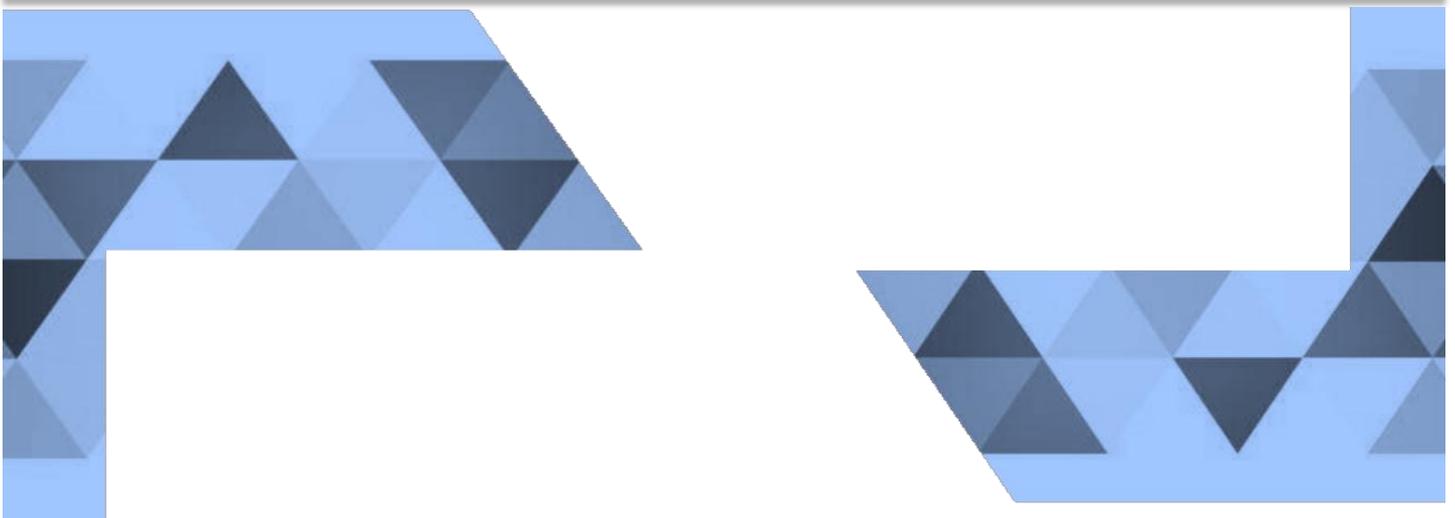


# SASMA



FEBRUARY '26

## NEWS LETTER



## **ABOUT SASMA**



Shri. Mihir R. Mehta - Chairman



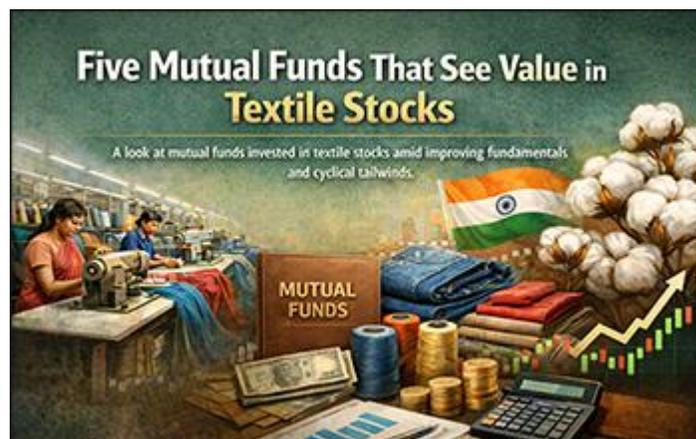
Smt. Smita A. Yeole – Vice-Chairperson

- Synthetic & Art Silk Mills' Association Ltd. (SASMA) is the oldest organization in the Country representing Man-made Textile Industry.
- SASMA was established in 1939-40 and is registered under the Companies Act.
- It has been providing yeoman service to the Man-made Textile Industry for Eight and half decades.
- SASMA is the parent organization in the man-made Textile Industry and is instrumental in establishing The Synthetic & Art Silk Mills' Research Association (SASMIRA), The Rayon Mills Commercial Corporation Ltd. (RMCC), Rayex (India) Ltd. (RAYEX), and Federation of Indian Art Silk Weaving Industry (FIASWI).

<b>SASMA Board Members</b>	
1. Shri Mihir R. Mehta	6. Shri Viresh Kamdar
2. Mrs. Smita A. Yeole	7. Shri Kapil A. Shorewala
3. Shri. Bharat S. Parekh	8. Shri Rohit C. Patel
4. Shri. Gokul K. Mehta	9. Shri Dinesh S. Zaveri
5. Shri S.S. Khetan	

## 5 Mutual Funds with Exposure to Textile Stocks

February 2026 | Industry & Investment Outlook



India's textile sector is witnessing a supportive and revival-oriented phase, driven by favourable trade agreements, tariff corrections, and strong policy backing in the Union Budget 2026. These developments have also reflected in **mutual fund portfolios**, with several diversified and thematic funds holding exposure to leading textile and fibre companies.

### Key Policy & Trade Tailwinds

- The EU–India Free Trade Agreement will reduce textile tariffs from up to 12% to zero, significantly improving India's competitiveness in a market with imports worth US\$ 263.5 billion, against India's current exports of US\$ 7.2 billion.
- The US reduced duties on Indian textiles to 18%, down sharply from 50% in 2025, restoring competitiveness vis-à-vis Bangladesh, Vietnam, Pakistan, Indonesia, and China.
- Ready-Made Garments and Home Textiles, accounting for nearly 59% of India's textile exports, stand to benefit the most.
- India aims to scale its global textile and apparel exports to US\$ 100 billion by 2030, with the US and EU as anchor markets.

### Union Budget 2026: Strong Support for Textiles

- Rs.52.8 billion allocation to the Ministry of Textiles.
- Launch of an integrated programme with five key components:
  - National Fibre Scheme
  - Textile Expansion & Employment Scheme

- National Handloom & Handicraft Programme
- Tex-Eco Initiative
- Samarth 2.0 (skill development)
- Export competitiveness enhanced through:
  - Extension of export obligation period from 6 months to 1 year
  - Higher duty-free import limits for specified processing inputs

### Mutual Funds with Textile Exposure

Several mutual funds have textile exposure as part of broader or thematic strategies, primarily through companies engaged in technical textiles, fibres, yarns, home textiles, and export-oriented manufacturing.

Notable Funds Include:

- Kotak Flexicap Fund – Exposure to technical textiles through SRF
- Mahindra Manulife Focused Fund – Holds Grasim Industries (viscose fibre leader)
- HSBC India Export Opportunities Fund – Exposure to Arvind and Grasim Industries
- Aditya Birla SL Conglomerate Fund – Holds Indo Count and Pearl Global Industries
- ICICI Prudential Conglomerate Fund – Exposure to Grasim Industries

These holdings reflect confidence in export-linked textile businesses, MMF leadership, and value-added textile segments.

### Industry Takeaway

India's textile sector is entering a structurally supportive phase, backed by:

- Improved market access in the US and EU
- Targeted government spending and reforms
- Rising focus on fibres, technical textiles, and sustainability

While diversified mutual funds provide measured exposure to textile stocks, newer or narrowly themed schemes tend to show higher volatility and valuation sensitivity. Overall, the sector outlook remains positive, with exports, investment, and policy alignment acting as strong growth enablers.

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## **ASEAN Manufacturing Sector Sustains Strong Growth in January 2026**



Manufacturing activity across ASEAN economies continued to show robust expansion in January 2026, with the Purchasing Managers' Index (PMI) remaining above the 50-mark for the seventh consecutive month. This sustained performance indicates a prolonged phase of growth, driven by healthy regional demand, improved business confidence, and steady production levels across key manufacturing hubs.

The continued expansion reflects strengthening domestic consumption, alongside stable export orders from major global markets. Improvements in new orders, output, and employment suggest that manufacturers across the region are responding positively to evolving supply chain requirements and shifting global sourcing strategies.

For the textile and apparel sector, this trend is particularly significant. ASEAN countries such as Vietnam, Indonesia, Thailand, and the Philippines continue to attract international buyers due to their competitive manufacturing ecosystems, improving infrastructure, and trade-friendly policies. The sustained PMI growth underscores ASEAN's increasing importance as a reliable production base amid global efforts to diversify supply chains.

Overall, the positive manufacturing outlook in ASEAN is expected to support regional textile exports, enhance supply chain resilience, and strengthen the bloc's role in global textile and apparel trade in the coming months.

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## **Union Budget 2026–27: A Strong Policy Push for India’s Textile Sector**



The Union Budget 2026–27 has outlined a comprehensive strategy to strengthen India’s textile industry through an integrated approach covering fibres, skills, infrastructure, and MSME support. Recognizing textiles as one of the country’s largest employment-generating sectors, the government has announced targeted investments and policy initiatives aimed at boosting competitiveness, attracting investments, and enhancing export potential.

A key highlight is the continued expansion of textile infrastructure under the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks scheme. The government has allocated Rs.300 crore for PM MITRA in 2026–27, compared to Rs.200 crore in the previous year. The overall project cost for the seven proposed parks is estimated at about Rs.13,040 crore, and investment commitments worth over Rs.27,000 crore have already been signed. These integrated parks are expected to create world-class infrastructure and generate large-scale employment, with each park projected to create nearly 1 lakh direct and 2 lakh indirect jobs.

Skill development remains a major focus area under the expanded Samarth programme. The government has provided an allocation of about Rs.330 crore to support training initiatives in the textile sector. The scheme aims to offer demand-driven, placement-oriented skill training across the value chain and is expected to improve productivity while generating employment opportunities, particularly for rural and semi-urban workers.

The budget also emphasizes fibre security and self-reliance by supporting natural fibre development programmes. Allocations include Rs.205 crore for the National Handloom Development Programme and continued funding support for schemes such as wool and silk development. These initiatives aim to strengthen raw-material availability, support farmers and artisans, and promote sustainable fibre production.

In addition to infrastructure and skills, the government continues to support modernization and competitiveness through technology upgradation and incentive schemes. The Amended Technology Upgradation Fund Scheme (ATUFS) has received Rs.635 crore to facilitate machinery modernization and productivity improvements in textile units. Meanwhile, incentive schemes like PLI and export support initiatives continue to enhance India's global competitiveness in technical textiles and man-made fibre segments.

Overall, the Union Budget 2026–27 reflects a holistic policy approach toward strengthening the textile value chain - from farm to fibre, manufacturing, and exports. With investments in infrastructure, skill development, fibre sustainability, and technology modernization, the measures are expected to boost employment, attract investments, and reinforce India's position as a global textile manufacturing hub in the coming years.

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## **India's Cotton Outlook 2025–26: Stable Output but Supply Pressures Persist**



India's cotton sector is witnessing a complex scenario in the 2025–26 season, marked by stable production estimates but rising imports, weaker demand, and localized crop challenges. According to the Cotton Association of India (CAI), total cotton pressing for the season is estimated at around 317 lakh bales (170 kg each), broadly unchanged from earlier projections, indicating relatively stable national output levels.

Despite steady production estimates, the supply dynamics are shifting significantly. India's total cotton supply for the season is projected at about 427.6 lakh bales, sharply higher than the previous year due to increased imports and carryover stocks. This expansion in supply is expected to result in a substantial surplus and rising closing stocks by the end of the season.

One of the most notable trends is the sharp increase in cotton imports. During the December 2025 quarter alone, India's imports surged by 158% year-on-year to about 3.1 million bales, driven largely by the temporary suspension of import duty. For the entire 2025–26 marketing year, imports are projected to reach a record 5 million bales, reflecting strong reliance on overseas fibre to meet industry requirements.

At the same time, domestic consumption is showing signs of moderation. CAI estimates India's cotton consumption at around 305 lakh bales in 2025–26, lower than the previous year's 314 lakh bales. The decline is mainly attributed to weaker global demand, export challenges, and reduced yarn purchases following trade disruptions.

Localized crop issues have also contributed to supply concerns. In major producing regions such as Maharashtra, cotton arrivals have dropped sharply due to excessive rainfall, poor-quality seeds, and crop damage. For instance, arrivals in Wardha district fell to 45,000 quintals in 2025–26 compared to 1.11 lakh quintals in the previous season, highlighting the impact of weather and input challenges on production.

Rising imports have also influenced domestic market dynamics. India recorded its highest cotton imports in five years during 2024–25 at 4.13 million bales, nearly three times the previous year's level. While these imports help ensure raw-material availability for the textile industry, they have also contributed to pressure on domestic prices and farmer incomes.

Overall, the cotton outlook for 2025–26 reflects a mixed scenario. While national production remains broadly stable, challenges such as fluctuating acreage, climatic variability, rising imports, and softer demand continue to influence market trends. For the textile industry, maintaining fibre security and price stability will remain critical factors in sustaining competitiveness and supporting growth in the coming years.

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## US–Bangladesh Trade Concessions Raise Concerns for India’s Garment Exporters



India’s garment export industry is facing fresh concerns following recent trade developments between the United States and Bangladesh that are expected to strengthen Bangladesh’s position in the global apparel market. Industry stakeholders warn that the revised trade terms could intensify competition and adversely affect India’s export growth, particularly in labour-intensive garment segments.

Bangladesh already holds a strong foothold in the US apparel market. It is currently the second-largest exporter of garments to the United States after China, with annual exports valued at around \$9–10 billion. In comparison, India’s garment exports to the US are estimated at approximately \$4–5 billion, indicating that Bangladesh’s market share is nearly double that of India. This existing gap is one of the primary reasons Indian exporters view any additional concessions to Bangladesh with concern.

A major issue highlighted by industry bodies is the tariff advantage enjoyed by Bangladesh. As a Least Developed Country (LDC), Bangladesh benefits from preferential trade access in several global markets. While apparel exported from Bangladesh often faces minimal or concessional duties, Indian garments exported to the US typically attract tariffs ranging from 8% to 18%, depending on product categories. This tariff difference creates a significant price disadvantage for exporters from India.

Cost competitiveness further widens the gap. Labour costs in Bangladesh's garment sector average about \$95 per month, compared to roughly \$180–220 per month in India. In addition, Bangladesh provides strong export incentives and lower compliance costs, enabling its manufacturers to offer garments at prices that are typically 15–20% lower than similar Indian products. This price advantage plays a crucial role in attracting global sourcing orders, especially from large US retailers.

Market share trends over the past decade also reflect Bangladesh's growing dominance. Its share of US apparel imports has increased steadily from around 6% to nearly 9%, while India's share has largely remained stable at approximately 5–6%. Industry experts fear that any new trade concessions could accelerate this trend by further shifting sourcing orders away from India.

Exporters have cautioned that if the competitiveness gap widens, India's garment export growth could slow by an estimated 5–7% annually in the near term. This could particularly impact small and medium garment manufacturers that rely heavily on US markets for bulk orders.

Despite these concerns, India retains several structural strengths. The country has a diversified fibre base, strong domestic raw-material availability, and a growing presence in man-made fibre textiles and technical textiles - segments where Bangladesh has limited capabilities. These advantages provide opportunities for India to move toward higher-value and specialized textile exports.

The evolving trade dynamics are taking shape amid broader shifts in US trade policy associated with Donald Trump, highlighting the increasing importance of strategic trade negotiations and competitiveness reforms for sustaining India's position in the global apparel market.

Overall, while Bangladesh's enhanced trade terms may pose short-term challenges, industry experts emphasize that long-term competitiveness for India will depend on policy support, cost efficiency improvements, and diversification into value-added textile segments.

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## **New EU Rules to Stop Destruction of Unsold Clothes & Shoes**

Date: 9 February 2026

Source: Directorate-General for Environment



In a major step toward sustainable fashion and circular economy goals, the European Union has introduced new rules to ban the destruction of unsold textiles and footwear. The regulation is part of the broader Ecodesign for Sustainable Products Regulation (ESPR), which aims to reduce waste, improve product durability, and increase recycling across industries.

### **Key Features of the New Rules**

Under the new framework, companies will no longer be allowed to destroy unsold clothing, footwear, and related textile products. Instead, businesses will be required to explore sustainable alternatives such as reuse, recycling, donation, or resale. The policy is expected to significantly reduce the environmental impact of the fashion industry, which has long been criticized for overproduction and waste.

The ban specifically targets large companies, while small and medium-sized enterprises (SMEs) will receive exemptions or transition periods to adapt to the new compliance requirements.

## **Why the EU Took This Step**

The move comes amid growing concern about textile waste. According to EU estimates, Europeans discard nearly 12 million tonnes of textile waste every year, much of which is incinerated or sent to landfills. The destruction of unsold goods has also been a controversial practice among global fashion brands seeking to protect pricing and brand exclusivity.

The new regulation is part of the EU's broader push toward a circular economy, where products are designed to last longer, be repaired easily, and remain recyclable.

## **Impact on the Textile & Apparel Industry**

The policy is expected to have wide-ranging implications:

- **Supply Chain Changes:** Brands will need better inventory planning to avoid excess production.
- **Growth of Recycling:** Increased demand for textile recycling infrastructure is expected.
- **Sustainability Pressure:** Global exporters supplying to Europe will face stricter sustainability expectations.
- **Transparency Requirements:** Companies may be required to disclose unsold stock volumes and their disposal methods.

For exporters from countries like India, the regulation signals the need to align with sustainable production, traceability, and circular economy practices to maintain competitiveness in the European market.

## **A Global Sustainability Signal**

The EU's decision is widely seen as a landmark step that could influence other regions to adopt similar anti-waste policies. By targeting overproduction and promoting responsible consumption, the regulation aims to transform the fashion industry from a linear "take-make-dispose" model into a circular system.

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## VIATT 2026 to Debut German Pavilion, Strengthening Europe–Asia Textile

### Linkages



The Vietnam International Apparel, Textile and Textile Technologies (VIATT) 2026 is set to strengthen global textile collaboration with the introduction of a dedicated German Pavilion, marking a significant step toward deeper Europe–Asia industry partnerships. Scheduled to be held in Ho Chi Minh City, the event is expected to attract strong participation from global technology providers, manufacturers, and sourcing companies.

The inclusion of a German Pavilion highlights Germany’s leadership in textile machinery, automation, and technical textiles. Germany remains one of the world’s largest exporters of textile machinery, accounting for nearly 20–25% of global textile machinery exports, and its participation reflects growing European interest in Southeast Asia’s fast-expanding textile ecosystem.

VIATT has quickly emerged as a key international platform for textile sourcing and innovation. The previous edition recorded participation from over 500 exhibitors across 20+ countries and attracted more than 17,000 trade visitors, underscoring the event's importance as a regional business hub. The 2026 edition is expected to witness even stronger participation due to rising investments in Vietnam's textile and apparel sector.

Vietnam continues to be a critical node in global textile supply chains. The country's textile and garment exports reached approximately US\$44 billion in 2024, making it the world's third-largest apparel exporter, after China and Bangladesh. The sector employs more than 2.5 million workers and contributes significantly to Vietnam's industrial output and foreign exchange earnings.

The introduction of the German Pavilion aims to promote technology transfer, sustainable manufacturing solutions, and Industry 4.0 adoption. German companies are expected to showcase innovations in energy-efficient machinery, digital production systems, recycling technologies, and high-performance technical textiles - all of which align with global sustainability priorities and tightening environmental regulations.

The event also reflects broader geopolitical and economic shifts in textile sourcing. As global brands diversify supply chains beyond traditional manufacturing hubs, Southeast Asia - particularly Vietnam - has emerged as a preferred destination due to its trade agreements, competitive labour costs, and expanding industrial infrastructure.

For Asian textile stakeholders, including India, VIATT 2026 offers an important opportunity to explore partnerships, technology collaborations, and market expansion. The growing Europe - Asia engagement through such exhibitions signals a more integrated global textile ecosystem driven by innovation, sustainability, and supply-chain resilience.

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## Post-Budget 2026: Ministry of Textiles Strengthens India's Global Textile Growth Vision

Date: February 21, 2026  
Source: Indian apparel.com



The Ministry of Textiles convened its first Post-Budget National Industry Consultation on 19 February 2026 at Vanijya Bhawan, bringing together senior government officials, industry leaders, financial institutions, and key stakeholders from across the textile value chain. The meeting focused on implementation priorities following the Union Budget 2026 announcements for the sector.

The consultation centered on two major initiatives introduced in the Budget:

- **Textile Expansion and Employment Mission (TEEM)** – aimed at boosting competitiveness, modernisation, MSME participation, investment mobilisation, and large-scale employment generation.
- **Tex Eco Initiative** – designed to promote sustainability, circularity, resource efficiency, and green manufacturing across the textile value chain.

In his opening remarks, Rohit Kansal, Additional Secretary (Textiles), emphasized that the Union Budget reflects a strong textile-centric approach with a clear focus on manufacturing growth and job creation. He noted that the integrated programme provides a comprehensive framework to align investments, policy support, and institutional efforts across the sector.

Delivering the special address, Neelam Shami Rao, Secretary (Textiles), highlighted that despite global challenges, the outlook for India's textile industry remains positive. She pointed out that recently concluded Free Trade Agreements are opening new export opportunities and enhancing India's competitiveness in

global value chains. She further stated that the combined advantage of improved market access and policy support positions the industry for expansion and increased global presence.

A detailed presentation on TEEM outlined strategies for modernizing weaving, processing, and garmenting segments, strengthening MSMEs, and generating employment. This was followed by a briefing on the Tex Eco Initiative, which aims to mainstream sustainability practices across the industry.

During the interactive session, industry stakeholders welcomed the forward-looking approach of both schemes and offered practical suggestions, including faster approvals, better MSME financing, improved cluster infrastructure, targeted skill development, digital monitoring mechanisms, and sustainability-linked incentives. Participants also emphasized the need for alignment with state policies and export promotion measures.

In his concluding remarks, Rohit Kansal reiterated the Ministry's commitment to collaborative implementation and encouraged stakeholders to provide detailed written inputs to support timely policy finalization. The session concluded with a vote of thanks by Vrunda Manohar Desai, Textile Commissioner, who reaffirmed the Ministry's focus on time-bound and outcome-oriented execution.

Overall, the consultation marked an important step in strengthening structured government-industry dialogue and advancing a coordinated roadmap to position India as a competitive, sustainable, and trusted global textile hub.

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## **Hands-on Session on Sustainable Style: The Art of Textile Waste Transformation**

Date: 20/02/2026  
Source: SASMIRA CAMPUS

SASMA organized a Hands-on Session on "*Sustainable Style: The Art of Textile Waste Transformation*" exclusively for the Fashion Students of SIDT, SASMIRA at the SASMIRA Campus, Worli, Mumbai, on Friday, 20<sup>th</sup> February 2026.

The session was conducted by Dhara Padia, Visiting Fashion Faculty and Founder of Doodads Creations, who brought her extensive academic and practical experience in sustainable fashion to the workshop. She demonstrated innovative techniques for upcycling handloom and Indian textile waste into creative and value-added fashion products.

The session was highly engaging and interactive, providing students with valuable hands-on exposure to

sustainable design practices. Through live demonstrations and guided activities, students gained meaningful insights into textile waste transformation and were encouraged to adopt environmentally responsible approaches in their creative work.

The workshop was very well received by the participants and proved to be both informative and inspiring.

SASMA sincerely appreciates Ms. Padia's time, effort, and dedication in making the session impactful and looks forward to organizing more such initiatives that promote sustainability, innovation, and skill development in the textile and fashion sector.

*Glimpses of the session are presented below.*



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**NATIONAL AND INTERNATIONAL- EXHIBITIONS & CONFERENCES**

<b>SNo.</b>	<b>Name of the Fairs</b>	<b>Country</b>	<b>City</b>	<b>Date/Month</b>
1.	Intertextile Shanghai Apparel Fabrics / Yarn Expo	China	China	11 <sup>th</sup> March 2026 to 13 <sup>th</sup> March 2026
2.	Caspian Textile Expo 2026	Baku, Azerbaijan	Baku Expo Center, Baku, Azerbaijan	11 – 14 March 2026
3.	6 <sup>th</sup> Edition The FAB CMAI Show – India’s largest Fabrics and Accessories Sourcing Show	India	Bombay Exhibition Centre, Mumbai.	2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> April, 2026
4.	Indo Intertext 2026	Indonesia	Jakarta International Expo, Jakarta, Indonesia	15 – 18 April 2026
5.	Techtextil Frankfurt 2026	Germany	Messe Frankfurt, Frankfurt, Germany	21 – 24 April 2026
6.	ITMA Asia + CITME 2026	Shanghai, China	National Exhibition and Convention Centre (NECC), Shanghai, China	20 – 24 November 2026
7.	Heimtextil	Germany	Germany	13 <sup>th</sup> Jan 2026 to 16 <sup>th</sup> Jan 2026
8.	Dhaka International Yarn & Fabric Show (Winter)	Bangladesh	Bangladesh	28 <sup>th</sup> Jan 2026 to 31 <sup>st</sup> Jan 2026

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<b>HALF PAGE</b>	Rs.7500/-	Rs.20000/-	Rs.37500/-

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