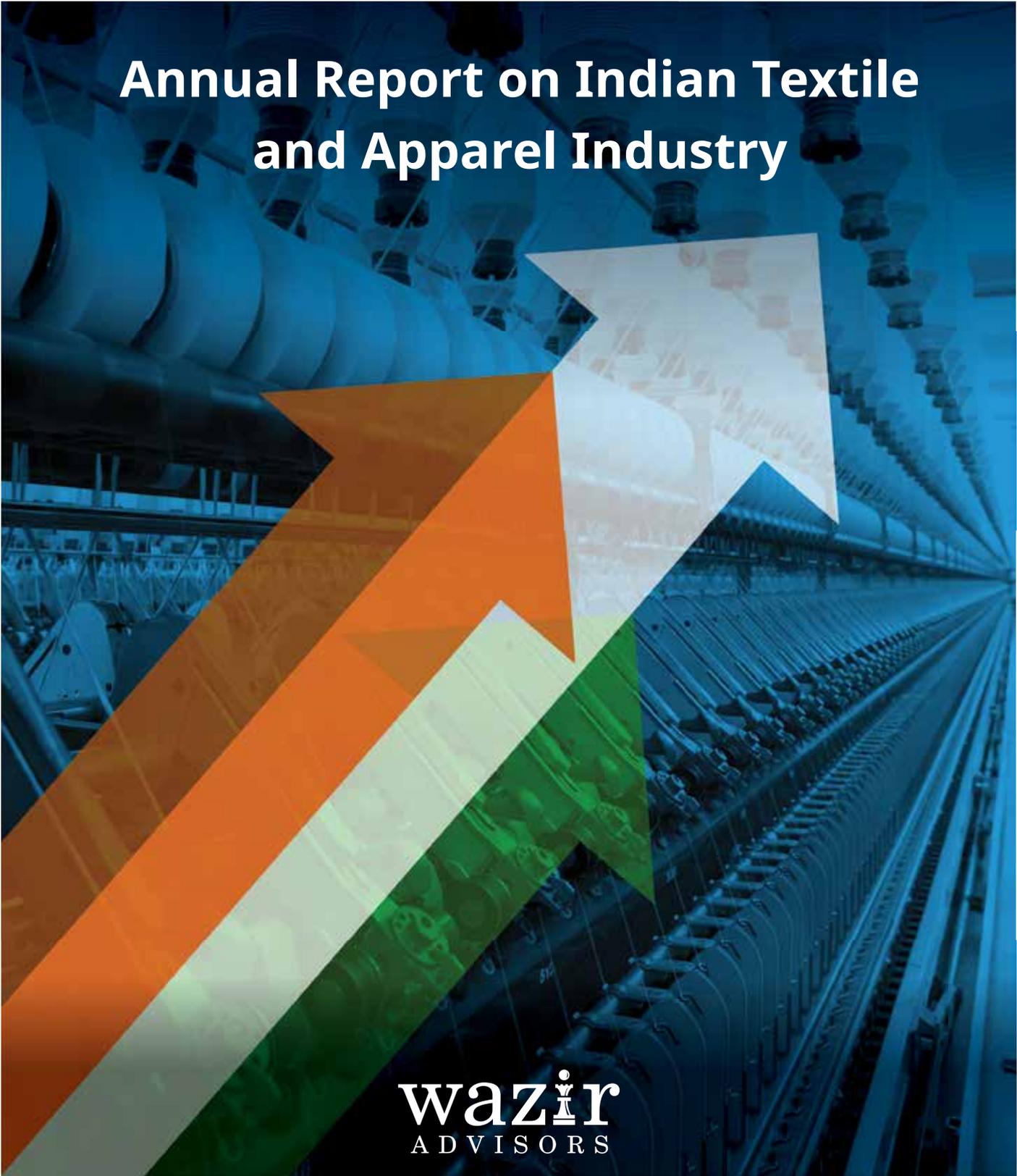


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INSIDE VIEW



Annual Report on Indian Textile
and Apparel Industry

wazir
ADVISORS

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1. Global Textile & Apparel Industry Overview

Global Apparel Consumption

Global apparel consumption is estimated to be approximately US\$ 1.8 trillion in 2017 and is expected to reach US\$ 2.6 trillion by 2025.

EU and USA account for 41% of the global apparel market but are slowing down as compared to countries like China and India which are expected to grow at a much faster pace.

China will become the largest apparel market by 2025, with market size of US\$ 450 billion.

Global apparel consumption is estimated to be approximately US\$ 1.8 trillion, which accounts for 2.3% of the global GDP of US\$ 79.9 billion. In 2017, EU and the USA were the largest apparel markets with a combined share of over 41% while they accounted for just 11% of the world population. China and India collectively accounted for a market of ~16% while they are home to ~36% of the world population.

The global apparel demand is expected to grow at a CAGR of 5% from the current US\$ 1.8 trillion to reach US\$ 2.6 trillion by the year 2025. Among the top eight markets of apparel, India and China are expected to grow at steady CAGR of 12% and 10%, respectively as compared to world total of 5%. Higher economic growth and rise in per capita income will lead to the growth in the apparel market in these developing countries. China will become the largest apparel consumer in the world by 2025 with market size of US\$ 450 billion, while India will overtake Japan to occupy fourth position on the list with a market size of US\$ 160 billion.

Table 1: Global Apparel Market Size (US\$ billion)

Country/Region	Value 2017	Share 2017 (%)	CAGR (2017-2025) (%)	Value 2025
EU-28	403	22	1	437
United States	341	19	2	399
China	210	12	10	450
Japan	99	6	1	107
India	67	4	12	160
Brazil	61	3	5	89
Russia	41	2	5	60
Canada	32	2	2	37
RoW	546	30	6	881
World	1,800		5	2,620

Data Source: Published Data & Wazir Analysis

Global Textile and Apparel Trade

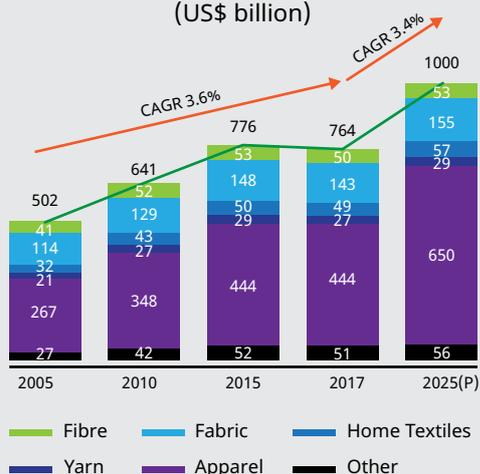
Global T&A trade has grown at a CAGR of 3.6% since 2005 to reach US\$ 764 billion in 2017.

Apparel's share in the trade was 58%, followed by fabrics with 19% share in the total trade.

In 2017, the global textile and apparel trade stood at US\$ 764 billion and has grown at a CAGR of 3.6% since 2005. Apparel was the most traded category with a share of 58%. Fabric was the second largest category and accounted for 19% of the total trade. However, fabric exports have grown at a meagre rate of 1% CAGR since 2005 as compared to apparel exports which have grown at CAGR of 4.3% during the same time period.

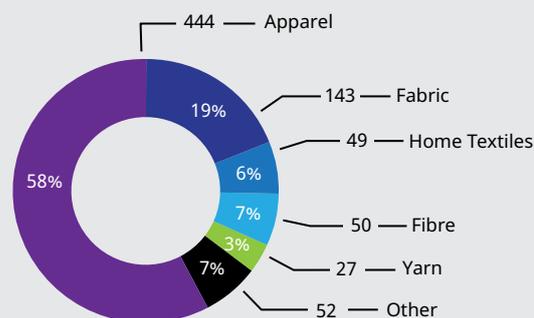
The global trade of T&A is expected to grow from the current US\$ 764 billion to US\$ 1,000 billion in 2025, growing at a CAGR of 3.4%.

Figure 1: Global Textile and Apparel Trade (US\$ billion)



Data Source: UN Comtrade & Wazir Analysis

Figure 2: Category-wise Share of Global T&A Trade (2017) (US\$ billion)



Data Source: UN Comtrade & Wazir Analysis

China's share in global T&A trade has decreased from 39% in 2015 to 36% in 2017.

India is the second largest exporter of T&A in the world with exports of US\$ 37 billion, followed closely by Bangladesh at US\$ 35 billion.

China, the largest T&A exporter, accounted for 36% of the total T&A exports. However, China's share in global T&A trade has decreased from 39% in 2015 to 36% in 2017. One of the major reasons for the decline is the increasing attraction of China's domestic textile and apparel market.

India was the second largest T&A exporter with exports worth US\$ 37 billion, followed by Bangladesh and Germany with trade worth US\$ 35 billion and US\$ 34 billion, respectively.

Table 2: Largest Exporters of Textile and Apparel 2017 (US\$ billion)

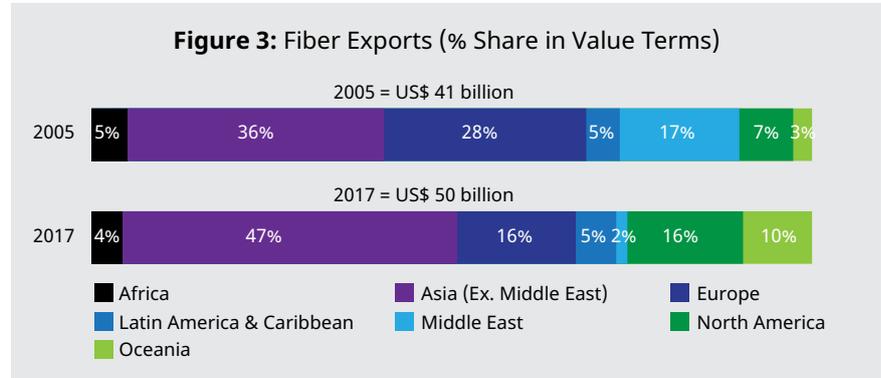
Country	Textile Exports	Apparel Exports	Total Exports	Share 2017 (%)
China	119.5	159.0	278.5	36
India	19.9	17.3	37.2	5
Bangladesh	1.9	33.3	35.2	5
Germany	14.3	20.0	34.3	4
Italy	12.5	21.2	33.6	4
Vietnam	6.5	26.5	33.0	4
Turkey	11.4	14.8	26.2	3
USA	20.2	5.0	25.2	3
Spain	4.7	13.8	18.5	2
France	5.0	10.7	15.7	2
Belgium	6.2	8.6	14.8	2
Netherlands	4.7	8.6	13.3	2
Rep. of Korea	11.4	1.8	13.2	2
ROW	81.1	103.4	184.8	25
Total	319.5	444.0	763.5	100

Data Source: UN Comtrade & Wazir Analysis

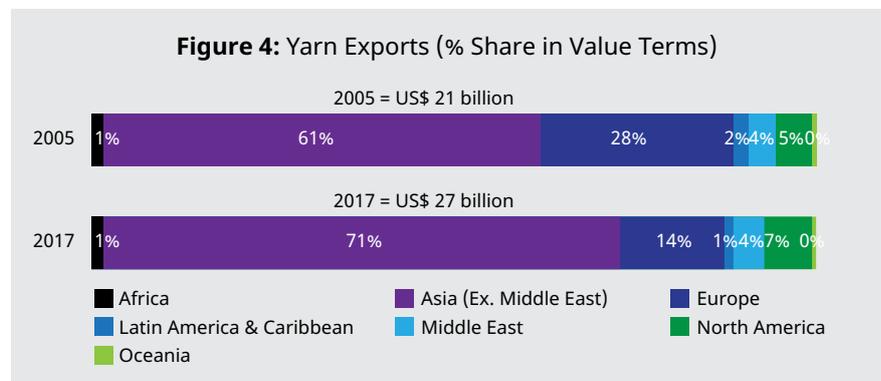
Asia Leading the Charge in Global Trade

Asian countries have over the years strengthened the region's dominance in the textiles and apparel trade at the expense of reduced share of western nations across all categories. The key driver of this shift is the lower cost of production in Asian countries. T&A exports from African countries have also grown in recent years, however, it is low in value terms.

The share of Asia (excluding Middle East) in global exports of fiber grew from 36% in 2005 to 47% in 2017 registering a high growth whereas the share of Europe and North America reduced considerably.



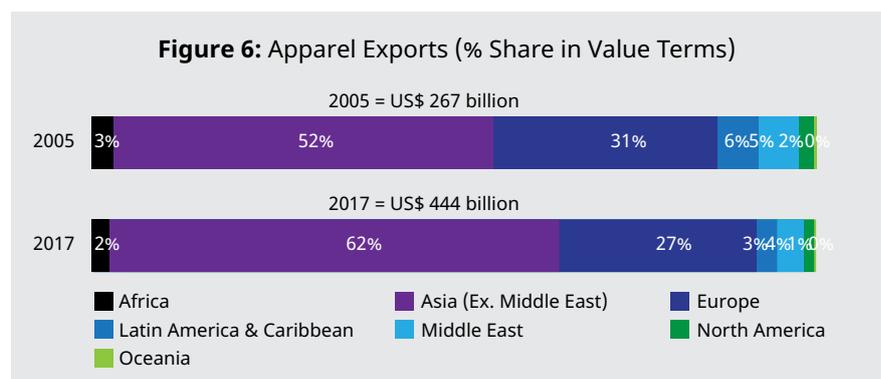
In case of yarn exports, share of Asia (excluding Middle East) has increased from 61% in 2005 to 71% in 2017.



Asia's share in fabric exports has increased from 55% in 2005 to 69% in 2017, mainly at the expense of share of Europe.



Asia occupied a share of 54% in apparel exports in 2005 which increased to 62% in 2017.



Data Source: UN Comtrade & Wazir Analysis

2. India's Textile and Apparel Industry Overview

Domestic Market Overview

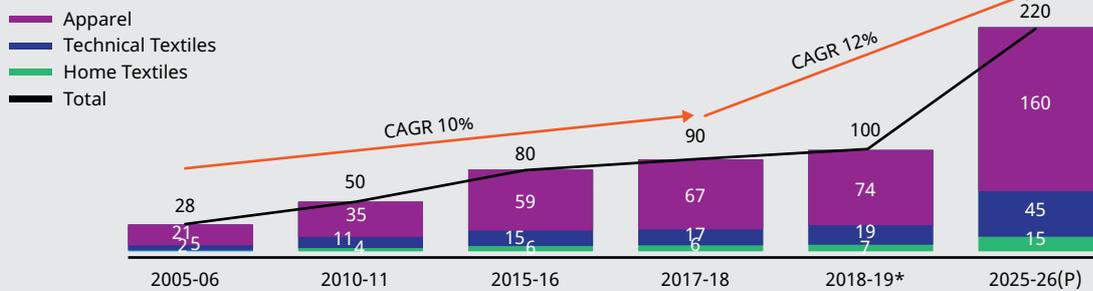
Indian domestic textile and apparel market is estimated to be US\$ 100 billion (2018-19) which is expected to grow to US\$ 220 billion by 2025 at a CAGR of 12%.

Apparel constituted for around three-fourth of the total textile and apparel market in India.

The domestic textile and apparel market is estimated to be US\$ 100 billion in 2018-19 and has grown at a CAGR of 10% since 2005-06. Apparel demand at US\$ 74 billion has dominated the domestic market with approximately three-fourth share of the total textile and apparel market.

The growth in the disposable income of the middle and lower middle class sections of the society has led to continuous growth of demand of textile and apparel in India. This growth in demand is expected to continue at 12% CAGR to reach US\$ 220 billion by 2025.

Figure 7: India's Domestic Textile and Apparel Market Size (US\$ billion)



Data Source: Ministry of Textiles & Wazir Analysis
* Estimated

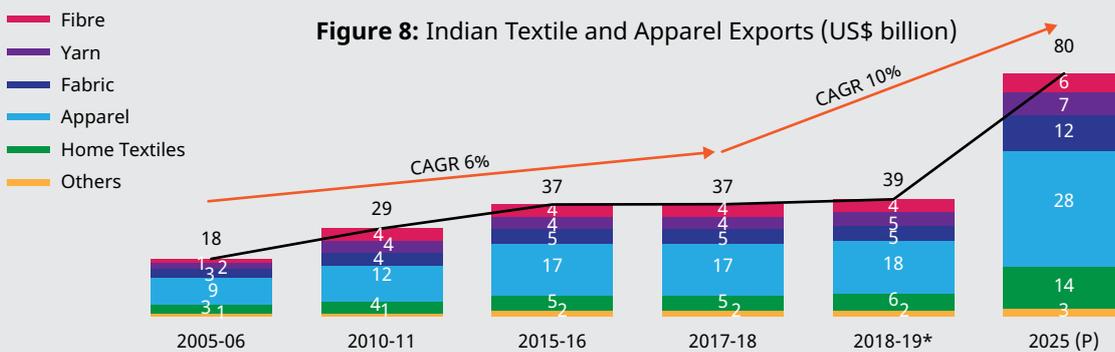
Indian Exports Overview

India's T&A exports are estimated at US\$ 39 billion in 2018-19.

India's exports of T&A are expected to grow to US\$ 80 billion by 2025 at a CAGR of 10%.

India's textile and apparel exports are estimated at US\$ 39 billion in the financial year 2018-19. The exports have grown at a 6% CAGR since the year 2005-06. India's textile and apparel exports are expected to expand to US\$ 80 billion by the year 2025, growing at a CAGR of 10%. Apparel is the largest exported category with a share of 46% in the textile and apparel exports.

Figure 8: Indian Textile and Apparel Exports (US\$ billion)



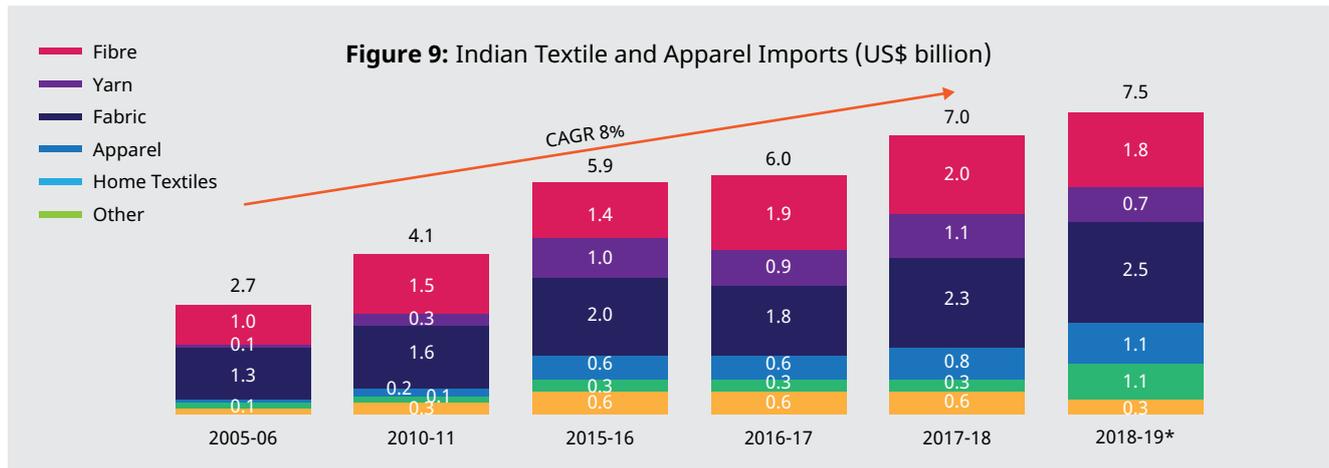
Data Source: Ministry of Textiles & Wazir Analysis
* Estimated

Indian Imports Overview

India's T&A imports for 2018-19 are estimated at US\$ 7.5 billion.

T&A imports of India have grown at 8% CAGR since 2005-06.

India's textile and apparel imports in 2018-19 are estimated at US\$ 7.5 billion. The imports of textile and apparel have grown 8% CAGR from 2005-06 to 2017-18. The year 2017-18 witnessed the peak imports of US\$ 7 billion. The imports are expected to grow further to US\$ 7.5 billion in 2018-19. Fabric imports of India in 2018-19 are expected to be worth US\$ 2.5 billion, making it the largest imported category by India.



Data Source: Ministry of Textiles & Wazir Analysis
* Estimated

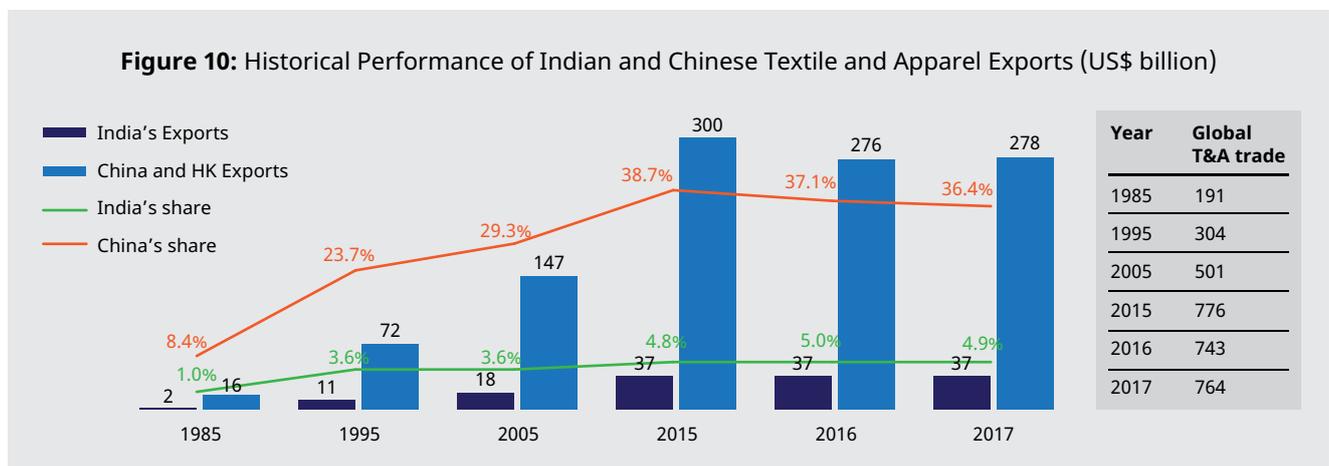
India's Export Position against China

Global textile and apparel exports have grown at a CAGR of 4%, while that of India and China have grown at 9% each.

China's share in global textile and apparel exports has increased from 8% in 1985 to 36% in 2017.

In the mid-80s, India and China accounted for a percentage share of 1% and 8%, respectively in the global textile and apparel exports. However, by the mid-90s China accounted for a quarter share of the global trade of textile and apparel.

The global trade of textile and apparel has increased from US\$ 191 billion in 1985 to US\$ 764 billion in 2017 at a CAGR of 4%. However, for the same time period exports from India and China have grown significantly at a CAGR of 9%. Although the growth rate for India & China since 1985 have been same, the gap in value terms between exports of India and China has become significantly high.



Data Source: UN Comtrade, WTO & Wazir Analysis

Cost Competitiveness of Indian Textile Industry

In terms of labor and power cost, India is competitively positioned against most of the competing nations.

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The only major advantage that India lacks is duty free access to major markets; which many of the competing nations have.

At overall level, India is a cost-competitive manufacturing base for all types of products across the textile value chain. The lending rates in India are on the higher side as compared to China and Vietnam; however, with special government support available for the sector, the effective cost of capital becomes comparable. Buyers look at India as the next alternative to China since it offers large domestic market, better compliance and political stability. The major advantage of other competing nations (except China) over India is their duty free access to EU and/or USA whereas India only has 20% duty abatement for apparel exports to EU.

India's labor cost is much cheaper than China and comparable to south-east Asian countries of Vietnam and Cambodia. However, Ethiopia and Bangladesh have much lower labor costs. In terms of power cost, India is competitively positioned against most of the competing nations except Ethiopia where power cost is extremely low.

Table 3: Factor Cost Comparison of India with Competing Countries

Cost element	Unit	India	B'desh	China	Vietnam	Cambodia	Ethiopia	Kenya
Labour cost *	US\$/month	160-180	100-110	550-600	170-190	180-190	60-80	170-190
Power cost	US\$/kwh	0.10-0.12	0.09-0.12	0.15-0.16	0.08-0.10	0.20-0.25	0.03-0.04	0.09-0.20**
Lending rate	%	11-12%	12-14%	5-6%	6-7%	14-16%	6.5-7.5%	16-18%
Water cost***	US Cents/m ³	16-20	20-22	55-60	50-80	70-90	30-40	150-180

*Cost for semi-skilled labor; includes all benefits

**9 cents for EPZ units

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

3. India's Trade with Major Countries

EU-28

India's export to EU-28 stood at US\$ 9,753 million in 2017 as compared to US\$ 9,259 million in 2016.

Apparel has continued to be the largest commodity exported out of India to EU-28 with a two-third share, followed by home textiles at 14%.

Exports

EU-28 in 2017 continued being the largest market for Indian textile and apparel products. India's exports to EU-28 stood at US\$ 9,753 million and accounted for more than a quarter of India's total textile and apparel exports. The exports to EU-28 have seen a marginal decline of -1% CAGR over the last 5 years. However, the year-on-year growth in exports in 2017 was over 5%. Apparel is the largest category exported to EU-28, with 65% share in total exports in 2017. The high share of apparel is due to the fact that Indian apparel attract 20% abatement on import duty when imported into EU. However, other Asian countries like Bangladesh, Sri Lanka, Pakistan, Vietnam and Turkey enjoy duty-free access to EU. India's exports to EU-28 are dominated by knitted T-shirts, woven women's trousers, dresses & shirts, track suits, swimwear and babies' apparel.

Table 4: T&A Exports from India to EU 28 (US\$ million)

	2013	2014	2015	2016	2017	CAGR (%)	India's share in EU-28 total Imports (2017) (%)
Fiber	249	228	205	227	241	-1	4
Filament	151	116	108	108	116	-6	2
Yarn	624	559	455	485	531	-4	10
Fabric	603	573	497	507	515	-4	2
Apparel	6,538	6,789	6,258	6,174	6,368	-1	3
Home Textiles	1,361	1,355	1,224	1,252	1,391	1	7
Others	466	524	520	505	591	6	3
Total	9,992	10,145	9,267	9,259	9,753	-1	3

Data Source: UN Comtrade & Wazir Analysis

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

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	India's share in EU-28's total imports (2017) (%)
1	6109	Knitted T-shirts and singlets	1,022	1,095	1,030	954	1,007	-0.4	4
2	6204	Woven women's trousers/dresses	986	1,005	931	893	935	-1	3
3	6206	Woven women's blouses/shirts	703	644	603	640	672	-1	9
4	6211	Track suits and swimwear	378	459	493	491	496	7	11
5	6111	Babies' apparel	320	350	344	402	411	6	13

Data Source: UN Comtrade & Wazir Analysis

Imports

In 2017, India imported US\$ 439 million of T&A products from EU-28 countries as compared to US\$ 520 million in 2016.

India's import of fabric and apparel from EU-28 has increased in the recent years.

India's import of textile and apparel from EU 28 has declined at -2% CAGR from 2013 to 2017. The decrease in imports in the previous year has reduced the share of EU-28 in India's total imports from 8% in 2016 to 6% in 2017. India's import of fibers and filament from EU-28 have declined at a CAGR of 13% and 12%, respectively. Fabrics and apparel account for over 54% of total imports from EU-28 and their imports have increased by 4% and 3%, respectively.

The top 5 commodities imported from EU 28 comprised mainly of flax, nonwovens and specialty textile products. India depends almost wholly on EU-28 for supply of flax fiber, which is primarily sourced from Belgium and France. Also, the import of flax fiber has grown at a CAGR of 15% since 2013.

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

	2013	2014	2015	2016	2017	CAGR (%)	EU-28's share in India's total imports (2017) (%)
Fiber	135	162	159	176	78	-13	5
Filament	45	43	42	34	27	-12	6
Yarn	8	10	9	7	8	-2	2
Fabric	116	112	107	105	135	4	5
Apparel	91	103	93	101	103	3	9
Home Textiles	15	15	19	16	19	6	5
Others	75	75	80	82	68	-2	13
Total	484	520	509	520	439	-2	6

Data Source: UN Comtrade & Wazir Analysis

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

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	EU-28's share in India's total imports (2017) (%)
1	5301	Flax fiber	23	27	23	31	41	15	98
2	5603	Nonwovens	22	23	22	21	27	5	12
3	5903	Coated fabrics	17	16	15	17	24	8	6
4	5911	Specialty fabrics	17	20	20	22	22	6	32
5	6203	Men's woven suits	16	18	15	20	21	7	17

Data Source: UN Comtrade & Wazir Analysis

USA

USA is the second largest market for Indian textiles and apparel products with 40% share in India's textile and apparel exports.

Similar to EU-28, USA also extensively imports apparel from India, followed by home textiles.

India exports ~24% of total home textiles imported by the USA

Exports

USA traditionally has been an important destination for Indian T&A products. India's textile and apparel exports to USA have grown at a CAGR of 2% since last 5 years. USA accounted for 21% of India's total exports in textile and apparel. 50% of India's exports to USA were in the form of apparel, followed by home textiles with a considerable share of 37%. USA's import of yarns from India has declined at a CAGR of 8% since 2013.

India's largest exported commodity to USA in 2017 was bed and table linen. India has a strong presence in the home linen category in USA with a share of 40% of USA's total imports. Commodity wise, India contributed 21% to the total women blouse imports of USA in 2017 and textile furnishings have shown a massive growth of 11% CAGR in last 5 years and have proved to be a promising segment.

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

	2013	2014	2015	2016	2017	CAGR (%)	India's share in USA's total Imports (2017) (%)
Fiber	98	79	84	117	121	5	12
Filament	27	28	37	30	33	5	3
Yarn	74	68	61	53	53	-8	9
Fabric	311	307	320	321	345	3	5
Apparel	3,661	3,586	3,774	3,820	3,880	1	4
Home Textiles	2,719	2,631	2,821	2,786	2,853	1	24
Others	339	333	338	411	501	10	6
Total	7,229	7,033	7,436	7,538	7,786	2	7

Data Source: UN Comtrade & Wazir Analysis

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

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	India's share in USA's total imports (2017) (%)
1	6302	Bed/table/toilet/kitchen linen	1,742	1,773	1,911	1,877	1,948	3	40
2	6204	Woven women's suits	528	538	566	567	554	1	5
3	6206	Woven women's blouses	431	459	534	536	487	3	21
4	6109	Knitted T-shirts	195	217	260	230	235	5	3
5	6304	Furnishings	93	100	121	121	141	11	8

Data Source: UN Comtrade & Wazir Analysis

India's fiber imports from the USA has grown at a CAGR of 33%, since 2013.

.....
Cotton accounts for 98% of the fiber imports of India from USA.

Imports

India's import of textile and apparel from USA has grown rapidly at a CAGR of 20% from 2013 to 2017. Out of the US\$ 7 billion worth of textile and apparel imported by India, 8% was imported from USA in 2017. Fiber accounted for 76% of India's total imports from USA. India's fiber imports from USA have increased from US\$ 142 million in 2013 to US\$ 442 million in 2017 at a CAGR of 33%.

The top 5 commodities imported from USA comprised mainly of cotton, worn clothing, nonwovens, synthetic filament yarn and carpets. International brands manufacturing out of India nominate USA cotton including Supima cotton for their products and this has led to a sharp growth in cotton fiber imports into India at 48% CAGR since 2013.

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

	2013	2014	2015	2016	2017	CAGR (%)	USA's share in India's total imports (2017) (%)
Fiber	142	149	144	263	442	33	30
Filament	15	17	18	19	15	0	3
Yarn	0.6	0.4	0.4	0.3	2	39	1
Fabric	15	16	19	17	33	22	1
Apparel	6	8	8	7	6	-1	1
Home Textiles	10	14	12	12	16	12	4
Others	90	103	105	104	66	-7	13
Total	279	308	306	421	581	20	8

Data Source: UN Comtrade & Wazir Analysis

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

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	USA's share in India's total imports (2017) (%)
1	5201	Cotton fiber	90	89	115	251	435	48	60
2	6309	Worn clothing	46	42	34	33	36	-6	36
3	5603	Nonwovens	11	23	24	40	19	14	9
4	5402	Synthetic filament yarn	5	5	8	11	12	26	4
5	5703	Carpets	9	10	8	8	10	5	17

Data Source: UN Comtrade & Wazir Analysis

China

In 2017, India exported US\$ 1,675 million worth of T&A, which accounted for just 4% of China's total T&A imports.

*.....
India's fiber exports to China have declined rapidly at a CAGR of 41% and yarn exports have reduced at a CAGR of 17% in the past five years.*

Exports

China was a major market for Indian textiles in the past. However, exports from India to China have reduced at 26% CAGR in the past five years. Commodity wise, fiber exports to China have reduced at a CAGR of 41% in the past five years reducing from US\$ 3,009 million in 2013 to US\$ 370 million in 2017. Yarn exports have also reduced at 17% CAGR in the past five years.

The top 5 commodities exported to China consist mainly of fiber and yarns. The single largest commodity is cotton yarn. However, China is now extensively importing cotton yarn from Vietnam instead of India. Vegetable fibers such as coconut, ramie and artificial staple fiber exports have seen a healthy increase in last 5 years at CAGR of 14% and 50%, respectively.

Table 12: T&A Exports from India to China (US\$ million)

	2013	2014	2015	2016	2017	CAGR (%)	India's share in China's total Imports (2017) (%)
Fiber	3,009	1,450	426	396	370	-41	6
Filament	6	5	4	4	6	-1	0.4
Yarn	2,172	1,634	1,720	1,067	1,015	-17	20
Fabric	95	89	80	68	76	-6	1
Apparel	139	142	155	141	152	2	1
Home Textiles	30	35	40	36	46	11	8
Others	14	16	13	12	11	-5	1
Total	5,465	3,371	2,439	1,724	1,675	-26	4

Data Source: UN Comtrade & Wazir Analysis

Table 13: Top 5 T&A Commodities Exported to China (US\$ million)

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	India's share in China's total imports (2017) (%)
1	5205	Cotton Yarn	2,166	1,622	1,713	1,062	1,010	-17	30
2	5201	Cotton	2,840	1,280	292	228	171	-50	10
3	5305	Vegetable fibers	74	84	72	86	123	14	65
4	5504	Artificial staple fiber	8	31	25	40	41	50	23
5	6204	Woven women's trousers/skirts/suits	18	23	28	24	22	6	1

Data Source: UN Comtrade & Wazir Analysis

India's imports from China have grown at a CAGR of 3% since 2013.

India's apparel import from China has also grown rapidly at a CAGR of 17% in the last 5 years.

Imports from China have 40% share in India's overall textile and apparel imports.

Imports

India's import of textile and apparel from China have grown at a CAGR of 3% since 2013. China accounts for around 40% of total textile and apparel imports of India. Fabric occupied major (55%) share of total import from China. Import of apparel has grown at a steep rate of 17% CAGR in the past five years.

The top 5 commodities imported from China are coated, knitted & synthetic fabrics and synthetic filament yarns which have grown at a CAGR of 3%, 17%, 7% and 5%, respectively in the last 5 years.

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

	2013	2014	2015	2016	2017	CAGR (%)	China's share in India's total imports (2017) (%)
Fiber	239	269	260	234	255	2	17
Filament	238	217	190	188	209	-3	47
Yarn	337	320	288	217	232	-9	67
Fabric	1,377	1,402	1,402	1,343	1,547	3	56
Apparel	156	187	233	232	288	17	26
Home Textiles	121	181	244	203	163	8	40
Others	69	79	98	104	126	16	25
Total	2,538	2,656	2,716	2,521	2,820	3	40

Data Source: UN Comtrade & Wazir Analysis

Table 15: Top 5 T&A Commodities Imported from China (US\$ million)

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	China's share in India's total imports (2017) (%)
1	5903	Coated Fabrics	321	325	327	314	356	3	84
2	6006	Knitted Fabric	156	180	196	231	294	17	69
3	5002	Raw Silk	164	152	138	128	150	-2	42
4	5407	Synthetic woven fabrics	105	130	132	121	135	7	70
5	5402	Synthetic filament yarn	98	99	107	113	117	5	63

Data Source: UN Comtrade & Wazir Analysis

Japan

India's T&A Imports to Japan were US\$ 364 million in 2017.

*.....
India accounts for just 1% of Japan's total textile and apparel imports while India has duty free access to Japan under CEPA.*

Exports

Japan is one of the major Asian T&A market but India's textile exports to Japan are only US\$ 364 million. India's overall export to Japan has declined at 5% CAGR since 2013 and accounts for just 1% of Japan's total T&A imports. The exports are mainly apparel with a share of 50%, followed by yarn at around 20%.

The top 5 commodities exported to Japan include woven apparel for women, natural yarns and furnishings. The overall declining trend is visible in these commodities as well, with woven dresses and woven shirts observing a decline at a CAGR of 6% and 3%, respectively. Although India enjoys duty free access to Japan under CEPA, India's exports to Japan are reducing.

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

	2013	2014	2015	2016	2017	CAGR (%)	India's share in Japan's total Imports (2017) (%)
Fiber	6	6	5	6	6	-1	1
Filament	5	13	12	12	13	24	3
Yarn	78	78	72	71	70	-3	13
Fabric	29	26	22	26	27	-2	2
Apparel	229	211	184	183	181	-6	1
Home Textiles	76	72	58	56	52	-9	2
Others	23	18	18	17	18	-6	1
Total	445	423	371	373	364	-5	1

Data Source: UN Comtrade & Wazir Analysis

Table 17: Top 5 T&A Commodities Exported to Japan (US\$ million)

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	India's share in Japan's total imports (2017) (%)
1	6204	Woven women's trousers/dresses	61	52	47	45	47	-6	2
2	6206	Woven women's blouses/shirts	49	46	38	38	43	-3	7
3	5205	Cotton yarn	57	58	44	43	41	-8	27
4	5107	Yarn of combed wool	8	7	16	18	17	23	21
5	6304	Furnishings	22	18	16	16	16	-8	7

Data Source: UN Comtrade & Wazir Analysis

India imported US\$ 129 million worth of textile and apparel from Japan.

India's imports from Japan have not grown since the year 2013.

Japan contributes only 2% to India's textile and apparel imports

Imports

India's T&A imports from Japan have stagnated for the last 5 years with no change from the value in 2013. The key commodities imported by India from Japan are man-made filaments and fibers. Japan accounted for just 2% of India's total textile and apparel imports in 2017

India mainly imports synthetic fibers, yarns and nonwovens from Japan. Around 15% of total filaments imported by India originate from Japan.

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

	2013	2014	2015	2016	2017	CAGR (%)	Japan's share in India's total imports (2017) (%)
Fiber	19	27	25	21	22	4	2
Filament	76	82	71	62	66	-3	15
Yarn	0.7	0.5	0.3	1.3	2	34	1
Fabric	14	14	13	14	15	1	1
Apparel	0.3	0.3	0.3	0.3	1	37	0
Home Textiles	0.8	1.1	2.1	2	2	31	1
Others	18	18	16	23	20	3	4
Total	129	143	127	123	129	0	2

Data Source: UN Comtrade & Wazir Analysis

Table 19: Top 5 T&A Commodities Imported from Japan (US\$ million)

Rank (2017)	HS-4	Description	2013	2014	2015	2016	2017	CAGR (%)	Japan's share in India's total imports (2017) (%)
1	5403	Artificial filament yarn	68	71	62	53	52	-6	42
2	5603	Nonwovens	10	10	11	16	14	9	7
3	5402	Synthetic filament yarn	7	9	7	7	10	9	3
4	5502	Filament tow	3	7	10	10	13	45	62
5	5503	Synthetic staple fiber	11	13	8	6	8	-7	7

Data Source: UN Comtrade & Wazir Analysis

4. Indian Textile Industry: Structure and Supply Scenario

T&A industry accounts for around 5% of India's gross domestic product (GDP), and around 12% of total export earnings.

The textile and apparel industry is one of the leading segments of Indian economy and one of the key sources of foreign exchange earnings. The industry accounts for around 5% of the Gross Domestic Product (GDP) and around 12% of total export earnings.

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

Staple Fiber

India's total staple fiber production was 9,217 million kg in 2017-18.

Production

India's total staple fiber production stood at 9,217 million kg in 2017-18. Natural fiber production in India has been stagnant in the last 5 years but the production of man made fiber grew at 1% CAGR since 2012-13.

Table 20: India's Fiber Production (million Kg)

Fiber	Production 2012-13	Production 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton	6,290	6,290	68.0	0.0
Silk	23	32	0.3	6.8
Wool	46	46	0.5	0.0
Others	1,674	1,530	17.0	-1.8
Natural Fiber	8,033	7,898		-0.3
Viscose staple fiber	337	370	4.0	1.9
Polyester staple fiber	848	852	9.0	0.1
Acrylic staple fiber	74	93	1.0	4.7
Other MMF fiber	4	4	0.04	0.0
MMSF	1,263	1,319		0.9
Total Fiber	9,296	9,217		-0.2

Data Source: Office of Textile Commissioner, Govt. of India

India exported fiber worth US\$ 2,801 million in 2017-18, which has reduced at a CAGR of 9% in the past five years.

Cotton occupied 84% share in total fiber exports in 2012-13, which has reduced to 68% share in 2017-18.

Exports

India exported fiber worth US\$ 2,801 million in 2017-18, which has reduced at a CAGR of 9% since 2012-13. The share of cotton in total fiber exports has reduced from 84% in 2012-13 to 68% in 2017-18.

Exports of natural fiber reduced at a CAGR of 11% while exports of man-made fibers increased at a CAGR of 3% since 2012-13. However, the fiber exports from India are still dominated by natural fibers.

Table 21: India's Fiber Exports (US\$ million)

Fiber	Exports 2012-13	Exports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton	3,748	1,894	68	-13
Silk	12	16	1	6
Wool	63	35	1	-11
Others	125	278	10	17
Natural Fiber	3,948	2,222		-11
Viscose staple fiber	208	270	10	5
Polyester staple fiber	265	263	9	-0.2
Acrylic staple fiber	11	31	1	23
Other MMF fiber	26	15	1	-10
MMSF	510	579		3
Total Fiber	4,458	2,801		-9

Data Source: DGCI&S and Wazir analysis

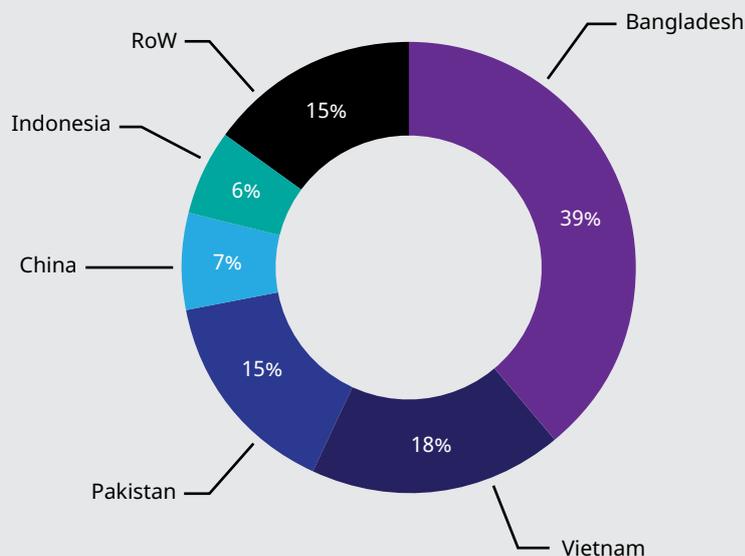
The exports of cotton fiber has reduced at a CAGR of 13% in the past five years.

In 2017-18, Bangladesh imported 39% share of the total cotton fiber exports from India.

The exports of cotton fiber has reduced at a CAGR of 13% in the past five years.

In 2017-18, the top five markets imported nearly 85% of cotton fiber from India. Bangladesh alone imported one third of India's total cotton fiber export. Vietnam and Pakistan together imported another one third of India's total cotton fiber exports.

Figure 11: Country-wise Exports of Cotton Fiber from India in 2017-18



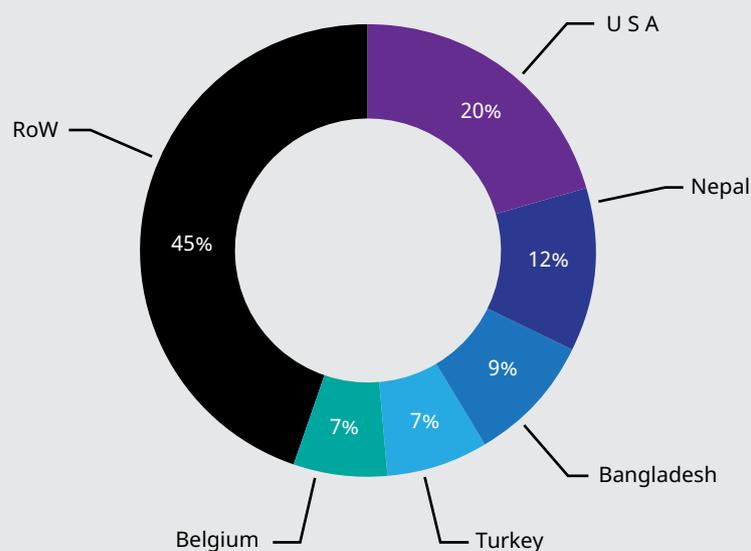
Data Source: DGCI&S and Wazir analysis

USA is the leading importer of PSF from India, having a share of 20%.

The exports of polyester staple fiber (PSF) has remained stagnant in the past five years. In 2017-18, USA imported polyester fiber worth US\$ 54 Mn from India (20% share).

Nepal, Bangladesh, Turkey and Belgium are the other major countries which together imported ~35% of India's PSF exports.

Figure 12: Country-wise Exports of Polyester Staple Fiber from India in 2017-18



Data Source: DGCIS and Wazir analysis

India imported fiber worth US\$ 1,951 million in 2017-18, which has grown at 8% CAGR since 2012-13.

Share of cotton in fiber imports has increased from 34% in 2012-13 to 50% in 2017-18, with two times value growth in the past five years.

Imports of all types of man-made fibers have grown at 10% CAGR.

Imports

India imported fiber worth US\$ 1,951 million in 2017-18, which has grown at a high CAGR of 8% since 2012-13. Nearly 80% of the imports of fiber in 2017-18 was natural fiber. The share of cotton in total fiber imports has increased from 34% in 2012-13 to 50%, with an increased import of approximately 2 times in the past five years.

Imports of all types of man-made fibers have also grown at overall 10% CAGR. However, it is important to note here that there was a sharp increase in imports in FY 2017-18, mainly of cotton.

Table 22: India's Fiber Imports (US\$ million)

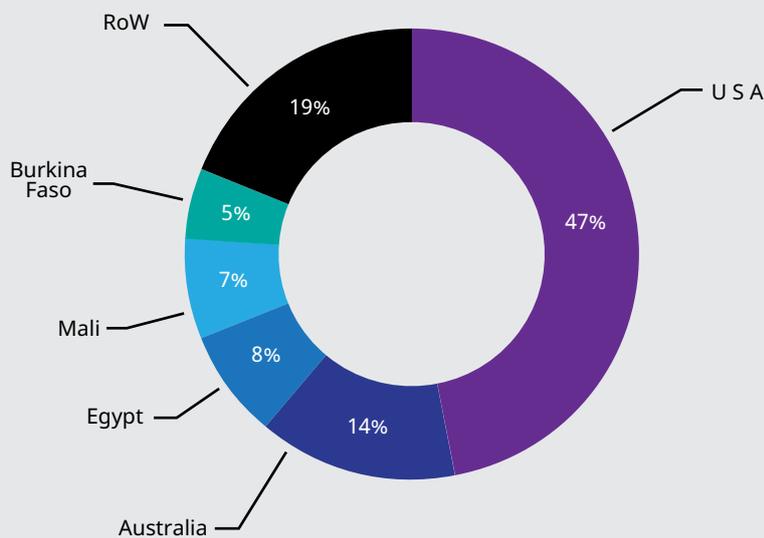
Fiber	Imports 2012-13	Imports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton	456	979	50	17
Silk	230	191	10	-4
Wool	345	311	16	-2
Others	90	100	5	2
Natural Fiber	1,121	1,582		7
Viscose staple fiber	39	66	3	11
Polyester staple fiber	51	110	6	17
Acrylic staple fiber	75	62	3	-4
Other MMF fiber	61	131	7	17
MMSF	226	369		10
Total Fiber	1,347	1,951		8

Data Source: DGCI&S and Wazir analysis

In 2017-18, India imported cotton fiber majorly from USA.

In 2017-18, USA was the major supplier country of cotton fiber with a share of 47% in the total import of India. USA is followed by Australia and Egypt with a share of 14% and 8%, respectively.

Figure 13: Country-wise Imports of Cotton Fiber by India in 2017-18



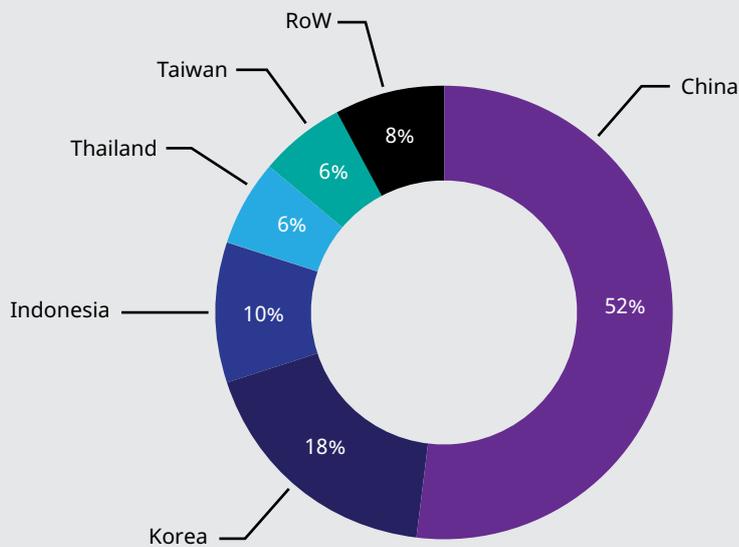
Data Source: DGCI&S and Wazir analysis

India imported PSF worth US\$ 110 million in 2017-18.

52% of the total imports of polyester staple fiber was from China.

In 2017-18, China was the major supplier country of polyester staple fiber (PSF) with a share of 52% in the total imports of India. China is followed by Korea and Indonesia with a share of 18% and 10%, respectively.

Figure 14: Country-wise Imports of Polyester Staple Fiber by India in 2017-18



Data Source: DGCI&S and Wazir analysis

Yarn

India's total yarn production was 6,862 million kg in 2017-18.

Spun yarn production has grown at 3% CAGR while filament yarn has reduced at 3% CAGR in the recent years.

Production

The production of yarn stood at 6,862 million kg in 2017-18, growing at a CAGR of 2% in the last 5 years. The production of spun yarn has grown at a CAGR of 3%, but the production of filament yarn has reduced at a CAGR of 3%. However, within the filament yarn segment, production of nylon filament yarn has grown at a healthy 11% CAGR, albeit at a very small base.

Table 23: India's Yarn Production (million Kg)

Yarn	Production 2012-13	Production 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
100% Cotton spun yarn	3,583	4,059	59	3
Cotton blend spun yarn	828	1,063	15	5
100% non-cotton spun yarn	457	553	8	4
Total Spun yarn	4,868	5,675		3
Viscose filament yarn	43	47	1	2
Polyester filament yarn	1,288	1,090	16	-3
Nylon filament yarn	23	39	1	11
Other MMFY	17	11	0.2	-8
MMFY	1,371	1,187		-3
Total yarn	6,239	6,862		2

Data Source: Office of Textile Commissioner, Govt. of India

In 2017-18, India's total yarn exports stood at US\$ 5,660 million.

Exports of spun yarns have declined at a CAGR of 1% since 2012-13.

Exports

India's yarn exports have been almost stagnant in the last five years. The export of nylon filament yarn has increased significantly with a CAGR of 14% in the past five years.

The export of spun yarns has declined with a CAGR of 1% while that of filament yarns has grown with a CAGR of 1% in the past five years.

Table 24: India's Yarn Exports (US\$ million)

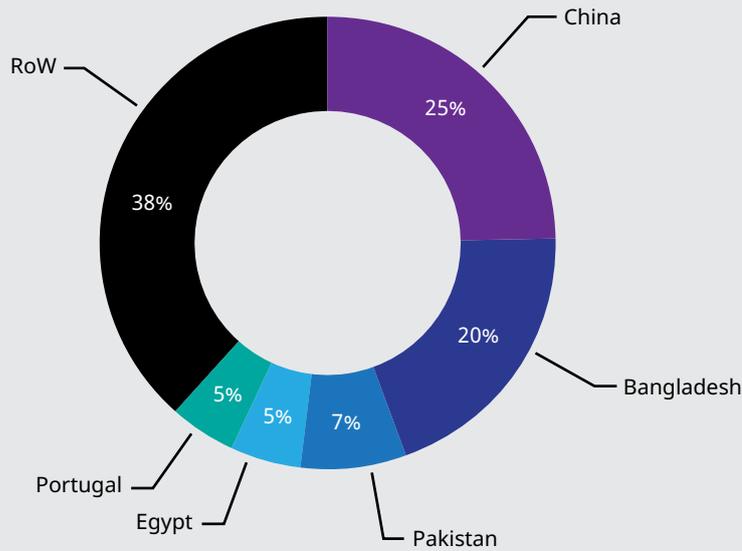
Yarn	Exports 2012-13	Exports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton spun yarn	3,553	3,443	61	-1
Man made spun yarn	800	785	14	-0.4
Other spun yarn (Silk, Jute)	146	130	2	-2
Total Spun yarn	4,498	4,358		-1
Viscose filament yarn	58	53	1	-2
Polyester filament yarn	1,073	1,122	20	1
Nylon filament yarn	10	19	0.3	14
Other MMFY	78	108	2	7
MMFY	1,190	1,231	22	1
Total yarn	5,717	5,660		-0.2

Data Source: DGCIS and Wazir analysis

China is the largest importer of cotton yarn from India, followed by Bangladesh and Pakistan.

India's exports of cotton yarn has declined at a CAGR of 1% in the past five years. China is the largest importer of cotton yarn (25% share) from India, followed by Bangladesh and Pakistan with 20% and 7% share, respectively. The top five importers form 62% of India's total cotton yarn exports.

Figure 15: Country-wise Exports of Cotton Yarn from India in 2017-18



Data Source: DGCIS and Wazir analysis

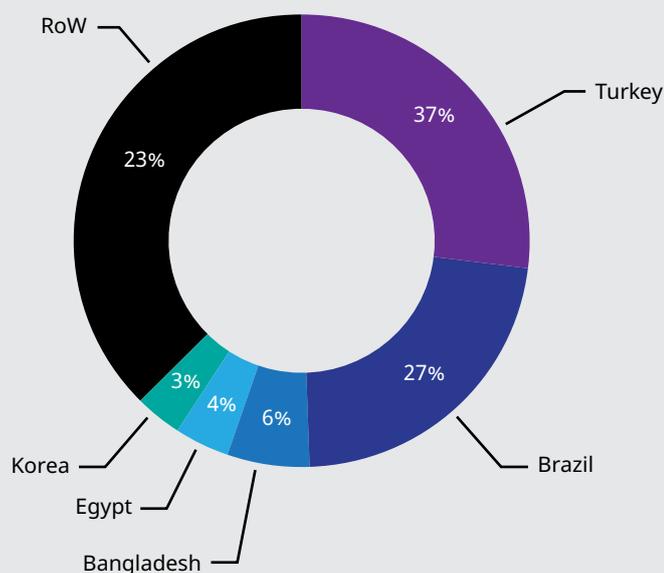
India exported US\$ 1,122 million worth of polyester filament yarn growing with a CAGR of 1% in the past five years.

Turkey is the largest importer of polyester filament yarn with 27% share.

India exported US\$ 1,122 million worth of polyester filament yarn, which has grown at a CAGR of 1% in the past five years.

Turkey and Brazil together imported 50% of the polyester filament yarn from India, followed by Bangladesh, Egypt and Korea with a share of 6%, 4% and 3%, respectively.

Figure 16: Country-wise Exports of Polyester Filament Yarn from India in 2017-18



Data Source: DGCIS and Wazir analysis

India imported US\$ 1,104 million worth of yarn in 2017-18.

Imports

India imported yarn worth US\$ 1,104 million in 2017-18, which has been marginally decreased over the last five years.

There has been an increase in the imports of spun yarns from US\$ 419 million in 2012-13 to US\$ 445 million in 2017-18, while the imports of man-made filament yarns have declined by 1% in the last five years.

Table 25: India's Yarn Imports (US\$ million)

Yarn	Imports 2012-13	Imports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton spun yarn	53	32	3	-9
Man made spun yarn	216	236	21	2
Other spun yarn (Silk, Jute)	150	176	16	3
Total Spun yarn	419	445		1
Viscose filament yarn	73	81	7	2
Polyester filament yarn	113	150	14	6
Nylon filament yarn	91	64	6	-7
Other MMFY	421	365	33	-3
MMFY	697	659		-1
Total yarn	1,117	1,104		-0.2

Data Source: DGCIS and Wazir analysis

Fabric

Fabric production in India stood at 66,515 million sq. m. grown at 1% CAGR in the past five years.

The production of woven fabric has grown at a CAGR of 1% while knitted fabric production has increased at 4% CAGR.

Production

Fabric production in India stood at 66,515 million sq. m, which has grown at 1% CAGR in the past five years. Woven fabric had the major share of 73%, the rest being the knitted fabric. However, the production of woven fabric has grown at a CAGR of 1% while knitted fabric production has increased at 4% CAGR.

Within the woven fabric segment, the share of cotton fabric has increased from 46% in 2012-13 to 50% in 2017-18, mainly at the expense of synthetic woven fabric.

Table 26: India's Fabric Production (million sq. m)

Fabric	Production 2012-13	Production 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton woven	21,878	24,467	37	2
Synthetic woven	18,086	14,460	22	-4
Other woven	7,444	9,918	15	6
Total woven fabric	47,408	48,845		1
Knitted fabric	14,541	17,670	27	4
Total fabric	61,949	66,515		1

Data Source: Office of Textile Commissioner, Govt. of India

India exported fabric worth US\$ 4,598 million in 2017-18, that has grown at a CAGR of 1% since 2012-13.

Exports of knitted fabric has grown at 9% CAGR in the past five years.

Exports

India exported fabric worth US\$ 4,598 million in 2017-18, which has grown at 1% CAGR since 2012-13. Woven fabric comprised 92% of the total fabric exports of 2017-18. However, exports of knitted fabric has increased a 9% CAGR in the past five years.

Table 27: India's Fabric Exports (US\$ million)

Fabric	Exports 2012-13	Exports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton woven	1,637	1,708	37	1
Synthetic woven	1,939	1,751	38	-2
Other woven	644	797	17	4
Total woven fabric	3,248	3,447		1
Knitted fabric	218	343	7	9
Total fabric	4,439	4,598		1

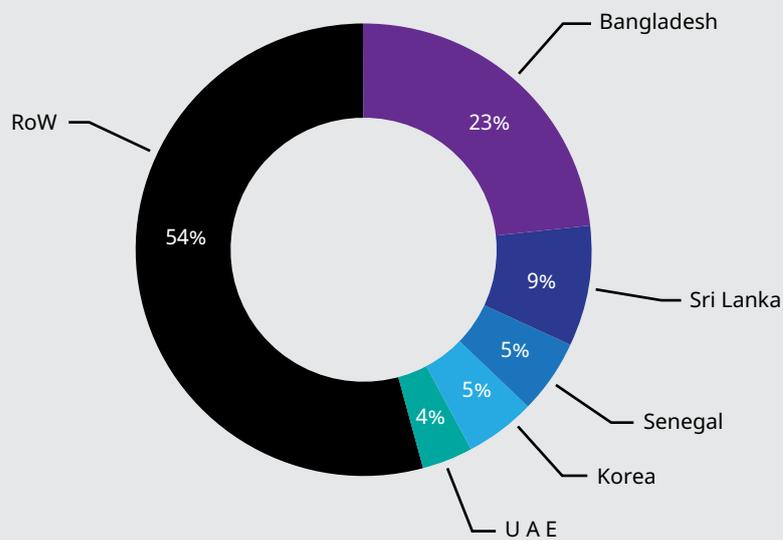
Data Source: DGCI&S and Wazir analysis

India exported cotton woven fabric worth US\$ 1,708 million in 2017-18.

The major importing nations of woven cotton fabric from India were Bangladesh and Sri Lanka.

India exported cotton woven fabric worth US\$ 1,708 million, which has grown at 1% CAGR in the past five years in value terms. The major importing nations of woven cotton fabric from India are Bangladesh and Sri Lanka which together imported approximately one-third of India's cotton woven fabric export.

Figure 17: Country-wise Exports of Cotton Woven Fabric from India in 2017-18



Data Source: DGCIS and Wazir analysis

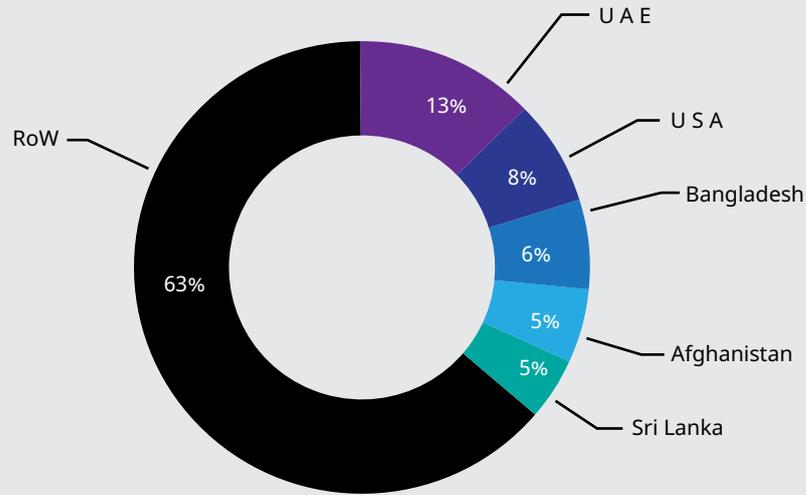
India exported synthetic woven fabric worth US\$ 1,751 million in 2017-18.

The major importing nations of synthetic woven fabric from India were USA and UAE.

India exported synthetic woven fabric worth US\$ 1,751 million in 2017-18, which has grown at 4% CAGR since 2012-13. The top markets were UAE and USA with nearly 21% share.

Bangladesh, Afghanistan and Sri Lanka are the other major importing nations with cumulative share of ~16% in the total synthetic woven fabric exports.

Figure 18: Country-wise Exports of Synthetic Woven Fabric from India in 2017-18



Data Source: DGCIS and Wazir analysis

India's fabric imports stood at US\$ 2,337 million growing at 4% CAGR since 2012-13.

Imports of synthetic woven fabric and knitted fabric has increased at 4% and 9% CAGR, respectively since 2012-13.

Imports

India imported US\$ 2,337 million worth of fabric in 2017-18, which has grown at 4% CAGR in the past five years. Imports of synthetic woven fabrics has also increased at 4% CAGR. The imports of knitted fabric has also increased rapidly at 9% CAGR in the last 5 years.

Table 28: India's Fabric Imports (US\$ million)

Fabric	Imports 2012-13	Imports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton woven	280	169	7	-10
Synthetic woven	707	877	38	4
Other woven	550	699	30	5
Total woven fabric	1,537	1,745		3
Knitted fabric	389	592	25	9
Total fabric	1,926	2,337		4

Data Source: DGCIS and Wazir analysis

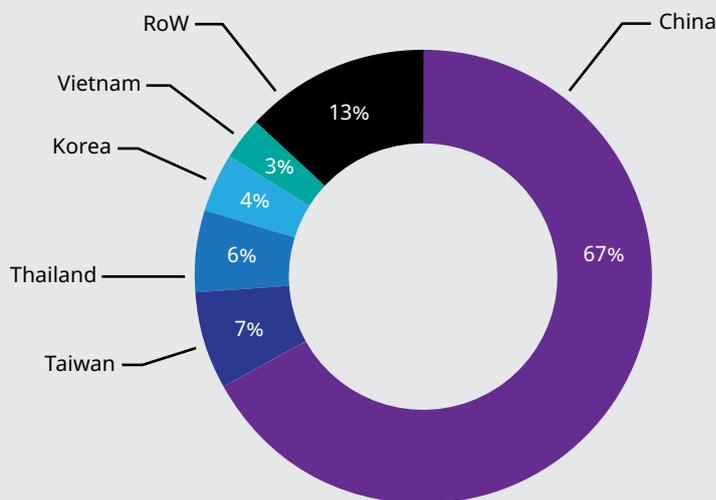
In 2017-18, India's synthetic woven fabric imports stood at US\$ 877 million.

.....
China is the largest exporter of synthetic woven fabric to India with a share of 67%.

India imported synthetic woven fabric worth US\$ 707 million in 2012-13, which has increased to US\$ 877 million in 2017-18 at a CAGR of 4%.

China alone holds 67% share in the total synthetic woven fabric imports of India. Taiwan, Thailand, Korea and Vietnam are other major exporting countries, which have 20% share in total synthetic woven fabric imports.

Figure 19: Country-wise Imports of Synthetic Woven Fabric from India in 2017-18



Data Source: DGCI&S and Wazir analysis

Apparel & Made-ups

Apparel production in India is estimated at 20 billion pcs in 2017-18.

Production

Apparel production in India is estimated at 20 billion pieces in 2017-18 and has grown at 8% CAGR in the last 5 years. The production of made-ups is estimated at 2,100 million kg, which has grown at 3% CAGR in the past five years.

Table 29: India's Apparel and Made-ups Production

Apparel & Made-ups	Production 2012-13	Production 2017-18	CAGR 2012-18 (%)
Apparel (Mn pcs)	13,500	20,000	8%
Made-ups (Mn kg)	1,800	2,100	3%

Data Source: Wazir estimates

India exported apparel worth US\$ 16,722 million in 2017-18, which has grown at a CAGR of 5% in the past five years.

Exports

India exported US\$ 16,722 million worth of apparel in 2017-18, which has grown at a CAGR of 5% in the past five years. Export of synthetic apparel have grown at 14% CAGR as compared to export of cotton apparel which has been stagnant in the past five years.

Table 30: India's Apparel and Made-ups Exports (US\$ million)

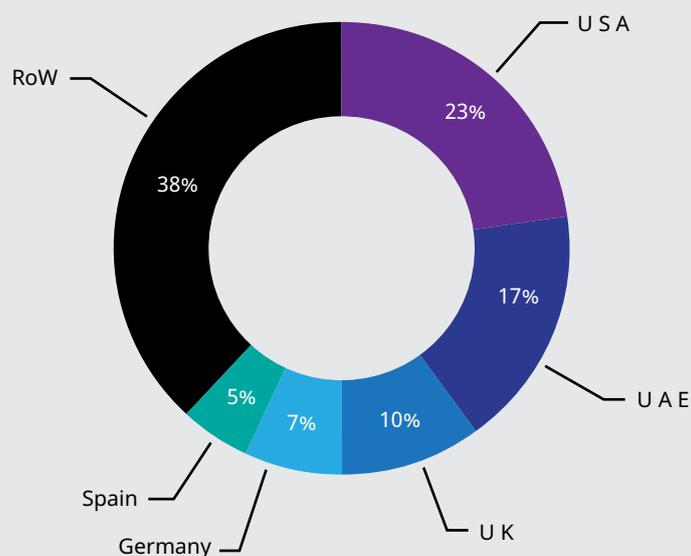
Apparel & Made-ups	Exports 2012-13	Exports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton apparel	7,838	8,001	48	0.4
Synthetic apparel	2,301	4,463	27	14
MMF Woven apparel	2,823	4,258	25	9
Total Apparel	12,962	16,722		5
Made-ups	4,498	5,174		3

Data Source: DGCI&S and Wazir analysis

India's exports of apparel has increased at 5% CAGR in the past five years in value terms.

India's exports of apparel has increased at 5% CAGR in the past five years in value terms. The top three countries; USA, UAE and UK occupied 50% share of the total exports of apparel from India, in 2017-18. Germany and Spain were the other major importers of apparel with share of 7% and 5%, respectively.

Figure 20: Country-wise Exports of Apparel from India in 2017-18



Data Source: DGCI&S and Wazir analysis

India imported US\$ 773 million worth of apparel and US\$ 294 million of made-ups in 2017-18.

Imports of synthetic apparel have increased at 30% CAGR.

Imports

India's imports of apparel has increased at 19% CAGR in the past five years. Imports of synthetic apparel have increased at a higher pace, growing at 30% CAGR; however, it has only 28% share in total import of apparel.

Imports of made-ups has also grown with India importing made-ups worth US\$ 294 million in 2017-18.

Table 31: India's Apparel and Made-ups Imports (US\$ million)

Apparel & Made-ups	Imports 2012-13	Imports 2017-18	Share (2017-18) (%)	CAGR 2012-18 (%)
Cotton apparel	153	310	40	15
Synthetic apparel	59	215	28	30
MMF Woven apparel	115	249	32	17
Total Apparel	327	773		19
Made-ups	179	294		10

Data Source: DGCI&S and Wazir analysis

Technical Textiles

The Indian technical textiles market is estimated at US\$ 17 billion in 2017-18, growing at a CAGR of 12%.

Domestic Market

The current domestic technical textiles market is estimated at US\$ 17 billion, growing at a CAGR of 12% since 2013-14. Packtech segment had the highest share of 41%, followed by Indutech, Homotech, and Mobiltech with a share of 11%, 10% and 10%, respectively.

Figure 21: Domestic Market Size of Technical Textiles in India (US\$ billion)

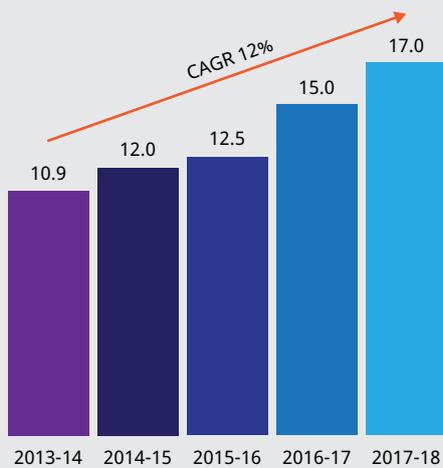
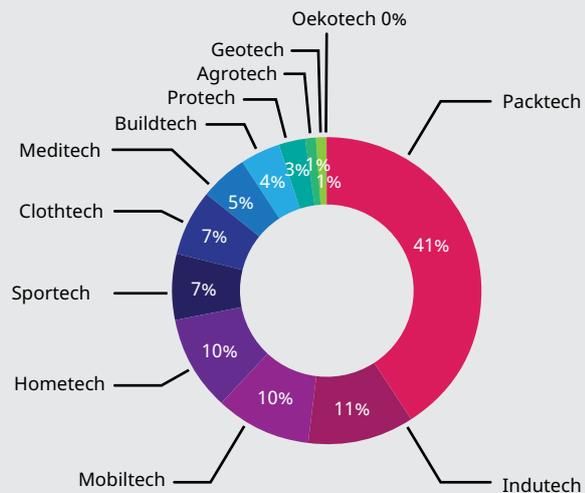


Figure 22: Application-wise Break-up of Indian Technical Textiles Market (2017-18)



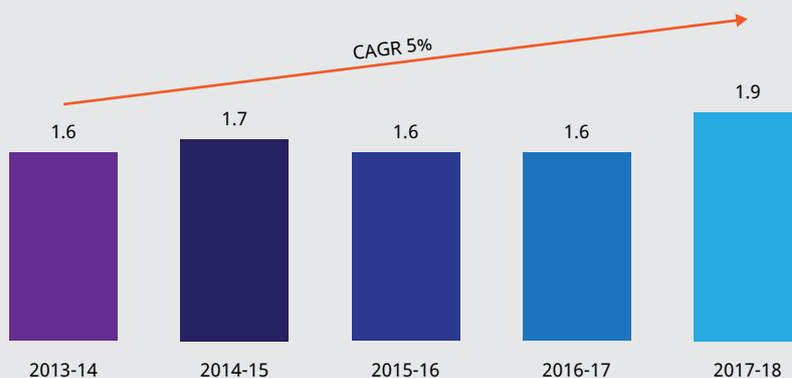
Data Source: Office of Textile Commissioner, Govt. of India

India's exports of technical textiles is estimated at US\$ 1.9 billion in 2017-18, which has grown at a CAGR of 5% since 2013-14.

Exports

India's exports of technical textiles is estimated at US\$ 1.9 billion in 2017-18, which has grown a CAGR of 5% since 2013-14.

Figure 23: Exports of Technical Textiles from India (US\$ billion)



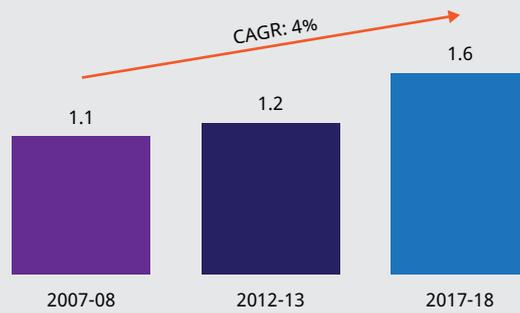
Data Source: DGCIS and Wazir analysis

India's imports of technical textiles is estimated at US\$ 1.6 billion in 2017-18, which has grown at a CAGR of 4% in past 10 years.

Imports

India's imports of technical textiles has increased from US\$ 1.1 billion in 2007-08 to US\$ 1.6 billion in 2017-18. The import of technical textiles has grown at 4% CAGR in past 10 years.

Figure 24: Imports of Technical Textiles by India (US\$ billion)



Data Source: Office of Textile Commissioner, Govt. of India

5. Financial Health of Indian Textile Industry

There were 49 public listed companies in T&A and allied sectors clocked turnover of more than US\$ 100 million in FY18.

In FY2018, there were 49 public listed companies in textile, apparel and allied sectors that clocked annual turnover in excess of US\$ 100 million.

Table 32: Leading Textile Companies in India, their Turnover and PBDIT Margins (FY 2018)

S. No.	Company Name	Products	Headquarters	Revenue (US\$ Mn)	PBDIT (%)
1	Reliance Industries*	Fiber, filament, fabrics	Mumbai, Maharashtra	2,500	N/A
2	Grasim (Textile business)	Fiber, Yarn, fabrics	Mumbai, Maharashtra	1,507	18
3	Arvind	Fabrics, apparel	Ahmedabad, Gujarat	996	10
4	Vardhman Textiles	Fiber, yarn, fabrics, apparel	Ludhiana, Punjab	908	18
5	Welspun India	Home textiles	Mumbai, Maharashtra	772	19
6	SRF Ltd.	Technical textiles	Gurgaon, Haryana	711	19
7	Trident Group	Yarn, home textiles	Ludhiana, Punjab	708	20
8	JBF Industries Ltd.	Polyester chips, yarn	Mumbai, Maharashtra	543	7
9	Bombay Rayon Fashions Ltd.	Yarn, fabrics, apparel	Mumbai, Maharashtra	479	7
10	Garden Silk Mills	Polyester chips, yarn, fabrics	Mumbai, Maharashtra	471	6
11	Raymond Ltd.	Fabrics, apparel	Mumbai, Maharashtra	467	13
12	RSWM Ltd.	Yarn, fabrics	Noida, Delhi NCR	456	9
13	Bombay Dyeing	Yarn, home textile	Mumbai, Maharashtra	413	18
14	Page Industries	Innerwear, leisurewear	Bangalore, Karnataka	396	22
15	KPR Mill	Yarn, fabrics, apparel	Coimbatore, Tamil Nadu	390	18
16	Sutlej Textiles & Industries Ltd.	Yarn, fabrics, home textiles	Mumbai, Maharashtra	382	13
17	Indo Rama Synthetics	Polyester chips, polyester fiber, polyester yarn	Gurgaon, Haryana	350	2
18	Nahar Spinning Mills Ltd.	Yarn, fabrics	Ludhiana, Punjab	331	5
19	Filatex India	Synthetic yarn	New Delhi	299	9
20	Nahar Enterprise	Yarn, fabrics	Ludhiana, Punjab	273	8
21	Siyaram Silk Mills	Fabrics	Mumbai, Maharashtra	269	15
22	Indo Count Industries Ltd.	Yarn, fabrics, home textiles	Mumbai, Maharashtra	265	16
23	Jindal Worldwide	Fabrics, home textiles	New Delhi	255	11
24	Sangam India	Yarn, fabrics, denim	Mumbai, Maharashtra	254	9
25	Himatsingka Seide	Yarn, home textiles	Bangalore, Karnataka	250	26
26	Nandan Denim	Denim fabrics	Ahmedabad, Gujarat	247	15
27	Century Enka Ltd.	Yarn, fabrics	Mumbai, Maharashtra	220	11
28	Banswara Syntex	Yarn, fabrics, apparel	Mumbai, Maharashtra	201	10
29	Mafatlal Industries	Fabrics, apparel	Mumbai, Maharashtra	181	2

S. No.	Company Name	Products	Headquarters	Revenue (US\$ Mn)	PBDIT (%)
30	Loyal Textiles Mills Ltd.	Yarn, fabrics, apparel, home textiles	Chennai, Tamil Nadu	180	10
31	Nitin Spinners	Yarn, fabrics	Rajasthan, India	178	14
32	Lux Industries	Hosiery, innerwear	Kolkata, West Bengal	177	14
33	Rupa and Company	Hosiery, leisurewear	Kolkata, West Bengal	175	15
34	Sportking India	Yarn, fabrics, apparel	Ludhiana, Punjab	164	11
35	Sumeet Industries	Polyester chips, polyester & polypropylene yarn	Surat, Gujarat	163	9
36	Gokaldas Export	Apparel	Bangalore, Karnataka	159	2
37	Dollar Industries	Hosiery, innerwear	Kolkata, West Bengal	152	13
38	DCM Textiles	Yarn	New Delhi	149	3
39	Bannari A Spinning	Yarn, fabrics, apparel	Coimbatore, Tamil Nadu	138	10
40	Vishal Fabrics	Fabrics	Ahmedabad, Gujarat	138	6
41	Garware Wall Ropes	Yarn, thread, coated fabrics	New Delhi	137	20
42	AYM Syntex	Fabrics, Apparel, Medical Textile, Home textile	Mumbai, Maharashtra	132	8
43	TCNS Clothing Company	Apparel	Noida, Uttar Pradesh	130	19
44	Suryalakshmi Cotton Mills	Yarn, fabrics	Secunderabad, Andhra Pradesh	118	9
45	JCT Ltd.	Yarn, performance fabrics	New Delhi	118	4
46	Ganesha Ecosphere	Fiber, yarn, technical textiles	New Delhi	117	12
47	Pearl Global Industries Ltd.	Apparel	Gurgaon, Haryana	110	5
48	Ginni Filaments	Yarn, fabrics, apparel, non-woven	Noida, Delhi NCR	109	8
49	Winsome Textile	Yarn, fabrics	Gurgaon, Haryana	108	12

*Estimated

Data Source: Moneycontrol

Conversion Rate: 1US\$ = INR 64.44

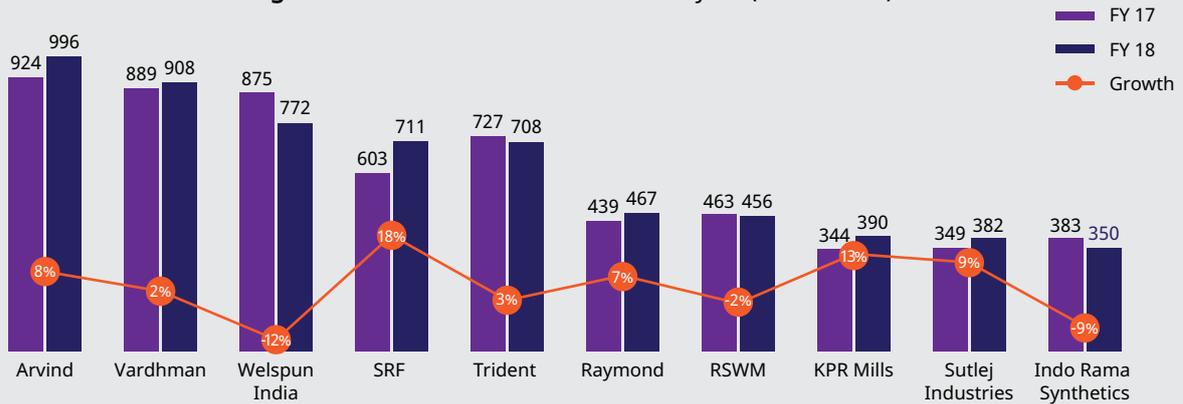
Note: Companies under financial stress are not considered

Financial Analysis of Selected Leading Players

At a consolidated level, annual sales have increased by 2.4% in FY18 as compared to FY17.

The consolidated sales of 10 leading textile & apparel companies have increased by 2.4% in FY18 as compared to the previous financial year. SRF has shown the highest revenue growth rate of 18%. The revenue of some of the leading companies including Trident, Welspun India, RSWM and Indorama synthetics have declined.

Figure 25: Annual Sales of Selected Players (US\$ million)

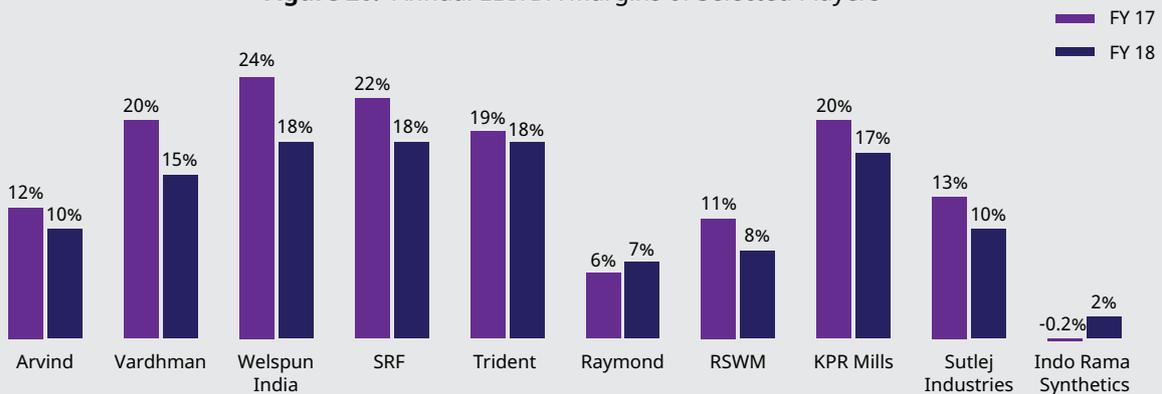


Data Source: Money control

Consolidated EBITDA margin has decreased by 2.4 percentage points for the selected top companies in FY18.

Though the overall sales have increased, annual EBITDA margins have declined in FY18 as compared to FY17. Except Raymond and Indo Rama all the other top companies have shown decline in their EBITDA margins.

Figure 26: Annual EBITDA Margins of Selected Players

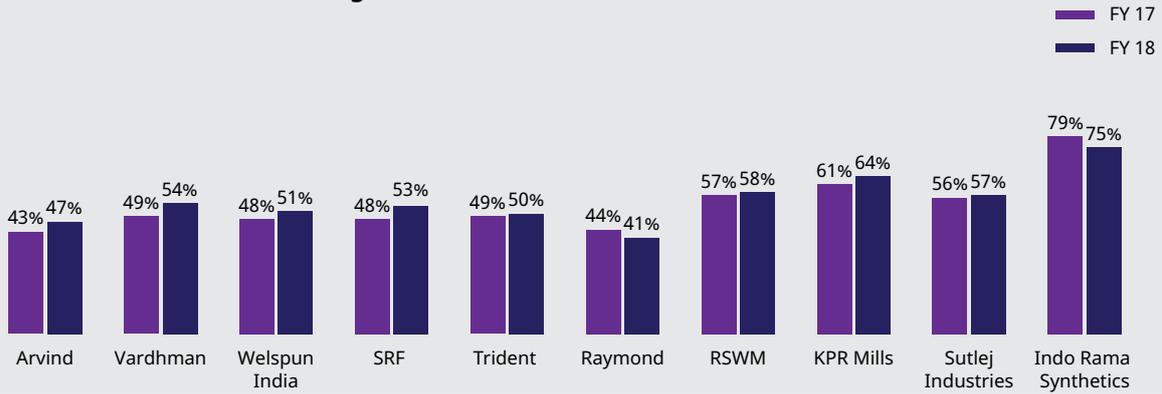


Data Source: Money control

Consolidated raw material cost has increased by 2 percentage points for the selected top companies in FY18.

Average raw material cost increased along with increase in raw material prices from 53% in FY17 to 55% in FY18. Except Raymond and Indo Rama Synthetics, all the other top companies have shown increase in their raw material costs.

Figure 27: Raw Material Cost as % of Sales

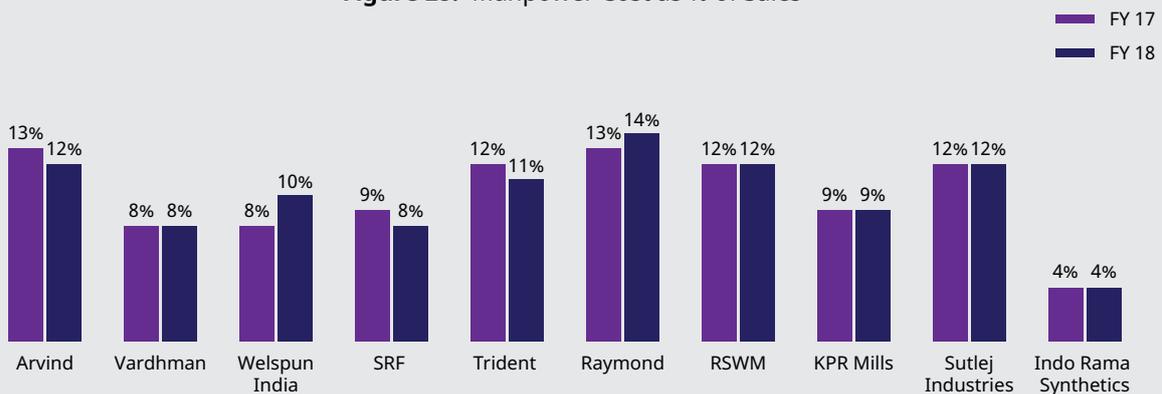


Data Source: Money control

Consolidated manpower cost has marginally increased by 0.2 percentage points for the selected top companies in FY18.

Average manpower cost increased along with increase in labor wages from 10.1% in FY17 to 10.3% in FY18.

Figure 28: Manpower Cost as % of Sales

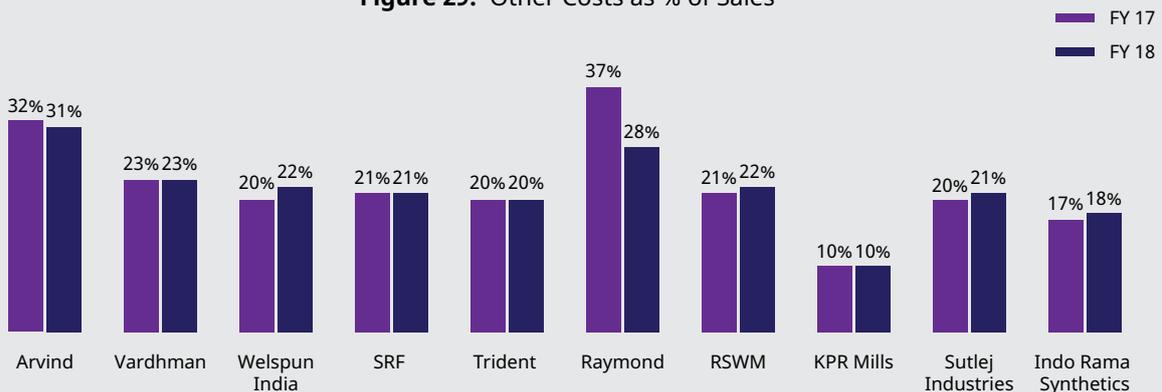


Data Source: Money control

Consolidated other costs have marginally decreased by 0.5 percentage points for the selected top companies in FY18.

Average other costs of selected top players decreased from 22.1% in FY17 to 21.6% in FY18.

Figure 29: Other Costs as % of Sales



Data Source: Money control



Wazir's services for the textile sector clients covers complete business cycle including strategy formulation, implementation, forming alliances and joint ventures, investments, market understanding, sector analysis, due diligence, etc.

Our experience with leading Indian and international companies, public sector organizations, Government departments, international development agencies, trade bodies etc. has helped us to develop a deep understanding of global textile sector dynamics and right connect with the people who matter.

Our consulting team possesses experience across the key functions of operations, sourcing, projects and marketing in the sector. The team members have executed strategy and implementation assignments in key textile and apparel manufacturing countries.

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 fibre to finished goods. We cover the following segments:

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

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*

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.

- *Benchmarking and Gap Study*
- *Process Re-engineering*
- *Productivity and Profitability Improvement*
- *Management Contract*
- *Project Management and Monitoring*
- *Supply Chain Optimization*
- *Feasibility and Techno-Economic Viability (TEV) Study*
- *Cluster and Industrial Park Development*

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*



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