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MARC Insights Gujarat Textiles

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India's Textile Industry Overview (1/2)

India is the world's **second-largest producer** of textiles and garments, with the industry currently contributing **2.3% to GDP, 13% to industrial production, and 12% to exports**. By 2030, this contribution to GDP is projected to double, reaching **approximately 5%**.

4.6%

India's share in Global Trade in Textile and Apparel

32.7%

US' Share of India's Textile and Apparel Export in FY 24

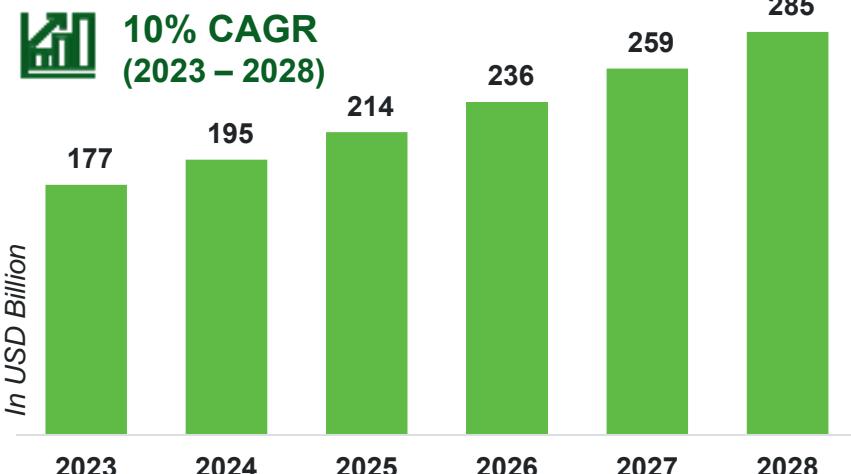
5th

Largest Technical Textile Market in the world

3rd

Largest Exporter of Textile Market in the world

India's Textile Market Size



Source: ibef.org, vibrantgujarat.com,

Industry Trends



Branded Garments

Combination of exclusive brand stores & multi-brand outlets



Man-Made Fibers

Carpets, conveyor belts, fire-resistant materials



Textile Machinery Manufacturing

Across spinning, knitting, weaving and processing



Non-Woven Fabrics

Less labour, quicker production, hygienic, economical.

India's Textile Industry Overview (2/2)

Indian Textile Sector: A Glance



2.15 million tonnes of Fibre production



5,185 million kgs of Yarn production



Largest production of Cotton with estimated production of **343.4 lakh bales**



Accounts for **3%** of Global Technical Textile Production



Accounts for **7%** of Global Home Textile Trade

Fundamentals & Policy support aiding Growth

Growing Demand

Strong infrastructure, abundant raw materials with skilled manpower.

Growing market, rise in incomes, and rise in brand preferences.

Competitive costs, increased focus on technical textiles, and organized e-commerce.

Inviting

Policy Support & Increasing Investment

Growing domestic and foreign investments: USD 4.5 Bn FDI from Apr '00 to Jun '24.

Government setting up 54 SITPs and mega cluster zones

Increasing loans under TUF

100% FDI in Textile sector

USD 140 Bn of foreign investment expected

Source: ibef.org, vibrantgujarat.com, investindia.gov.in, MARC Analysis
FDI Forms: FDI – Foreign Direct Investments, SITP – Scheme for integrated Textile Parks, TUF – Technology Upgradation Fund Scheme

Gujarat Textile Market Overview

Gujarat is known as the “Textile State of India”, “Manchester of the East” and the “Denim Capital of India”. The state has around **1.7 lakh MSME units** in textile manufacturing spread across **11 districts**. It also has **3 apparel park SEZs** in Bhuj, Ahmedabad, and Surat.

Key Advantages of Gujarat Textiles



World Class
Infrastructure



Ease of
Governance



3rd in Ease of
Doing Business
Rank



Technology



External
Connectivity



Social
Infrastructure

Existing Gujarat Textile Ecosystem



Farm

- 37% of India's cotton Produce



Fibre

- 50% of India's man-made cotton fibre
- 4.5Mn established spindles in state



Fabric

- Largest Producer of synthetic fibre in India.
- 30% of India's woven fabric production
- 65% of India's Denim production



Fashion

- 90% weaving machinery manufactures in state
- 25% of India's Technical Textile output



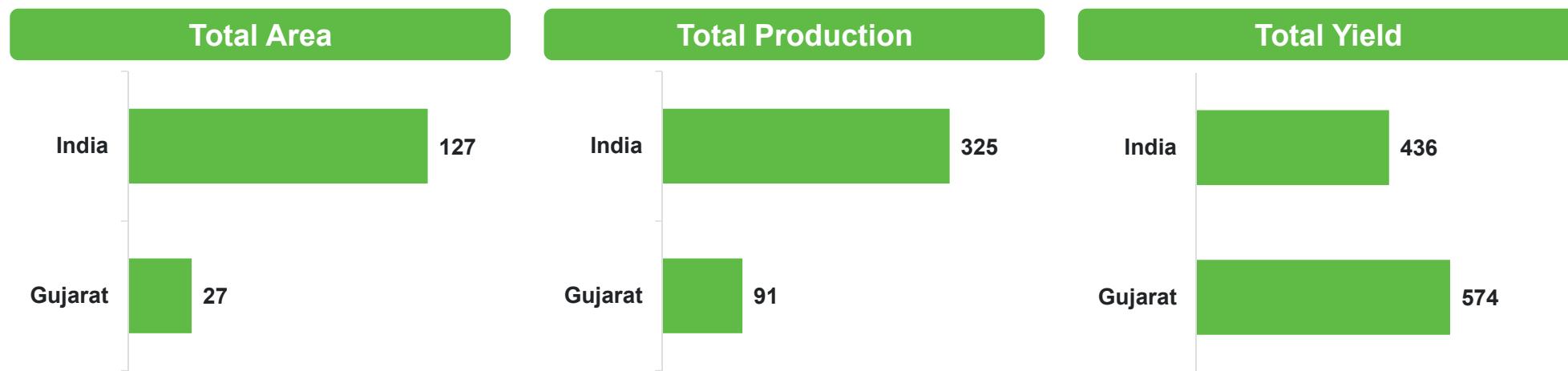
Foreign

- 30% of India's export in cotton, fabric and made-ups

Source: vibrantgujarat.com, Indian Express

Cultivation of Cotton in Gujarat

Gujarat is the **largest producer** of cotton in India, producing about **28% of the country's total cotton**. It exports **60% of India's cotton fibre**.



Note: Area in Lakh Ha

Note: Production in lakh bales of 170kg*

Note: Yield in Kg per Ha

- The total area under cotton cultivation in Gujarat is 26.8 lakh hectares with a production of 92 lakh bales.
- The cotton productivity in the state is approximately 600 kg per hectare.
- Gujarat has led in the development and recognition of BT cotton, with the first two public sector BT hybrid varieties, Gujarat Cotton Hybrid-6 BG-2 and Gujarat Cotton Hybrid-8 BG-2, recognized in 2012, followed by two more varieties, Gujarat Cotton Hybrid-10 BG-2 and Gujarat Cotton Hybrid-12 BG-2, developed in 2015.
- The major cotton producing districts of Gujarat are Surendranagar, Amreli, Bhavnagar, Rajkot, and Morbi.

Source: pib.gov.in, Government of Gujarat – iNDEXTb, Desh
Gujarat

*Each bale is a standard size of 170 kg for measuring production of cotton

Full Form: Ha - Hectare

Weaves & Fabrics of Gujarat

Tangaliya Shawl



- Tangaliya shawls are a **700-year-old craft** from Gujarat, named "Tangolio," meaning clothing for the lower body, and they originate from the **Surendranagar district**.
- The shawls feature unique bead weaving, with raised dots made by twisting extra cotton yarn around warp yarns.
- They typically have a black base with white dots and red borders, showcasing geometric designs.
- Tangaliya shawls have **Geographical Indication (GI) protection**, ensuring authenticity.

Source: indianonwriting.wordpress.com

Patan Patola



- Luxurious and intricate form of double ikat silk textile that originates from the Patan region in Gujarat.
- This craft is practiced since **11th Century** and earlier ancestors of Salvi community used to make these Patola's in the city of **Jalna, Maharashtra**.
- These sarees are highly priced which starts from **1.5 lakhs** that goes up to **7 lakhs**, for their vibrant colors, intricate geometric designs, and meticulous weaving techniques.

Mashru



- Mashru is a brightly colored, striped fabric from **Patan and Mandavi** in Gujarat, made from a **cotton-silk blend**.
- Its design allows wearers to enjoy silk without skin contact, as the cotton underside provides comfort.
- Woven in satin on traditional pit looms, it takes about **4 hours to make 1 meter** of Mashru cloth, resulting in a strong fabric with a silky exterior and cotton interior.
- Popular types include Gulbadan and Sufi, used for garments and home decor, and historically exported to Arabian countries.

Mega Textile Park: Vansi, Navsari

Gujarat Industrial Development Corporation (GIDC) is constructing the Mega Textile Park in Vansi, Navsari, in alignment with the 5F vision of the Hon'ble Prime Minister - **Farm to Fibre to Factory to Fashion to Foreign**. The development of this park, spanning 1,142 acres in Vansi village, Jalalpore Taluka, Navsari district, is supported by the PM MITRA scheme of the Ministry of Textile, Government of India.

Reasons for selecting Vansi, Navsari



The thriving textile ecosystem in the vicinity of Navsari includes various processes from spinning, weaving, processing/dyeing, and printing to garment manufacturing, like the presence of over **350 textile units in Surat**.



With around **9,000 Medium, Small, and Micro Industries** and key players in the textile value chain such as Mafatlal Industries, The Navsari Cotton and Silk Mills Ltd, Garden Silk Mills, and other prominent entities, the region showcases a robust industrial landscape.



The progress of the Surat-Navsari region within the **Delhi-Mumbai Industrial Corridor (DMIC)** is set to enhance the expansion of the textile sector.



The presence of a skilled workforce, complemented by esteemed institutions like the **Man-made Textile Research Association (MANTRA)**, **National Institute of Fashion Technology (NIFT)**, and the **Apparel and Leather Technics (ALT) Training College** in close proximity to Navsari, enhances the region's educational and professional resources.

Source: vibrantgujarat.com

Gujarat Textile Policy 2024

The policy targets **garments**, technical textiles, **weaving, knitting**, and man-made fibre (**MMF**) production, emphasizing **technical textiles** vital for automotive, healthcare, and infrastructure. The policy aims to **generate large-scale employment**, especially for women, while promoting sustainability and innovation.

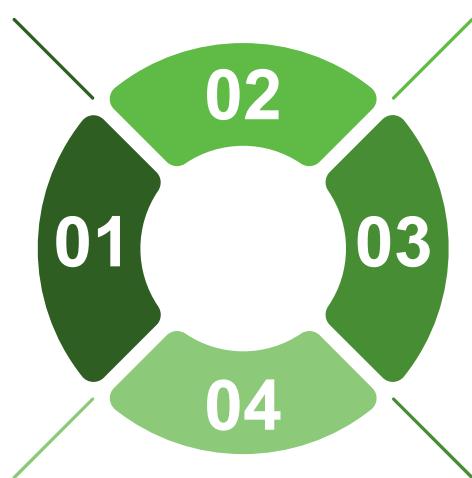
Payroll Assistance

- Payroll assistance per month to be provided:
INR 2,000 - 3,000 per male worker
INR 3,000 - 5,000 per female worker
- Training assistance per member per month for 3 months: **INR 5,000**
- Assistance to Self-Help Groups (SHG) for job work per member for 5 years:
INR 5,000 per month
or **25%** of job work value turnover.

Power Subsidy & Other Assistance

- Power Subsidy: **INR 1 per unit (kWh)** for **5 years** from DoCP, available to units using DISCOM or renewable power.
- Other Assistance for Textile Units: Support for **quality certification, reducing energy and water consumption, and acquiring technology**.

Source: *Desh Guvard, Gujarat Samachar*



Capital Subsidy

- Ranges from **10% to 35%** of eligible fixed capital investment (eFCI)
- Capped at **INR 40 – 150 crores**
- Eligibility Criteria:
 - Taluka Category
 - Activity
 - Employment (Special Package for Labour Intensive Units)

Interest Subsidy

- A credit-linked interest subsidy ranging from **5% to 7%** of eFCI
- Tenure: **5 to 8 years**.
- Maximum subsidy provided per annum: **2% to 3%** of the eFCI
- Subsidy percentage depends on the taluka.

Full Form: DoCP – Date of Commencement of Production, DISCOM – Distribution Companies

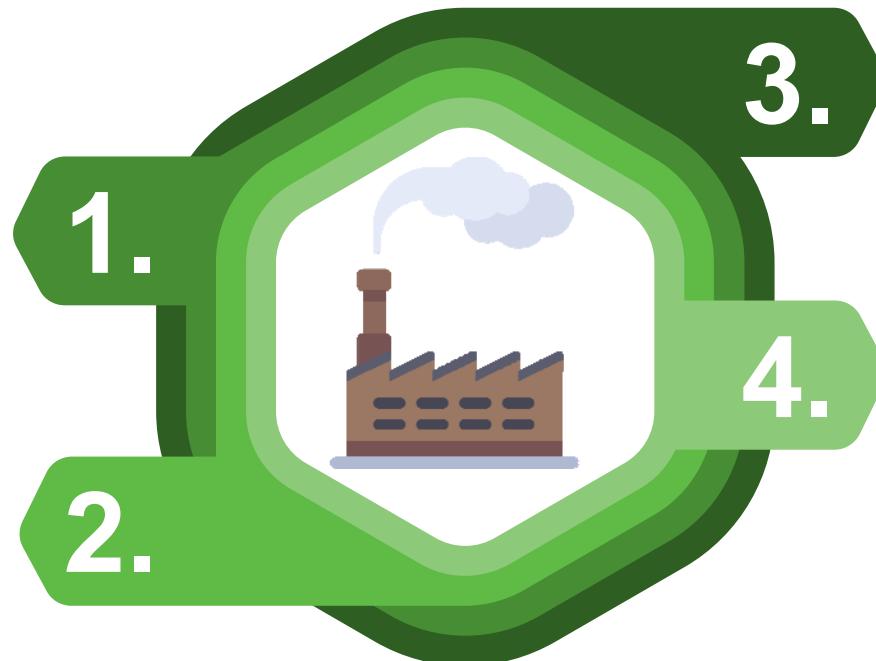
Aatmanirbhar Gujarat Scheme 2022

Assistance for Interest Subsidy

- Mega and Large Industries : Interest subsidy @ 7% on term loan for 10 years.
- MSME Industries : Interest subsidy @ 6% on term loan for 6 years.

Net SGST Reimbursement

- Mega Industries : 100% of net SGST for 10 years.
- Large and MSME Industries : 90% of net SGST for 10 years.



Other incentives as per Electricity Act 2003

- 100% electricity exemption for first 5 years from date of commercial production – as per Gujarat Electricity Act, 2003

Source: vibrantgujarat.com

EPF Reimbursement

- 100% of the employer's statutory contribution, capped at 12% of the employee's basic salary plus applicable dearness/retaining allowance or INR 1,800 per month, whichever is lower, will be reimbursed for 10 years from the date of hiring for new employees hired in Gujarat.

Other Reimbursements For Mega Industries

- SGST reimbursement on capital goods – 100% reimbursement of input SGST paid on capital goods to the extent input tax credit is admissible under Gujarat GST act, 2017.
- Stamp duty reimbursement and registration fees – 100% reimbursement for purchase and/or lease of land.

Government of India Initiatives

PM MITRA

Mega Integrated Textile Region and Apparel

- Launched by Ministry of Textiles to boost the textile industry by creating integrated infrastructure, scaling operations, reducing logistics costs, enhancing exports, and generating employment.
- Involves central and state governments in developing mega textile parks on a minimum of 1,000 acres for a self-



SITP

Scheme For Integrate Textile Park

- Enhances textile infrastructure to aid the establishment of modern textile units.
- Developed parks include Gujarat Eco Textile Park and Surat Super Yarn Park.
- Attracts significant investment and creates jobs.
- Supports India's textile sector growth by providing parks with international standards.



SAMARTH Scheme

Scheme for Capacity Building

- Initiative by India's Ministry of Textiles to develop skills and generate employment in the textile industry.
- Aims to train 10 lakh people across various segments (excluding spinning and weaving).
- Includes traditional sectors such as handlooms and sericulture.
- Seeks to provide sustainable employment through wage or self-employment



NTTM

National Technical Textiles Mission

- Aims to make India a global leader in technical textiles by 2023-24.
- Focuses on research and development, market expansion, export promotion, and education & skill development.
- Enhances manufacturing and boosts exports.
- Develops a skilled workforce to meet industry needs.

Source: pib.gov.in, [Ministry of Textiles-SAMARTH](#), [Ministry of Textiles-NTTM](#),
vibrantgujarat.com

Competitor Analysis



Revenue (In INR Cr)	7,154	2,142	8,237	6,877	1,861
Ranking by CRISIL	AA+	BBB-	AA	AA+	BBB
Business Tenure	90 Years	119 Years	39 Years	99 Years	30 Years
EBITDA Margin	11%	5.1%	14.1%	18.6%	8.0%
No. of Employees	24,599	1,216	24,075	2,133	3,000+
No. of Manufacturing Units	15	2	3	4	4
Products	Cotton shirting, Denim, Knits, Khaki	Textiles, Uniforms, Hotel and Hospital Linen	Home Textiles, Advanced Textile	Suits, Formal Blazers, Formal Trouser	Denim, Shirting, Yarn Dyeing, Bed Sheets

Source: MARC Analysis [Arvind](#), [Mafatlal](#), [Welspun Living](#), [Crisil](#), [Raymond](#), [Jindal Textiles](#)

Conclusion



India's Market Leader

- Gujarat is India's largest cotton producer. It supplies **28%** of the country's cotton & **60%** of its cotton fiber. The state leading producer of MMF (**50%**), synthetic fiber, denim (**65%**), & woven fabric (**30%**). It has **90%** of India's weaving machinery manufacturers. This makes Gujarat a cornerstone of the nation's textile industry.
- With the **Mega Textile Park** in Navsari & **Gujarat Textile Policy 2024**, Gujarat's textile chain grows through **10-35%** capital & **5-7%** interest subsidies. This fosters jobs & sustainability aligned with the 5F vision.



Innovation & Product Diversification

- Gujarat's textile industry is a hub of innovation. It excels in technical textiles & diversifies with unique products like **Tangaliya shawls** & **Patola sarees**. These products meet both traditional & modern demands.
- With government support, the sector is expanding into new markets. It is particularly growing in technical textiles. This expansion serves industries such as automotive & healthcare.

Source: vibrantgujarat.com



Comprehensive Textile Ecosystem

- Gujarat has a vertically integrated textile ecosystem that follows the **Farm-Fibre-Fabric-Fashion-Foreign vision**. This enables efficiency across the value chain. It features diverse segments, from the 700-year-old Tangaliya craft to advanced technical textiles.
- As a power-surplus state, Gujarat has a capacity of 48 GW. The DMIC & GIFT City enhance connectivity & industrial appeal. This supports its role as a textile hub.



Policy Support & Sustainable Growth

- The Gujarat **Textile Policy 2024** emphasizes sustainability with its **incentives for renewable energy & water conservation**. The policy also focuses on **capital subsidies, interest benefits, & skill development** to ensure inclusive growth.
- There is specific support for **women's employment** in the textile sector. This strategic approach positions Gujarat as a sustainable & globally competitive textile powerhouse.



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