The aim of this study is to present the innovative business practices inspired by the principles of sustainable development and also investigates the impact of textiles throughout the supply chain, starting with the raw fibre through to fabric production, consumption and disposal. This is a technical paper which analyses the various innovative practices in textile industries that can be implemented for the sustainable development. Sustainability and innovation are challenges and the right business strategy for textile industries to be competitive in the future. It needs innovative thinking to reduce consumption and waste, to increase energy efficiency, to encourage reuse and recycling. The textile industry occupies an important place in the economy of India. While the textile industrial growth powers the country’s growing commercial economy, fallout of rapid industrial development is the degradation of the quality of the environment: air, land and water. These resources are under increasing stress due to patterns of over-exploitation and broader environmental change.It is India’s second largest employers only after agriculture providing direct employment to 38 million people, primarily the weaker sections. From the social point of view, the implementation of fair working conditions along the global textile chain is in the focus.A qualitative assessment of sustainability in the textile manufacturing chain is therefore extremely important to help the textile industry benefit from better environmental practices.