

COMPANY ENGAGED IN MANUFACTURING OF COTTON YARN, KNITTED CLOTH & OPEN-END YARN AVAILABLE FOR ACQUISITION UNDER THE PROVISIONS OF INSOLVENCY AND BANKRUPTCY CODE (IBC) 2016



Background

The company, namely Ahuja Cotspin Private Limited (ACPL) was incorporated in the year 2010 at Ludhiana. It commenced its commercial operations in Aug 2011. The Company is engaged in manufacturing of cotton yarn on Ring Spinning System, Knitted cloth & Open-end yarn on Rotors system. Prior to entering into manufacturing yarn, the promoters of the company were doing trading business in cotton yarn. The company has manufacturing facilities at two units located at Ludhiana- Village Bhattian & Village Lakhawal Kalan, Kohara Express Highway, Machhiwara, Punjab. The company is having installed capacity of 28800 spindles (including 14400 spindles, 2,880 rotors and with machines like Blow room, Comber, Draw frame, Speed frame, Ring frame, Auto corner & Yarn conditioning.

Unit-I (Village Lakhawal Kalan, Machhiwara, Ludhiana)

Company started its Unit-I situated at Village Lakhawal by installing 1920 Rotors in year 2011-12 and product manufactured here is open end yarn. The company undertook expansion plan in Unit-I in year 2013-14 and added 960 Rotors which made the total capacity of Unit-1 to 2880 Rotors.

Unit-II (Village Bhattian, Machhiwara, Ludhiana)

After the implementation of Unit-I, company planned to set up a Unit at Village Bhattian, Machhiwara, Ludhiana, with 10080 spindles in Year 2012-13 for manufacturing of Cotton yarn. Company planned expansion in Unit-II by adding 4320 Spindles in year 2014-15. This addition made the total capacity of Unit-II to 14400 Spindles. Company planned further expansion in Unit-II by adding 14400 Spindles in year 2016-17 and this addition made the total capacity of Unit-II to 28800 Spindles.

Land and Building-

- a) Unit 1 of the company is spread over a land area admeasuring 36 kanal at Village Lakhawal.
- b) Unit 2 is constructed on land admeasuring 34.95 Kanalsat village Bhattian, Machhiwara, Ludhiana.
- c) Apart from the above the company is having land admeasuring 2.50 acres at village Bhattian, Machhiwara, Ludhiana.

Facilities

Unit1 (Village Lakhawal Kalan, Machhiwara, Ludhiana)

S.R.NO	DESCRIPTION OF MACHINE	NO OF MACHINE
	BLOWROOM-1	
1	BLENDOMAT	1
2	CLP	2
3	MPM	2
4	ASTHA	2
5	CLC-3	2
6	DX	2
7	BR-F-425	7
8	BR-F-500	3
	BLOWROOM-2	
9	SWIFT FLOC	1
10	VARIO CLEAN	1
11	UNIMIX	1
12	SUPREMO CLEAN	1
13	VENTILATOR	5
	CARDING	
14	CARD	18
	BREAKER DRAW FRAME	
15	LD-2	4
	FINISHED DRAW FRAME	
16	TD-03	6
17	LDA/1	2
	OPEN END SPINNING	
18	AUTO CORO	3
19	BD-6	2

20	AUTO CORO 480	1
	POST SPINNING	
21	RE-WINDING	1
22	CHEESE WINDING	2
23	TFO	4
	FRP MACHINERY	
24	BLENDER	2
25	ULTI CLEANER	2
26	IC	6
27	AUTO BALE PRESS	3
28	CUTTER MACHINE	1
29	BALE PRESS MANUAL	2
30	AIR COMPRESSOR	2
31	YCP	1
	HUMIDIFICATION	
32	B/ROOM CARDING WCS + H PLANT	1
33	OPEN END H PLANT	1
	OTHERS	
34	AIR MASTER WCS	1
35	STP	1
36	FRP WCS	2
	Total	98

Unit-II (Village Bhattian, Machhiwara, Ludhiana)

S.NO	DESCRIPTION OF MACHINE	NO OF MACHINE
	BLOW ROOM	
1	BALE PLUCKER	1
2	VARIOCLEAN	1
3	UNIMIX	2
4	SUPRIMOCLEAN	3
5	VENTILATOR	16
	CARDING	
6	CARD	24
	DRAWING	
7	DRAW FRAME LD-2	4
8	DRAW FRAME RSB	5
9	DRAW FRAME RSB LDZ	3
10	LAP FORMER	2
	COMBING	
11	COMBER	10
	SPEED FRAME	
12	SPEED FRAME	6
13	OHTC SPEED FRAME	6
	SPINNING	
14	OHTC RING FRAME	20
15	RING FRAME	20
	WINDING	
16	LINK CONER	18
	UTILITIES	

17	COTS BUFFING	1
18	COTS MOUNTING	1
19	COTS DI-MOUNTING	1
20	COTS GRISHING	1
21	ROVING OPENER	1
22	TOP CLEARER CLG	1
23	OIL PUMPING	1
24	ROLL TRUING	1
25	COTS UV BARCOLIZING	1
26	LICKRIN MOPUNTING	1
27	FLAT MOUNTING	1
28	FLAT GRINDING	1
29	WASTE COLLECTION	1
30	BALE PRESS	1
	Total	155

Past Financials

Rs. crore

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Operating Income	377.92	377.72	160.31	63.96	48.84
EBITDA	39.79	8.79	-36.58	-37.24	-1.58
Interest cost	22.12	23.02	3.51	0.00	0.00
Depreciation	12.89	12.57	8.22	12.07	11.44
PBT	5.26	-26.35	-48.21	-49.11	-12.89
Accumulated losses		6.41	54.31	103.71	116.60

Company's accounts with the lenders had gone NPA and company has not provided for interest in FY 2020-21 and 2021-22

Reasons for Losses

- 1) Increase in MSP of major raw material i.e. cotton by the Govt.
- 2) Non-receipt of TUFS subsidy by the company.
- 3) Cancellation of an overseas order on account of quality issues
- 4) Higher borrowing cost
- 5) Search operation by GST department
- 6) Pandemic of Covid19
- 7) Fire in 2 godowns leading to stock loss
- 8) Adverse industry scenario in the past

Present Status

Both the units of the company are presently in-operative and the company is under Corporate Insolvency Resolution Process (CIRP) since 12.06.2024 wherein following claims have been received till date.

Type of claimants	Number	Amount in Rs crore
Financial Creditors	4	387.03
Operational Creditors- Govt Dues	2	14.92
Operational Creditors- Suppliers	12	13.44
Total	18	415.39

Investment Rationale

A. The company is available for acquisition under the provisions of IBC wherein following benefits are available.

- 1) Transaction for asset under the transparent and time- bound IBC process with an objective to maximize value for the stakeholders.
- 2) IBC aims at giving the Company a fresh start under the new management.
- 3) Creditors of the Company keen to achieve an early resolution given the asset history and nature of transaction.
- 4) Investor to offer resolution amount based on his/her assessment of the assets/ business.
- 5) Investor's rights protected to the extent provided in the IBC law ensuring a smooth resolution.
- 6) Opportunity for the investor to seek reliefs against legacy claims and litigations (depending on approvals from the adjudicating authority).

B. Both the units had been operational till recently, up to the month of April 2024, i.e. entire manufacturing facilities are already in place and operations can be restarted immediately with infusion of working capital

C. Conducive market environment with the changed scenario in Textile Industry as under.

i) Robust Demand

In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion.

Cotton production in India is projected to reach 7.2 million tonnes by 2030, driven by increasing demand from consumers.

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030, with exports expected to reach US\$100 billion.

India's textile and apparel exports (including handicrafts) stood at US\$ 28.72 billion in FY24 (April-January 2024)

ii) Competitive Advantage

India enjoys a comparative advantage in terms of skilled manpower and in cost of production, relative to major textile producers.

In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs in the country.

iii) Policy Support

100% FDI (automatic route) is allowed in textiles.

Production-linked Incentive (PLI) Scheme worth Rs. 10,683 crores (US\$ 1.44 billion) for manmade fibre and technical textiles over a five-year period.

The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns and apparel, which came into effect from January 1, 2022.

iv) Increasing Investment

In June 2023, Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in textile sector.

Huge funds in schemes such as Rs. 900 crores (US\$ 109.99 million) for Amended Technology Upgradation Fund Scheme (ATUFS) have been released by the Government in the union budget of 2023-24 to encourage more private equity investments and provide employment.

Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024.

A detailed Textile industry scenario is annexed

D. There is an opportunity to avail benefits available under Section 79 of Income Tax Act in view of accumulated losses of the company

Transaction Structure- It will be a complete sale of the business not a carve out or venture financing etc.

Potential buyers may get in touch with the under mentioned persons for any kind of information or clarification they may seek.

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Annexures

Textile Industry Scenario

Introduction

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

Market Size

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

Textile manufacturing in India has been steadily recovering amid the pandemic. The Manufacturing of Textiles Index for the month of April 2024 is 105.9.

Global apparel market is expected to grow at a CAGR of around 8% to reach US\$ 2.37 trillion by 2030 and the Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion. Exports of textiles (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 35.90 billion in FY24. In FY24, exports of readymade garments including accessories stood at US\$ 14.23 billion. India's textile and apparel exports to the US, its single largest market, stood at 32.7% of the total export value in FY24.

Exports for 247 technical textile items stood at Rs. 5,946 crores (US\$ 715.48 million) between April-June (2023-24).

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

Investment and key Development

Total FDI inflows in the textiles sector stood at US\$ 4.47 billion between April 2000- March 2024.

The textile sector has witnessed a spurt in investment during the last five years.

- DS Group's luxury menswear division, Brioni inaugurates its first boutique in India in November 2023.\

- In November 2023, Reliance Foundation launched the first 'Swadesh' handicrafts store in Hyderabad, aimed at supporting and promoting Indian craftwork.
- Industry bodies to host the largest global mega textiles event, Bharat Tex 2024 from February 26-29, 2024, in New Delhi. According to Union Minister, Mr. Piyush Goyal, Bharat Tex 2024 Expo is a testament to India's commitment to becoming a global textile powerhouse.
- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadow fax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crores (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crores (US\$1.04 billion) in other parts of the state.
- In May 2023, Aditya Birla Fashion and Retail Ltd. announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme "Cotton Value Chain-Local Innovations for Global Prosperity".
- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).
- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.

- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million
- Sutej Textiles plans to set up a green field project for 89,184 spindles comprising cotton mélange yarn and PC grey yarn along with a dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- Arvind Limited, the largest textile-to-technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specializes in rejuvenating textile waste into virgin-grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textiles are using technology to optimize the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company's sustainable textiles business.

- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crores (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, the flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognized for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).

Government Initiatives

The Indian government has come up with several export promotion policies for the textile sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- Secretary of the Ministry of Textiles, Ms. Rachna Shah, announced that India's technical textiles market has great potential, with a notable growth rate of 10% and ranking as the 5th largest in the world.
- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crores (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crores (US\$ 54.99 million)

for National Technical Textiles Mission, and Rs. 60 crores (US\$ 7.33 million) for Integrated Processing Development Scheme.

- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.

- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.

- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

Road Ahead

- The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.
- Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.
- With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population, and increasing demand by sectors like housing, hospitality, healthcare, etc.
- The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020.

Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.