

GOOD FASHION FUND PARTNERS WITH SHARADHA TERRY FOR NEW RUGS UNIT

May 06, 2025

AMSTERDAM - The Good Fashion Fund, managed by FOUNT, has made an investment in Sharadha Terry Products Private Limited (“STPPL”) - a renowned Indian manufacturer and exporter of high-quality bed and bath products under the MicroCotton® brand from Metupalayam. The 1.75 million US Dollar loan will support STPPL’ investment in set-up of their new bath and area rugs unit (Sri Gugan Mills) in Metupalayam, Tamil Nadu. With this investment, the Good Fashion Fund is fully invested, and FOUNT is aiming to establish a follow-up fund (Good Fashion Fund 2.0) building on the successful track record, networks, lessons learned and methodologies of GFF.



Sri Gugan Mills – new rugs unit of Sharadha Terry Products Pvt. Ltd.

The investment in Sharadha Terry Products by GFF will be towards the installation of a state-of-the-art tufting machine and accessories. The new rugs unit has an annual capacity of 4 million sq.mtr and will majorly produce dope dyed polyester bath rugs and cotton bath rugs, with other recycled fibres such under development for new products. Compared to conventional rug manufacturing units, STPPL will significantly reduce water consumption and eliminate the usage of hazardous chemicals typically used in conventional dyeing from its process supported by a dedicated effluent treatment plant (ETP) for the rugs unit that will recover up to ~98% of wastewater (estimated by STPPL) – positioning itself as of one of India’s few integrated and sustainable rug manufacturers with capacity above 4 million sq.mtr of production. The unit will be operated by workers from the nearby regions of Metupalayam, anticipated to create more than 200 jobs across male and female workers.

With India as a prominent home textile player internationally, STPPL is strategically positioned to leverage its existing brand and reputation with the business expansion and product diversification into bath and area rugs, increasing its revenue potential and improving overall resource efficiency. The company debuted its new rugs product line under ‘Sharadha Rugs’ at the Heimtextil show in January ’25 at Frankfurt for its international customers - becoming a one-stop shop for bed and bath products

manufactured in the highest sustainability standards and regulatory requirements. STPPL draws majority of power through captive generation of power through its windmills (5.1 mw) and solar plant (10.1 mw).



Good Fashion Fund team at Sharadha Terry / Micro Cotton® booth at Heimtextil Expo '25, Frankfurt

L – R – Sruthi Ramesh (Sr. Analyst, GFF), Vikram Krishna (MD, STPPL), Jayanth Kashyap B (Investment Lead, GFF)

Speaking on the partnership, **Vikram Krishna, Managing Director of Sharadha Terry Products Private Limited**, “We are proud to partner with the Good Fashion Fund in our journey to bring innovative and sustainable solutions to the global home textiles market. This investment enables us to expand our product portfolio into bath and area rugs while reinforcing our deep commitment to environmental stewardship and community development. At Sharadha, we believe that growth and responsibility go hand in hand — and with this support, we are building one of India’s most resource-efficient rug manufacturing units, powered by clean energy and operated by local talent.”

Bob Assenberg, Fund Director of Good Fashion Fund commented “We are elated to expand our presence in the home textiles segment with this investment in Sharadha Terry Products – being our final investment from the GFF. This partnership is a testament to the company’s commitment to sustainability and our goal as an impact fund to focus on deeper tiers of the textile industry. As an established company with rich legacy in the bath textile segment, Sharadha Terry continues to aim for new opportunities in the bath and area rugs segment as well. We look forward to collaborating towards demonstrating best practices in sustainable manufacturing for the textile industry.”

The **Good Fashion Fund (GFF)**, is initiated by Fashion for Good and is a collaboration between Laudes Foundation, The Mills Fabrica and FOUNT complemented by Rabobank as lender to the Fund. The Fund provides long-term USD loans in addition to technical and environmental and social expertise to manufacturers in Asia, primarily India and Bangladesh. Financing is to be used to invest in impact equipment that deliver both economic growth and good fashion practice. The Good Fashion Fund has a blended capital structure with an actual fund size of USD 19 million. The Fund is managed by FOUNT, a leading impact investment firm from the Netherlands.

Current partners of the GFF also include K.K.P Fine Linen (India), Pratibha Syntex (India), Sri Kannapiran Mills (India), Progress Apparels (Bangladesh) and EPIC Group (Bangladesh).

Website: www.goodfashionfund.com

LinkedIn: [Good-Fashion-Fund](https://www.linkedin.com/company/good-fashion-fund)

Sharadha Terry Products Private Limited (STPPL) is engaged in the manufacturing and export of premium bath textiles under the globally recognized MicroCotton® brand. It is part of a vertically integrated textile group with more than 90 years of expertise in cotton and is renowned for creating innovative, eco-friendly, and sustainable textile products. Crafting Comfort Since 1932, STPPL operates out of Mettupalayam, Tamil Nadu, combining legacy craftsmanship with advanced technology to deliver high-quality products to leading international markets. Its commitment to responsible



innovation, environmental stewardship, and social impact has made it a preferred supplier to some of the world's leading retailers and hospitality brands.

At Sharadha Terry Products Private Limited (STPPL), sustainability is not a choice—it's a legacy. For over three decades, STPPL has led the Indian home textile industry in reimagining manufacturing through a deep, enduring commitment to environmental stewardship, clean energy, and community empowerment. The company's holistic approach integrates responsible innovation at every stage of production, making it a benchmark in sustainable textile manufacturing.

1. Closing the Loop on Water:

From installing its first effluent treatment plant in 1995 to achieving zero liquid discharge by 2004, STPPL has made water circularity a cornerstone of its operations. Today, 99% of all water used in production is recycled—an industry-leading achievement.

2. 100% Renewable, 100% Reliable:

STPPL began its renewable journey in 2008 with wind power, expanded in 2015 with India's largest rooftop solar installation, and by 2023 reached a milestone few in the sector can claim—sourcing 100% of its energy from renewable sources. Its combined wind (5.1 MW) and solar (10.1 MW) generation not only powers its plants but lights the way for the industry.

3. Certifications that Matter, Products that Lead:

Sharadha's products are a promise—to its consumers and the planet. It was the first Indian terry towel manufacturer to achieve the Made in Green certification (2017), and the first in India to certify recycled cotton under the same standard (2021). From Global Recycle Standard (2018) to Zero Discharge of Hazardous Chemicals (2019), and most recently, FSC-certified towels (2024), every badge is a step forward in material transparency and responsible production.

4. Reducing Footprint, Increasing Impact:

STPPL doesn't just reduce waste—it reimagines it. With an aggressive push toward resource efficiency and a complete transition away from coal-fired energy in 2023, the company is now on a clear trajectory to achieve Net Zero emissions by 2026.

5. Empowering Communities, Especially Women:

Sharadha's people-first philosophy is deeply rooted in its local engagement. The newly established rugs unit, Sri Gugan Mills, will create over 200 jobs for men and women from nearby towns—fostering economic independence and building skills that stay in the community.

6. Rewriting the Rules of Sourcing and Packaging:

In 2024, STPPL replaced traditional materials with biodegradable alternatives like organic cotton and preferred man-made cellulosics (PMMCs). Packaging is now eco-forward too, using self-fabric wraps and recycled cartons—an elegant solution to textile waste.

7. Safety, Dignity, and Wellbeing for All:

Sustainability begins with people. STPPL has embedded a strong culture of worker safety and welfare through regular training, social security coverage, and progressive workplace practices, ensuring every team member thrives in a safe and supportive environment.

Website:

<https://www.kgworldwide.com/group-sharadha.html>

<https://microcotton.com>



ABOUT FOUNT

FOUNT is a leading impact investment firm providing Investment and Fund Management expertise to drive social and environmental impact alongside reasonable financial return in emerging markets. FOUNT is active in various sectors across emerging economies including sustainable apparel, sustainable agriculture and clean cooking.

For more information, please visit: www.fount.eu

PRESS CONTACTS

Good Fashion Fund

Jayanth Kashyap B (Investment Lead)

jayanth@goodfashionfund.com

Herengracht 201

1016 BE, Amsterdam

The Netherlands

www.goodfashionfund.com