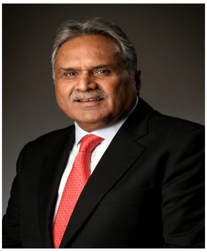

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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Speech By

SHRI RAKESH MEHRA

Chairman

CHAIRMAN'S SPEECH AT THE 67th ANNUAL GENERAL MEETING

Past Chairmen of CITI, my colleagues Deputy Chairman, Shri Ashwin Chandran, and Vice Chairman, Shri Dinesh Nolkha, esteemed members of the Committee of CITI, Representatives of the Member Associations, Associate Members, Affiliate Members of CITI, Senior Industrialists from the Indian Textile & Clothing Industry, invitees, distinguished guests, ladies and gentlemen.

It is with great pleasure and a deep sense of gratitude that I welcome each one of you to the 67th Annual General Meeting of the Confederation of Indian Textile Industry (CITI). Your presence here today is a testament to your commitment and support for our industry, and for that, I extend my heartfelt thanks to all of you.

As we have completed another year, I would like to highlight some of the key developments related to Textile Industry:

Global & Indian Economic and Trade Outlook

Friends, the past two years have been marked by extraordinary global turbulence resulting in disruptions and reorientation of global supply. The Indian Textile and Apparel sector is also faced with its gravest challenge now. One which threatens to put at considerable risk not just the revenue earning potential of our sector but also raises a huge question mark about the futures of countless million people who depend on this sector for their jobs and livelihoods. The US tariff issue needs an urgent solution as the present tariff barrier in our largest market will have multi-dimensional impact on the sector, if left unaddressed.

While India's textiles and apparel (T&A) exports witnessed some growth vis-a0vis the last few years, in spite of these headwinds, the US$ 37 billion exports recorded in 2024-25, remain close to those achieved in 2015-16 – raising concern on the pace and quality of growth.

- Category-wise: Apparel was the largest export category with a share of 43.4%, followed by home textiles (17.6%) and fabrics (14%).

- Market-wise: The USA continued to be our largest export destination with 28.5% share, followed by the EU-27 (19.6%) and Bangladesh (8.8%). Among the top five destinations, our exports to Bangladesh recorded the highest growth (CAGR 5.04% during 2015–2024), followed by the USA (3.87% CAGR).

On the import side, India's T&A imports in 2024-25 reached US$ 9.7 billion, a growth of 9.8% over the previous year. Fibre and fabric together accounted for more than 65% of imports, with China as the largest supplier (43.2%), followed by Bangladesh and Vietnam.

The recent imposition of additional duties by the USA has created fresh challenges. While our T&A exports to USA grew by 20% in Jan–March 2025, growth moderated to 11.4% by July as tariffs came into effect. In contrast, competitors like Bangladesh and Vietnam continued to record much stronger growth of 21.1% and 17.7%, respectively.

Friends, CITI is working closely with the Government to address the concerns arising from the US tariffs, and we remain hopeful that appropriate relief measures will be announced.

At the same time, the recently signed India–UK Comprehensive Economic and Trade Agreement (CETA) as also India and the European Free Trade Association (EFTA) Trade and Economic Partnership Agreement (TEPA) - which provides duty-free access for India's T&A products as also will open new opportunities and strengthen our export competitiveness.

Domestic Economy

On the domestic front, India's economy continues to perform strongly, recording growth of over 7% for the past three consecutive years. This growth, backed by sound macroeconomic fundamentals and a resilient financial and corporate sector, highlights the strength of domestic demand, which has outpaced the effects of global slowdown.

With this strong domestic foundation and improving global linkages, India's textile and apparel sector is well-positioned to achieve its ambitious target of a US$ 350 billion market by 2030, including US$ 100 billion in exports.

Policy initiatives

During the past year, the Government has introduced several landmark measures to strengthen the Indian T&A sector, many of which CITI had consistently advocated for. These include:

1. **GST 2.0, reforms**

- Addressing long-standing issues of inverted duty structure (IDS) in MMF value chain by reducing GST rate form fibre and yarn from 18% and 12% to 5% which is also ensuring fibre neutrality.
- Faster refund mechanism for inverted duty cases, operational from November 2025, to help industry deal with instances of IDS which is still present.

2. Mission on Cotton productivity

- Five-year mission with ₹2,500 crore outlay to boost productivity, fibre quality, and sustainability in cotton.
- Focus on Extra-Long Staple (ELS) cotton, Kasturi Cotton branding, and modern agronomy practices as also R&D on other natural fibres

3. Relief on Cotton Imports

- Temporary removal of import duty and cess on cotton (HSN 5201) till 31st December 2025, ensuring raw material availability, stabilizing prices, and supporting export competitiveness in a scenario where India will have its lowest ever cotton production of about 294 lakh bales of cotton.

4. Quality Control Orders (QCOs) Review

- Setting up a high-level committee to re-examine QCOs and BIS certification, with focus on easing compliance, ensuring raw material availability, and reducing cost pressures.
- Deferment of Implementation of Cotton Bales QCO and Machinery & Electrical Equipment Safety (Omnibus Technical Regulation) Order to 27th August 2026 and 1st September 2026

respectively, providing industry more time to comply.

- Relaxation in Export Obligation period under Advance Authorisation for QCO-covered inputs, extended from 180 days to 18 months for QCOs announced by Ministry of Textile and Department of Chemicals and Petrochemicals.

5. Trade Policy Interventions

- Minimum Import Price (MIP) imposed on certain synthetic knitted fabrics to check cheap imports at unviable prices.
- Reciprocal action on Bangladesh: restrictions on RMG and cotton waste imports after Bangladesh's ban on Indian yarn imports, thereby protecting domestic industry.

I am happy to share with you all that Ministry is also working towards Credit Access Issues in the Textile Sector. For the same, Ministry has also formed an industry driven committee on Fiscal, Banking, and Credit interventions for the Textile, Apparel and Handicrafts Sector" to design actionable reforms. This committee will be led by CITI leadership and will operate as an advisory body to the ministry of Textiles to assess fiscal, banking, and credit-related challenges confronting the textile, apparel, and handicrafts sector and to recommend measures for the same.

CITI has been advocating for the above relief measures for quite a longer period of time. I along with other CITI delegates, during all our meetings with Minister of Textiles and other officials have iterated for such and various other relief measures and I am happy that based on industry requests, Government has provided the above relief measures.

Forthcoming initiatives of Government

I am pleased to share that the Ministry of Textiles is actively working on new schemes that will play a vital role in strengthening infrastructure, boosting exports, and enhancing the global competitiveness of Indian textiles.

- On the infrastructure front, schemes like PM VASTRA, the Hub & Spoke Model, and new industrial parks under DPIIT are being designed to modernize clusters, promote sustainability, and provide world-class plug-and-play facilities. Alongside this, PLI 2.0 will support value-added manufacturing. These initiatives are expected to roll out from March 2026.

- For exports, the Ministry is framing a new scheme under which duty-free imports of fabrics will be allowed, provided exports achieve 40% value addition. This will ease challenges under the Advance Authorisation

Scheme. CITI has already requested that this benefit be extended to yarns, fibres, and other inputs as well.

- On branding, a comprehensive initiative is being planned to create a unified identity for Indian textiles. It will focus on GI-based regional branding, cluster-level promotion, digital and e-commerce partnerships, global visibility through fashion events, and sustainability-focused campaigns, supported by a proposed National Textile Branding Council.

These initiatives, once implemented, will significantly strengthen our value chain, expand our global footprint, and support our goal of making India a true textile powerhouse. I urge members to actively share their feedback so that industry concerns are well represented in the final design of these schemes.

While many of the industry requests have been addressed by the Government, some issue remains unresolved, some of which are:

- Resolution of issues created by the implementation of the QCOs particularly towards ensuring raw material competitiveness as also availability of raw materials of all types.

- Policy support to mitigate challenges being faced by Indian T&A industry due to announcement of additional tariff by USA

- Effective and early implementation of Mission on Cotton Productivity

- Addressing the anomalies in the SION applicable for certain textile products

- Permanent removal of import duty from cotton

During my tenure as Chairman CITI, I have personally discussed the above issues with the newly appointed Hon'ble Minister of Textiles, Shri Giriraj Singh, and have also brought them to the forefront at various forums, including NCTC and TAG meetings. I am sure these issues will be resolved soon.

CITI – a front runner in textile Sector Sustainability Initiatives

With sustainability now a global requirement, particularly in markets like the EU, India's textile industry is steadily embracing green manufacturing, circular economy models, and waste reduction practices. Together with government support, these efforts are positioning us to achieve the ambitious vision of USD 350 billion by 2030.

The Government is already taking a number of initiatives towards this in which CITI is also a member, such as:

- **ESG Task Force** – Set up by the Ministry of Textiles with CITI and other stakeholders to drive the transition to circular and sustainable textiles.

- **BAT/COINDS Document** – Central Pollution Control Board (CPCB), with German partners, is preparing technical guidance for cleaner production; CITI is part of the expert group. The document is in advanced stage and is set to be launched soon.

- **Working Group on Circular Economy in Textile Waste** – NITI Aayog initiative to manage textile waste sustainably, with CITI as a member.

- **Consultative Group on Sustainability (BIS)** – Developing sector-wide sustainability standards aligned with global benchmarks, where CITI represents industry interests.

Besides the above, CITI is also taking a number of initiatives to support the industry towards emerging requirements of sustainability, some of which are:

- **CITI–ILO Partnership on fundamental rights for cotton farmers** – Promoting Fundamental Principles and Rights at Work (FPRW) in cotton-growing communities. Phase I trained over 4,000 farmers and workers in Madhya Pradesh, improving school enrolment and workplace safety. Phase II now is planned to expand to 2,000 farmers and 10,000 community members, with a focus on Kasturi Cotton, regenerative farming, and futures trading.

- **Partnership with Fair Wear for capacity building on CSDDD and HRDD** – Following last year's cluster workshops, in the current year CITI and Fair Wear Foundation, will organize four HRDD-focused cluster workshops in Tirupur, Noida, and other hubs. A Facilitation Hub at CITI will become operational this year to provide technical support and handholding for members adopting Human Rights Due Diligence frameworks.

- **Partnership with GRI for strengthening ESG reportings**– Under this initiative, CITI tin technical partnership with Global reporting Initiative (GRI) will train industry clusters in north and south on ESG reporting and transparency. The initiative will also contribute to drafting the sector-specific sustainability reporting standard for textiles and apparel, expected to serve as a global benchmark.

Such collaboration of Industry and Government will help Indian textiles become more sustainable, competitive, and resilient, while reinforcing our place as a trusted global supplier.

Friends, as you all are aware that CITI's AGM has traditionally been providing a forum for evaluating the overall scenario of the World and the Indian economy and how the Textile Industry, especially the Indian Textile Industry has performed in the last one year. Apart from the industrial scenario, let me also present to you in brief the major activities that CITI has undertaken during this period.

Friends, the Annual Report and Audited Accounts of CITI and CITI CDRA along with the Auditor's Report for the year ended 31st March 2025 are already with you, and with your permission, I take them as read.

Production of Raw Materials – Cotton & MMF

- As per the estimates by the Committee on Cotton Production and Consumption (COCPC) the area under cotton cultivation is projected to decrease to 114.47 in 2024-25 from 126.80 lakh hectares in 2023-24. Similarly, the yield is also projected to decrease to remain at 436.99 kg per hectare in 2024-25 compared to 435.75 in 2023-24.

- Production of cotton is estimated to remain around 294.25 lakh bales compared to 325.22 lakh bales during the year 2023-24.

- For the upcoming 2025-26 season, the MSP for medium staple cotton has been increased to ₹ 7,710 per quintal, up from ₹ 7,121 in the previous year; similarly, the MSP for long staple cotton has been raised to ₹ 8,110 per quintal from ₹ 7,521.

- The production of MMF fibre was up by 3.26% in Apr-Sept 2024-25 compared to Apr-Sept 2023-24. Similarly, the production of Man-Made Filament Yarn also increased by about 7.2% during the above period.

Other Activities of CITI

I am pleased to share with you all that CITI is constantly working towards meeting the industry's need for awareness and networking which is needed to make the industry ready to meet the emerging demands and compliances by organizing regular conferences and also by conducting a series of webinars.

Some of the key events conducted by CITI during the last 1 year include:

- Celebration of World Cotton Day 2024
- 3rd Edition CITI Sustainability Awards 2025 during Bharat Tex 2024 which concluded with a Fashion Show
- 3rd edition of Man-made fibre conclave
- 12th edition of the Asian Textile Conference (ATEXCON 2025)
- Capacity Building Workshops on Sustainable Practices in various major cluster
- ITMA roadshows in major textile clusters

All the above events were attended by Senior Government leaders and also received great responses from the industry in terms of participation and financial support.

I would like to bring to your notice that during the last 1 year, CITI also organized a number of webinars on issues related to the Textile & Apparel Industry some of which are given below:

- Webinar on innovative products
- Webinar on USA duty announcements
- Webinar on various upcoming legislations like Corporate Sustainability Due Diligence (CSDD)
- Webinar on filing of RoDTEP returns

- Webinar on Business Expansion in USA - Company Setup and Warehousing with Pick-Pack-ShipEntry USA
- Webinar on Unlocking MSME Growth through the RAMP Programme
- Webinar on PLI scheme

I assure you all that CITI will continue organizing more such conferences, webinars, and awareness workshops for the benefit of the industry in the coming years.

Through these activities and initiatives, CITI has significantly improved its presence and visibility on social media. I am happy to share that there is a significant increase in CITI's followers on the major social media handles.

CITI participation in Skilling Schemes

- CITI is implementing the Skill Development training program in the Samarth Scheme under the Ministry of Textiles and Pradhan Mantri Kaushal Vikas Yojana (PMKVY 4.0) with National Skill Development Corporation (NSDC) under the Ministry of Skill Development and Entrepreneurship (MSDE).

- CITI has got the mandate to train 10,903 youths by March 2026 under the Samarth Scheme and 16,895 (Short Term training – 7125 and

Upskilling (through RPL) – 9,770) youths by March 2025 under PMKVY 4.0.

- Till September 2025, CITI has completed training and certification of 7,124 candidates under SAMARTH and 4,070 candidates under PMKVY 4.0 across 52 centres pan India.

Key Activities of CITI-CDRA

- **Update on the Collaborative project being under taken by CITI-CDRA**
  - Year 2024-25 marked the 18th year of CITI's Cotton Collaborative projects in lower Rajasthan, the 10th year in Maharashtra, and the 8th year in Madhya Pradesh for CITI CDRA.
  - During 2024-25, CITI-CDRA activities were spread across:
    - 3,241 hectares, 10 districts, and 3,039 farmers in Rajasthan.
    - 23,101 hectares, 160 villages, and 15,207 farmers in Maharashtra.
    - 21,720 hectares, 5 clusters, and 9,449 farmers in Madhya Pradesh.

- As a direct result of these interventions, yield improvements were recorded at 22.8% in Rajasthan, 18.9% in Maharashtra, and 9% in Madhya Pradesh when compared to non-project areas

- **Update on the Pilot Project on Cotton being undertaken by CITI-CDRA**
  - Year 2024-25 was the 2nd year of CITI as one of the implementation partners for the Pilot Project on Cotton.
  - CITI-CDRA has been allotted 3,565 ha of land across Rajasthan, Maharashtra, and Madhya Pradesh.
  - By achieving 100% of the target allotted, CITI-CDRA worked with about 5,170 farmers across 12 districts. Importantly, all farmers were unique.
  - As a result of the project activities, CITI-CDRA achieved a noteworthy increase in yield in its area; 24 – 69% under High-Density Plantation in Maharashtra, 13 – 63% in Closer Spacing in Rajasthan, and 11 - 24% improvement in ELS varieties in Madhya Pradesh.
  - Besides being an important implementation partner for the project, CITI also continued managing web portal and mobile application for the effective monitoring and implementation of the project activities. The portal has a dedicated tutorial section to capture the agronomics practices and other related

materials to educate the non-beneficiary farmers also about the outcomes of the various agronomics practices.

- Under the project there is a dedicated market linkage program to connect beneficiary farmers directly with industry for cotton sale, thus avoiding any middlemen. I request all my industry partners to be part of this market linkage program and plan their cotton purchase accordingly.

Acknowledgments

- At the outset, I would like to express our sincere gratitude to the Hon'ble Prime Minister of India, Shri Narendra Modi Ji for listening to the Textile Industry's pleas and taking many pathbreaking policy decisions for the betterment of the Indian Textile & Apparel Industry.

- I would like to thank the Hon’ble Union Minister of Textiles, Shri Giriraj Singh for always extending his full support and cooperation towards the betterment of Indian T&A industry.

- I would like to extend our sincere thanks to the Hon'ble Union Minister of Finance, Smt.

Nirmala Sitharaman, and all the concerned officials of the Finance Ministry, Customs Officials, Tax Administrators, and GST Council members for addressing various tax-related issues of the industry, particularly for addressing issue of Inverted Duty Structure (IDS) in the MMF value chain during the recently announced GST 2.0 reforms.

- I would like to extend our sincere gratitude to the Union Minister of Commerce & Industry and former Hon'ble Union Minister of Textiles, Shri Piyush Goyal Ji, for extending all possible support and kind encouragement for the growth of the Textile Industry. Contribution of Shri Goyal and his team for concluding India-UK CEPA is truly commendable.

- I also convey my deep gratitude to the Hon'ble Minister of Agriculture and Farmers' Welfare, Shri Shivraj Singh Chauhan, for extending all support to the industry, especially towards temporary removal of import duty on cotton as also for partnering with Ministry of Textiles for the 3rd year of Special Project on Cotton.

- I would also like to convey our sincere gratitude to the Hon'ble Minister of State for Textiles, Shri Pabitra Margherita, for supporting the Indian T&A Industry in every possible way.

- This year Government announced Mission on Cotton productivity which was a long pending demand of industry. I want to express my sincere gratitude to Hon'ble Prime Minister, Hon'ble Minister of Finance, Hon'ble Minister of Agriculture, Hon'ble Minister of Agriculture, Hon'ble Minister of Textiles and all the concerned officials for this joint effort which will provide a boost to Indian Cotton sector.

- Let me also express my deep gratitude to all the state governments of all textile clusters and their senior officials for all their kind support for the textile industry.

- I convey our sincere gratitude to Secretary Textiles, Ms. Neelam Shami Rao as also former Secretary Textiles, Smt. Rachna Shah, for steering the Textile Industry in the right direction and addressing various underlying issues of the Textile & Apparel Industry.

- I would also like to place on record our sincere thanks to Trade Advisor, Ms. Shubhra, for her constant guidance and support towards trade facilitation.

- I also extend my gratitude to former Joint Secretary Ms. Prajakta Verma for her contribution towards addressing various issues related to cotton and sustainability.

- I would also like to thank Shri Ajay Gupta, Joint Secretary, Ministry of Textiles, for his dedicated support in effectively steering the Samarth (Scheme for Capacity Building in Textile Sector) programme, which has played a vital role in enhancing skill development and employability in the textile industry.

- I would like to thank our Textile Commissioner Dr. M. Beena as also our former Textile Commissioner, Ms. Roop Rashi for listening to Industry pleas and extending full support to the Textile Industry in resolving many issues especially related to TUFS.

- I also extend my sincere gratitude to all the senior officials and staff of the Ministry of Textiles, Ministry of Finance, Ministry of Commerce & Industry, Ministry of Agriculture, Department of Promotion of Industry and Internal Trade (DPIIT), Directorate General of Foreign Trade (DGFT) and BIS for their kind support to the industry.

- I also thank all political leaders, and individuals who directly and indirectly extended valuable cooperation and support in addressing various issues affecting the Textile Industry.

- I wholeheartedly express my sincere gratitude to all the Chairmen / Presidents and SGs of all Member Associations, Associate Members and Corporate Members of CITI, National and Regional Textile Industry Associations, Export Promotion Councils, Member Associations of National Committee on Textiles and Clothing (NCTC) viz; AEPC, ASFI, AMFII, CMAI, ITME, ITTA, PDEXCIL, SRTEPC and TEXPROCIL who have come together with CITI in taking up many Industry issues in a single voice.

- During the entire year, the guidance of our esteemed committee members has helped CITI meet some of the challenges in the best way possible. I would like to use this opportunity to express my deep gratitude to all of them. Your commitment and dedication to advancing the interests of our industry have been the driving force behind our collective achievements.

- I would like to convey my sincere gratitude to the Past Chairmen of CITI and Office Bearers, Deputy Chairman-CITI, Shri Ashwin Chandran, and Vice Chairman-CITI, Shri Dinesh Nolkha for sharing my responsibilities and extending their support and participation in discharging my duties as Chairman, CITI.

- My sincere thanks to Chairmen and Team Leaders of Textile Committees of Trade Bodies viz; ASSOCHAM, CII, FICCI, FIEO, etc also for their support and cooperation in addressing textile issues.

- On behalf of CITI and the Industry at large, I thank both print and visual media for the support extended by them to us during my Chairmanship of CITI. The proper projection of our issues by them helped us immensely in seeking remedies to some of them.

- Finally, I would like to thank CITI Secretary General Ms. Chandrima Chatterjee and her team for all their hard work and dedication which they have shown throughout the year and also appreciate the Secretariat for handling every issue very effectively. I wish them success in their future endeavours also.

Friends, as we look ahead, the Indian textile and apparel industry stands at the threshold of a transformative decade. With government support, industry resilience, and CITI's collective efforts, I am confident that together we will achieve our vision of making India a US$ 350 billion textile powerhouse by 2030, with sustainability and inclusivity at its core.

Let us move forward with unity, determination, and optimism.

Thank you.

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