INDIAN HOME TEXTILE INDUSTRY

Resilient demand conditions and global vendor diversification programmes to drive home textile exports in FY2026

APRIL 2025

Highlights

ICRA

Click to see full report

Performance of Indian home textile players to sustain momentum benefitting from the gradual liquidation of inventory at the retailers' level and benefits derived from the China Plus One vendor strategy.

Industry revenues to grow by 7-9% in FY2025 and 6-8% in FY2026 with operating profit margins of 13-15%

- **Growth in India's home textile exports improved to ~10% in 9M FY2025 from ~3% in FY2024,** riding on resilient demand, global vendor diversification programme and retailers' inventory restocking at key export destinations.
- **The US remains the largest market for Indian home textile exports,** with 59% share in FY2024 and 56% in 9M FY2025. The growth impetus in the medium term would remain contingent on the ongoing tariff related uncertainties in the US and any resolution to the FTA talks with the UK and the EU.
- **In 9M FY2025, carpets/floor coverings and bed/table/toilet/kitchen linen segments expanded by ~13% YoY** compared to a lower growth in other categories (like blankets and other furnishing articles), with heightened awareness for personal well-being and focus on home aesthetics.
- **US retail sales of furniture and home furnishing stores fell by 2% YoY during In CY2024, amid weak demand sentiments**. However, green shoots of recovery were seen during Q4 CY2024 (up 5.5% YoY).
- **ICRA's sample set of four companies** (representing ~50% of industry size) witnessed a **14% YoY revenue expansion in FY2024** propelled by increase in export volumes, domestic sales and inorganic expansions done by select players. In 9M FY2025, the pace of growth, however, moderated to ~8% YoY.
- **ICRA expects the industry revenues to rise by 7-9% in FY2025** with increasing volumes and realisations and remain healthy in FY2026 with the benefits from the China Plus One vendor strategy, improvements on the back of inventory liquidation at importers' end and favourable currency rates.
- **On the cost front,** while raw material prices remained largely stable in FY2025, the impact of higher logistics cost and other operational costs is expected to moderate the operating margins by 100-150 bps and remain in the range of 13-15% for home textile players in FY2025. Better scale economics, favourable currency rates, and stable export incentives shall support the margins in FY2026.

ICRA Analytical Contact Details

Name	Designation	Email	Contact Number
Shamsher Dewan	Senior Vice President & Group Head	shamsherd@icraindia.com	0124-4545328
Srikumar Krishnamurthy	Senior Vice President & Co-Group Head	ksrikumar@icraindia.com	044-45964318
G S Ramakrishnan	Assistant Vice President & Sector Head	g.ramakrishnan@icraindia.com	044-4596 4300
Geetika Mamtani	Senior Analyst	geetika.mamtani@icraindia.com	022-61693330

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Neha Agarwal	Head – Research Sales	neha.agarwal@icraindia.com	022-61693338
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – Corporate Sector - West & East	vinita.baid@icraindia.com	033-71501131
Shivam Bhatia	Head Business Development – Corporate Sector - North & South	shivam.bhatia@icraindia.com	0124-4545803
Naznin Prodhani	Head – Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860

ICRA

ICRA

Thank You!