1392.4	5.6
8	France	1253.8	5.1
9	Germany	1172.9	4.8
10	Pakistan	1044.9	4.2
11	Portugal	880.8	3.6
12	India	711.6	2.9
13	Belgium	673.5	2.7

Source: UN Comtrade 2026

➤ **Spain's top 10 RMG Products Import from World vs India's share:**

Top 10 RMG products imported by Spain from World (in USD mn)					
S. No.	HS Code	Product label	Imported from World in 2025	Imported from India in 2025	India's Share in %
		Total RMG	24669.9	711.6	2.9
		Sum of Top 10	11067.4	176.0	1.6
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1774.4	77.4	4.4
2	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	1761.2	30.6	1.7
3	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	1599.5	11.0	0.7
4	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted	1406.0	16.1	1.1
5	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton	1257.0	20.6	1.6
6	620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters,	858.6	3.7	0.4
7	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	703.2	4.7	0.7
8	620463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	592.0	7.5	1.3
9	620140	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters	560.2	0.4	0.1
10	610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	555.2	4.0	0.7

Source: UN Comtrade 2026



The above table shows Spain's top 10 RMG products imported from the World vis-à-vis from India and India's % share in those top 10 products. The top 10 products imported from the World were to the tune of USD 11067.4 million in 2025 and import from India of these top 10 products were to the tune of USD 176.0 million India has 1.6 % share in Spain's top 10 products import from the World.

The top products imported by Spain from the World includes (i) T-shirts, singlets and other vests of cotton, knitted or crocheted; (ii) Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton; (iii) Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted.

➤ Spain's top 10 RMG products import from India:

Top 10 RMG Products India's Export to Spain (in USD mn)

S.No.	HS Code	Product label	Export from India, 2025	% Share in 2025
		Total RMG	711.6	100.0
		Sum of Top 10	416.6	58.5
1	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	77.4	10.9
2	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...)	69.4	9.8
3	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	44.9	6.3
4	620640	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excl. knitted or crocheted ...)	43.0	6.0
5	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	38.4	5.4
6	610462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton, knitted ...	35.0	4.9
7	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...)	30.6	4.3
8	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...)	28.8	4.1
9	620444	Women's or girls' dresses of artificial fibres (excl. knitted or crocheted and petticoats)	28.3	4.0
10	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...)	20.6	2.9

Source: UN Comtrade 2026

The above table shows Spain's top 10 RMG products imported from India. Spain's top 10 products imported from India were to the tune of USD 416.6 million with 58.5 % share in Spain's total RMG import from India.

The top products imported by Spain from India includes (i)

T-shirts, singlets and other vests of cotton, knitted or crocheted (ii) Women's or girls' blouses, shirts and shirt-blouses of cotton (iii) Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats).

Govt Clarifies Eligibility Under RELIEF Scheme to Boost Export Risk Coverage

In a move aimed at strengthening export resilience, the Directorate General of Foreign Trade (DGFT) has issued a clarification expanding the scope of support under the Export Promotion Mission (EPM). The clarification pertains to Component II of the Resilience & Logistics Intervention for Export Facilitation (RELIEF) scheme, which was operationalised through Notification No. 65/2025-26 dated 19 March 2026.

The RELIEF scheme was introduced as a time-bound intervention to support exporters facing disruptions in key global markets, particularly in the Gulf and West Asia region. Under Component II, the government provides support to exporters to encourage the uptake of export credit insurance for shipments destined for or transiting through these sensitive geographies.

Export credit insurance, offered by the Export Credit Guarantee Corporation (ECGC), plays a critical role in safeguarding exporters against the risk of non-payment by overseas buyers. This becomes especially important in regions affected by geopolitical uncertainty, supply chain disruptions, or financial instability.

A key concern among exporters was whether those obtaining a new ECGC Whole Turnover Policy for the first time would be eligible for benefits under Component II. Addressing this, the DGFT has clarified that exporters who secure a new ECGC Whole Turnover Policy on or after 16 March 2026 will also be eligible to avail support under the scheme.

This clarification is expected to widen participation, particularly among small and medium exporters who may not have previously opted for export credit insurance. By bringing

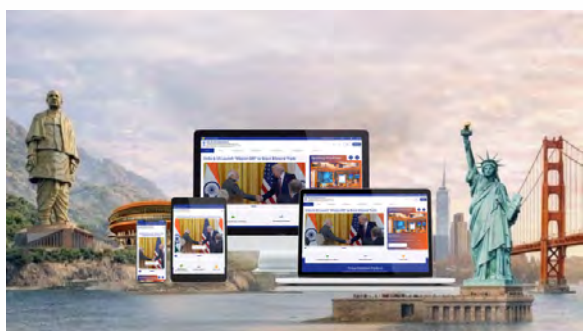
new policyholders within the ambit of support, the government is signalling a strong push towards risk-mitigated export growth.

For the apparel and textile sector, which has significant exposure to markets in the Gulf and West Asia, this move is particularly relevant. It not only enhances confidence among exporters but also ensures continuity of trade flows in challenging conditions. Increased adoption of ECGC coverage can further strengthen the financial security of exporters and improve their ability to explore new markets. Importantly, all other provisions of the earlier notification remain unchanged, ensuring continuity in the broader framework of the RELIEF scheme.

Overall, the clarification reflects the government's intent to create a more inclusive and risk-aware export ecosystem. By incentivising insurance coverage and extending benefits to new entrants, the policy is likely to support sustained export momentum in a volatile global environment.



INDIA-US TRADE PORTAL: A Digital Bridge to the \$500 Billion Goal



India has taken a major step to strengthen its trade ties with the United States with the launch of the India-US Trade Facilitation Portal. The initiative is aimed at boosting bilateral trade and supporting the shared ambition of reaching \$500 billion in trade in the coming years.

The portal acts as a digital platform connecting exporters, importers, industry bodies and policymakers. It is designed to simplify trade processes, improve access to market information



and enable faster resolution of issues faced by businesses. Union Minister of Commerce and Industry Piyush Goyal has encouraged exporters to actively use the platform to expand their presence in the US market.



For India's apparel sector, the development is particularly significant. The United States remains one of the largest destinations for Indian garment exports, and improved market access can directly support growth.

The portal allows exporters to connect more efficiently with US buyers, reducing reliance on intermediaries and improving

visibility. It also provides a structured system to address compliance queries, logistics challenges and regulatory concerns. For MSME exporters in the apparel segment, this creates an opportunity to reach a wider global audience and compete more effectively.

Another key advantage is access to relevant trade data and insights, which can help exporters align their products with demand trends in the US market. This is especially important as global buyers increasingly focus on value addition, sustainability and supply chain transparency.

The government has positioned the portal as part of a broader push towards digital trade facilitation and deeper integration with global supply chains. Industry participation will be critical in realising its full potential.

India-US economic ties continue to grow in importance, and this platform adds a practical layer of support to that relationship. For apparel exporters, it offers a timely opportunity to strengthen market presence and improve competitiveness in a key export destination.

INDIA'S TEXTILE DEMAND NEARS ₹15 LAKH CRORE: Textile Ministry Survey Highlights Shifting Consumer Trends

Everyday wear is powering growth, with men's jeans and women's leggings emerging as high-growth categories amid a broader shift towards casual, comfort-driven apparel.



“Market for Textiles and Clothing: National Household Survey 2024”, offers a comprehensive snapshot of demand trends, consumer behaviour, and structural shifts within the sector.

The study was unveiled by Union Textiles Minister Giriraj Singh, who highlighted the growing strength of domestic consumption as a key pillar of India's textile economy alongside exports. He noted that the findings would serve as a valuable guide for policymakers and industry stakeholders in shaping future strategies for the sector.

India's domestic textiles and apparel market has expanded significantly, reaching an estimated ₹14.95 lakh crore in 2024, according to the Ministry of Textiles' latest nationwide survey on consumption patterns. The report,

industry stakeholders in shaping future strategies for the sector.

Steady Growth Anchored in Household Demand

The survey highlights sustained expansion in the domestic

textile market over the past decade and a half. From ₹4.89 lakh crore in 2010, the market has nearly tripled to ₹14.95 lakh crore in 2024, registering a compound annual growth rate (CAGR) of 8.3%.

Household consumption continues to drive this growth, accounting for ₹8.77 lakh crore—well over half of the total market. Rising incomes, urbanisation, and greater discretionary spending have contributed to increased consumption across categories.

This trend is further reflected in per capita textile expenditure, which has risen from ₹2,119 in 2010 to ₹6,066 in 2024, indicating not just higher purchasing power but also changing consumption preferences.

Fibre Mix Shifts Towards MMF

One of the key structural changes highlighted in the report is the shift in fibre consumption. Demand for man-made fibres (MMF) and blended textiles has grown at a faster pace compared to traditional segments.

While cotton continues to hold a significant share in the market, its relative dominance is gradually being complemented by synthetic alternatives, reflecting evolving consumer preferences for durability, affordability, and performance. Silk and wool segments have also recorded steady growth, pointing to diversification in consumption patterns.

Casualwear Boom Reshapes Apparel Demand



The survey points to a clear shift in clothing preferences, with casual and daily wear gaining prominence across demographic segments. Consumers are increasingly prioritising comfort, versatility, and affordability in their apparel choices.

Staple items such as shirts, sarees, trousers, salwar kameez, T-shirts, and innerwear continue to dominate consumption. At the same time, specific categories are witnessing accelerated growth. Men’s jeans have emerged as one of the fastest-growing segments in menswear, while leggings are gaining strong traction among women consumers—highlighting the shift towards functional, everyday clothing.

Women remain the primary drivers of textile consumption, accounting for 55.5% of total demand, compared to 44.5% for men. This gender skew underscores the importance of women-centric product categories in shaping market trends.

Sustainability Gains Ground



A notable finding of the survey is the increasing consumer inclination towards sustainable textile practices. The market for sustainable textiles—including recycled, reused, and retailed products—was estimated at ₹37,000 crore in 2024.

Within this segment, reused and retailed textiles account for nearly 58% of demand, underscoring the growing acceptance of circular consumption models. This trend aligns with global sustainability imperatives and presents opportunities for industry players to innovate in recycling, upcycling, and resource-efficient production.

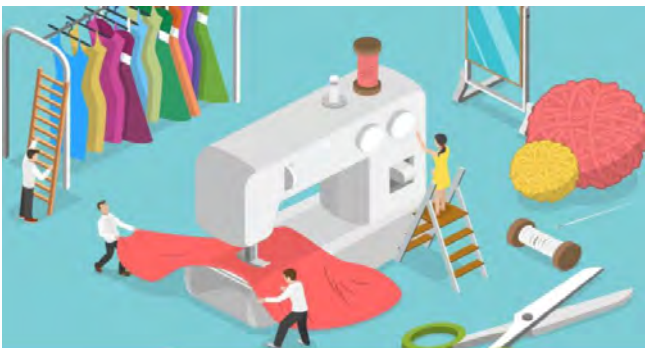
Technical Textiles See Wider Adoption



The report also captures the expanding role of technical textiles in everyday consumption. Products such as masks, sanitary items, wipes, diapers, and medical disposables have seen increased usage, reflecting heightened awareness of hygiene and healthcare needs.

Interestingly, rural households account for nearly 58% of total technical textile consumption, surpassing urban demand. This indicates deeper penetration of such products across non-urban markets and points to the widening reach of organised retail and distribution networks.

Implications for Industry and Exports



The findings of the survey provide valuable insights for policymakers, manufacturers, and exporters. With domestic demand showing sustained growth and diversification, the sector is well-positioned to leverage both internal and external market opportunities.

For the apparel export sector, the report underscores the importance of aligning product offerings with emerging consumption trends. The growing demand for MMF-based products, casualwear, and sustainable textiles presents significant opportunities for Indian exporters to strengthen their global competitiveness.

At the same time, the increasing importance of women consumers and rural markets suggests the need for targeted product development and marketing strategies.

A Strong Domestic Foundation

Overall, the survey reaffirms the strength of India’s domestic textile and apparel market as a key growth engine for the industry. As consumption patterns evolve in response to changing lifestyles, income levels, and sustainability considerations, the sector is likely to witness further transformation in the years ahead.

With robust domestic demand complementing export growth, India’s textile industry is poised to build a more resilient and diversified growth trajectory.



India, South Korea Look to Revive CEPA Upgrade Talks; Focus on Green Energy and Digital Trade



India and South Korea have initiated discussions to resume negotiations for upgrading their Comprehensive Economic Partnership Agreement (CEPA), with a renewed focus on expanding cooperation in green energy, digital trade, and industrial sectors.

Union Commerce and Industry Minister Piyush Goyal shared details of his meeting with South Korea's Trade Minister Yeo Han-koo, noting that both sides are keen to "resume and revamp" the CEPA upgrade talks. The dialogue signals a strategic push to deepen bilateral economic engagement amid evolving global trade and sustainability priorities.

The discussions centred on enhancing collaboration across key sectors, particularly green energy and digital trade, alongside strengthening industrial linkages. Both countries are exploring opportunities to leverage complementarities in manufacturing capabilities, technological expertise, and emerging industries to boost trade and investment flows.

India and South Korea also reaffirmed their intent to align economic cooperation with global sustainability goals, reflecting a broader shift towards greener and more resilient trade frameworks. The proposed CEPA upgrade is expected to

address existing gaps and unlock new avenues for bilateral commerce.

Minister Shri Goyal expressed optimism about the trajectory of the partnership, emphasising the importance of sustained engagement to drive mutual growth. He reiterated that both nations are committed to expanding trade ties and fostering greater investment cooperation.

The discussions took place in the backdrop of South Korean President Mr. Lee Jae Myung's visit to India. During his visit, President Lee paid homage to Mahatma Gandhi at Raj Ghat, underlining shared values of

peace and cooperation.

The renewed momentum in CEPA negotiations reflects a broader intent by both countries to strengthen their strategic economic partnership and navigate the changing dynamics of global trade.





Ministry of Textiles Organises Northern Zone Stakeholder Consultation on Union Budget Announcements 2026–27

The Ministry of Textiles convened a high-level Northern Zone Stakeholder Consultation in the national capital, bringing together over 200 participants to deliberate on key announcements made in the Union Budget 2026–27. The meeting marked a significant step in translating policy intent into actionable strategies for India's textile and apparel sector.

The consultation saw participation from state government representatives, industry bodies, entrepreneurs, academia, textile research institutions, export promotion councils, as well as award-winning weavers and artisans. The objective was to create a structured platform for dialogue on implementation frameworks, identify operational bottlenecks, and align stakeholders on execution priorities.

The discussions were organised into focused breakout



sessions covering major budget-linked initiatives, including the Integrated Programme for the Textile Sector, the Textile Expansion and Employment Scheme, the Textile

Eco initiative, Mega Textile Parks, the National Fibre Mission, SAMARTH 2.0, and schemes supporting handlooms and handicrafts such as the National Handloom and Handicraft Programme and the Mahatma Gandhi Gram Swaraj Initiative.

Setting the tone, Special Secretary and Financial Adviser Asit Gopal stressed the importance of continuous engagement between the Centre, states and industry stakeholders. He noted that collaborative planning and institutional convergence would be essential to ensure that schemes are responsive to ground realities and effectively implemented.

The consultation also echoed the broader economic vision outlined by Prime Minister Narendra Modi, who has emphasised a growth framework centred on building capacity,

scaling production, strengthening connectivity and boosting exports. The textile sector, as a major employment generator and export contributor, is expected to play a critical role in this trajectory.

Dr. M. Beena, Development Commissioner for Handlooms, highlighted the importance of integrating field-level feedback into policy design. She underscored that practical insights from artisans and grassroots stakeholders are crucial to ensuring that schemes deliver tangible outcomes.

Similarly, Development Commissioner (Handicrafts) Amrit Raj emphasised the vision of taking India's traditional crafts from local clusters to global markets. She pointed to the need for strengthening quality standards across production, design, finishing, and supply chains to enhance competitiveness.

In her concluding address, Textile Secretary Neelam Shami Rao outlined the sector's growth ambitions, stating that India's textile industry is projected to reach USD 350 billion by 2030, with exports expected to expand significantly. She emphasised the need to drive innovation, improve cost competitiveness, and build a resilient and sustainable ecosystem.

Smt. Rao also highlighted the strategic importance of positioning "India Handmade" as a strong global brand, backed by quality, sustainability, and design excellence. She assured stakeholders that inputs from the consultation would be carefully evaluated and incorporated into the final design and rollout of schemes.

The consultation concluded with a shared commitment to strengthen manufacturing, boost employment, enhance export competitiveness, and elevate India's position as a global hub for textiles and traditional crafts.



Giriraj Singh Inaugurates NITRA Conference on Protective Textiles, Signals New Opportunities for Industry



milkweed plant from fibre source to finished textile product. The initiative reflects the sector's increasing focus on eco friendly raw materials and sustainable production practices, aligning with evolving global compliance requirements.

The conference featured focused sessions on sustainability, policy direction and industry perspectives, along with technical presentations on specialised applications such as firefighting gear, industrial safety apparel, impact resistant materials, parachute fabrics and camouflage solutions. These discussions underscored the need for continuous innovation, quality enhancement and collaboration across the value chain.

In a significant development for India's technical textiles ecosystem, Shri Giriraj Singh, Hon'ble Union Minister of Textiles, inaugurated a national conference on "Innovations in Protective Textiles" organised by Northern India Textile Research Association on 9 April 2026 in Ghaziabad. Held in collaboration with the National Technical Textiles Mission, the conference highlighted India's growing capabilities in high performance and sustainable protective textiles, an area of increasing relevance for the apparel export sector.

The conference assumes importance for exporters as global demand for specialised and value added textile products continues to rise. Protective textiles, ranging from industrial safety wear to advanced defence and performance applications, are emerging as a key growth segment where India can enhance its competitiveness and diversify export offerings.

Senior government officials, industry stakeholders, researchers and academicians participated in the deliberations. Ms Manisha Chatterjee, Joint Secretary, Ministry of Textiles, attended as Guest of Honour and chaired a session on the future of technical textiles, underlining the government's policy thrust on innovation driven growth.

A notable highlight was the unveiling of a documentary and an illustrated publication showcasing the journey of the





India's Textile Exports Rise 2.1% to ₹3.16 Lakh Crore in FY26; Apparel Segment Leads Growth

India's textile and apparel exports recorded steady growth in FY 2025–26, underlining the sector's resilience despite persistent global economic uncertainties, fluctuating demand patterns, and cost pressures. According to the latest data released by the Press Information Bureau, total textile exports reached approximately ₹3.16 lakh crore, registering a growth of 2.1 per cent over the previous year.

At the forefront of this performance was the ready-made garments (RMG) segment, which continues to be the largest contributor to India's textile export basket. Apparel exports recorded a growth of around 2.9 per cent, reaffirming India's strength in value-added manufacturing and its ability to cater to evolving global fashion and consumption trends.

Broad-Based Market Expansion Signals Demand Stabilisation

One of the most encouraging aspects of the export performance is the broad-based growth across more than 120 international markets. Key destinations such as the UAE, Japan, and Spain registered notable increases, indicating diversification beyond traditional markets like the United States and the European Union.

This spread reflects a gradual stabilisation in global demand, even as inflationary pressures and subdued consumer sentiment continue to weigh on major economies. Indian exporters have demonstrated adaptability by aligning product offerings with changing buyer preferences, focusing on flexibility, speed-to-market, and compliance with sustainability standards.

Apparel Sector Remains the Growth Anchor

The continued dominance of the apparel segment highlights its critical role in driving India's textile export ecosystem. As a labour-intensive and high value-added segment, garments not only contribute significantly to export earnings but also support employment generation across the value chain.

Reacting to the latest export data, the Chairman of the Apparel Export Promotion Council said, "The steady growth in India's textile exports, particularly in the ready-made garments segment, reflects the resilience of the industry despite a challenging global environment. The expansion across a wide range of markets indicates gradual stabilisation in demand and the adaptability of Indian exporters. Going forward, upcoming Free Trade Agreements with key markets such as the UK and EU are expected to provide a significant boost by enhancing

competitiveness and market access. At the same time, continued policy support through schemes will remain crucial to address cost pressures and sustain export momentum. The sector is well positioned for stronger growth in the coming year."

FTAs Expected to Unlock New Opportunities

Looking ahead, the government's push towards finalising Free Trade Agreements (FTAs) with key markets such as the UK, the European Union, and EFTA countries is expected to provide a significant boost to textile and apparel exports. These agreements are likely to enhance market access, reduce tariff barriers, and improve the price competitiveness of Indian products in global markets.

For the apparel sector in particular, FTAs could be a game-changer by creating a level playing field vis-à-vis competing nations such as Bangladesh and Vietnam, which currently enjoy preferential market access in several regions.

Policy Support Remains Critical

While the outlook remains cautiously optimistic, exporters continue to navigate multiple challenges, including input cost volatility, compliance costs, and logistical constraints. In this context, continued policy support through schemes such as RoSCTL remains essential to sustain export competitiveness.

Outlook: Positioned for Stronger Growth

Despite a modest growth rate in the current fiscal, the overall trajectory of India's textile exports points towards gradual recovery and future expansion. With improving demand conditions, ongoing market diversification, and the anticipated benefits of FTAs, the sector is well-positioned to accelerate growth in the coming year.

As global supply chains continue to realign and buyers look for reliable and diversified sourcing destinations, India's textile and apparel industry stands poised to strengthen its position as a key player in the global market.



MSME Exporters Call for Dedicated RBI Funding Window to Boost Apparel Sector



Micro, small and medium enterprise (MSME) exporters in India's apparel sector have renewed their call for targeted financial support from the Reserve Bank of India (RBI), urging the central bank to create a dedicated funding window and streamline credit access through clear banking guidelines.

The demand was articulated during an industry interaction organised by the Tirupur Exporters Association (TEA) in collaboration with the RBI, where stakeholders discussed the private investment climate in the apparel sector and the structural challenges faced by MSMEs.

Credit bottlenecks continue to weigh on MSMEs

Addressing the session, TEA Joint Secretary Kumar Duraisamy highlighted the transformation of Tirupur into a globally recognised knitwear hub. He noted that the cluster is now working towards an ambitious export target of ₹1 lakh crore by 2030, aligning with India's broader economic growth vision.

However, he pointed out that MSMEs continue to grapple with multiple constraints, particularly limited access to affordable credit. Factors such as stringent regulatory requirements, compliance with Basel III norms, and low credit ratings have made it increasingly difficult for smaller exporters to secure loans.

Industry participants also flagged labour shortages and rising operational costs as key concerns impacting competitiveness.

Sustainability comes at a cost

Tirupur's strong sustainability credentials were also underscored at the meeting. The cluster currently recycles nearly 13 crore litres of water daily through zero liquid

discharge systems. While this positions Tirupur as a leader in sustainable textile manufacturing, exporters noted that the high maintenance costs of common effluent treatment plants are placing additional financial strain on units.

They urged banks to extend more flexible and affordable financing solutions to support such sustainability investments.

Sector seeks policy parity in lending

TEA Treasurer R Gopalakrishnan highlighted the economic significance of the cluster, noting that Tirupur contributes nearly 68 percent of India's knitted garment exports, generating around ₹45,000 crore in revenue and providing employment to nearly one million workers, with women accounting for about 60 percent of the workforce.

Given this scale, industry representatives called for a dedicated funding mechanism for MSME exporters, similar to priority lending frameworks available for agriculture and education sectors. They also recommended the creation of a simplified, digital loan renewal system, modelled on the Jan Samarth portal, to reduce procedural delays and improve credit flow.

RBI flags broader investment slowdown

Responding to industry concerns, RBI Director Dr Harendra Behera acknowledged that private investment growth has slowed since the global financial crisis, citing rising financing costs, regulatory uncertainties and geopolitical pressures as contributing factors.

He encouraged MSMEs to better leverage existing government and RBI-backed schemes, while reiterating the importance of strengthening financial discipline and creditworthiness to improve access to institutional finance.





Cluster-Based Rural Model in Bihar Signals New Opportunities for Agro-Textile Value Chains



Union Minister of Textiles Giriraj Singh has proposed a cluster-based development model to accelerate rural transformation in Bihar, leveraging interventions by the National Bank for Agriculture and Rural Development. The approach focuses on integrating agriculture, allied activities, and rural enterprises into organised clusters to enhance productivity, incomes, and market linkages.

During a review of NABARD-led initiatives in the state, the Minister emphasised that adopting a cluster-driven framework could bring “large-scale change” in villages by aggregating resources, improving efficiencies, and ensuring wider outreach of development schemes. The model aims to move beyond fragmented interventions by creating ecosystem-based growth hubs, particularly in agriculture, dairy, and emerging sectors like bio-inputs and fibre production.

A key highlight of the proposal is its relevance for the textile and apparel sector. The Minister suggested piloting projects for “new-age fibres” and sustainable raw material production, which can feed into India’s growing demand for eco-friendly textiles. By aligning rural production clusters with value-added processing and manufacturing, the model could strengthen backward linkages for the apparel industry and promote farm-to-fashion integration.

The strategy also underscores the role of Farmer Producer Organisations (FPOs), Self-Help Groups (SHGs), and Primary Agricultural Credit Societies (PACS) in driving implementation at the grassroots level. Leveraging these networks can enable scale, improve access to finance, and facilitate adoption of innovative practices tailored to local conditions.

Additionally, NABARD has been encouraged to initiate pilot projects in areas such as bio-fertilisers, biochar, livestock productivity enhancement, and sustainable agriculture systems. These interventions are expected to contribute to higher farm incomes while ensuring environmental sustainability—an increasingly important consideration for global textile supply chains.

For the apparel export sector, the cluster model presents a strategic opportunity. With growing global demand for traceable, sustainable, and ethically sourced materials, integrating rural production clusters into textile value chains can enhance India’s competitiveness. It also aligns with broader policy goals of inclusive growth, rural employment generation, and strengthening domestic supply chains.

If implemented effectively, Bihar’s cluster-based rural development model could serve as a replicable template for linking agriculture with the textile industry—unlocking new avenues for both rural prosperity and export growth.





Textiles Minister Highlights Role of Technical Textiles in Footwear Growth



manufacturing base, skilled workforce and policy support is positioning India to emerge as a significant player in the global footwear value chain.

The Minister further pointed out that building structured growth around technical textiles will help unlock the untapped potential of the footwear sector. By fostering innovation, encouraging investment and strengthening industry linkages, India can scale production and enhance its competitiveness globally.

For the apparel export sector, this perspective reinforces the importance of diversifying into high value and technology driven segments. As technical textiles continue to gain prominence, their convergence with allied industries such as footwear is expected to open new avenues for growth, exports and employment.

Union Textiles Minister Giriraj Singh has underscored the growing importance of technical textiles as a key driver of innovation and expansion in India's footwear sector. In a recent article, the Minister outlined how the integration of technical textiles is transforming the industry by enhancing product performance, supporting sustainability and strengthening export competitiveness.

Describing technical textiles as a "critical enabler", the Minister noted that the footwear segment is no longer limited to conventional manufacturing but is increasingly leveraging advanced materials to meet evolving consumer expectations. From improved durability and comfort to specialised performance features, these materials are helping Indian manufacturers move up the value chain and cater to global demand.

The Minister also emphasised that this shift presents a strong opportunity for India to expand its footprint in international markets. With rising global demand for high performance and sustainable products, technical textiles are expected to play a decisive role in boosting exports while ensuring better alignment with global standards.

Highlighting the broader vision, Narendra Modi's focus on self reliance and manufacturing growth was cited as a key enabler for this transition. The combination of a robust

When we speak of an Automattor for footwear, we are not just speaking of self-reliance in production but of leadership in global value chains. For sectors where this opportunity is clearly in footwear. It is one of the most critical products in daily life used by a robust student walking to class, a worker straining through long shifts, a delivery partner consistently on the move and an athlete pushing physical limits. Yet, despite being the world's second largest producer India holds only a marginal share in global footwear exports.

The gap is not due to lack of capacity but due to the need for a shift towards material design and performance. At the core of this shift lies a category that often goes unnoticed - technical textiles. It began to gain traction more clearly during a recent visit to Agra. A key focus for the footwear industry. Walking through its production clusters and factories with its manufacturers it became evident that innovation was already underway. Several units were using materials that improved comfort, durability and flexibility. Yet many of them did not even know these technical textiles, they simply used them as better inputs that met evolving consumer needs.

This insight deepened during a similar meeting in Delhi with the footwear association. Industry leaders outlined how changing consumer expectations - lighter shoes, better durability, improved breathability and longer durability. These were once premium features but were becoming standard requirements. It was this realisation that my department highlighted a critical point: the footwear industry is already using technical textiles extensively even without formally recognising it.

This realisation opened up new avenues for growth. Globally the footwear industry produces nearly 2.5 billion pairs annually with a market size of around 500 billion. India contributes about 2.2 per cent of global production yet its export share remains at only 2 per cent which highlights a clear gap between capacity and global performance. At the same time nearly 40 per cent of global footwear is non-leather while India's industry has historically been centred around leather. As home the story is evolving rapidly. The Indian footwear market reached a size of \$20 billion in 2022 reflecting rising incomes and changing consumption patterns. While the



Technical textiles critical to footwear sector

SMART MOVE. Bringing the footwear sector more explicitly within the technical textiles ecosystem can drive innovation, expand exports and create high quality employment.

average Indian still buys around two pairs of footwear per year compared to seven to eight pairs globally. At the Ministry of Textiles (MoT) it is our responsibility to improve the quality and performance of the domestic market in order to expand significantly.

NEXT PHASE OF GROWTH This where technical textiles become central to the next phase of growth. At the Ministry of Textiles (MoT) it is our responsibility to improve the quality and performance of the domestic market in order to expand significantly. Smart footwear reflects the growing integration of technical textiles and design capabilities. All done in a sustainable and ethical manner. This aligns with broader consumer trends. In 2023 India recorded 28.9 million internet with sales generating 2700 million in revenue which indicates a growing preference for products that combine function, convenience and quality. The footwear segment further stands to benefit from this shift. It is projected to grow from \$3.2 billion in 2024 to nearly \$6 billion by 2030 with volumes increasing from 55 million to 70 million pairs. Consumers are clearly moving towards footwear that delivers both comfort and performance and this is where technical textiles play a defining role.

What's more is that this transition further in the scale of India's economy. The footwear industry already employs over two million people with nearly 40 per cent women participation making it a major source of inclusive employment. With an annual production of around 2.5 billion pairs, productivity stands at approximately three to five pairs per worker per day in India. In comparison global production reflects a much higher level of efficiency with workers producing 10 to 20 pairs per day. Established clusters in Agra, Kanpur, Chennai, Bhopal, Anand and Bikaner are not just production hubs but the focal points on which India can scale efficiency competitiveness and global leadership in footwear. The shift towards technical textiles is about building a new industry but about unlocking the full potential of a standing one. The visit to Agra and the discussions in Delhi brought out a simple but powerful insight: that technical textiles in footwear are not an emerging concept. They are already embedded in the industry, quietly shaping products and processes. The task ahead is to recognise, integrate and scale this integration. Bringing the footwear sector more explicitly within the technical textiles ecosystem can drive innovation, expand exports and create high quality employment. It can also align India's manufacturing capabilities with global demand trends and particularly in non-leather and performance driven segments. India's journey towards becoming a global manufacturing leader will depend on how effectively it leverages such integration where traditional industries meet advanced materials and modern design. Footwear is one such intersection. Technical textiles are the thread that can help stitch this opportunity into a global success story. The next area to focus on is to ensure the ecosystem is prepared.



Milkweed Fibre Gains Ground as a Sustainable Alternative for India's Textile Sector



As sustainability becomes central to global textile trade, a lesser-known natural fibre is beginning to attract industry attention in India. Milkweed fibre, derived from a wild plant commonly found across northern regions, is emerging as a viable eco-friendly alternative to conventional materials such as cotton and wool.

The Northern India Textile Research Association (NITRA) has taken a lead in exploring the commercial potential of this fibre. It has recently signed a memorandum of understanding with the Oswal Group, following similar collaborations with leading textile players like the Vardhman Group and Ganga Acrowools. These partnerships reflect growing industry interest in diversifying fibre sources while aligning with sustainability goals.

According to Dr M S Parmar, Director General of NITRA, milkweed fibre offers a compelling combination of performance and comfort. It is lighter than wool but provides better insulation, making it suitable for a range of applications, especially in winterwear and blended fabrics. Research conducted by NITRA indicates that blending 20 to 30 percent milkweed fibre with cotton or wool enhances fabric properties, resulting in lighter, warmer, and more comfortable textiles.

Milkweed grows naturally along roadsides and wastelands in states such as Punjab, Rajasthan, and Haryana. Despite its abundance, it has remained largely underutilised until now. Its

ability to thrive in saline soils, require minimal water, and withstand polluted environments positions it as an environmentally sustainable fibre source, particularly at a time when the industry is seeking alternatives with a lower ecological footprint.

However, scaling up production has presented technical challenges. The fibre, obtained from the plant's silky floss, is extremely light and delicate, making separation from seeds more complex than in cotton. To address this, NITRA has developed specialised machinery for efficient extraction and processing. This technology is expected to be unveiled soon, marking a key step towards commercial viability.

Pilot cultivation projects are already underway in Bathinda (Punjab), Sri Ganganagar (Rajasthan), and Sirsa (Haryana), with support from the Cotton Corporation of India. These initiatives aim to establish a reliable supply chain, which is critical for industry adoption.

The development of milkweed fibre also aligns with the government's broader policy push towards promoting natural and alternative fibres. Under the cotton productivity mission, a dedicated mini-mission has been introduced to support the development of fibres such as milkweed, signalling policy backing for innovation in this space.

For India's apparel exporters, milkweed presents an opportunity to strengthen their sustainability credentials in global markets. As international buyers increasingly prioritise eco-friendly sourcing and materials, integrating such fibres into product lines could enhance competitiveness and open new market segments.

While still at a nascent stage, milkweed fibre holds promise as a scalable, sustainable input for the textile value chain. With continued research, industry collaboration, and policy support, it could soon transition from an underutilised natural resource to a commercially viable fibre, contributing to India's evolving textile ecosystem.

Turning Textile Waste into Opportunity: Navi Mumbai's Circular Model



India generates an estimated 7.8 million tonnes of textile waste annually, a significant portion of which ends up in landfills, contributing to environmental degradation and resource inefficiency. As the global apparel industry increasingly shifts towards sustainability and circularity, innovative urban models are emerging to address this growing challenge. One such initiative is taking shape in Navi Mumbai, offering a scalable and practical solution for textile waste management.

Under the Swachh Bharat Mission-Urban 2.0, the Navi Mumbai Municipal Corporation (NMMC) has established India's first municipal Textile Recovery Facility (TRF) in Belapur. This pioneering initiative aims to transform post-consumer textile waste into a resource stream, while simultaneously generating livelihoods and promoting community participation.

Unlike conventional waste collection systems, the TRF has been designed as a comprehensive ecosystem. The process begins with decentralised collection through textile bins installed across residential societies in all eight municipal wards. Currently, around 140 collection points are operational, with plans to expand further to enhance accessibility and citizen engagement.

Once collected, textiles are transported to an interim processing facility in Belapur, where they undergo systematic sorting and categorisation. Materials are classified into five streams, reusable, recyclable, upcyclable, downcyclable, and reject, ensuring that each item is directed towards the most appropriate recovery pathway. The use of handheld scanning tools enables accurate identification of fibre types such as cotton, polyester, wool, and silk, significantly improving sorting efficiency.

Technology plays a crucial role in strengthening the system. A digital tracking mechanism, currently under development, is expected to enable end-to-end traceability of materials from collection to final output. This not only enhances transparency

but also supports data-driven decision-making in waste management.

The initiative has already demonstrated measurable impact. To date, approximately 30 metric tonnes of textile waste have been collected, with over 41,000 items processed. Outreach efforts have reached more than 1.14 lakh households, supported by over 75 awareness workshops aimed at encouraging responsible disposal and segregation practices.

A notable aspect of the TRF is its focus on women led livelihood generation. The project engages over 150 women from Self Help Groups (SHGs), who are trained in sorting, processing, and upcycling textiles. These women are involved in creating value added products such as bags, garments, accessories, and home décor items, earning a steady monthly income in the range of ₹9,000 to ₹15,000. The initiative thus not only addresses environmental concerns but also contributes to inclusive economic development.

Innovation remains central to the project's evolution. More than 400 upcycled product samples have already been developed, including experimental outputs such as paper made from rejected textile waste. These products are showcased through exhibitions and public events, helping to build market acceptance for recycled goods.

From a policy perspective, the Navi Mumbai model highlights the potential of integrating circular economy principles into urban waste management systems. By diverting textiles from landfills and extending their lifecycle, the initiative contributes to reducing the environmental footprint of the textile sector. At the same time, it aligns with the growing global demand for sustainable and responsibly produced apparel.

For India's apparel export sector, such models offer valuable insights. As international buyers increasingly prioritise sustainability and traceability, initiatives like the TRF demonstrate how waste can be repositioned as a resource, creating opportunities for innovation in recycled textiles and circular fashion.

Looking ahead, the NMMC plans to establish a permanent, high capacity TRF at Koparkhairane, further strengthening Navi Mumbai's position as a leader in sustainable urban practices. If replicated across other cities, this model has the potential to significantly transform textile waste management in India.

In an industry under pressure to balance growth with sustainability, Navi Mumbai's Textile Recovery Facility stands as a compelling example of how local action can drive systemic change, turning discarded fabric into both economic opportunity and environmental progress.



Ireland Pushes Circular Textiles With Producer Responsibility Framework

Ireland has unveiled its first National Policy Statement and Roadmap on Circular Textiles (2026–2028), laying out a structured approach to tackle textile waste and accelerate the transition to a circular economy. The policy introduces extended producer responsibility (EPR), under which producers and retailers will be required to finance the collection, sorting and management of post-consumer textiles by April 2028.

The roadmap signals a systemic shift in how textiles are designed, consumed and disposed of. By 2030, citizens are expected to have significantly improved access to responsible disposal and donation channels, backed by expanded infrastructure and greater transparency in end-of-life textile management, according to Ireland's Department of Climate, Energy and the Environment.

Alan Dillon, Minister of State with special responsibility for the Circular Economy, emphasised the urgency of reform, noting that a substantial share of used textiles currently ends up in general waste. He said the new policy combines regulatory measures with practical interventions to move Ireland closer to a circular textile ecosystem. The framework promotes circular design principles, encouraging the production of textiles that are more durable, repairable and reusable, while placing accountability for textile waste on the industry.

A nationwide public awareness campaign has also been rolled out to guide consumers on responsible textile disposal. Ireland already has more than 1,500 local authority and charity

donation points, mapped through a dedicated Textiles Reuse and Recycling platform. Citizens are being encouraged to donate usable items, utilise textile banks and prepare discarded textiles in a manner that maximises reuse potential. The MyWaste.ie platform will further support consumers in locating nearby facilities and accessing disposal guidelines.

The policy comes against the backdrop of rising textile waste, with Ireland generating over 110,000 tonnes of post-consumer textiles annually. Authorities aim to significantly increase reuse and recycling rates while reducing dependence on landfills through coordinated efforts involving government bodies, industry stakeholders and consumers.

Pauline McDonogh, Circular Economy Coordinator with the Regional Waste Management Planning Offices, highlighted the role of citizen participation in achieving these targets. She underscored simple practices such as ensuring that clothing and household textiles are clean, dry and properly packed before donation, which can extend product life cycles and support reuse systems.

With textiles among the most resource-intensive industries globally, the initiative aligns Ireland's waste management strategy with broader European Union circular economy goals. For apparel exporters, including those in India, such regulatory shifts underline the growing importance of sustainable product design, traceability and end-of-life responsibility in key international markets.

Sustainability in the Apparel and Textile Industry: India's Path from Compliance to Leadership



Sustainability has firmly moved to the centre of the global apparel and textile industry. What was once viewed as a compliance requirement is now shaping sourcing decisions, investment flows, and long-term partnerships. For India's apparel exporters, sustainability is not just about meeting global expectations—it is increasingly becoming a driver of competitiveness and growth.

The textile and apparel sector is inherently resource-intensive, with significant use of water, energy, and chemicals across the value chain. As global awareness around climate change and environmental impact grows, international buyers are placing greater emphasis on transparency, responsible sourcing, and measurable sustainability outcomes. Environmental, social, and governance considerations are now integral to procurement strategies, pushing manufacturers to rethink traditional production models.

India is responding to this shift with a steady and structured transition. Across key manufacturing clusters, there is a growing emphasis on responsible raw material sourcing, improved process efficiencies, and reduced environmental impact. The use of recycled fibres, sustainable alternatives, and traceable inputs is gaining momentum, supported by better supply chain integration and increasing awareness among manufacturers.

Water and chemical management remain central to sustainability efforts. Several textile hubs have adopted advanced treatment systems, enabling water reuse and minimising discharge. Process innovations, including low-impact dyeing and efficient chemical management practices, are helping reduce the ecological footprint of textile processing. These measures are not only environmentally responsible but also enhance operational efficiency.

Energy transition is another critical area of progress. Many export-oriented units are investing in renewable energy

solutions such as solar power and biomass, alongside upgrading to energy-efficient machinery. These initiatives are contributing to a gradual reduction in carbon emissions while also offering cost advantages in the long run. The move towards cleaner energy is becoming a defining feature of modern textile manufacturing in India.

The social dimension of sustainability is equally important. As one of the largest employment-generating sectors, the apparel industry plays a vital role in supporting livelihoods. Ensuring safe working conditions, fair wages, and inclusive workplaces is central to sustainable growth. Increasingly, companies are recognising that workforce well-being is directly linked to productivity, quality, and long-term business stability.

Circularity is emerging as a key focus area for the future. India already has a strong base in textile recycling, supported by well-established clusters. The industry is now moving towards integrating recycling, reuse, and waste reduction into mainstream production processes. Designing products with longer life cycles and improved recyclability is gaining importance, in line with evolving global expectations.

Government initiatives are providing a strong push to this transformation. Large-scale infrastructure developments are being designed with sustainability in mind, enabling efficient resource utilisation and reduced environmental impact. Policy support for man-made fibres and technical textiles is encouraging innovation and diversification, while skill development programmes are strengthening the industry's human capital.

At the same time, challenges persist—particularly for small and medium enterprises. The cost of adopting new technologies, access to financing, and the need for technical expertise can act as barriers. Addressing these issues through collaborative approaches, cluster-based solutions, and targeted support will be essential to ensure inclusive progress across the sector.

Sustainability is no longer an optional pathway; it is shaping the future of global apparel trade. Buyers are increasingly aligning with partners who demonstrate responsibility, resilience, and transparency. For India, this presents a significant opportunity to reinforce its position as a trusted sourcing destination.

As the industry evolves, the focus must shift from incremental change to integrated transformation. By embedding sustainability across the value chain, India's apparel sector can not only meet global expectations but also lead with innovation, efficiency, and responsible growth



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GST COLLECTION FOR FEBRUARY RISES BY 8.1% TO ₹1.83 TRILLION

BY CA BALKISHAN CHHABRA

Gross GST collections grew 8.1 per cent to over Rs 1.83 lakh crore in February on higher revenues from domestic transactions.

The Central GST collection stood at Rs 37,473 crore, State GST at Rs 45,900 crore and Integrated IGST at Rs 1,00,236 crore, according to government data released.

The total gross Goods and Services Tax (GST) revenue grew 8.1 per cent to over Rs 1.83 lakh crore in February as compared to Rs 1.69 lakh crore in the same month a year ago, it said.

In April, GST collections of Rs 2.36 lakh crore were the highest GST mop-up with 12.36 per cent annual growth. The highest-ever collection was in April 2025 at over Rs 2.36 lakh crore.

New advisory by GSTN: Advisory on the Payment of pre-deposit while filing of appeal before First Appellate authority, Advisory regarding confirmation of “Tax Liability Breakup, As Applicable” in GSTR-3B-reg

The Goods and Services Tax Network (GSTN) has announced the implementation of important changes to the GST portal, which affect the business of buyers, sellers and transporters equally.

Advisory on the Payment of pre-deposit while filing of appeal before First Appellate authority.

GSTN has issued an advisory regarding the payment of pre-deposit while filing an appeal before the First Appellate Authority under GST. The clarification addresses issues faced by taxpayers who had already made voluntary payments during the investigation stage through Form GST DRC-03, but were still prompted by the GST portal to pay the pre-deposit again while filing appeals.

The advisory explains that when a demand order is issued, a Demand ID is created in the Electronic Liability Register on the GST portal. Payments made using the “Payment towards Demand” option are automatically linked to this Demand ID. However, payments made through Form GST DRC-03 are not

automatically linked, which is why the system may not consider them while calculating the required pre-deposit amount.

To resolve this issue, GSTN has advised taxpayers to file Form GST DRC-03A to link payments made through DRC-03 with the relevant demand order. Once the payment is mapped to the Demand ID through DRC-03A, the GST system will recognize the amount and will not require the taxpayer to pay the pre-deposit again while filing the appeal.

Advisory regarding confirmation of “Tax Liability Breakup, As Applicable” in GSTR-3B-reg

In terms of the provisions of Section 50 of the Central Goods and Services Tax (CGST) Act, 2017, interest is payable where the tax liability pertaining to a previous tax period is discharged in a subsequent tax period. Accordingly, the tab “Tax Liability Breakup, As Applicable” in Form GSTR-3B is meant to capture the tax liability relating to supplies of previous tax periods which are being reported and discharged in the current tax period.

From the February 2026 tax period onwards, the GST Portal auto-populates the “Tax Liability Breakup, As Applicable” in GSTR-3B on the basis of the document dates of supplies reported in GSTR-1 / GSTR-1A / IFF, where such supplies pertain to any previous tax period but the corresponding tax liability is being discharged in the current period’s GSTR-3B.

Accordingly, from the February 2026 tax period, after offsetting the liability in GSTR-3B, taxpayers are required to click on the “Tax Liability Breakup, As Applicable” tab available on the payment page and confirm the breakup of tax liability by clicking the “SAVE” button or edit the same, if required.

Once the breakup of tax liability is confirmed and saved, the taxpayer will be able to proceed with filing Form GSTR-3B using EVC or DSC.

Feedback has been received that this confirmation should be mandatory only in cases where supplies pertaining to previous tax periods have been reported in the current tax period. However, the confirmation is presently being required in all cases, including where the liability relates only to the



current tax period. The feedback is acknowledged by GSTN and the same is under resolution.

Meanwhile, taxpayers are requested to kindly open the “Tax Liability Breakup, As Applicable” tab on the payment page and click “SAVE” within the tab for filing during the current reform cycle. Thereafter, filing of Form GSTR-3B can be completed normally.

Case Laws

Leasehold Rights Don't Constitute Construction Activity Under GST for Section 17(5) ITC Restriction.

Facts of the Case

The applicant, an Indian living abroad who is registered for GST, got the right to use an industrial plot in Ankleshwar and divided it into smaller parts before giving these rights to buyers. GST has been filed on such transfers and claimed ITC by the applicant on various charges imposed via the Gujarat Industrial Development Corporation (GIDC), including administrative fees, transfer charges, and penalties, which were subject to GST.

The applicant in the FY2022-23 transferred two sub-plots for consideration and released GST liability of several crores. A part of ITC was accidentally used; it was thereafter reversed via Form DRC-03, and the remaining ITC continued to lie unutilised in the electronic credit ledger. Thereafter, the department issued a notice alleging an incorrect claim of ITC of Rs 98.11 lakh on the basis that the credit was blocked u/s 17(5)(d) of the CGST Act, which restricts ITC on goods or services used for the construction of immovable property.

Main Issue:

The problem before the Court was whether the ITC taken on charges of the transfer of leasehold rights in industrial plots can be considered as blocked credit u/s 17(5)(d), and whether proceedings u/s 74 applicable in cases of fraud or suppression were justified.

HC's Judgment:

The Hon'ble High Court held that Section 17(5)(d) applies to the construction of immovable property and not to transactions of the transfer of leasehold rights. It mentioned that the department failed to find that the applicant had performed any construction activity. The bench stated that the provision of the blocked credit had been incorrectly invoked and that the SCN showed a non-application of mind.

The Court determined that the requirements for invoking Section 74 of the CGST Act, such as fraud, wilful misstatement, or suppression of facts were not present in this case. It mentioned that the applicant had earlier reversed the part of the Input Tax Credit that had been used and had released the tax

obligation in cash. The Court, in the absence of any proof of intentional wrongdoing, stated that invoking penal provisions u/s 74 was unjustified and without jurisdiction.

Key GST Amendments by The Finance Act 2026.

1. Amendment in Section 15 of CGST Act: Value of Taxable Supply

Post Sale Discounts

Clause (b) of section 15(3) has been substituted to remove the compulsory requirement of prior-agreement for exclusion of post sale discounts from the value of taxable supply subject to issuance of a credit note by the supplier and reversal of ITC by the recipient as per section 34.

2. Amendment in Section 34 of CGST Act – Credit And Debit Notes

Section 34(1) has been amended to include post-sale discounts referred in clause (b) of section 15(3) as an eligible basis/condition for issuance of credit note.

This amendment is directly linked with the amendment in Section 15(3) of CGST Act.

3. Amendment in Section 54 of CGST Act – Refund of Tax

3.1 Amendment in Section 54(6): Provisional Refund for Inverted Duty Structure Refund:

Sub-section (6) of section 54 has been amended to expand the scope of 90% provisional refund provision to any unutilised ITC arising from inverted duty structure as per clause (ii) of section 54(3).

3.2 Amendment in Section 54(14): Removal of Minimum Threshold Limit for Refunds of Exports with Payment of Tax –

Sub-section (14) of section 54 has been amended to remove the minimum threshold limit of Rs. 1,000 for claiming refund in cases where goods are exported out of India with payment of tax.

This minimum threshold limit was a legal bar for small exporters, resulting in accumulation of refund amounts that could not be claimed due to minimum threshold limit of Rs.1,000.

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Global Growth Slows as IMF Flags War-Driven Risks

The global economy is showing signs of strain as geopolitical tensions begin to impact growth and prices. The International Monetary Fund (IMF) has lowered its global growth forecast for 2026 to 3.1%, down from 3.3% earlier, and below the expected 3.4% growth in 2025. At the same time, global inflation is projected to rise to 4.4%, mainly due to rising energy prices linked to the ongoing Iran conflict.

The conflict has disrupted global energy supply chains, particularly through the strategically important Strait of Hormuz. This has pushed up fuel costs worldwide, increasing production and transportation expenses across industries, including textiles and apparel. As a result, countries that rely heavily on energy imports are facing greater economic pressure.

The IMF has also warned that if the conflict continues or escalates, global growth could slow further to as low as 2%, raising concerns about a broader economic slowdown.

Earlier, the global economy had shown resilience, supported by strong investments in technology and relatively stable trade conditions. However, the current situation has reversed some of that momentum. Regions such as the eurozone and Sub-Saharan

Africa have already seen their growth forecasts downgraded.

Another concern highlighted by the IMF is rising global debt and increasing volatility in bond markets. These factors could tighten financial conditions, making it more expensive for businesses to borrow and invest.

Interestingly, while most economies are expected to face challenges, energy-exporting countries like Russia may benefit from higher oil and gas prices.

For the apparel sector, these developments have important implications. Higher fuel costs increase manufacturing and logistics expenses, while slower economic growth reduces consumer demand in key markets such as Europe and Africa. This combination creates a challenging environment for exporters.

Overall, the IMF outlook highlights a period of uncertainty for the global economy. For textile and apparel exporters, including India, it will be important to focus on cost efficiency, market diversification, and resilience to navigate the evolving global landscape.



Global Cotton Output Set to Decline in 2026–27 Amid Demand Pressures and Shifting Trade Dynamics

Global cotton markets are heading into a tighter phase, with production projected to decline even as consumption holds steady, signalling potential supply side pressures for the textile value chain.

According to the April 2026 edition of *Cotton This Month* by the International Cotton Advisory Committee (ICAC), global cotton lint production is expected to fall by 4 per cent to 24.9 million tonnes in the 2026–27 season. In contrast, consumption is forecast to remain stable at approximately 25 million tonnes, indicating a marginal supply demand gap that could influence prices and sourcing strategies.

Why Production is Slipping

The projected decline is largely driven by a combination of economic and policy factors. Persistently lower cotton prices, coupled with subdued global demand, have dampened farmer sentiment across major producing regions. As a result, planting intentions have weakened in key markets such as Brazil and Australia.

In the United States, acreage is shifting towards more lucrative crops like corn and soybeans, reflecting changing profitability dynamics in the agricultural sector. These adjustments are expected to collectively weigh on global output in the upcoming season.

Production Landscape Remains Unchanged at the Top

Despite the overall decline, the global production hierarchy remains largely intact. China is set to retain its position as the largest cotton producer, followed by India, Brazil, and the United States.

This continuity suggests that while volumes may fluctuate, the structural dominance of key producing nations is unlikely to

shift significantly in the near term.

Global Trade Under Pressure

Global cotton trade is also expected to contract, with volumes forecast to fall by 2.5 per cent to 9.6 million tonnes. The slowdown reflects both reduced production and evolving demand patterns across importing regions.

Trade flows are increasingly being shaped by external variables, including tariffs, trade agreements, and geopolitical uncertainties. Disruptions in global shipping routes continue to add volatility, making logistics and supply chain resilience critical considerations for industry stakeholders.

Import Demand Concentrated in Asia

On the demand side, Bangladesh is projected to remain the world's largest cotton importer, with volumes reaching 1.8 million tonnes. It is followed by Vietnam, China, Pakistan, Türkiye, and India. Together, these countries account for nearly 80 per cent of global cotton imports, underlining Asia's continued dominance in textile manufacturing and processing.

Implications for the Textile Sector

For the apparel and textile industry, the anticipated production decline, paired with steady consumption, could translate into tighter raw material availability and potential price volatility. Manufacturers and exporters may need to recalibrate sourcing strategies, diversify supplier bases, and closely monitor global trade developments.

As policy shifts, market sentiment, and geopolitical factors continue to reshape the cotton landscape, stakeholders across the value chain will need to remain agile in navigating an increasingly complex global environment.

UAE's Exit from OPEC Signals Shift in Global Oil Dynamics



In a move that could reshape global energy markets, the United Arab Emirates has announced its decision to exit the Organization of the Petroleum Exporting Countries and the broader OPEC+ alliance effective May 1. The development comes at a time of heightened geopolitical tensions and tight global oil supply, adding a new layer of uncertainty to already volatile markets.

The decision, articulated by the UAE's Energy Ministry and confirmed by Energy Minister Suhail Al Mazrouei, underscores the country's intent to gain greater control over its production strategy. According to the ministry, the move follows a comprehensive assessment of current and future energy policies, with a focus on maximising output flexibility and aligning with long-term national interests.

The UAE, one of OPEC's largest producers accounting for nearly 12 percent of the bloc's output, has long expressed concerns over production quotas limiting its growth ambitions. With production capacity at around 4.85 million barrels per day and plans to expand to 5 million barrels per day by 2027, remaining within OPEC's quota system had increasingly constrained its export potential.

While the immediate impact on global supply may remain limited due to ongoing disruptions in key transit routes such as the Strait of Hormuz, the long-term implications are significant. Freed from OPEC quotas, the UAE could gradually increase output, potentially easing supply constraints over time. However, the move also raises concerns about weakening cohesion within OPEC, traditionally led by Saudi Arabia, and its ability to regulate global oil prices.

For importing nations like India, the development presents a mixed outlook. Elevated prices in the short term may continue to strain import bills and inflation, but increased supply over time could offer some relief. More broadly, the UAE's decision reflects a shifting paradigm in global energy markets, where major producers are increasingly prioritising national output goals over collective production frameworks.



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