

SHIVPRIYA TEXCHEM · KNOWLEDGE SERIES

Ahmedabad. Denim, processing and the old Manchester of the East.

Ahmedabad built India's first great mill industry, lost almost all of it in a decade, and rebuilt itself around denim and processing. It is the clearest case study in the country of a textile city reinventing its base.

1861

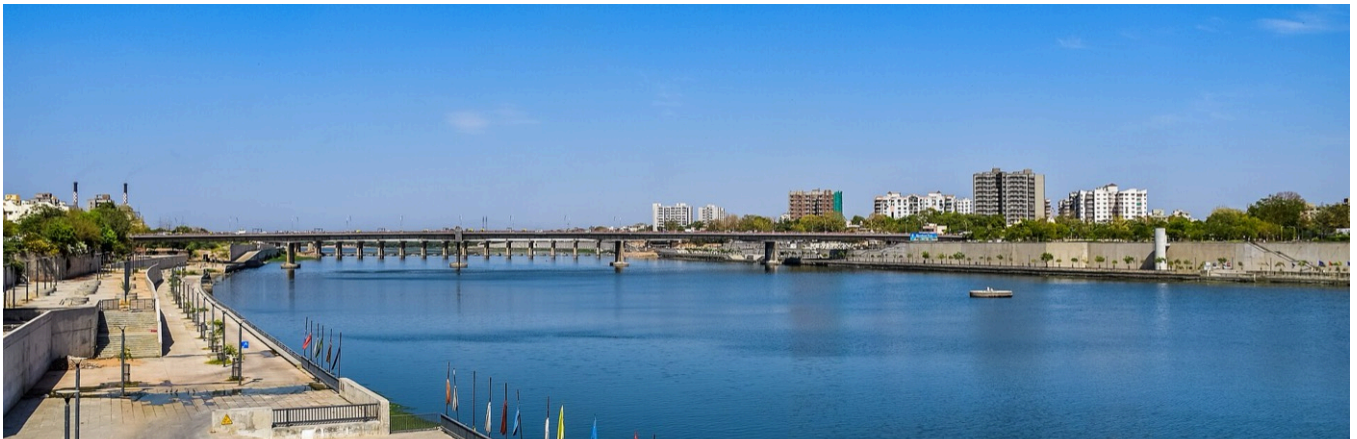
the first Ahmedabad cotton mill — the start of organised Indian textiles

Denim

the product the city rebuilt itself around after the mill collapse

Narol

the processing belt that serves much of western India



Ahmedabad · Photograph: Tarun802 — CC BY-SA 4.0, via Wikimedia Commons. Reproduced under its licence terms.

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CHAPTER 01

What Ahmedabad makes now

The composite mills are gone. What replaced them is a set of specialised, capital-intensive businesses — denim weaving, fabric processing, home textiles and a growing technical textile presence.

SEGMENT	WHAT IT COVERS
Denim	Among the largest denim capacities in India, from spinning through indigo dyeing to finishing
Processing	The Narol and Naroda belts — dyeing, printing and finishing at large scale
Home textiles	Bed linen, terry and made-ups, much of it export oriented
Cotton spinning	Yarn for the local weaving and denim base, plus merchant sales
Technical textiles	Growing capacity in industrial and non-woven fabric
Chemicals & dyes	A dyestuff industry that grew alongside the mills and outlived them

The dyestuff advantage. Ahmedabad is one of the few textile clusters in the world sitting **inside a dyestuff manufacturing region**. That proximity shortens the chemical supply line for every processing house in the belt and is a genuine structural advantage.

CHAPTER 02

How the mills were lost

The collapse of Ahmedabad's composite mills in the 1980s and 1990s is the most important event in the city's industrial history, and understanding it explains the shape of what came after.

01 Composite mills dominated

Large integrated units spun, wove and processed under one roof, employing a very large workforce.

02 Powerlooms undercut them

Decentralised powerloom units, with lower overheads and labour costs, took the volume market.

03 Capital did not renew

Machinery aged. The capital required to modernise on that scale was not available or not committed.

04 The mills closed

Closures ran through the 1980s and 1990s with very large employment consequences for the city.

05 Specialisation replaced integration

What rebuilt was narrower and more capital-efficient — denim and processing rather than everything.

Ahmedabad did not recover by rebuilding what it lost. It recovered by **choosing two things and doing them at scale.**

CHAPTER 03

Leading names across the cluster

Ahmedabad's textile base is more consolidated than most Indian clusters, with a smaller number of large, well-known companies rather than thousands of small units.

DENIM

Spinning to indigo to finished fabric.

- 01 **Arvind Limited**
Among the largest denim producers globally
- 02 **Nandan Denim**
Large integrated denim capacity, Ahmedabad
- 03 **Aarvee Denims**
Established denim and bottom-weight fabric
- 04 **Ashima Group**
Denim and yarn-dyed fabric
- 05 **Soma Textiles**
Denim and cotton fabric manufacture

PROCESSING & FINISHING

The Narol and Naroda belts.

- 01 **Vishal Fabrics**
Processing and finished fabric at scale
- 02 **Chiripal Group**
Diversified textiles, processing and denim
- 03 **Bhaskar Industries**
Textile processing and finishing
- 04 **Sintex Industries**
Yarn and textile operations from Kalol
- 05 **Garden Silk (Gujarat)**
Processing presence in the wider belt

HOME TEXTILES

Bed linen, terry and made-ups.

- 01 **Arvind Home**
Home textile arm of the Arvind group
- 02 **Shri Dinesh Mills**
Long-established Gujarat textile manufacturer
- 03 **Ashima Dyecot**
Yarn-dyed and home textile fabric
- 04 **Deepak Nitrite (dyes)**
Dyestuff supply to the home textile chain
- 05 **Sarla Performance**
Speciality yarn for made-ups and technical use

SPINNING & YARN

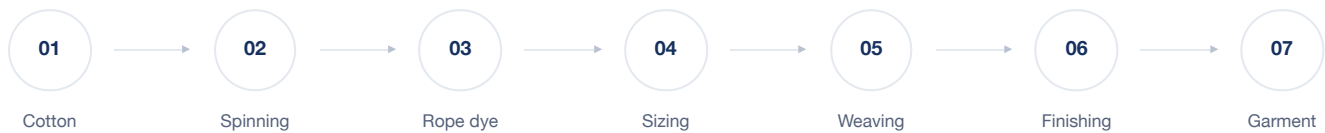
Cotton and blended yarn for the belt.

- 01 **Arvind Limited**
Integrated spinning feeding its own denim
- 02 **Chiripal Industries**
Spinning within a diversified group
- 03 **Nova Textiles**
Cotton and blended yarn
- 04 **Maral Overseas (west)**
Yarn and knitted fabric in the region
- 05 **GHCL Textiles**
Spinning and home textile yarn

CHAPTER 04

Why denim concentrated here

Denim is capital heavy, water heavy and chemical heavy. Ahmedabad happened to have all three inputs in place when the mills fell, and the capital released from them went into denim.



Several Ahmedabad groups run this entire chain internally

Chemical proximity

Indigo and process chemicals available locally from the Gujarat dyestuff industry.

Capital availability

Mill-era industrial families with the balance sheet for capital-intensive denim plant.

Cotton access

Gujarat is a major cotton state; the raw material base is local.

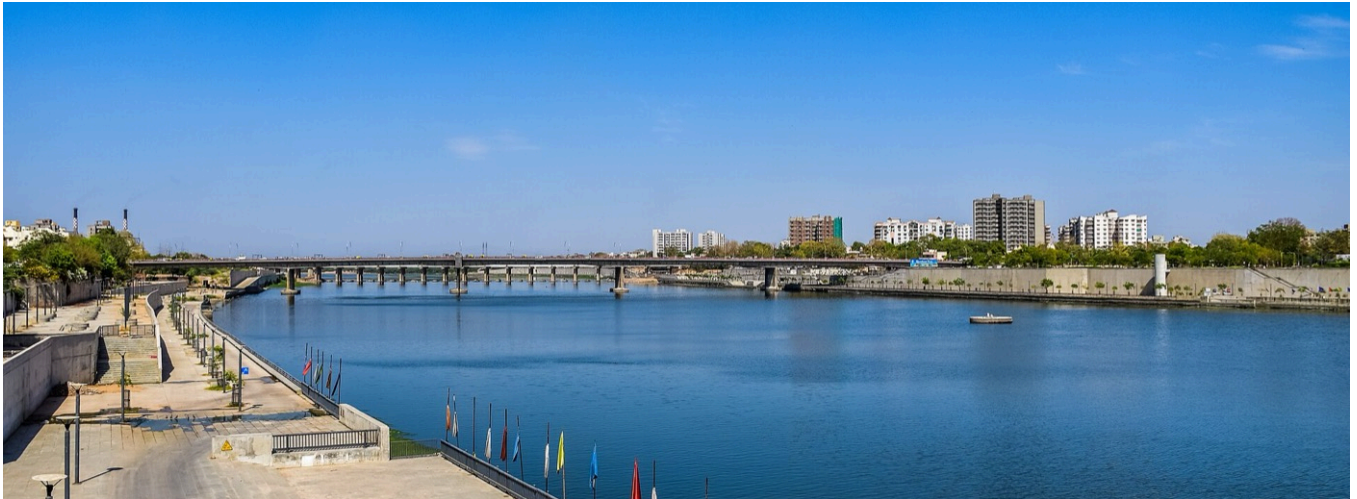
Integration

Denim rewards integration. Ahmedabad groups built spinning-to-finishing under one roof.

CHAPTER 05

The Narol belt and its water problem

Ahmedabad's processing capacity serves fabric from across western India. It is also the part of the cluster under the most sustained environmental pressure.



Ahmedabad, Gujarat · Photograph: Tarun802 — CC BY-SA 4.0, via Wikimedia Commons

- **CETP capacity** is the binding constraint on processing expansion across the belt.
- **Discharge standards** have tightened repeatedly, forcing investment in treatment rather than capacity.
- **Water availability** competes directly with municipal and agricultural demand.
- **Zero liquid discharge** is increasingly the expectation rather than the exception for new capacity.

CHAPTER 06

How the trade works

Ahmedabad trades differently from Surat. There are fewer, larger counterparties, more direct mill-to-buyer relationships and correspondingly more formal contracting.

FEATURE	HOW IT DIFFERS FROM A FRAGMENTED CLUSTER
Counterparties	Fewer and larger. You are usually dealing with the manufacturer directly
Contracting	More formal, with written specifications and defined quality parameters
Credit	More structured; large groups have banking relationships rather than informal chains
Minimum quantities	Higher. Large denim and processing lines are not built for small lots
Export orientation	Substantially higher than most domestic clusters
Compliance	Social and environmental audits are routine for the export-facing units

CHAPTER 07

What is shifting now

The denim market is mature and competitive. Ahmedabad's current effort is to move into higher-value and more technical fabric rather than to add denim capacity.

01 Sustainable denim

Foam dyeing, laser finishing and recycled content, driven by European buyer requirements.

03 Garmenting

Forward integration into garment manufacture to capture more of the value chain.

05 Effluent investment

Substantial and continuing capital going into treatment rather than into capacity.

02 Technical textiles

Industrial fabric, non-wovens and geotextiles as a diversification away from apparel cycles.

04 Traceability

Cotton traceability systems, increasingly a condition of export rather than a differentiator.

06 Automation

Labour costs and consistency requirements pushing automation in weaving and finishing.

CHAPTER 08

What limits the cluster

Ahmedabad's constraints are the constraints of a mature, capital-intensive industry rather than those of a fragmented one.

- **Denim overcapacity.** Indian denim capacity substantially exceeds domestic demand, keeping margins thin.
- **Water and effluent.** The hardest limit on processing growth, and it is not going to ease.
- **Competition on cost.** Bangladesh and Vietnam compete hard on denim garment cost.
- **Capital intensity.** Modernisation requires large committed capital, which restricts who can play.
- **Cotton price volatility.** Integrated cotton-to-fabric operations carry the full price exposure.
- **Labour.** Skilled operator availability is a persistent constraint for expanding units.

CHAPTER 09

Buying from Ahmedabad

Ahmedabad is a straightforward cluster to buy from if your volumes suit it, and a difficult one if they do not.

01 Check the minimum quantity first

Large integrated lines have real minimums. Establish this before developing a quality.

03 Wash-test before bulk

Denim must be judged after your laundry programme, not on the roll.

05 Assess the processing separately

Even within integrated groups, processing quality varies line by line.

02 Specify denim fully

Yarn construction, dyeing route, weight, twill direction and stretch content.

04 Verify compliance status

For export programmes, confirm the audit and certification position up front.

06 Plan for cotton exposure

Integrated cotton-based pricing moves with cotton. Agree the price mechanism explicitly.

How Shivpriya reads it. Ahmedabad is where we go for **scale, compliance and integration**. If a programme needs documented traceability and consistent large-lot delivery, this cluster is usually a better fit than a fragmented one — provided the volumes justify it.

IN CLOSING

A mill city that rebuilt itself twice.

Ahmedabad is the most consolidated major textile cluster in India and the one most oriented toward export compliance and integration. If you are sourcing denim, processed fabric or home textiles at scale, talk to us — the right question here is usually about minimum quantity and audit status before it is about price.

TALK TO US

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