



Wazir Textile Index

H1 FY 2022

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Wazir Textile Index (WTI) – H1 FY22



List of Companies Included as Part of the Financial Analysis

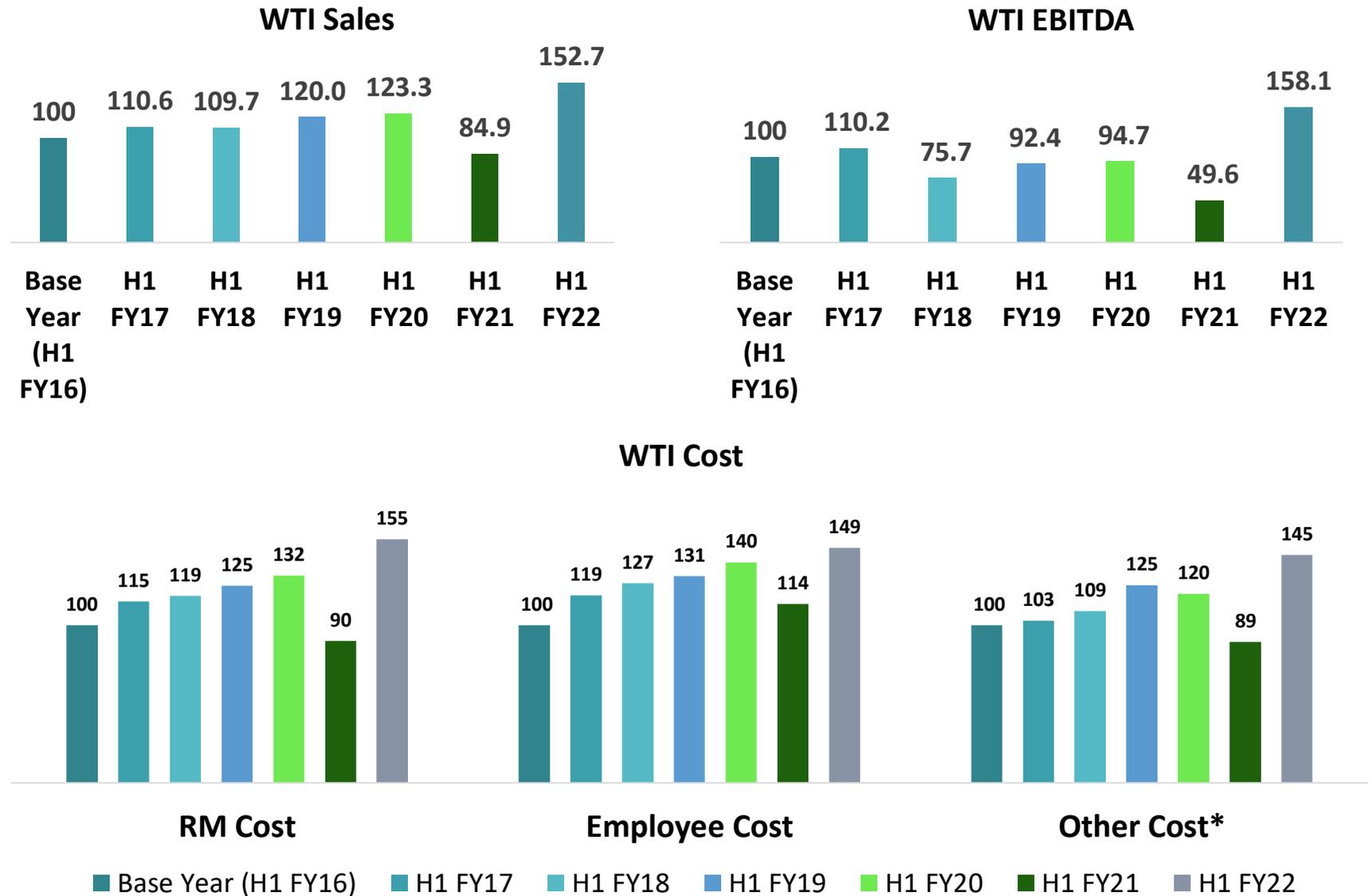
Top listed textile companies in terms of sales turnover in FY21 have been included for financial analysis.

S. No.	Company Name	Annual Sales* - FY21 (Rs. Crore)
1	Welspun India	5,956
2	Vardhman Textile Ltd.	5,788
3	Arvind Ltd.	4,529
4	Trident Group	4,519
5	KPR Mills Ltd.	2,954
6	Indo Count Ind. Ltd.	2,515
7	RSWM Ltd.	2,326
8	Filatex India Ltd.	2,227
9	Nahar Spinning Mills	2,112
10	Indorama Ind. Ltd.	2,023

Note: Companies that have shown significant negative deviation in numbers or those which have not yet reported the financials have not been included in the overall analysis.

Wazir Textile Index (WTI) – H1 FY22

- The Textile Index has seen a phenomenal recovery in Sales and EBITDA in H1 FY22 and has grown over the pre-Covid levels of H1 FY20.
- In H1 FY22, overall sales has seen a considerable growth of 25% when compared to H1 FY20.
- The overall EBITDA in H1 FY22 improved significantly by 67% when compared to the EBITDA seen in H1 FY20.
- Raw Material cost and manpower cost has seen a subsequent growth of 17% and 6% when compared to H1 FY20.





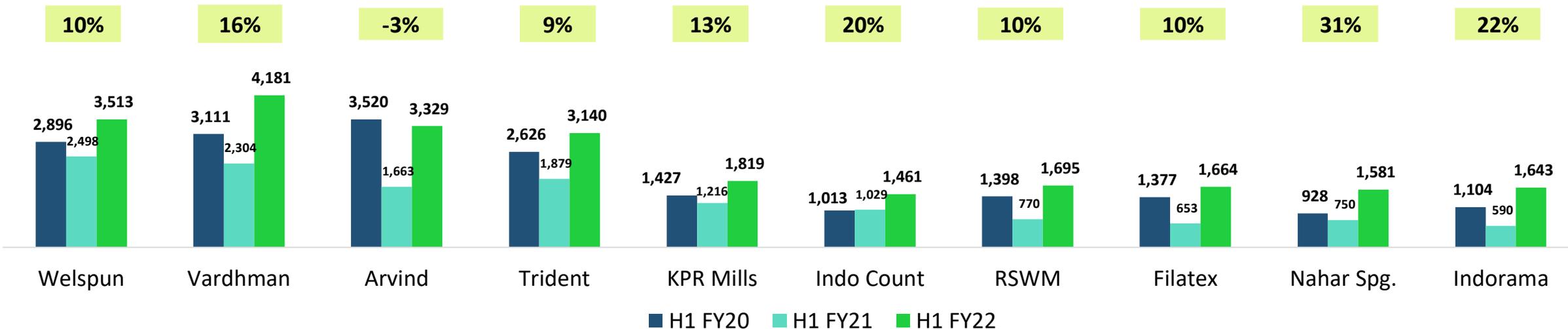
Half Yearly Financial Performance – H1 FY22



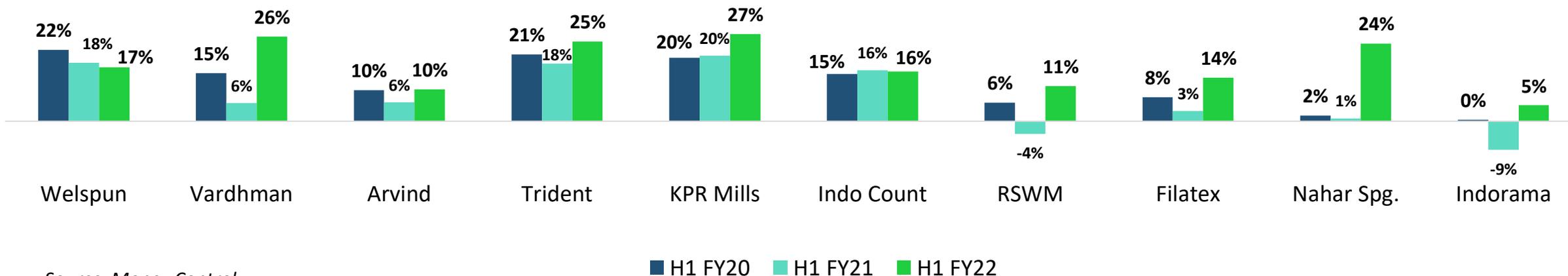
Half yearly Analysis for the Selected Top Players

Half yearly Sales Trend – H1 FY22 (Rs. Crore)

Growth %



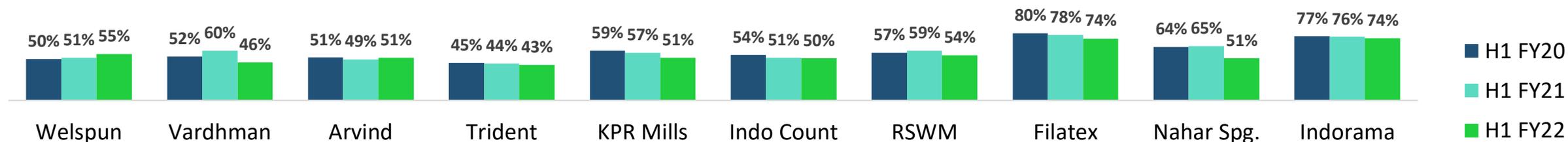
Half yearly EBITDA Margin Trend – H1 FY22



Source: Money Control

Half yearly Analysis - Major Expenses as % of Sales

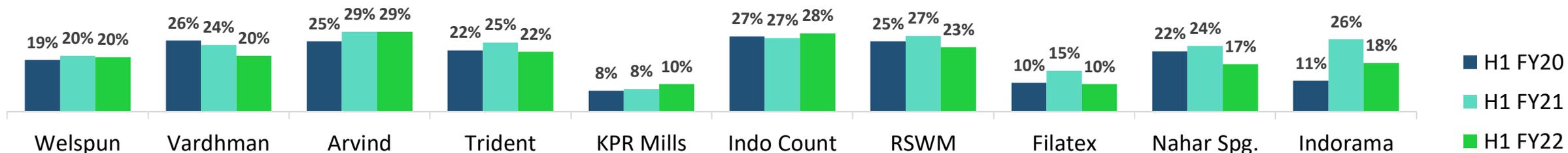
Raw Material Cost - % of Sales



Employee Cost - % of Sales



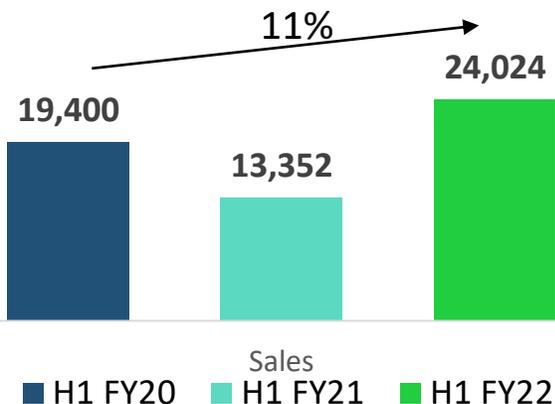
Other Costs - % of Sales



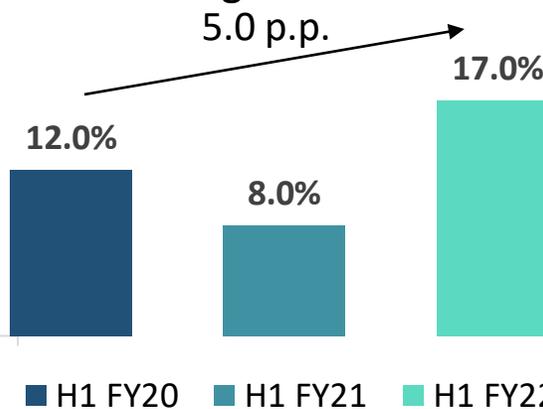
Consolidated Analysis for the Selected Top Players

On consolidated level, sales have grown at a CAGR of 11% in H1 FY22 since H1 FY20.

Consolidated Sales – Rs. Crore

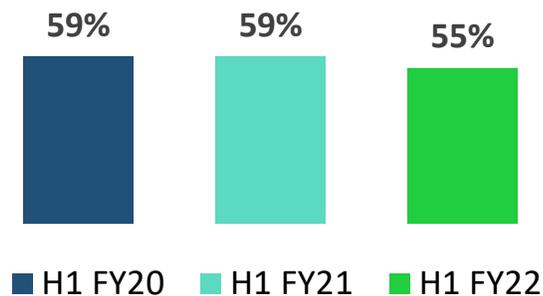


Average EBITDA %



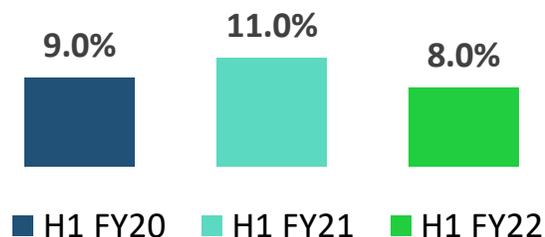
Consolidated EBITDA margin increased by 5.0 percentage points for the selected top companies during this period.

Average RM Cost - % of Sales



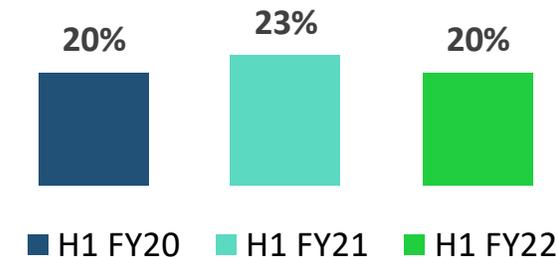
Average RM cost decreased by 4.0 percentage points in H1 FY22 as compared to H1 FY20.

Average Employee Cost - % of Sales



Average employee cost decreased by 1.0 percentage points in H1 FY22 as compared to H1 FY20.

Average Other Expenses - % of Sales



Other expenses in H1 FY22 has stayed in the levels of H1 FY20.



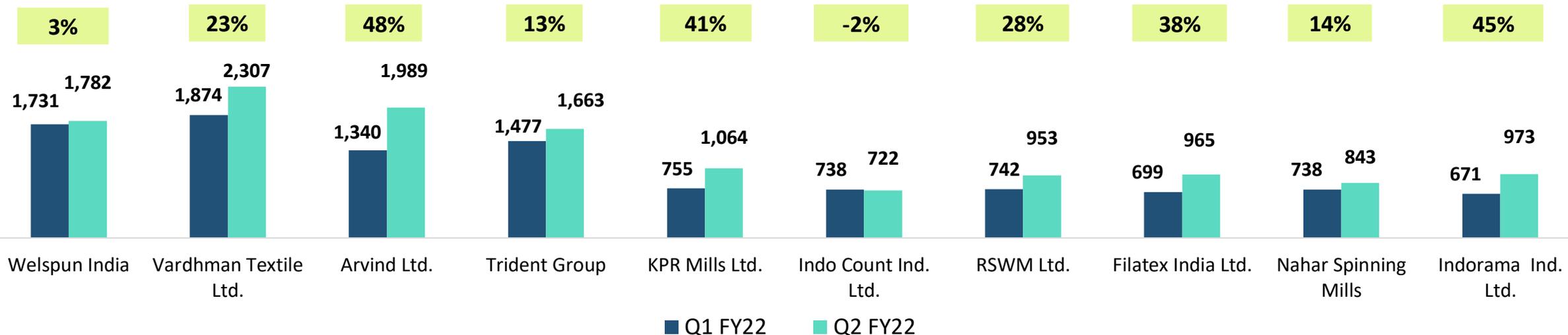
Quarterly Financial Performance – Q2 FY22



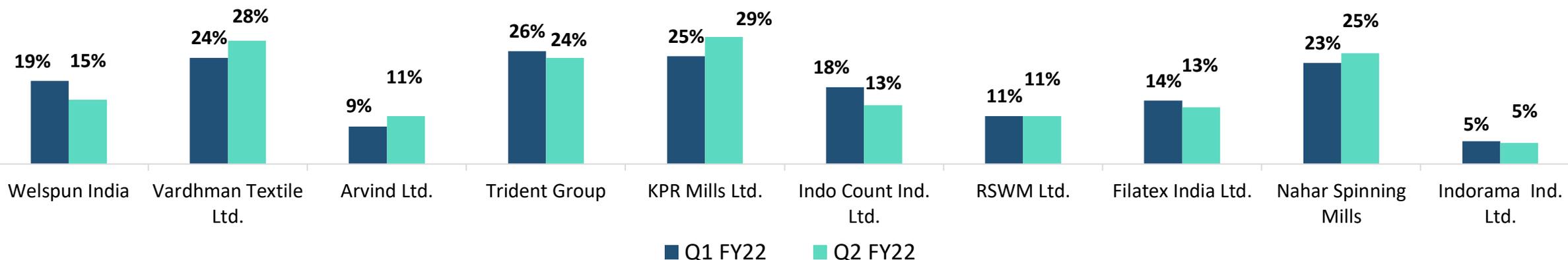
Quarterly analysis for the selected top players

Quarterly Sales* Trend – FY22 (Rs. Crore)

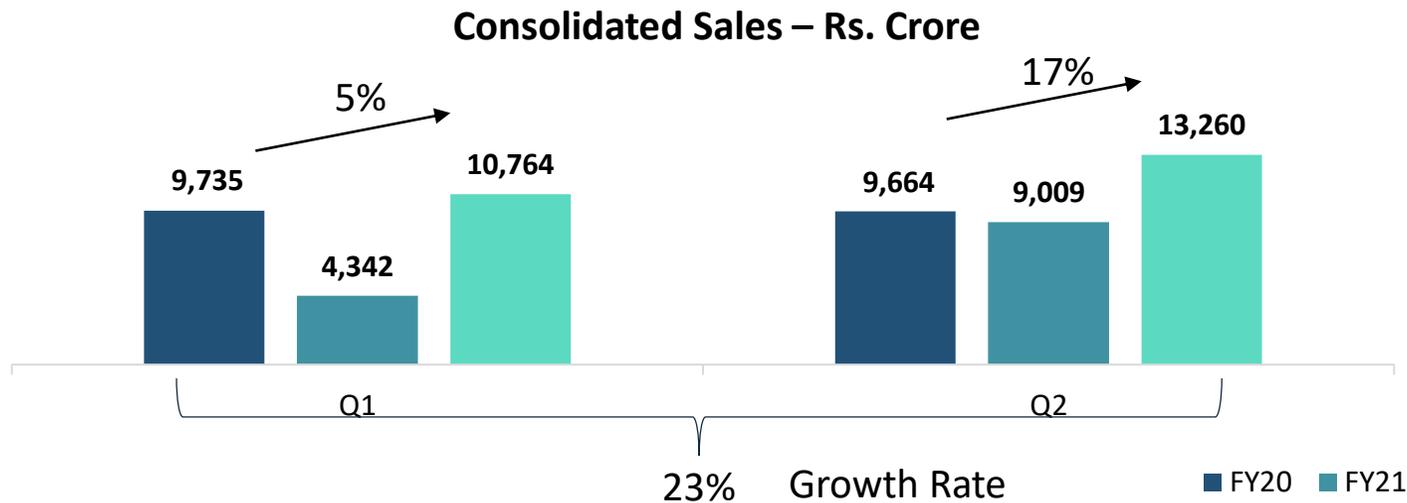
Q1 vs. Q2



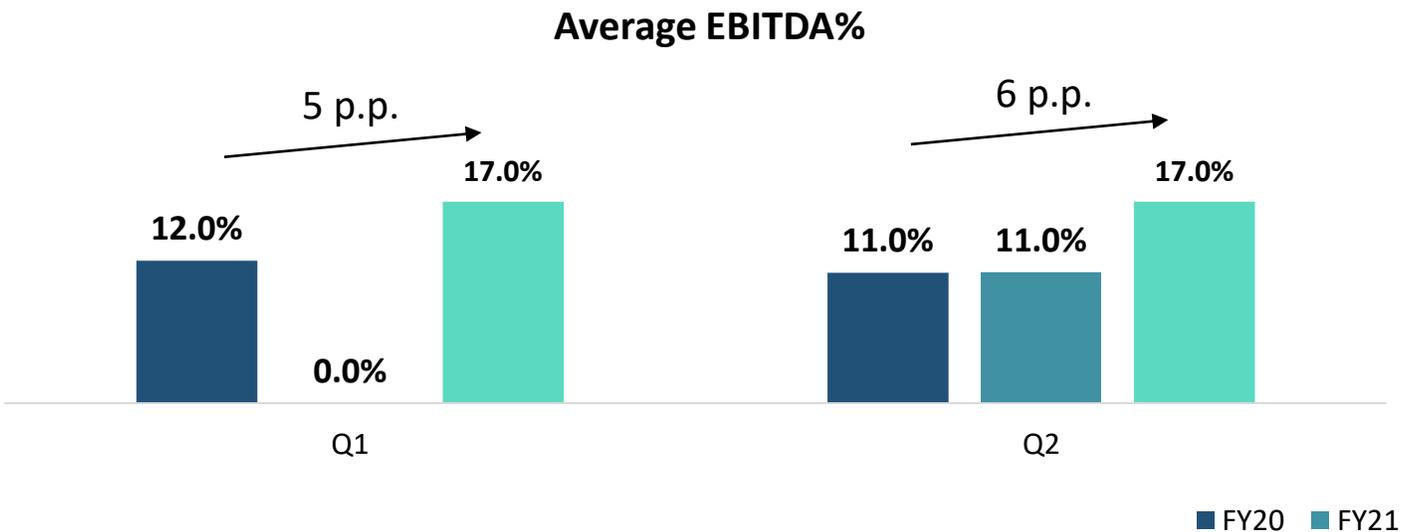
Quarterly EBITDA Margin Trend – FY22



Consolidated sales increased by 23% in Q2 FY22 when compared to Q1 FY22



The sales have rebounded in FY22 from the lows of FY21 and is now growing. On consolidated level, sales in Q1 & Q2 has grown at a CAGR of 5% & 17% resp. since FY20 in FY22.



The consolidated earnings of the companies under consideration has witnessed significant recovery in FY22 when compared to the levels seen in FY21 and have grown above the levels of FY20.

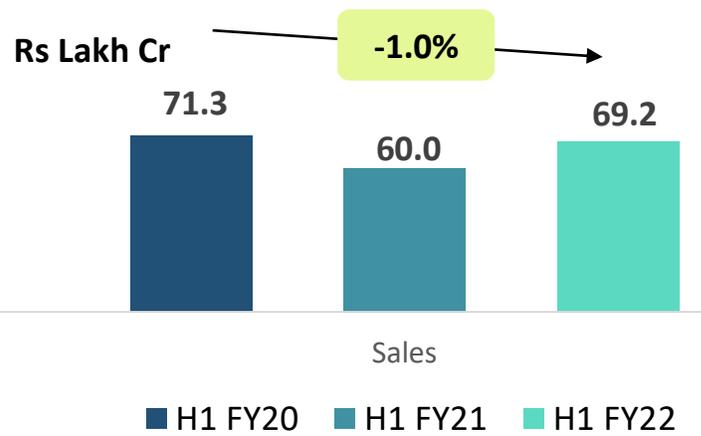


Market Update



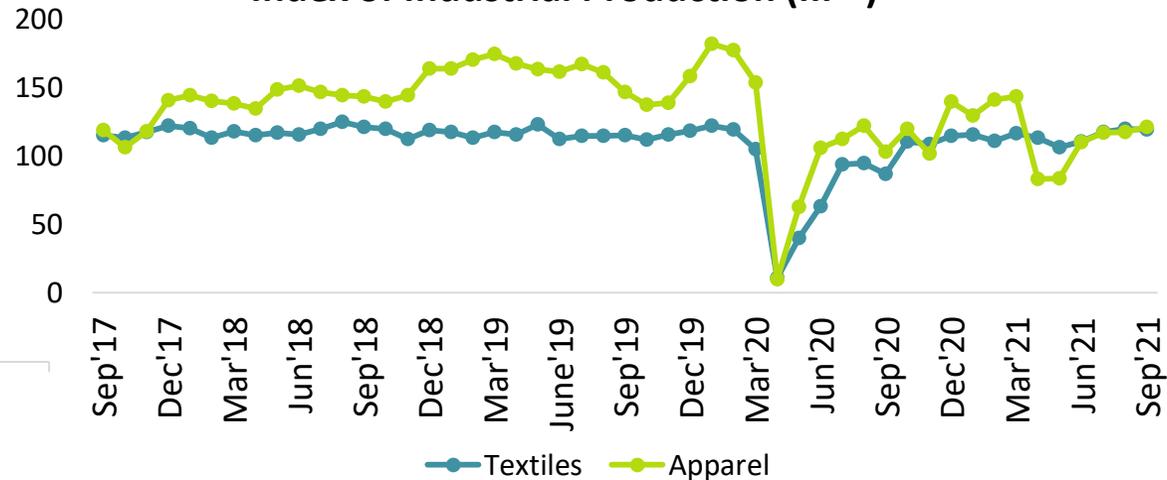
Key Economic Indicators

India's GDP (at constant prices)



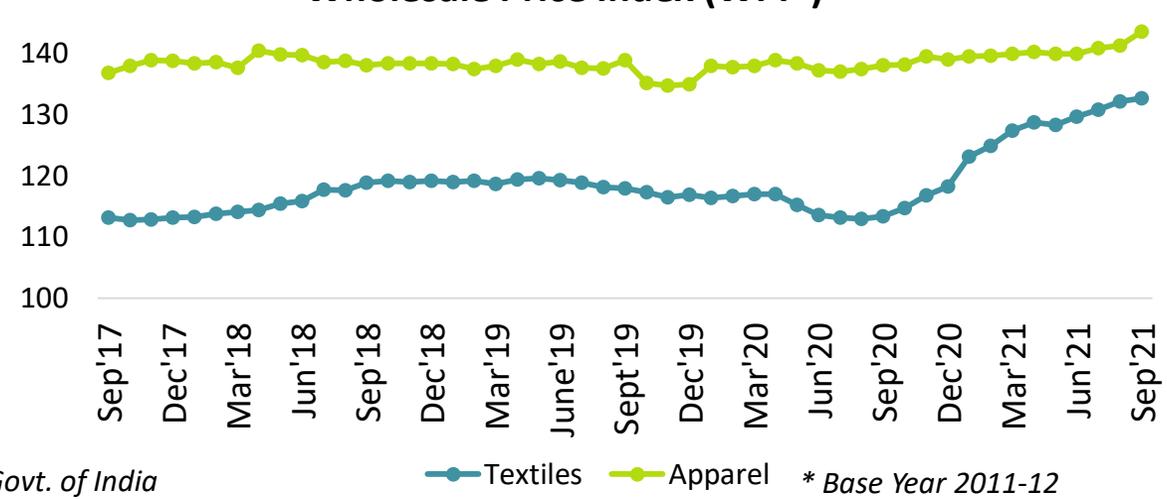
GDP of India in H1 FY22 has recovered significantly compared to H1 FY21 but still the decline is 1% since the pre-covid levels of H1 FY20.

Index of Industrial Production (IIP*)



Average IIP for textiles in H1 FY22 has recovered to the pre-covid levels while the IIP for Apparels has recovered by 66% in H1 FY22 when compared to the same period of H1 FY20.

Wholesale Price Index (WPI*)



Average WPI for textiles increased by 5% and apparel increased marginally by 1% each in H1 FY22 as compared to H1 FY20.

Source: Reserve Bank of India, Economic Advisor, Govt. of India

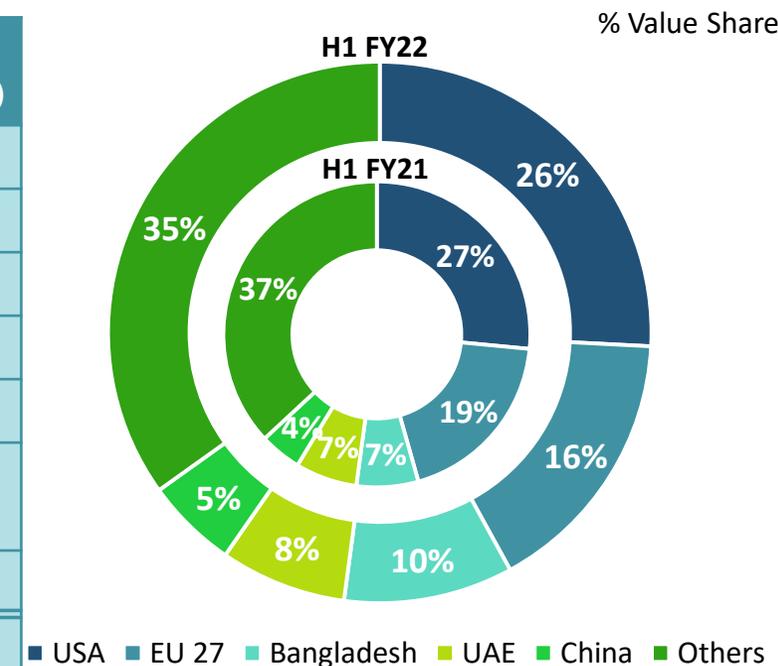
* Base Year 2011-12

India's Overall T&A* Exports

India's Textile & Apparel Exports (Values in US\$ Million)

Category	Q1 FY20	Q1 FY21	Q1 FY22	CAGR (FY20-22)	Q2 FY20	Q2 FY21	Q2 FY22	CAGR (FY20-22)	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)
Fibre	382	314	1,086	69%	284	505	689	56%	666	819	1,775	63%
Filament	299	97	375	12%	288	205	392	17%	587	302	767	14%
Yarn	886	533	1,398	26%	762	879	1,612	45%	1,648	1,412	3,010	35%
Fabric	1,189	504	1,290	4%	1254	1,099	1,451	8%	2,443	1,603	2,741	6%
Apparel	4,172	1,448	3,408	-10%	3708	3,343	3,929	3%	7,881	4,791	7,337	-4%
Home Textile	1,327	714	1,610	10%	1383	1,573	1,918	18%	2,710	2,287	3,528	14%
Others	449	245	531	9%	417	441	689	29%	866	686	1,220	19%
Total	8,704	3,856	9,700	6%	8095	8,044	10,680	15%	16,799	11,900	20,380	10%

India's Top T&A Markets



- The T&A exports has grown at a CAGR of 10% till H1 FY22 since H1 FY20.
- Fibre witnessed the highest growth rate of 63%, followed by yarn with the growth rate of 35%.
- In Q2 FY22, exports of fibre has shown a significant CAGR of 56% due to the increase in cotton exports amid US' ban on purchase of cotton products from China.
- The exports of India to Bangladesh has increased by a significant percentage now accounting to 10% from 7% seen during the same period last year.

Source: DGCI&S

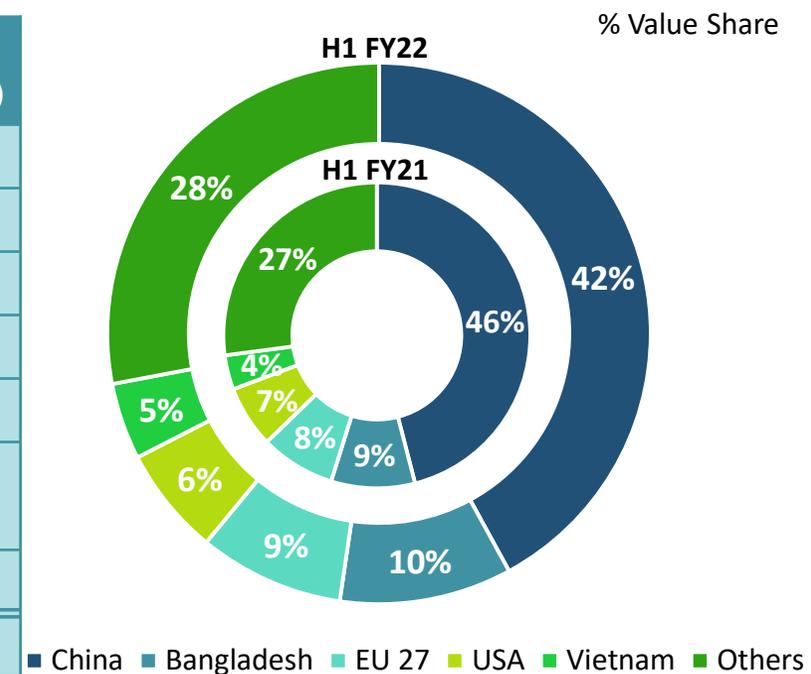
* Textile & Apparel

India's Overall T&A* Imports

India's Textile & Apparel Imports (Values in US\$ Million)

Category	Q1 FY20	Q1 FY21	Q1 FY22	CAGR (FY20-22)	Q2 FY20	Q2 FY21	Q2 FY22	CAGR (FY20-22)	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)
Fibre	579	248	391	-18%	984	203	353	-40%	1,563	451	744	-31%
Filament	197	86	310	25%	214	86	267	12%	411	172	577	18%
Yarn	112	46	102	-5%	144	120	135	-3%	256	166	237	-4%
Fabric	618	232	509	-9%	614	367	568	-4%	1,232	599	1,077	-7%
Apparel	232	132	184	-11%	354	243	356	0%	585	375	540	-4%
Home Textile	63	37	46	-15%	93	34	55	-23%	156	71	101	-20%
Others	185	228	102	-26%	214	193	239	6%	399	421	341	-8%
Total	1,985	1,010	1,786	-5%	2,616	1,247	1,972	-13%	4,602	2,257	3,758	-10%

India's Top T&A Import Markets



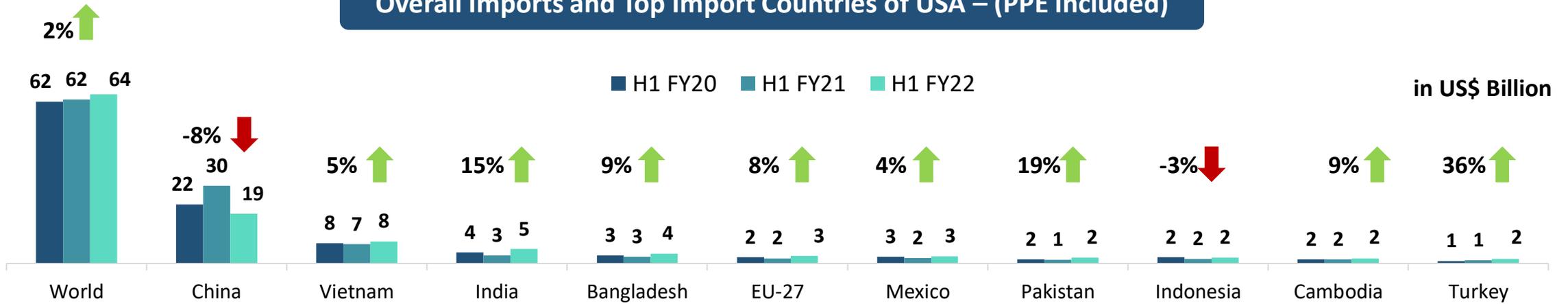
- The overall T&A imports in H1 FY22 had declined at a rate of 10% since H1 FY20.
- Of all the commodities imports of filament yarn has witnessed a positive growth trend rising at a CAGR of 18% since H1 FY20.
- On the contrary, imports of all other commodities have witnessed a steady decline in H1 FY22 since H1 FY20.
- China continues to be the largest import partner for India with a share of 42% in H1 FY22 which has decreased by 4.0 percentage points when compared to H1 FY21.

Source: DGCI&S

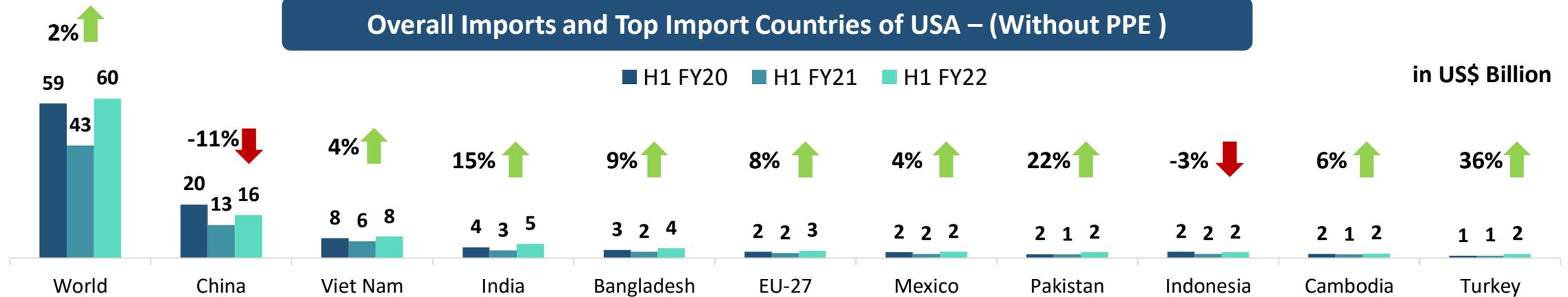
* Textile & Apparel

T&A Imports Of USA Have Grown By 2% In H1 FY22 (Excl. PPE Imports)

Overall Imports and Top Import Countries of USA – (PPE Included)



Overall Imports and Top Import Countries of USA – (Without PPE)

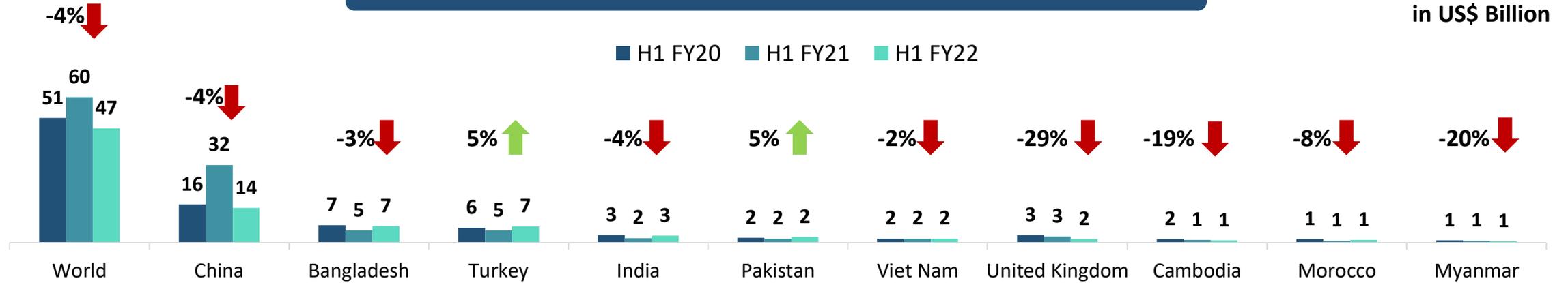


USA’s T&A imports have grown at a CAGR of 2% since H1 FY20 in H1 FY22. The imports of PPE kits has drastically fallen hitting the exports of China to the country. T&A imports excluding PPE is more or less at the same levels as seen in H1 FY20.

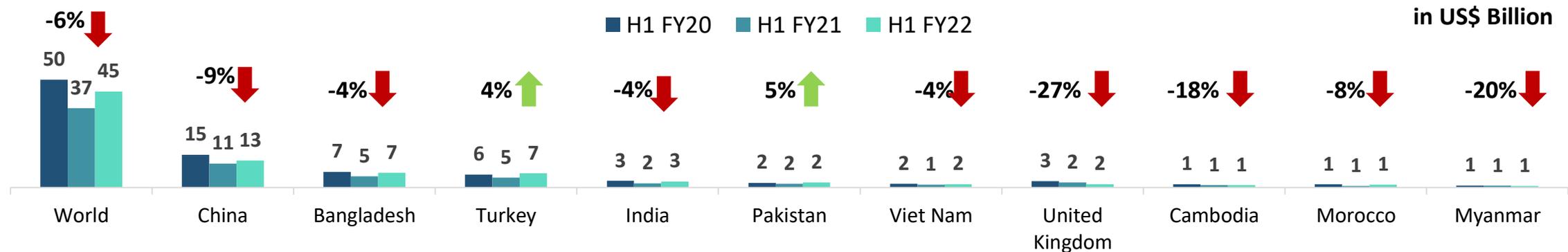
Source: OTEXA, UN Comtrade

T&A Imports Of EU Are Recovering From Covid Impact In H1 FY22* (Excl. PPE Imports)

Overall Imports and Top Import Countries of EU-27 – (PPE Included)



Overall Imports and Top Import Countries of EU-27 – (Without PPE)



EU's T&A imports has declined at the rate of 4% since H1 FY20 in H1 FY22. The imports of EU countries is still to recover to pre-covid levels owing to the multiple covid waves hitting the country. The imports of PPE kits has reduced in H1 FY22 hitting the exports of China to the country YoY.

Source: UN Comtrade

UK data is not available for Q1 2019 as it was previously part of EU-28

*Data from April to August is considered



Annexure: Wazir Textile Index (WTI) - Explanation



Measuring Financial Performance of Indian Textile Sector

- Wazir Textile Index has been developed for assessing the overall financial performance of the textile sector on a continuous basis.
- This index takes the collective performance of top ten textile companies (by sales) of 2015-16 as the base/benchmark which is represented by the base Index number 100.
- Base value of 100 is assigned separately to each quarter performance and full year performance in 2015-16, and correspondingly financial performance of the textile industry is benchmarked to this base number to assess quarterly (Q1), half yearly (H1), nine monthly (9M) and yearly performance (FY) for subsequent years against the set benchmark.
- Overall textile index includes the following three components:
 - **WTI Sales** : Consolidated sales index of top ten companies
 - **WTI EBITDA** : Consolidated EBITDA index
 - **WTI Cost** : Consolidated index for cost of Raw material, employee & others

Glossary

- EBITDA – Earnings Before Interest Tax Depreciation & Amortization
- EU – European Union
- FY – Financial Year
- FY19 – April 2018 to March 2019
- FY20– April 2019 to March 2020
- GDP – Gross Domestic Product
- Q1 FY20 – April 2019 to June 2019
- Q1 FY21 – April 2019 to June 2019
- Q2 FY20 – July 2019 to September 2019
- Q2 FY21 – July 2019 to September 2019
- H1 FY20 – April 2019 to September 2019
- H1 FY21 – April 2020 to September 2020
- H1 FY22 – April 2021 to September 2021
- RM – Raw Material
- T&A – Textile & Apparel
- USA – United States of America
- UK – United Kingdom
- WTI – Wazir Textile Index
- YOY – Year on Year
- YTD – Year till date

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