

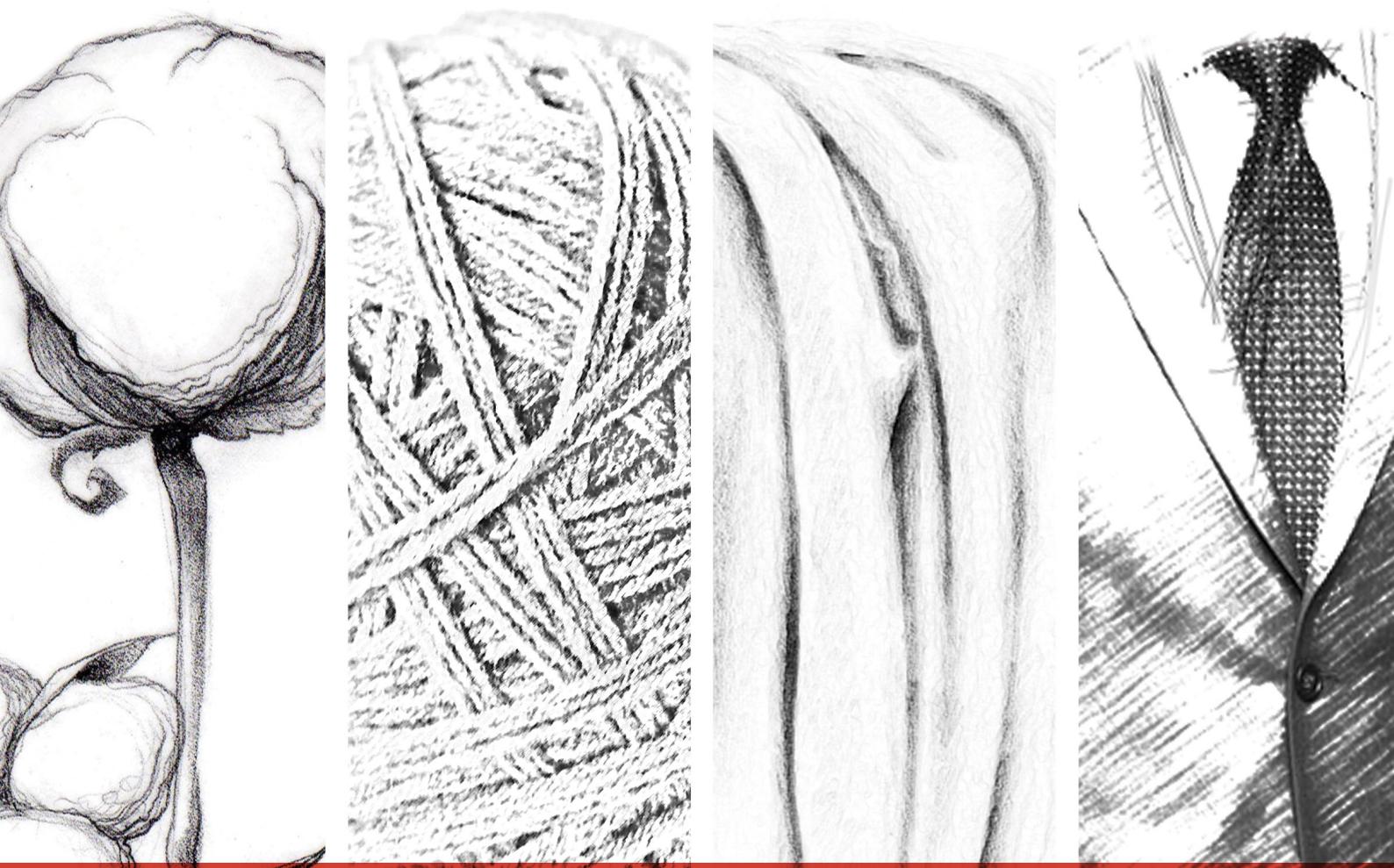
A WAZIR ADVISORS PUBLICATION

INSIDEVIEW

wazir
ADVISORS

2015 ANNUAL REPORT ON

Indian Textile and Apparel Industry



Content

Global Textile & Apparel Industry Overview	1
Current status of Indian Textile & Apparel Market	3
India's Trade with Major Countries	6
India Textile Industry Structure and Supply Scenario	13
Financial Health of Indian Textile Industry	22
Government Support	26
About Wazir	34

Global Textile & Apparel Industry Overview

Growing apparel consumption globally

The global textile & apparel industry will continue to grow along with growing consumption of textile and apparel products in developing countries and a gradual economic recovery of major developed markets. The growth of conventional textile products is driven by apparel segment which constitutes majority share of total demand. As the market continues to evolve, new consumption centres for apparel and home textiles are emerging.

While the apparel market is still largely dominated by EU & USA, countries like China, India and Russia are emerging as future destinations for

apparel consumption. The high growth in the market will be primarily driven by the increase in population as well as the per capita apparel spending of the already large population in these countries. It is estimated that the global apparel market will be around US\$ 2 Trillion by 2020.

This high growth in apparel consumption in developing economies will further drive the growth of textile manufacturing and trade in these countries.

Growing textile & apparel trade

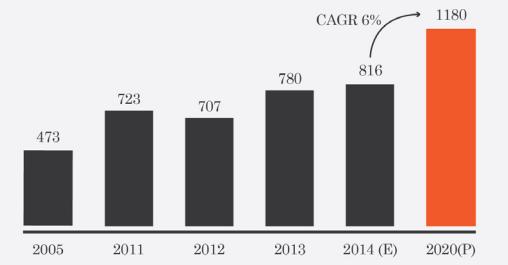
Along with the growing consumption, global textile and apparel trade is also expected to grow at a rate of ~6% from the present worth of US\$ 816 Bn to US\$ 1,180 Bn by 2020. Presently, apparel constitutes more than half of the share of the global textile and apparel trade followed by fabric and yarn. Growth in global trade will bring about investments in the countries having strong supply

Table 1: Apparel Market Size (US\$ Bn)

Region	Apparel Market Size - 2014
EU-28	420
USA	301
China	205
Japan	109
Russia	47
Canada	28
Brazil	54
India	56
Korea	27
Australia	16
Mexico	24
RoW	284
Global	1,569

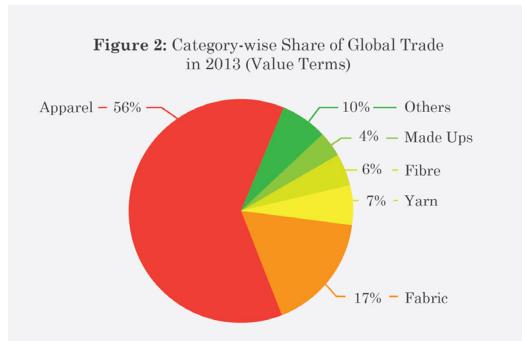
Source: Wazir Analysis

Figure 1: Global Textile & Apparel Trade (US\$ Bn)



Source: UN Comtrade & Wazir Analysis

base for apparel and textile products. India will be one of the gainers from investment point of view.



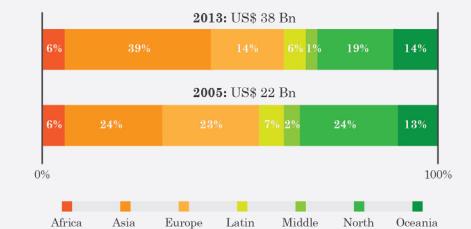
Source: UN Comtrade

Global trade shift towards Asia

A continuing trend is the shift in overall trade towards Asia over the years across all categories. One of the drivers of this shift is the lower cost of production. Textile exports from Africa have also grown in recent years, even though it is still much smaller in value terms.

Asia's share in global exports of fiber grew from 24% in 2005 to 39% in 2013 registering a high growth while Europe and North America have lost their share. Similar trend is seen in the yarn exports wherein the share of Asia has increased significantly from 48% in 2005 to 65% in 2013. Asia has increased its share in exports of fabric as well with exporting 54% of total fabric exports in 2005 to 69% share in 2013. Similarly, in apparel exports, Asia occupied a share of 54% in 2005 and grew to cover a share of 63% of total apparel exports in 2013. The share of Europe and North America has declined in fabric and apparel exports indicating a shift of trade towards Asian countries.

Figure 3: Fiber Exports (% share in value terms)



Source: UN Comtrade & Wazir Analysis

Figure 4: Yarn Exports (% share in value terms)



Source: UN Comtrade & Wazir Analysis

Figure 5: Fabric Exports (% share in value terms)



Source: UN Comtrade & Wazir Analysis

Figure 6: Apparel Exports (% share in value terms)

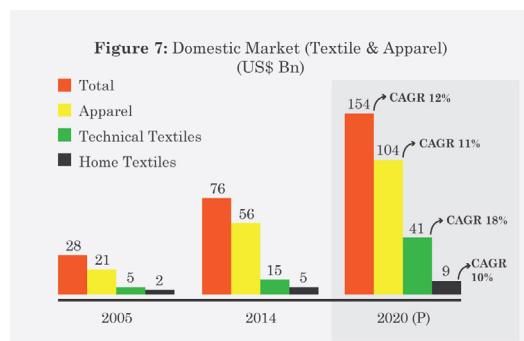


Source: UN Comtrade & Wazir Analysis

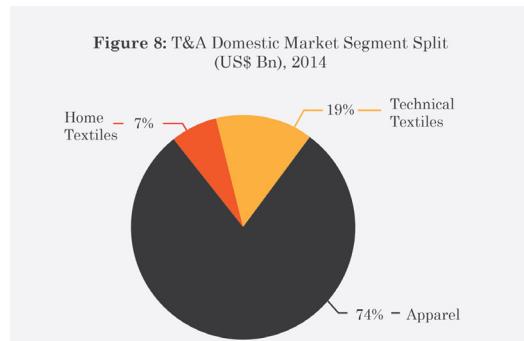
Current status of Indian Textile & Apparel Market

Domestic market overview

The current domestic textile and apparel market is estimated to be US\$ 76 Bn which is expected to grow at 12% CAGR to become US\$ 154 Bn by 2020. Apparel constitutes the majority share of the market with value of US\$ 56 Bn in 2014. Technical textile is a promising segment which is expected to grow fast at 18% CAGR.



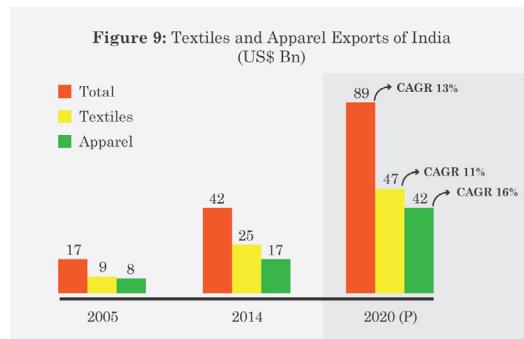
Source: Ministry of Textiles, UN Comtrade & Wazir Analysis



Source: Ministry of Textiles, UN Comtrade & Wazir Analysis

India Exports Overview

India's textile and apparel exports were around US\$ 42 Bn in 2014. India's exports have grown over the years at the rate of around 11% CAGR since 2005. India's exports are further expected to grow at 13% CAGR and reach around US\$ 89 Bn by 2020. Apparel exports are expected to grow faster at 16% CAGR and reach US\$ 42 Bn from the existing US\$ 17 Bn, while textile exports are expected to reach US\$ 47 Bn growing at the rate of 11% CAGR by 2020.



Source: Ministry of Textiles and Wazir Analysis

In global exports of 2013, India occupied second position in textile export with 7% share but ranked sixth in apparel export with 3.7% share. Overall, India had second position with 5.2% share of global exports.

Table 2: Largest Exporters of T&A

Country	2013 Exports (US\$ Bn)
China	297
India	40
Italy	36
Germany	35
Turkey	28
USA	27
Bangladesh	26
Vietnam	22
Belgium	16
France	16
Rep. of Korea	16
Spain	16
Pakistan	14
Indonesia	13

Source: Ministry of Textiles,
UN Comtrade & Wazir Analysis

Textile & apparel industry's contribution to total exports of India

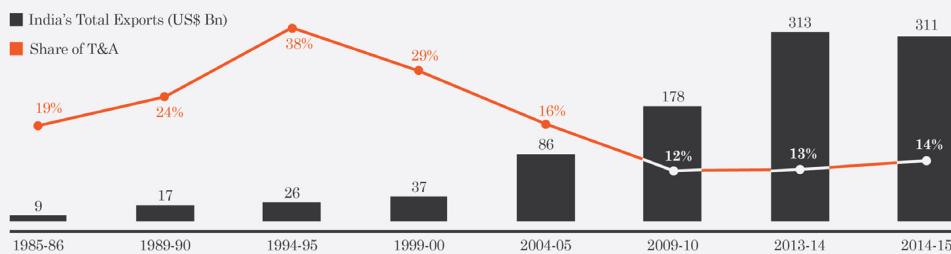
Textile and apparel sector is a major

contributor to India's total export earnings. Currently, it contributes to ~14% of total export earnings. But, the sector's share has declined considerably over the years.

India vs. China: Global export position

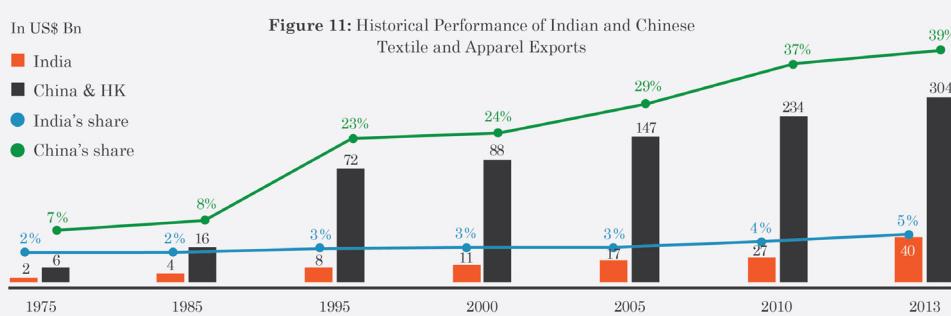
China has overtaken India significantly in the last 40 years. Global trade of textile and apparel increased from US\$ 84 Bn in 1975 to US\$ 770 Bn in 2013 at a CAGR of ~6%. During the same time period, India's textile & apparel export increased at a CAGR of ~8%. Higher growth of India's exports compared to global average resulted in increase of India's share from 2% in 1975 to 5.2% in 2013. However, in same period China's share in global textile and apparel exports increased significantly from 7% to 39%.

Figure 10: Share of Textile and Apparel in India's Total Exports



Source: Report of the Expert Committee on Textile Policy, Ministry of Textiles, August 1999, DGCIS, EPCB

Figure 11: Historical Performance of Indian and Chinese Textile and Apparel Exports



Source: UN Comtrade, WTO & Wazir Analysis

Cost Competitiveness of Indian Textile Industry

India has one of the most cost competitive textile manufacturing base for all types of products across the entire value chain. Labour cost in India is lower than most of the competing

countries except Bangladesh, Ethiopia and Kenya. Although power cost is on the higher side but still cheaper than China and Cambodia. Buyers look at India as the next alternative of China as it offers big domestic market, better adherence to compliance and political stability.

Table 3: Average Cost Comparison of India with Competing Countries

Cost element	Unit	India	Bangladesh	China	Vietnam	Cambodia	Ethiopia	Kenya
Labour cost*	US\$/month	140-160	100	500-550	180	190	50-60	125-150
Power cost	US\$/kwh	0.10-0.12	0.09-0.12	0.15-0.16	0.08	0.22	0.04	0.09**
Lending rate	%	12-14%	13%	5-6%	6-7%	15%	8.5-9.5%	16-18%
Water cost***	US Cents / m ³	18	20.5	57	50-80	70-90	30-40	150-180

Source: Texprocil benchmarking report May 2014, ITMF cost comparison report, 2014 and Wazir analysis

* Cost for semi-skilled labour; includes all benefits

** Normal power cost for Kenya is US\$ 0.19 - 0.20 / unit but it is subsidized to US\$ 0.09 / unit for textile and apparel exporters.

*** Water cost is based on the average tariff of the water supply companies of specific countries

India's Trade with Major Countries

EU 28

Exports

Out of total textile and apparel export from India, EU 28 occupied 24% share in 2014 and this share has been constant in the last five years. Garments and made ups occupied 80% share in the total textile and apparel

	2010	2011	2012	2013	2014	CAGR
Fibre	159	235	203	249	228	10%
Filament	91	125	112	151	116	6%
Yarn	570	726	528	624	559	-1%
Fabric	469	631	498	556	524	3%
Garments	4,928	6,481	5,494	6,538	6,789	8%
Madeups	874	1,222	1,023	1,253	1,323	11%
Other Textiles	541	537	532	621	606	3%
Total	7,632	9,957	8,390	9,992	10,145	7%

Source: UN Comtrade

exports to EU 28. Beside garments and made ups, fibre exports has increased at a significant rate.

The top 5 commodities exported to EU 28 occupied 22% share of the total exports to the region in 2014. These categories were primarily apparel comprising T shirts, Women's blouses and shirts, men's shirts and babies' garments. Sacks and bags of man-made textile materials has shown significant growth in the last five years as mentioned in Table 5.

Imports

The import of textile and apparel from EU 28 has grown at 11% CAGR from 2010 to 2014. Out of the US\$ 6 Bn import of textile and apparel in India, 9% was imported from EU 28 in 2014. Fiber occupied major (31%) share of total import from EU followed by garments. Import of garments has shown healthy growth rate of 22% in the last five years as shown in Table 6.

Table 5: Top 5 T&A Commodities Exported to EU 28 (US\$ Mn)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	610910	T-shirts, singlets and other vests, of cotton, knit	694	826	708	844	854	5%
2	620520	Womens, girls blouses & shirts, of cotton, not knit	377	470	391	437	437	4%
3	620630	Mens, boys shirts, of cotton, not knit	664	732	404	410	329	-16%
4	630532	Sacks & bags of man-made textile materials, Flexible intermediate bulk containers	79	163	155	232	300	39%
5	611120	Babies garments, accessories of cotton, knit	165	245	234	284	297	16%

Source: UN Comtrade

Table 6: India's T&A Imports from EU 28 (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	90	128	129	135	162	16%
Filament	36	51	58	45	43	5%
Yarn	8	13	13	8	10	4%
Fabric	58	86	79	70	62	1%
Garments	46	63	73	91	103	22%
Madeups	22	30	44	41	40	16%
Other Textiles	77	100	97	95	101	7%
Total	337	471	493	485	521	11%

Source: UN Comtrade

The top 5 commodities imported from EU 28 comprised mainly of man-made fibre and flax based categories. The import of all of these commodities has shown significant growth in the last five years.

Table 8: T&A Exports from India to USA (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	40	62	65	98	79	18%
Filament	18	26	28	27	28	12%
Yarn	44	66	59	74	68	12%
Fabric	223	296	262	295	290	7%
Garments	2,787	3,222	3,051	3,661	3,586	7%
Madeups	1,363	1,676	1,899	2,285	2,163	12%
Other Textiles	469	589	626	789	819	15%
Total	4,944	5,937	5,990	7,229	7,033	9%

Source: UN Comtrade

Table 7: Top 5 T&A Commodities Imported from EU 28 (US\$ Mn)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	550200	Artificial filament tow	11	17	23	25	25	22%
2	631090	Used or new rags textile material, not sorted	10	16	30	27	25	26%
3	550410	Staple fibres of viscose rayon, not carded or combed	8	12	12	13	21	28%
4	550130	Filament tow of acrylic or modacrylic	8	9	11	13	14	15%
5	530121	Flax, broken, scutched, hackled or otherwise processed, but not spun	6	3	6	11	14	26%

Source: UN Comtrade

USA

Exports

USA is the second biggest market for India's export of textile & apparel products. In 2014, 17% of the textile and apparel products exported from India were shipped to USA. Apparel

and madeups occupied more than 80% share of the US\$ 7 Bn exports to USA. Almost all product categories except fabric and garments have shown impressive growth in the last five years.

Table 8: T&A Exports from India to USA (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	40	62	65	98	79	18%
Filament	18	26	28	27	28	12%
Yarn	44	66	59	74	68	12%
Fabric	223	296	262	295	290	7%
Garments	2,787	3,222	3,051	3,661	3,586	7%
Madeups	1,363	1,676	1,899	2,285	2,163	12%
Other Textiles	469	589	626	789	819	15%
Total	4,944	5,937	5,990	7,229	7,033	9%

The top 5 categories exported to USA in 2014 comprise of apparel and madeups. These categories occupied 30% share of the total exports to USA in 2014. Interestingly, within those five product categories, export of home textile items have grown significantly whereas apparel items have shown de-growth in the last five years.

Table 9: Top 5 T&A Commodities Exported to USA from India (US\$ Million)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	630419	Bedspreads, textile material, nes, not knit or crochet	225	266	477	768	679	32%
2	630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton	262	431	425	550	572	21%
3	610910	T-shirts, singlets and other vests, of cotton, knit	454	500	465	480	408	-3%
4	620630	Womens, girls blouses & shirts, of cotton, not knit	309	282	213	263	225	-8%
5	620520	Mens, boys shirts, of cotton, not knit	196	244	207	248	224	3%

Source: UN Comtrade

Imports

5% of India's total import of textile and apparel was from USA in 2014. Within the total imported product basket, 48% share was occupied by fiber. Import of most of the products declined in 2013 and then have bounced back in 2014 with total import figure almost equal to 2012 level. Import of all product categories have grown except fabric.

Amongst the top 5 categories imported from USA in 2014, fiber held nearly 60% share. The import of nonwoven fabrics has witnessed huge growth at 104% CAGR in the last five years although on a very small base. Import

of worn clothing and articles have also shown healthy growth.

Table 10: India's T&A Imports from USA (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	91	111	144	142	149	13%
Filament	12	17	23	15	17	9%
Yarn	0.4	2	2	1	0.4	3%
Fabric	7	16	12	5	5	-10%
Garments	4	8	9	6	8	18%
Madeups	44	49	76	81	79	16%
Other Textiles	34	43	39	29	49	10%
Total	193	246	305	279	308	12%

Source: UN Comtrade

Table 11: Top 5 T&A Commodities Imported from USA (US\$ Mn)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	520100	Cotton, not carded or combed	65	70	106	98	106	13%
2	630900	Worn clothing and other worn articles	40	43	66	74	69	15%
3	550200	Artificial filament tow	15	22	26	31	28	17%
4	560314	Nonwovens of man-made filaments, Weighing more than 150 g/m ²	1	1	1	1	15	104%
5	570320	Carpets of nylon or other polyamides	7	8	8	6	8	5%

Source: UN Comtrade

CHINA

Exports

In 2014, textile and apparel exports to China formed 8% of the total export of textile and apparel from India. China's share has marginally declined from 9% in 2010 to 8% at present. Yarn export occupied 48% share of the exports to China which was closely followed by fiber export having a share

	2010	2011	2012	2013	2014	CAGR
Fibre	1,950	2,499	2,779	3,009	1,450	-7%
Filament	9	9	5	6	5	-14%
Yarn	441	496	1,106	2,172	1,634	39%
Fabric	181	133	79	80	67	-22%
Garments	59	112	114	139	142	25%
Madeups	22	31	20	27	28	7%
Other Textiles	14	20	21	31	45	35%
Total	2,676	3,300	4,124	5,464	3,371	6%

Source: UN Comtrade

of 43%. Export of fiber, filament and fabric have declined in the last five years while yarn, garments and other textiles have witnessed impressive growth in the same time period.

The top 5 commodities shipped to China in 2014 are shown in Table 13. These categories formed 70% of the textile and apparel exports to the country, comprising majorly of cotton yarn. The export of cotton fiber has grown significantly from 2010 to 2013 but it observed a steep decline in 2014. On the other hand, cotton yarn export has grown significantly since 2010 due to sudden rise in demand from China in the last three years.

Imports

China is the major sourcing point of textile and apparel products for India. India imported 44% of its total textile and apparel imports from China in 2014. This share has almost remained constant in the last five years. Fabric import occupied nearly 35% of the total imports from

Table 13: Top 5 Commodities Exported to China (US\$ Mn)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	520100	Cotton, not carded or combed	1,827	2,379	2,651	2,840	1,280	-9%
2	520514	Cotton, Single yarn, of uncombed fibres measuring less than 192.31 decitex but not less than 125 decitex	6	24	156	527	504	207%
3	520512	Cotton, Single yarn, of uncombed fibres measuring less than 714.29 decitex but not less than 232.56 decitex	53	61	162	469	378	63%
4	520524	Cotton, Single yarn, of combed fibres measuring less than 192.31 decitex but not less than 125 decitex	81	138	336	487	317	41%
5	520523	Cotton, Single yarn, of combed fibres measuring less than 232.56 decitex but not less than 192.31 decitex	112	103	165	257	169	11%

Source: UN Comtrade

China in 2014 but high growth has been observed in the import of yarn, garments and madeups. All other categories except filament witnessed a positive growth in the last five years.

Table 14: India's T&A Imports from China (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	221	321	293	239	269	5%
Filament	220	278	230	238	217	0%
Yarn	160	179	210	337	320	19%
Fabric	673	762	79	885	894	7%
Garments	68	106	105	156	187	29%
Madeups	64	110	101	108	175	28%
Other Textiles	397	517	520	574	593	11%
Total	1,803	2,273	2,253	2,537	2,655	10%

Source: UN Comtrade

The top 5 commodities imported from China comprised primarily of silk fiber and functional fabrics made of synthetic fibers. Import of raw silk has shown de-growth in the last five years while all other fabric categories except tyre cord fabric have shown an impressive growth.

JAPAN

Exports

Japan occupied 1% share in the total exports of textile and apparel from India in 2014. This share has been almost constant for the last five years. Garments and Made ups were the largest category exported to Japan in 2014 with a share of nearly 65% of India's total textile and apparel exports, followed by yarn. Filament exports from India have witnessed

Table 16: T&A Exports from India to Japan (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	3	7	6	6	6	14%
Filament	1	4	3	5	13	76%
Yarn	62	104	64	78	78	6%
Fabric	13	15	15	19	19	11%
Garments	124	197	222	229	211	14%
Madeups	28	51	56	60	59	20%
Other Textiles	30	32	33	49	39	7%
Total	261	410	399	446	423	13%

Source: UN Comtrade

Table 15: India's Top 5 T&A Commodities Imported from China (US\$ Mn)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	500200	Raw silk (not thrown)	188	211	222	164	152	-5%
2	590390	Fabric impregnated, coated, covered with plastic	61	82	102	130	131	21%
3	590310	Fabric impregnated, coated, covered with pvc plastic	75	96	107	121	122	13%
4	590210	Tyre cord fabric of nylon, polyamides	93	118	112	97	101	2%
5	600632	Knitted or crocheted fabrics of synthetic fibres	35	71	73	74	86	25%

Source: UN Comtrade

a huge growth of 76% in the last five years.

The top 5 commodities exported to Japan in 2014 occupied 26% share in the total exports of textile and apparel to Japan. This majorly consists of apparel and madeups, and is mentioned below:

of nearly 60% filament yarn, 20% fiber and rest other categories. Categories like yarn, fabric and garments have shown de-growth of 3%, 15% and 24% respectively while made ups has shown significant growth of 47% in the last five years on a small base.

The top 5 imported categories

Table 17: India's Top 5 Exported T&A Commodities to Japan (US\$ Million)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	620630	Women's blouses and shirts of cotton	31	53	44	40	38	5%
2	620442	Women's dresses of cotton	21	29	31	28	23	2%
3	621490	Shawls, scarves, etc. of other textile materials, not Knit	8	14	16	20	17	22%
4	520548	Multiple or cabled grey yarn of cotton combed fibres, measuring <83.33 dtex per single yarn	9	19	8	15	15	15%
5	630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics, of cotton, other than handloom	2	8	6	9	15	15%

Source: UN Comtrade

Imports

India imported textile and apparel goods worth US\$ 143 Mn from Japan in 2014, occupying 2.4% share of the total imports of India. India's textile and apparel imports from Japan comprises

comprised of 67% share of textile and apparel imports from Japan in 2014. Imports of nonwoven fabrics have shown a huge growth of 337% in the last five years although on a very small base.

Table 18: India's T&A Imports from Japan (US\$ Mn)

	2010	2011	2012	2013	2014	CAGR
Fibre	14	17	19	19	27	18%
Filament	55	55	69	76	82	11%
Yarn	1	1	1	1	0.5	-3%
Fabric	11	13	12	8	5	-15%
Garments	1	3	2	0.3	0.3	-24%
Madeups	1	2	2	4	5	47%
Other Textiles	9	10	16	21	23	25%
Total	92	101	121	129	143	12%

Source: UN Comtrade

Table 19: India's Top 5 Imported T&A Commodities from Japan (US\$ Mn)

Rank (2014)	HS-6	Description	2010	2011	2012	2013	2014	CAGR
1	540349	Multiple (folded) or cabled yarn of artificial filament	45	42	52	59	62	8%
2	550330	Yarn of artificial filament, single, nes	7	8	10	9	11	12%
3	560392	Nonwovens, whether or not impregnated, weighing more than 25 g/m ² but not more than 70 g/m ²	0.03	0.04	1	10	9	337%
4	550200	Artificial filament tow	3	3	3	4	8	24%
5	540339	Yarn of artificial filament, single, nes	4	3	5	5	6	12%

Source: UN Comtrade

India Textile Industry Structure and Supply Scenario

The textile and apparel industry is one of the leading segments of the Indian economy and one of the largest sources of foreign exchange earnings for India. This industry accounts for around 6% of the gross domestic product (GDP), and around 14% of total export earnings.

India is the world's second-largest textile producer after China. It has a large raw material base and capable of producing a wide variety of textiles and end products.

Discussed further is the demand supply scenario across the textile value chain in India.

Fiber

India's total staple fiber production was almost 10 Mn tons in 2014-15. Fiber production has grown at the rate of 4% CAGR in the last 5 years. One of the primary demand growth drivers have been the increase in exports of fiber. High export growth has been witnessed in jute, polyester staple fiber and viscose staple fiber. 20% of overall fiber available in India is exported, dominated by cotton with more than 50% share of exports.

The import of cotton fiber has grown significantly in the last 5 years at 45% CAGR. USA and Egypt occupied more than 50% share of cotton imports in

Table 20: India Fiber Production, Imports and Exports Scenario

Fiber (Mn Kg)	Production 2014-15(P)	Imports (2014-15)	Exports (2014-15)	Production Growth (5 yr CAGR)	Imports Growth (5 yr CAGR)	Exports Growth (5 yr CAGR)
Cotton	6,800	259	1,143	4%	45%	-12%
Silk	26	4	2	6%	-12%	-2%
Wool	49	98	7	3%	0%	-1%
Others (Jute, flax)	2,357	57	629	7%	-11%	18%
Natural Fiber	9,232	418	1,781	5%	13%	-5%
Viscose staple fiber	365	27	130	5%	18%	74%
Polyester staple fiber	882	82	184	0%	27%	55%
Acrylic staple fiber	93	32	21	4%	10%	-1%
Other MMF fiber	5	51	20	8%	10%	-13%
MMSF	1,345	192	355	1%	17%	36%
Total Fiber	10,577	610	2,136	4%	14%	-2%

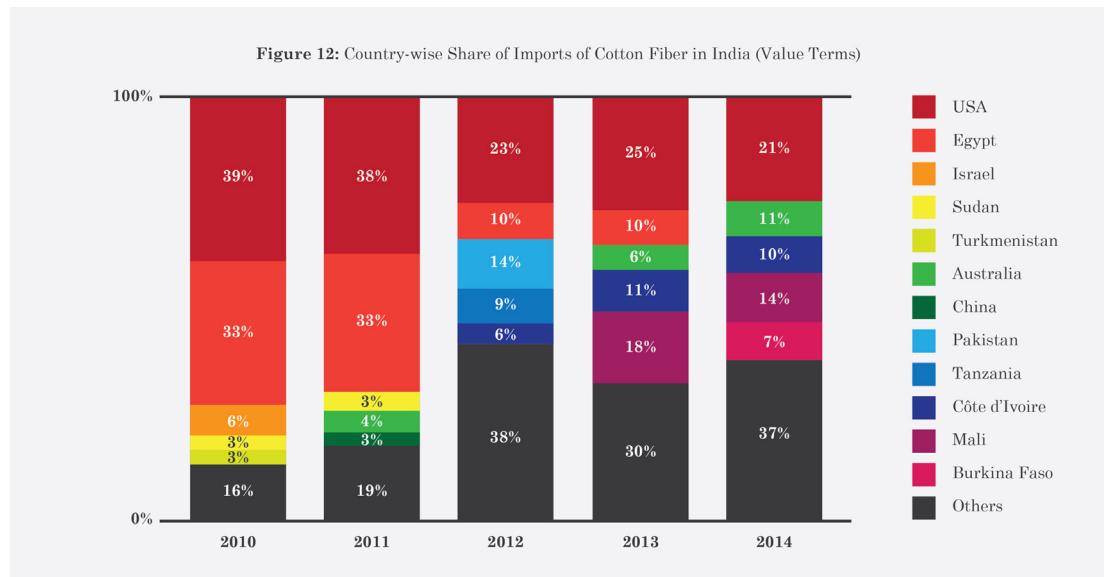
Source: Office of Textile Commissioner, DGCIS & Wazir Analysis

India during 2010 and 2011. However, their share has declined over the years and has been taken over by countries like Australia and Mali.

The exports of polyester staple fiber

usage and availability at lower prices.

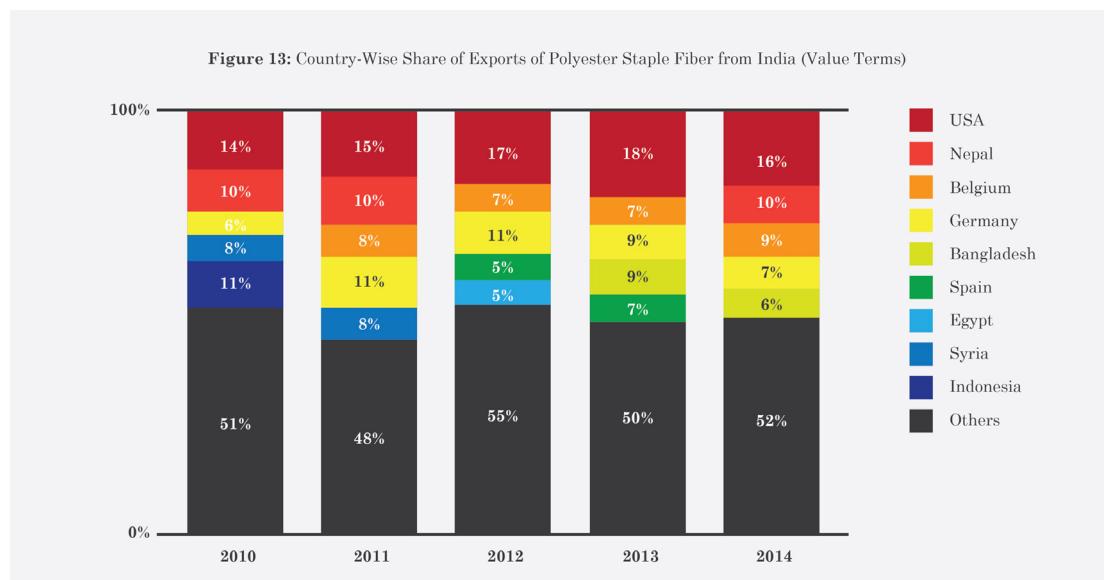
Viscose staple fiber has also witnessed high export growth of 74% in the last five years with Turkey, Bangladesh and Pakistan occupying more than



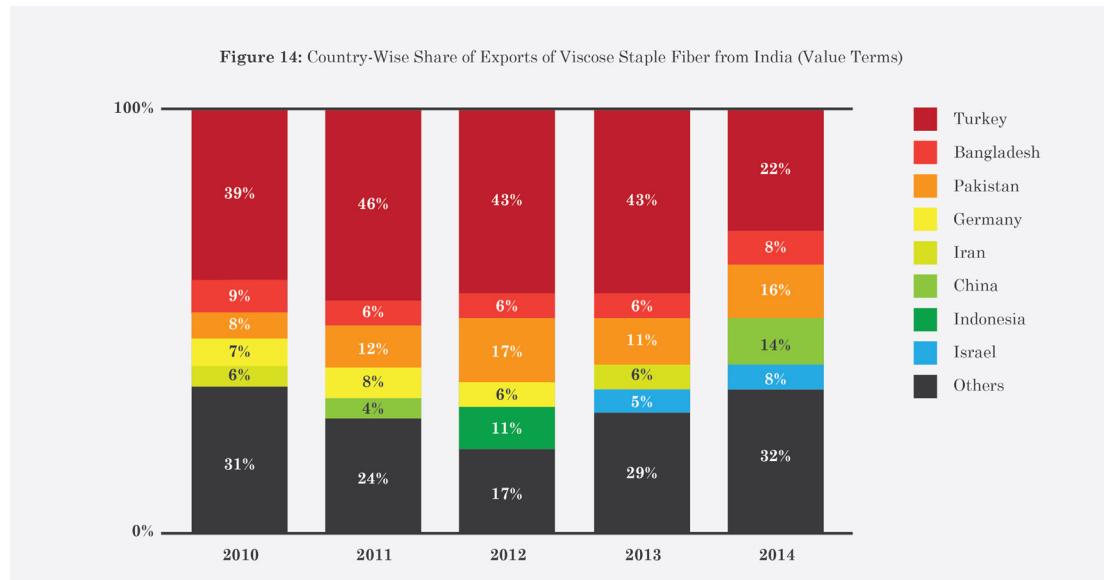
Source: UN Comtrade Database & Wazir Analysis

has grown at 55% CAGR in the last five years. The major reason for high export growth in this segment is the rising consumption of polyester fiber at global level due to its diversified

40% share in 2014. Turkey was the major importer of Viscose staple fiber till 2013 but its share declined to 22% in 2014 (Figure 14).



Source: UN Comtrade Database & Wazir Analysis



Source: UN Comtrade Database & Wazir Analysis

Yarn

Production of yarn has grown at the rate of 1% CAGR in the last five years. Spun yarn production has increased while filament yarn production has decreased in the recent past. There has been a reduction in filament yarn production in India vis-à-vis high

growth of exports of filament yarns due to significant growth in import of MMF based fabric in India. Overall 33% of total yarn supply is exported from India, while 54% of filament yarn supply is exported. Growth in import of 100% non-cotton spun yarn also been witnessed in the recent past.

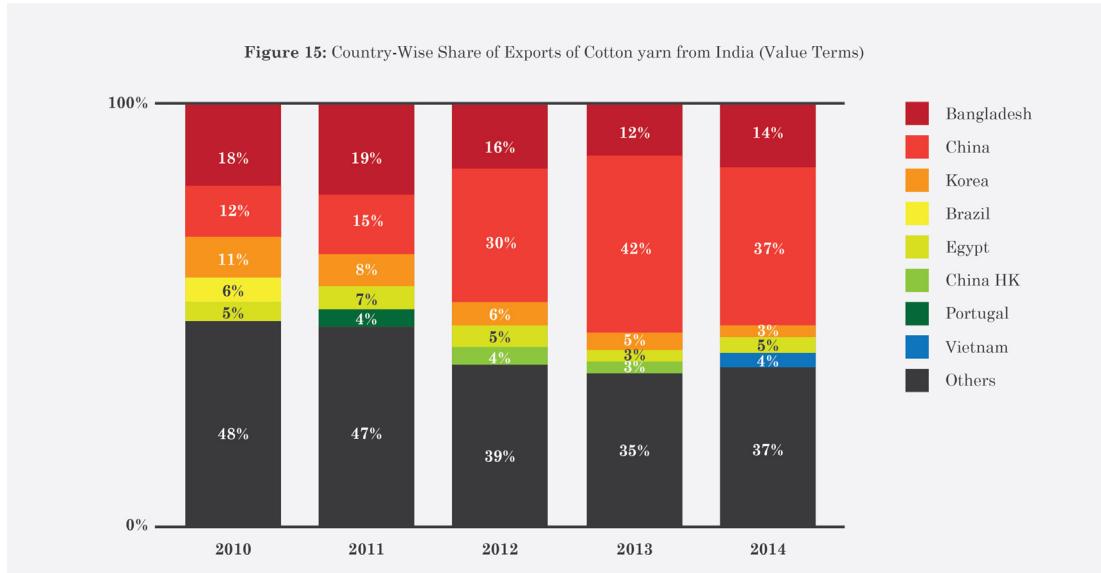
Table 21: India Yarn Production, Imports and Exports Scenario

Yarn - Mn Kg	Production 2014-15 (P)	Imports (2014-15)	Exports (2014-15)	Production Growth (5 yr CAGR)	Imports Growth (5 yr CAGR)	Exports Growth (5 yr CAGR)
100% cotton spun yarn	4,057	6	1,256	4%	10%	16%
Cotton blend spun yarn	915	106	237	4%	11%	36%
100% non-cotton spun yarn	513	83	36	5%	27%	-23%
Total Spun Yarn	5,485	195	1,529	4%	17%	15%
Viscose Filament Yarn	44	16	6	2%	5%	5%
Polyester Filament Yarn	1,157	19	466	-6%	0%	17%
Nylon Filament Yarn	32	3	2	-1%	11%	0%
Other MMFY	13	120	197	-42%	7%	3%
MMFY	1,246	158	671	-7%	6%	12%
Total yarn	6,731	353	2,200	1%	11%	14%

Source: Office of Textile Commissioner, DGCIS & Wazir Analysis

Exports of cotton yarn have grown significantly in last 5 years due to high demand from China followed by Bangladesh. However, a temporary

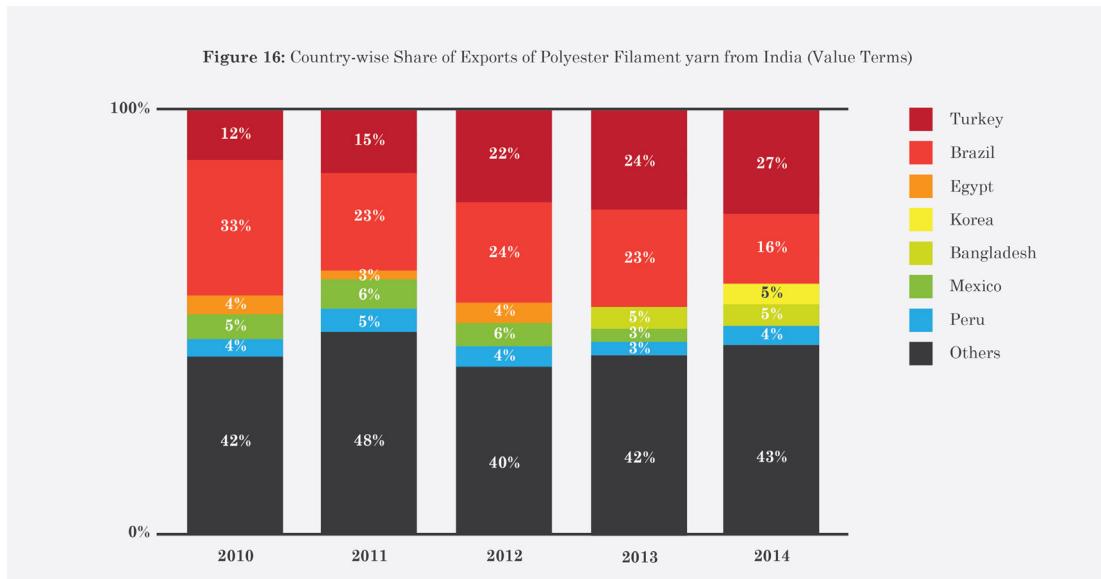
Export of filament yarn has grown significantly in last few years and the highest growth has been witnessed in exports of polyester filament yarn due



Source: UN Comtrade Database & Wazir Analysis

reduction in yarn export demand will be observed following China's decision to stop importing cotton yarn in 2014.

to increasing demand in Turkey and Brazil.



Source: UN Comtrade Database & Wazir Analysis

Fabric

Fabric production has grown at 1% CAGR in the last 5 years. Knitted fabric production has grown much faster at the rate of 4% CAGR compared to woven fabric which is almost at stagnant stage. Fabric exports have grown significantly at the rate of 10% CAGR in last 5 years with high

growth of cotton fabrics. Around 6% of the total fabric produced is exported from India. Imports of fabric have also grown especially the synthetic fabrics which are not easily available in India.

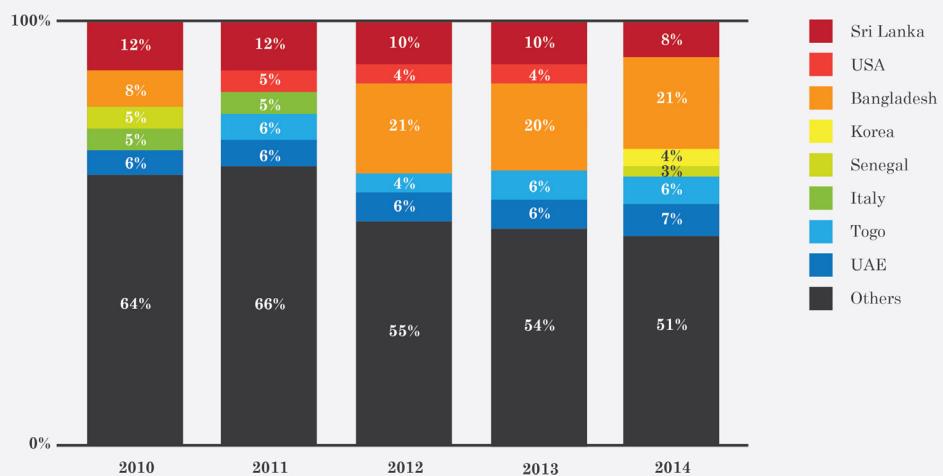
The export of woven cotton fabric has grown at 18% CAGR in last 5 years with major importers being Bangladesh and Sri Lanka (Figure 17).

Table 22: Office of Textile Commissioner, DGCIS & Wazir Analysis

Fabric (Mn Sq Mtrs)	Production 2014-15(P)	Imports (2014-15)	Exports (2014-15)	Production Growth (5 yr CAGR)	Imports Growth (5 yr CAGR)	Exports Growth (5 yr CAGR)
Knitted fabric	16,960	979	474	4%	9%	8%
Woven fabric	48,136	1,389	3,409	0%	10%	11%
Cotton Woven	23,176	108	1,370	4%	-8%	18%
Synthetic Woven	15,743	537	1,671	-7%	28%	7%
Other Woven	9,217	744	368	6%	5%	5%
Total Fabric	65,096	2,368	3,883	1%	10%	10%

Source: Office of Textile Commissioner, DGCIS & Wazir Analysis

Figure 17: Country-Wise Share of Exports of Woven Cotton Fabric (Value terms)



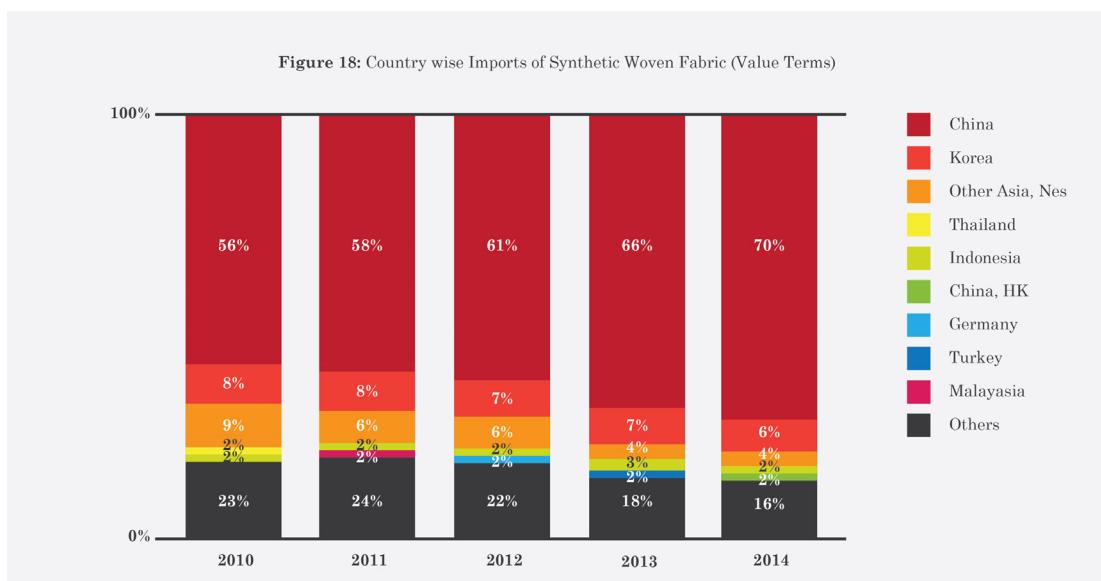
Source: UN Comtrade Database & Wazir Analysis

The import of synthetic woven fabric has grown at 28% CAGR in the last 5 years due to rise in demand of end products in both domestic and export markets. The lifestyle and demographics of Indian consumer is changing due to which they are looking for more performance based and durable products at affordable prices that is feasible with use of synthetic fabrics. However, there is a

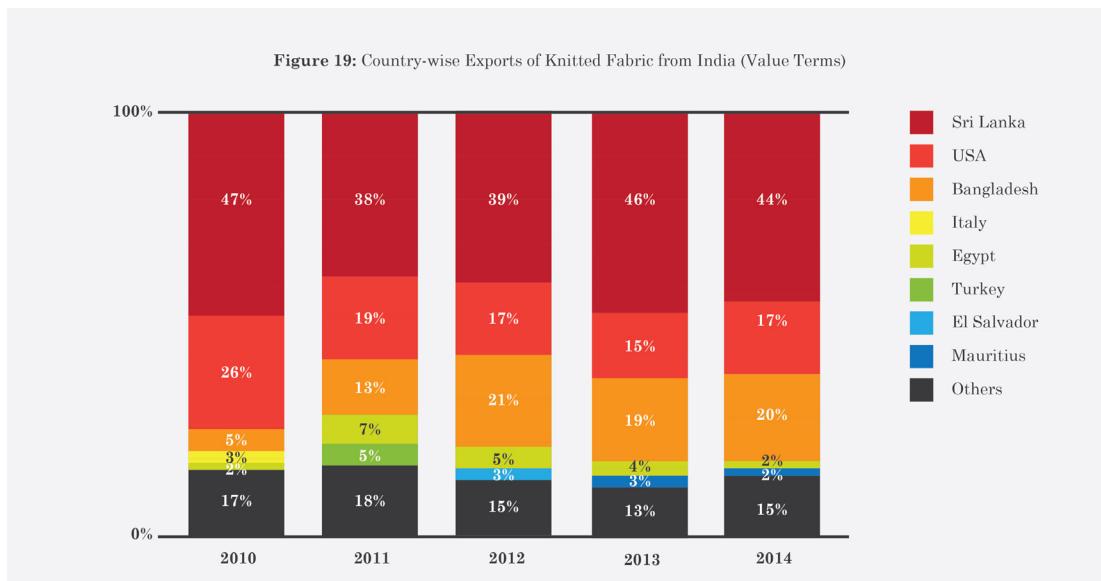
lack of manufacturing and processing capabilities of these fabrics in India which has led to growth in imports.

As China is a world leader in polyester fabric production, the majority share of import of synthetic fabrics comes from China followed by Korea and other Asian countries.

The export of knitted fabric from India has grown due to high demand of



Source: UN Comtrade Database & Wazir Analysis



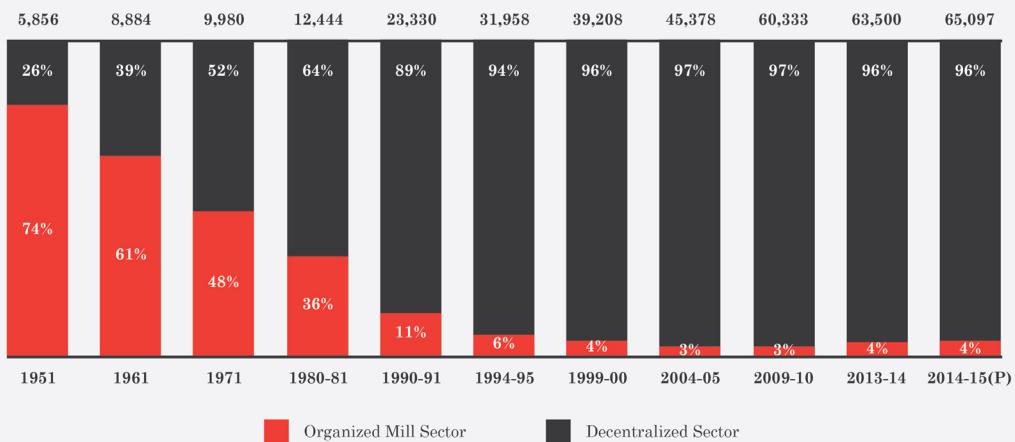
Source: UN Comtrade Database & Wazir Analysis

knitted fabrics from Sri Lanka followed by USA (Figure 19). Although the base figure of knitted fabric is much smaller compared to woven fabrics.

Fabric production in India is highly fragmented with a large part of the production done by the decentralized powerloom sector. Over the years, a major part of the growth in fabric production has come from the decentralized sector. In 1951, mill

There is a significant gap in India's fabric production & processing for high quality synthetic fabric. Currently, India lags in processing capacities in terms of modern technology. This area offers opportunity for the industry to invest in modern weaving and processing machinery especially for high quality synthetic knit and woven fabrics. Also, demand for categories like warp knitted fabric,

Figure 20: Share of Organized Mill Sector and Decentralized Sector in Fabric Production
(in Mn Sq Mtrs)



Source: Report of the Expert Committee on Textile Policy, Ministry of Textiles, August 1999 and Office of Textile Commissioner

sector had a share of 74% in total fabric production of 5,856 Mn Sq. Meters. But gradually weaving capacity in the mill sector has declined from 196,000 looms in 1951 to only 51,912 looms in 2014-15 and correspondingly decentralized powerloom sector has taken around 96% share of the 65,097 Mn Sq. Meters fabric produced in 2014-15.

yarn dyed shirting, home furnishing, Viscose & linen based fabrics is growing and offers good investment potential.

Garments & Made ups

Garment production in India is estimated to be more than 18 Bn pcs in 2014-15. Garment production has grown at around 8% CAGR in the

Table 23: India Garment and Madeups Production, Imports and Exports Scenario				
	Garments		Made ups	
	2014-15 (Mn pcs)	CAGR (5yrs)	2014-15 (Mn Kg)	CAGR (5yrs)
Production*	18,166	8%	2,089	3%
Import	189	15 %	630	14%
Export	5,000	14%	852	5%

* Estimated

Source: DGCIS & Wazir Analysis

last 5 years. Exports of garments have been a significant growth driver with exports of around 5 Bn pcs and growth of 14% CAGR since 2010-11. Imports of garments have also increased in the recent past growing at 15% CAGR since 2010-11. Made ups is a comparatively small segment. Its exports and imports have grown at 5% and 14% CAGR respectively, while

production has grown at 3%.

India is amongst top 10 apparel exporters in the world. USA, UK, UAE and Germany remained as major buyers of garments from India (Figure 21).

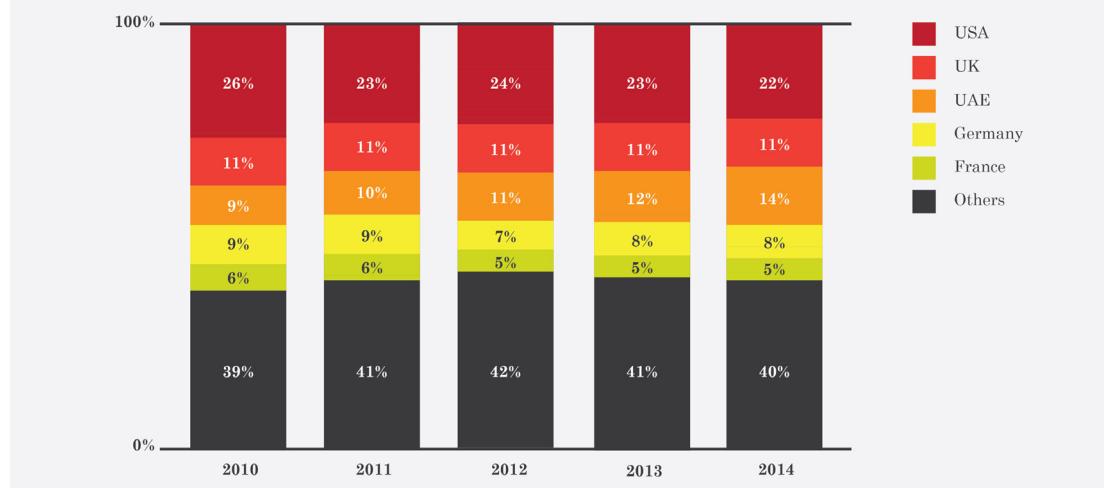
Non-woven

Non-woven fabric has diverse application across various segments of technical textiles like automotive, geo-textiles and health/hygienic sectors in various product categories like Personal Care & Hygiene, Healthcare, Home Furnishings, Leisure & Travel, Clothing, Automotive, Construction, Geo-textiles, Industrial, Agriculture and horticulture, etc.

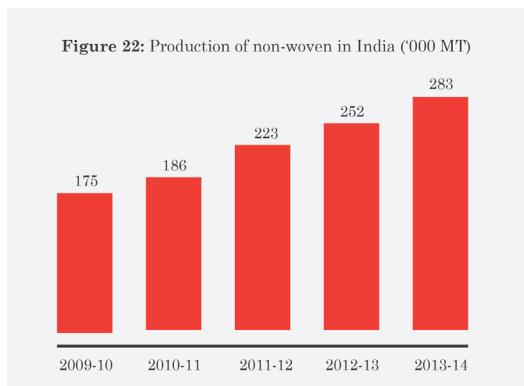
The production of non-woven in India has grown from 175,000 MT to 283,000 MT in 2013-14 at a CAGR of 13% (Figure 22).

Majority of the non-woven fabric manufactured in India is of spun-bond quality followed by needle punched and spun-lace (Figure 23).

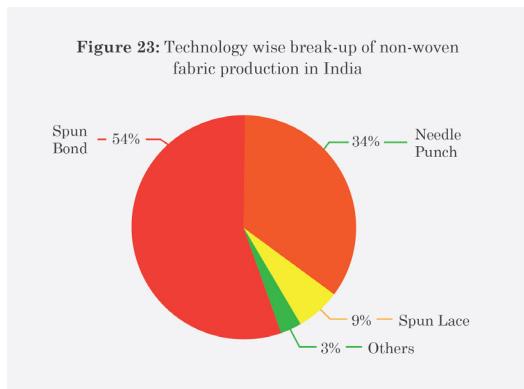
Figure 21: Country Wise Exports of Apparel (Value terms)



Source: UN Comtrade Database & Wazir Analysis

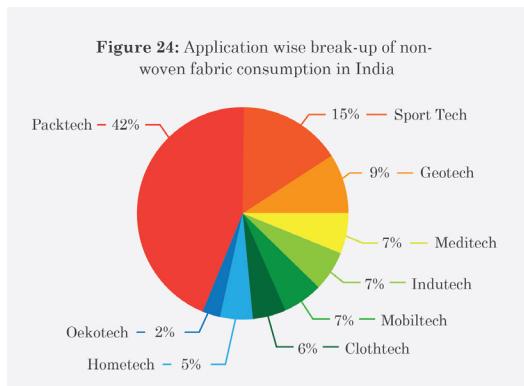


Source: Industry Sources



Source: Industry Sources

The key application area for non-woven fabric is packtech (particularly in shopping bags and food grade poly-olefin bags) with a share of 42% followed by sportech with a share of 15% and geotech with a share of 9%.



Source: Industry Sources

There are more than 100 non-woven manufacturers in India. Gujarat contributes to majority of non-woven fabric production with a share of 30% followed by Delhi/NCR with a share of 20% and Maharashtra with a share of 15%.

Financial Health of Indian Textile Industry

In FY2014, there were 46 public listed companies in textile, apparel and allied sectors that clocked turnover in excess of US\$100 million. In this section, we have analysed the financial performance of these companies for

the FY2010 to FY2014 period. The key financial indicators analysed are Turnover, Operating Profit Margin and Net Profit Margin. Below table lists the companies covered in this study:

Table 24: Leading Textile Companies in India & their Sales Turnover (FY 2014)

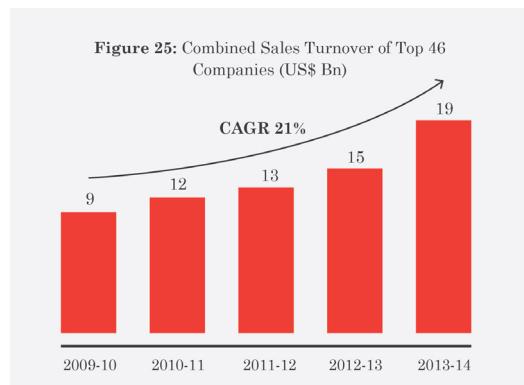
Sr. No.	Company Name	Products	Headquarters	Turnover (US\$ Mn)
1	Alok Industries	Yarns, Fabrics, Garments, Home Textiles, Polyester Yarn, PET Fiber	Mumbai, Maharashtra	2,388
2	Aditya Birla Nuvo	Yarns, Fabric, Garments	Mumbai, Maharashtra	1,337
3	Arvind	Fabric, Garment, Denim	Ahmedabad, Gujarat	871
4	Vardhman Textiles	Yarn, Acrylic Fiber, Fabrics, Garments	Ludhiana, Punjab	862
5	JBF Industries Ltd.	Polyester Chips, Yarn, Polyester Yarn	Mumbai, Maharashtra	808
6	Trident Group	Home Textiles, Yarn	Ludhiana, Punjab	645
7	Welspun India	Home Textiles	Mumbai, Maharashtra	589
8	SRF	Technical Textiles	Gurgaon, Haryana	570
9	Nakoda Ltd.	Yarn	Mumbai, Maharashtra	519
10	Garden Silk Mills	Polyester Chips, Yarn, Fabrics	Mumbai, Maharashtra	511
11	S Kumars Nationwide Ltd.	Fabric, Apparel, Home Textile	Mumbai, Maharashtra	494
12	SEL Manufacturing Company	Yarn, Fabric, Terry Towel, Garments	Ludhiana, Punjab	493

Sr. No.	Company Name	Products	Headquarters	Turnover (US\$ Mn)
13	Bombay Rayon Fashions Ltd.	Yarn, Fabric, Apparel	Mumbai, Maharashtra	485
14	RSWM Ltd.	Yarn, Fabric, Denim	Noida, Delhi NCR	478
15	Indo Rama Synthetics Ltd.	Polyester Chips, Polyester Fiber and Polyester Yarns	Gurgaon, Haryana	460
16	Nahar Spinning Mills Ltd.	Yarn, Fabric	Ludhiana, Punjab	367
17	Raymond	Fabrics, Garment	Mumbai, Maharashtra	364
18	KPR Mill	Yarn, Fabric, Garment	Coimbatore, Tamil Nadu	327
19	Sutlej Textiles & Industries Ltd.	Yarn, Fabrics, Home Textiles	Mumbai, Maharashtra	314
20	Nahar Enterprise	Yarn, Fabrics	Ludhiana, Punjab	308
21	Filatex India	Synthetic Yarn	New Delhi	295
22	Loyal Textiles Mills Ltd.	Yarn, Fabric, Garments, Home Textiles	Chennai, Tamil Nadu	267
23	Mandhana Industries	Fabric, Garments	Mumbai, Maharashtra	253
24	Siyaram Silk Mills	Fabric	Mumbai, Maharashtra	252
25	Sangam India	Yarn, Fabric, Denim	Mumbai, Maharashtra	239
26	Indo Count Industries Ltd.	Yarn, Fabric, Home Textiles	Mumbai, Maharashtra	235
27	Century Enka Ltd.	Yarn, Industrial Yarn and Fabric	Mumbai, Maharashtra	203
28	Banswara Syntex	Yarn, Fabric, Garments	Mumbai, Maharashtra	202
29	Page Industries	Innerwear/Leisurewear	Bangalore, Karnataka	198
30	Spentex Industries	Yarn, Fabric	New Delhi	191
31	Sumeet Industries	Polyester Chips, Polyester & Polypropylene Yarn	Surat, Gujarat	185
32	Gokaldas Export	Garments	Bangalore, Karnataka	185

Sr. No.	Company Name	Products	Headquarters	Turnover (US\$ Mn)
33	Himatsingka Seide	Yarn, Home Textiles	Bangalore, Karnataka	164
34	Vardhman Polytex	Yarn, Fabric, Garments	Ludhiana, Punjab	154
35	KSL & Industries Ltd	Yarn, Fabric, Garments	Mumbai, Maharashtra	154
36	Nandan Denim	Denim Fabric	Ahmedabad, Gujarat	149
37	Rupa and Company	Hosiery/ Leisurewear	Kolkata, West Bengal	149
38	Welspun Syntex	Polyester Texturised Filament Yarn, Nylon Filament Yarn	Mumbai, Maharashtra	149
39	JCT Ltd.	Yarn, Performance Fabrics	New Delhi	147
40	Ginni Filaments	Yarn, Fabric, Garments, Non-wovens	Noida, Delhi NCR	141
41	Supreme Tex Mart Ltd.	Yarn, Fabric, Apparel	Ludhiana, Punjab	138
42	Alps Industries	Yarn, Home Textiles, Technical Textiles	Ghaziabad, Uttar Pradesh	134
43	Shri Lakshmi Cotsyn Ltd.	Fabric, Garment, Home Textile, Denim	Kanpur, Uttar Pradesh	122
44	Suryalakshmi Co	Cotton Yarn and Fabric	Secunderabad, Andhra Pradesh	118
45	Aarvee Denim	Denim Fabric, Garments	Ahmedabad, Gujarat	114
46	Pradip Overseas	Home Textiles	Ahmedabad, Gujarat	100

Source: Moneycontrol
 Conversion Rate: 1 US\$ = INR 60

The combined turnover of these top 46 companies has grown at an impressive CAGR of 21% from US\$ 9 Bn to US\$ 19 Bn for the FY2010 to FY2014 period.



Source: Wazir Analysis

The top five companies in terms of turnover are Alok Industries, Aditya Birla Nuvo, Arvind Group, Vardhman Textiles and JBF Industries. These companies have recorded a double digit growth in the sales turnover in the stated period.

Table 25: Sales and Growth of leading textile companies in India

Company	Turnover (US\$ Mn) FY 2010	Turnover (US\$ Mn) FY 2014	CAGR (FY2010 to FY2014)
Alok Industries	718	2,388	35%
Aditya Birla Nuvo	804	1,337	14%
Arvind	386	871	23%
Vardhman Textiles	457	862	17%
JBF Industries	447	808	16%

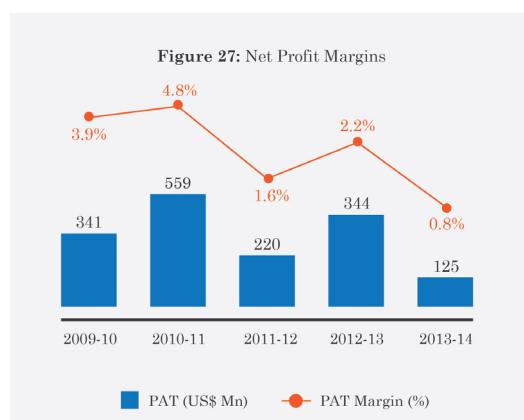
Source: Wazir Analysis

The combined operating profit of the top 46 companies has grown at a CAGR of 13% from US\$ 1,329 Mn in FY2010 to US\$ 2,184 Mn in FY2014. Around 83% of the companies analysed have shown a positive growth in the operating earnings from FY2010 to FY2014 period, however with a decline in the Operating Profit Margin



Source: Wazir Analysis

in FY2012. The combined net profit of the companies under study stood at US\$125 million in FY2014. Around 61% of the companies analysed have shown a positive growth in the net profit earnings from FY2010 to FY2014. Increased raw material costs and finance costs are two major reasons for the decline in net profit margins of some of the companies in FY2014. The chart below shows the combined net profit margins of the companies analysed.



Source: Wazir Analysis

Government Support

Government of India has provided good support to the development of the textile industry over the years. Various schemes like Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks (SITP), cluster development and others have been floated for promoting investments in textile industry, upgrading technology and setting up integrated manufacturing set up. Government also supports the industry through export promotion schemes / incentives like Merchandise Export from India Scheme (MEIS), Market Development Assistance (MDA), Duty drawback etc. Skill development initiatives have also been

implemented to improve the overall textile workforce of India and provide incentives for growth of employment in the textile sector. These schemes have helped the industry grow over the years and become more competitive in manufacturing and exports. Apart from Central Government schemes, several State Governments have also launched their textile policies and several incentives are provided for investments in textile sector.

Given below is a summary of the major Central Government and State Government schemes presently active and key features of the schemes:

Key Features of Central Government Schemes

Scheme / Policy	Key Features
Revised Restructured Technology Upgradation Fund Scheme (RRTUFS)	<ul style="list-style-type: none"> • 10% of the approved outlay for new sanctions will be earmarked for Micro, Small and Medium Enterprises (MSME). • Standalone spinning units – 2% Interest Reimbursement (IR) for new standalone / replacement / modernization of spinning machinery. • For units having spinning capacity with forward integration having matching capacity in weaving/knitting/processing/garmenting – 5% IR. • Weaving – <ol style="list-style-type: none"> 1. Brand new shuttleless looms – 6% IR and 15% capital subsidy or 30% Margin Money Subsidy (MMS). For 30% MMS - capital

Scheme / Policy	Key Features
	<ol style="list-style-type: none"> 1. Ceiling cap of Rs. 5 crore and subsidy cap of Rs. 1.5 crore would be adhered for MSME sector. 2. Second hand imported shuttleless looms – 2% IR or 8% MMS on looms with 10 years vintage and with a residual life of minimum 10 years. <ul style="list-style-type: none"> • Processing, Garmenting & Technical Textiles (incl. Non-wovens) – 5% IR and 10% capital subsidy for specified machinery of each sector. Note: In Processing, CETP/ETP will not be considered for support under TUFS. • Handloom and silk sector – 5% IR or 30% capital subsidy on benchmarked machinery. • MSMEs including jute sector – 5% IR or 15% MMS with subsidy ceiling of Rs. 75 lakh. • Other segment i.e., i) cotton ginning and pressing; ii) wool scouring; combing and carpet industry; iii) synthetic filament yarn texturizing, crimping and twisting; iv) viscose staple fiber and viscose filament yarn; v) knitting and fabric embroidery; vi) weaving preparatory machines; vii) made-up manufacturing; viii) CAD, CAM and design studio and ix) jute industry – 5%IR • Investments like factory buildings, pre-operative expenses and margin money for working capital are eligible for benefit of reimbursement under the scheme only for apparel and handloom sector with 50% cap of total new eligible investment under RRTUFS. Land is altogether excluded from eligible investments under TUFS. This benefit, however, shall not be available for textile units under the Scheme for Integrated Textile Park (SITP). • Period of interest reimbursement – Interest reimbursement will be for a period of 7 years including 2 years of moratorium / implementation.

Scheme / Policy	Key Features
Scheme for Integrated Textile Parks (SITP)	<ul style="list-style-type: none"> Grant/Equity up to 40% of the textile park development project cost subject to a ceiling of Rs. 40 crore. GOI support under the Scheme will be generally in the form of grant to the SPV unless specifically decided by the PAC to be equity. However, the combined equity stake of GOI/State Government/ State Industrial Development Corporation, if any, would not exceed 49%. Grant at 90% of the project cost subject to a ceiling of Rs. 40 crore for first two projects in the States of North East Region of India.
Integrated Skill Development Scheme (ISDS)	<ul style="list-style-type: none"> Assistance up to 75% of the cost of the project, within an overall ceiling of Rs. 10,000 per trainee.
Technology Mission on Technical Textiles (TMTT)	<ul style="list-style-type: none"> Upgrade existing Centre of Excellences and set up of four new COEs Support for business start-up Providing fund support for organizing workshops Support for standardization Market development Support for sale to the institutional buyers Market development Support for export sales Grant for conducting Contract Research and Development in identified institutes
Swarnjayanti Gram Swarozgar Yojana (SGSY)	<ul style="list-style-type: none"> Provide assistance to people by providing them income generating skills through a mix of bank credit and Government subsidy. Subsidy at a uniform rate of 30% of the project cost, subject up to Rs. 7,500 per individual.
Integrated Processing Development Scheme (IPDS)	<ul style="list-style-type: none"> Grant up to 50% of the project cost (excluding land cost) with a ceiling of Rs. 75 Crores for projects with Zero Liquid Discharge Systems and Rs. 10 crores for projects with conventional

Scheme / Policy	Key Features
	<p>Treatment systems. Support for marine discharge projects would be analyzed on a case to case basis with a maximum ceiling of Rs. 75 crores.</p> <ul style="list-style-type: none"> • The project cost shall be borne by the Center, State, Beneficiary, Bank loan in the ratio of 50:25:15:10 respectively.
Merchandise Exports from India Scheme (MEIS)	<p>Rewards for export of products shall be payable as percentage of realized FOB value:</p> <ul style="list-style-type: none"> • For handloom, jute and coir based products - reward rate is 5% for all countries • For all other eligible textile and apparel categories - reward rate is 2% for EU (28), USA, Canada and Japan.
Duty Drawback	<p>Drawback rates for key textile and apparel categories:</p> <ul style="list-style-type: none"> • Cotton yarn: 2.8% to 4.7% • Cotton fabric: 4.3% to 7.1% • Apparel: 7.5% to 9.8%
Market Development Assistance (MDA)	<p>Financial support to exporters for conducting export promotion activities abroad</p>
Market Access Initiative (MAI)	<ul style="list-style-type: none"> • Financial assistance for carrying out marketing projects abroad, including <ol style="list-style-type: none"> 1. Opening of showrooms 2. National level participation in trade fairs/ exhibitions 3. Displays in international departmental stores 4. Publication of world class catalogues to create brand identity for Indian products 5. Publicity campaign and brand promotion 6. Research and product development

Scheme / Policy	Key Features
	<ul style="list-style-type: none"> • Assistance for building capacity for exporters, export promotion organizations etc.: <ol style="list-style-type: none"> 1. For imparting training to Indian exporters 2. For upgradation of laboratories, research institutes, universities and other National institutions for creating testing facilities 3. For National level institutes and export promotion organizations to organize training programmes to upgrade quality, improve product and reduce rejection 4. For setting up common facility centers, design centers by Industrial clusters, EPCs and National level Institutions 5. For hiring consultants/designers in the buyer country for facilitating negotiations/product modification as per local requirements • Assistance on reimbursement basis to individual exporters for charges/fees paid by them for fulfilling the statutory requirements in the buyer country • Assistance for conducting studies: <ol style="list-style-type: none"> 1. Survey for promoting exports of the identified product groups from the State 2. Project/study which the Empowered Committee in its deliberation feels would further the objectives of the Scheme 3. Studies on WTO related matters and JSG/FTA/RTA studies

Key Features of State Government Textile Policies						
State	Gujarat	Maharashtra	Madhya Pradesh	Rajasthan	Karnataka	Andhra Pradesh
Capital Subsidy	Nil	10%	Nil	Nil	15-20% of the Fixed Assets	10-20% of Fixed Assets or upto Rs. 10 Crore
Interest Subsidy	5-7%	5-7%	5-7%	5-7%	50% of the Credit Linked Capital Subsidy amount as interest subsidy over five years	7.5% for spinning & modern ginning and 8% for weaving and other activities
Power Subsidy	Power tariff subsidy @ Rs. 1 per unit for a period of 5 years.	Nil	Nil	50% exemption from payment of electricity duty for 7 years.	Reimbursement of cost of power paid @ Rs. 1/unit	Power tariff subsidy at Re. 1 per unit for spinning & modern ginning and at Rs. 1.50 per unit for other categories
Stamp Duty Reimbursement	100% exemption for new industrial park	Nil	Nil	50% exemption	50-100% reimbursement	Nil
VAT/ Entry Tax Reimbursement	Remission up to 100% of fixed capital investments in plant & machinery.	Nil	Assistance amount equivalent to CST and/or VAT paid by different units.	Reimbursement of 60% of VAT for purchase of yarn.	Full reimbursement of Entry Tax on Plant & Machinery and Capital Goods.	Refund for VAT/CST/ SGST paid by unit on purchase of intermediate product/raw material VAT/CST/ SGST reimbursement for tax collected on end product / intermediate product within entire value chain to the extent of 100% of the eligible fixed capital investments in plant and machinery

Key Features of State Government Textile Policies						
State	Gujarat	Maharashtra	Madhya Pradesh	Rajasthan	Karnataka	Andhra Pradesh
Environment Related Schemes	Rs. 50,000 or 50% for water/ energy/ environment audits. 20% or 20 Lacs for cost of equipment.	Nil	Nil	Nil	Assistance for Energy Audit/Water Audit/Environmental Compliance & setting up CETP (Common Effluent Treatment Plant)	Assistance of up to 50%, subject to a maximum amount of Rs. 50,000 for Energy Audit/Water Audit/Environmental Compliance. Assistance of upto 50% of project cost for setting up Common Effluent treatment plant
Common Infrastructure/ Textile Park/ Cluster Development	50% with maximum limit of Rs. 10-30 crore of total project cost.	Nil	Nil	Nil	10-40% with a maximum cap of Rs. 10-25 crores in different units.	Financial assistance of up to 50% of expenditure incurred, with maximum limit of Rs. 15 crore
Technology Acquisition and Upgradation Assistance	Assistance up to 50% or Rs. 25 lakhs, whichever is higher, for acquiring new technology with specialized application.	Nil	Nil	Nil	Nil	Financial assistance of up to 50% of the investment in technology/ collaboration, subject to a maximum amount of Rs. 25 lakh per process / product
Skill Development/ Training	Financial assistance for setting up training institute. Allowance to weavers & trainees of powerloom sector.	Nil	Nil	Nil	For Existing/ New Project Implementation Agencies (PIAs) / Institutes - Financial assistance for Strengthening of Existing Skill Development Institutes/ Centres	50-75% assistance to Industrial training institutes and other training centres for purchase of equipment and machinery

Key Features of State Government Textile Policies						
State	Gujarat	Maharashtra	Madhya Pradesh	Rajasthan	Karnataka	Andhra Pradesh
Capacity Building Support	Nil	Nil	Nil	Nil	Reimbursement of 50% of the cost of proposed interventions subject to a cap of Rs. 5-50 lakhs.	Nil
Others	Nil	Nil	Nil	Exemptions for Luxury Tax- 100%, Land Tax - 50%, Mandi Fee - 50%, Conversion charges - 50%	Rs. 10 crores for setting up of CoE Special incentives 50 crores Social Accountability incentives	Labour intensive Textile / Apparel units may be considered for provision of transport subsidy limited to first two years of operations of units providing direct employment to at least 1000 people in backward districts of Rayalaseema and North Coastal Andhra



We assist clients in strategy formulation and implementation, forming alliances and joint ventures, investments, market understanding, sector analysis and due diligence – thereby providing end to end solutions spanning the complete business cycle in textile value chain.

Having worked with leading Indian and international companies, public sector organizations, Government departments, development agencies, trade bodies etc., Wazir has a deep understanding of global textile sector dynamics and right connect with the people who matter.

Wazir's team of textile experts possess experience across functions – projects, operations, sourcing and marketing in the sector. The team members have worked on strategy and implementation assignments in all major textile and apparel manufacturing and consumption base.

Wazir leverages its body of knowledge, contacts and combined expertise of its team to deliver value to clients.

Our services span the entire breadth of textile manufacturing value chain - from fiber to finished goods.

We cover the following segments:

- Fibers and Filaments
- Yarns
- Fabrics
- Garments
- Made-ups
- Technical Textiles
- Textile Machinery and Equipment
- Handlooms and Handicrafts

1. Strategy

Wazir delivers practical, implementable strategies for clients to meet their objectives. We assist clients to conceptualize, evaluate and select business opportunities in the textile and apparel sector.

Be it corporate strategy intending to enhance profitability or new market opportunity identification or sector growth strategy to support MSMEs, we are geared to advise our clients efficiently and effectively.

- *Corporate Strategy*
- *Market Opportunity Assessment*
- *Market Entry Strategy*
- *Location Analysis*
- *Business Performance Enhancement*
- *Product Diversification*
- *Marketing and Distribution Strategy*
- *Sector Mapping and Growth Strategy*
- *Policy Formulation Support*
- *Government Scheme Evaluation*

2. Implementation

Wazir provides implementation services to textile and apparel sector entities to convert the plans into reality. Wazir has the capability to execute every strategy that it recommends.

Whether it is to manage a Government scheme or to improve productivity in apparel factories or to identify the most suitable technology; we have in-house competence to cover all the critical elements of implementation.

- *Project Management and Monitoring*
- *Re-modelling of Manufacturing Plant*
- *Process Re-engineering*
- *Productivity Improvement*
- *Supply Chain Optimization*
- *Feasibility and Techno-Economic Viability (TEV) Study*
- *Investment Promotion*
- *Cluster and Industrial Park Development*

3. Alliances

Partnerships and collaborations are ways to achieve accelerated growth, expand market reach and attain technical advancement. Realizing the importance and need of inter-organization alliances in textile and apparel sector, Wazir has developed broad range of services to support companies and organizations looking for inorganic growth globally.

- *Company Due-diligence*
- *Joint Venture*
- *Marketing Tie-up*
- *Technology Transfer*
- *M&A Execution*
- *Strategic and Financial Funding*



Harminder Sahni **Prashant Agarwal**
harminder@wazir.in prashant@wazir.in
+91 9810066246 +91 9871195008

Arindam Saha **B Prakash**
arindam@wazir.in prakash@wazir.in
+91 9810677443 +91 9810866927

www.wazir.in



linkedin.com/in/WazirAdvisors



twitter.com/WazirAdvisors



facebook.com/WazirAdvisors

Wazir Advisors Pvt. Ltd.

3rd Floor, Building No. 115, Sector 44, Institutional Area,
Gurgaon - 122 002, National Capital Region, India.