Indian Textile & Apparel Compendium 2010

technopak
Executive Summary

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- Indian Exports Overview
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- Indian Yarn Supply Scenario
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Executive Summary

- India’s Textile & Apparel industry (domestic + exports) is expected to grow from the current Rs 3,27,000 crores (US$ 70 Bn) to Rs 10,32,000 crores (US$ 220 Bn) by 2020.

- The Indian domestic Textile and Apparel market size in 2009 was Rs 2,18,570 crores (US$ 47 Bn) and is expected to grow @ 11% CAGR to reach Rs 6,56,000 crores (US$ 140 Bn) by 2020.

- Domestic Apparel retail market was worth Rs 1,54,000 crores (US$33 Bn) in 2009 and is expected to reach Rs 4,70,000 crores (US$ 100 Bn) by 2020.

- Men’s wear has the majority share of Apparel market currently (43%). However, women’s wear is growing at a higher rate of 12% compared to men’s (9%), boys’ wear (10%) and girls’ wear (11%). Due to high growth, women’s wear share is expected to reach 43% in 2020 from the current 37% share.

- Home Textile market is estimated at Rs 15,570 crores (US$ 3.5 Bn) in 2009 and expected to reach Rs 40,000 crores (US$ 9 Bn) by 2020 growing @ 9% CAGR.

- Technical Textiles market is estimated at Rs 49,000 crores (US$ 10.5 Bn) in 2009 and expected to reach Rs 1,46,000 crores (US$ 31 Bn) by 2020 growing @ 10% CAGR.

- The main drivers of domestic growth are increasing population, increasing income levels, rapid urbanization, improving demographics, increased organized players and increasing penetration of retailers into smaller cities.

- Global Textile and Apparel trade is recovering after a slump during the economic recession in 2008-09, and is expected to reach US$ 1 Trillion by 2020 from the current US$ 510 Bn. The growth in trade is driven by increased outsourcing of western / developed countries towards lower cost countries in Asia.
Executive Summary

• India’s exports have also recovered in 2009-10 following increased global demand and is currently worth Rs 1,10,450 crores (US$ 23.5 Bn).

• India has the potential to increase its export share in world trade from the current 4.5% to 8% and reach US$ 80 Bn by 2020. The high growth of Indian exports is possible due to increased sourcing shift from developed countries to Asia and India’s strengths as a suitable alternative to China for global buyers.

• In terms of financial returns, Apparel is the most attractive product category amongst retail product categories both in terms of Returns on Capital Employed and EBITDA. Garmenting & Technical Textiles are the most attractive segments within the Apparel value chain in terms of ROA and EBITDA.

• Investments to the tune of Rs 3,20,000 crores (US$ 68 Bn) across the Textile supply chain will be required by 2020 to tap the potential market created due to growth of the industry. Investment required in garment sector by 2020 is to the tune of US$ 14 Bn and for processing is US$ 19 Bn.

• High growth categories include Women’s casual wear, Innerwear, Activewear, Kids wear, Women’s Western wear, Plus Size Apparel, Lingerie, Workwear & Uniforms, Technical Textiles and Home Textiles.
Indian Domestic Market: Textile & Apparel
Textile & Apparel’s Contribution to India’s GDP

Source: Technopak Analysis  *All numbers are rounded off
India’s total Textile and Apparel industry size is valued at Rs 3,27,000 crores (US$ 70 Bn) in 2009 and is estimated to grow @ 11% CAGR to reach Rs 10,32,000 crores (US$ 220 Bn) by 2020.

Source: Technopak Analysis  
*All numbers are rounded off
The current domestic Textile and Apparel market of US$47 Bn is expected to grow @ 11% annually to reach US$ 140 Bn by 2020.

Source: Technopak Analysis

* Values given for Apparel and Home Textile is at the retail end, while for Technical Textiles, it is a combination of B2C and B2B depending on the category.
Indian domestic Apparel market is expected to grow @ 11% CAGR, primarily driven by high unit value growth (due to growth in organized and branded segment), apart from increase in per capita consumption of clothing due to favourable consumer demographics.

**Total Apparel Market (INR Cr)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Apparel Market (INR Cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1,01,425</td>
</tr>
<tr>
<td>2009</td>
<td>1,54,000</td>
</tr>
<tr>
<td>2010</td>
<td>1,70,900</td>
</tr>
<tr>
<td>2015</td>
<td>2,88,880</td>
</tr>
<tr>
<td>2020</td>
<td>4,70,000</td>
</tr>
</tbody>
</table>

**Components of Apparel Market**

- Population Growth: 1%
- Increase in Individual Consumption: 5%
- Growth in unit value: 5%
- Total CAGR: 11%

*Source: Technopak Analysis*

*All numbers are rounded off*

E: Estimated numbers
Indian Apparel Market Break up

Urban vs. Rural Mix 2009

- Urban: Rs 85,000 cr (55%)
- Rural: Rs 69,000 cr (45%)

Breakup of the Urban market

- Top 8 Cities: 38%
- Next 62 Cities: 21%
- Rest of Urban: 41%

Organized vs. Unorganized Market Share

- 2005: Organized 13%, Unorganized 87%
- 2009: Organized 14%, Unorganized 86%
- 2010 (E): Organized 17%, Unorganized 83%
- 2015 (E): Organized 25%, Unorganized 75%
- 2020 (E): Organized 40%, Unorganized 60%

RTS vs RTW Market

- 2005: RTS 24%, RTW 76%
- 2009: RTS 23%, RTW 77%
- 2010 (E): RTS 21%, RTW 79%
- 2015 (E): RTS 16%, RTW 84%
- 2020 (E): RTS 12%, RTW 88%

Source: Technopak Analysis
*All numbers are rounded off
Top 8 cities: Mumbai, Delhi, Kolkata, Chennai, Hyderabad, Bengaluru, Ahmedabad, Pune
Currently Men’s wear is the biggest segment of the market, however Women’s wear is growing faster than other Apparel segments and is expected to gain majority share in future. Kidswear is also growing rapidly with higher growth in girls wear.

Source: Technopak Analysis

*All numbers are rounded off
Men’s Wear Market

High growth categories in men’s market include Activewear, T-Shirts, Innerwear and Shirts

Source: Technopak Analysis  *All numbers are rounded off
Women’s Wear Market

High growth categories in women’s market include Innerwear, Woven tops / Shirts and T-shirts. Ethnicwear categories like Sarees and Salwaar Kameez also have high growth potential.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Size 2009 (INR Cr)</th>
<th>CAGR (2009-2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saree</td>
<td>24,020</td>
<td></td>
</tr>
<tr>
<td>Salwar kameez/khamic</td>
<td>16,660</td>
<td></td>
</tr>
<tr>
<td>Innerwear</td>
<td>6,460</td>
<td></td>
</tr>
<tr>
<td>Blouse/peticoat</td>
<td>4,050</td>
<td></td>
</tr>
<tr>
<td>Sleepwear</td>
<td>1,730</td>
<td></td>
</tr>
<tr>
<td>Winterwear</td>
<td>1,300</td>
<td></td>
</tr>
<tr>
<td>Tops/shirts</td>
<td>1,020</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>770</td>
<td></td>
</tr>
<tr>
<td>Trousers/pants</td>
<td>740</td>
<td></td>
</tr>
<tr>
<td>Denim</td>
<td>415</td>
<td></td>
</tr>
<tr>
<td>T-shirts</td>
<td>390</td>
<td></td>
</tr>
<tr>
<td>Formal Jackets</td>
<td>190</td>
<td></td>
</tr>
</tbody>
</table>

Source: Technopak Analysis

*All numbers are rounded off*
High growth categories in kids boys market include T-Shirts / Shirts, Bottomwear and Uniforms.
Girls’ Wear Market

High growth categories in kids girls market include Ethnicwear, Dresses, Bottomwear, Uniforms and T-Shirts.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Size 2009 (INR Cr)</th>
<th>CAGR (2009-2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniform</td>
<td>4,230</td>
<td></td>
</tr>
<tr>
<td>Ethnic</td>
<td>3,295</td>
<td></td>
</tr>
<tr>
<td>Dresses</td>
<td>2,225</td>
<td></td>
</tr>
<tr>
<td>Bottomwear</td>
<td>2,180</td>
<td></td>
</tr>
<tr>
<td>Winterwear</td>
<td>1,220</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>540</td>
<td></td>
</tr>
<tr>
<td>Tee/Shirts</td>
<td>455</td>
<td></td>
</tr>
<tr>
<td>Denim</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>

Girls: Female < 14yrs

Source: Technopak Analysis
*All numbers are rounded off
Home Textile market is expected to grow by 9% CAGR till 2020 on the back of increased urban household population and corporatization.

### Home Textile Domestic Market Size

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2009</th>
<th>2010 (E)</th>
<th>2015(E)</th>
<th>2020(E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INR Cr</td>
<td>10,000</td>
<td>15,570</td>
<td>17,000</td>
<td>26,650</td>
<td>40,000</td>
</tr>
<tr>
<td>CAGR</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Urban vs Rural

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2009</th>
<th>2010 (E)</th>
<th>2015(E)</th>
<th>2020(E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>54%</td>
<td>61%</td>
<td>64%</td>
<td>73%</td>
<td>79%</td>
</tr>
<tr>
<td>Rural</td>
<td>46%</td>
<td>39%</td>
<td>36%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>CAGR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Category wise Market Breakup

<table>
<thead>
<tr>
<th>Categories</th>
<th>2005</th>
<th>2009</th>
<th>2010(E)</th>
<th>2015(E)</th>
<th>2020(E)</th>
<th>CAGR 2009-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed Linen</td>
<td>4,800</td>
<td>7,600</td>
<td>8,300</td>
<td>13,000</td>
<td>19,670</td>
<td>9%</td>
</tr>
<tr>
<td>Towels</td>
<td>1,900</td>
<td>2,830</td>
<td>3,080</td>
<td>4,750</td>
<td>6,960</td>
<td>9%</td>
</tr>
<tr>
<td>Curtains</td>
<td>970</td>
<td>1,520</td>
<td>1,680</td>
<td>2,700</td>
<td>4,150</td>
<td>10%</td>
</tr>
<tr>
<td>Blankets</td>
<td>850</td>
<td>1,270</td>
<td>1,370</td>
<td>2,000</td>
<td>2,820</td>
<td>8%</td>
</tr>
<tr>
<td>Upholstery</td>
<td>630</td>
<td>980</td>
<td>1,080</td>
<td>1,800</td>
<td>2,820</td>
<td>10%</td>
</tr>
<tr>
<td>Kitchen Linen</td>
<td>600</td>
<td>950</td>
<td>1,030</td>
<td>1,600</td>
<td>2,320</td>
<td>8%</td>
</tr>
<tr>
<td>Rugs and Carpets</td>
<td>250</td>
<td>420</td>
<td>460</td>
<td>800</td>
<td>1,260</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>10,000</td>
<td>15,570</td>
<td>17,000</td>
<td>26,650</td>
<td>40,000</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Source: Technopak Analysis  *All numbers are rounded off
### Technical Textiles Domestic Market

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Segment</th>
<th>2005</th>
<th>2009</th>
<th>2010(E)</th>
<th>2015 (E)</th>
<th>2020 (E)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Packtech</td>
<td>7,250</td>
<td>18,492</td>
<td>23,400</td>
<td>49,000</td>
<td>72,150</td>
<td>13%</td>
</tr>
<tr>
<td>2</td>
<td>Clothtech</td>
<td>6,105</td>
<td>7,200</td>
<td>7,500</td>
<td>9,200</td>
<td>10,230</td>
<td>3%</td>
</tr>
<tr>
<td>3</td>
<td>Hometech</td>
<td>1,950</td>
<td>6,887</td>
<td>9,450</td>
<td>15,900</td>
<td>25,600</td>
<td>13%</td>
</tr>
<tr>
<td>4</td>
<td>Mobiltech</td>
<td>2,020</td>
<td>3,707</td>
<td>4,300</td>
<td>8,300</td>
<td>11,650</td>
<td>11%</td>
</tr>
<tr>
<td>5</td>
<td>Indutech</td>
<td>2,900</td>
<td>3,315</td>
<td>3,400</td>
<td>4,050</td>
<td>4,400</td>
<td>3%</td>
</tr>
<tr>
<td>6</td>
<td>Sporttech</td>
<td>3,920</td>
<td>2,564</td>
<td>2,300</td>
<td>2,950</td>
<td>3,350</td>
<td>2%</td>
</tr>
<tr>
<td>7</td>
<td>Buildtech</td>
<td>1,500</td>
<td>2,432</td>
<td>2,700</td>
<td>4,990</td>
<td>6,800</td>
<td>10%</td>
</tr>
<tr>
<td>8</td>
<td>Meditech</td>
<td>1,410</td>
<td>1,765</td>
<td>1,900</td>
<td>2,470</td>
<td>2,850</td>
<td>4%</td>
</tr>
<tr>
<td>9</td>
<td>Protech</td>
<td>670</td>
<td>1,623</td>
<td>2,000</td>
<td>4,070</td>
<td>5,850</td>
<td>12%</td>
</tr>
<tr>
<td>10</td>
<td>Agrotech</td>
<td>380</td>
<td>627</td>
<td>700</td>
<td>1,330</td>
<td>1,850</td>
<td>10%</td>
</tr>
<tr>
<td>11</td>
<td>Geotech</td>
<td>170</td>
<td>320</td>
<td>380</td>
<td>780</td>
<td>1,150</td>
<td>12%</td>
</tr>
<tr>
<td>12</td>
<td>Oekotech</td>
<td>55</td>
<td>68</td>
<td>70</td>
<td>100</td>
<td>120</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>**Total</td>
<td>28,330</td>
<td>49,000</td>
<td>58,100</td>
<td>1,03,140</td>
<td>1,46,000</td>
<td>10%</td>
</tr>
</tbody>
</table>

### High Growth Segments

<table>
<thead>
<tr>
<th></th>
<th>Hometech</th>
<th>Packtech</th>
<th>Sporttech</th>
<th>Buildtech</th>
<th>Oekotech</th>
</tr>
</thead>
</table>

Domestic demand for Technical Textiles has been increasing and there is substantial opportunity for investments in this sector.

Source: Ministry of Textiles, Technopak Analysis  
*All numbers are rounded off*
Export Market & Supply Chain Overview
Global Trade: Recovering & Poised to Grow Further

Global Textile & Apparel Trade

Top Traded Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trousers / Shorts etc.</td>
<td>63</td>
<td>60</td>
<td>48</td>
</tr>
<tr>
<td>Sweaters / Jersey’s etc.</td>
<td>47</td>
<td>47</td>
<td>37</td>
</tr>
<tr>
<td>T-shirts</td>
<td>29</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>Blouses / Women’s Shirts</td>
<td>17</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Dresses</td>
<td>12</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Overcoats etc.</td>
<td>12</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Men’s Woven Shirts</td>
<td>13</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Jackets / Blazers etc.</td>
<td>13</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Babies Garments</td>
<td>9</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Cotton Fibre</td>
<td>7</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>365</td>
<td>393</td>
<td>340</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>586</strong></td>
<td><strong>612</strong></td>
<td><strong>510</strong></td>
</tr>
</tbody>
</table>

Global Textile and Apparel trade is recovering after a slump during the economic recession in 2008-09, and is expected to reach US$ 1 Trillion by 2020 from the current US$ 510 Bn.

Category wise Breakup of Trade

Country wise share of imports

Source: UN Comtrade, OTEXA, Eurostat & Technopak Analysis

*Other Textiles include: Made ups, Carpets, Accessories, Laminated Textiles etc.
Indian Exports: Potential for Higher Growth

India’s exports have also recovered in 2009-10 following increased global demand.

India has the potential to increase its export share in world trade from the current 4.5% to 8% by 2020.

The high growth for Indian exports is possible due to increased sourcing shift from developed countries to Asia and India’s strengths as a suitable alternative to China for global buyers.

Source: Ministry of Textiles, UN Comtrade, Technopak Analysis
India produces 8 mn tons of fibre annually and production has increased @ 4% CAGR in the last 3 years. Fibre exports have also grown significantly in the last 3 years @ 20 % CAGR.

<table>
<thead>
<tr>
<th>Fibre - Mn Kg (2008-09)</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Production Growth (3 yr CAGR)</th>
<th>Imports Growth (3 yr CAGR)</th>
<th>Exports Growth (3 yr CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>4,930</td>
<td>195</td>
<td>1,275</td>
<td>6%</td>
<td>32%</td>
<td>17%</td>
</tr>
<tr>
<td>Viscose staple fibre</td>
<td>233</td>
<td>11</td>
<td>28</td>
<td>1%</td>
<td>120%</td>
<td>23%</td>
</tr>
<tr>
<td>Polyester staple fibre</td>
<td>752</td>
<td>16</td>
<td>136</td>
<td>6%</td>
<td>1%</td>
<td>47%</td>
</tr>
<tr>
<td>Acrylic staple fibre</td>
<td>80</td>
<td>11</td>
<td>2</td>
<td>-10%</td>
<td>-3%</td>
<td>-33%</td>
</tr>
<tr>
<td>Other MMF fibre</td>
<td>3</td>
<td>17</td>
<td>4</td>
<td>4%</td>
<td>24%</td>
<td>17%</td>
</tr>
<tr>
<td>Total MMF</td>
<td>1,067</td>
<td>55</td>
<td>170</td>
<td>3%</td>
<td>13%</td>
<td>37%</td>
</tr>
<tr>
<td>Silk</td>
<td>18</td>
<td>8</td>
<td>0.1</td>
<td>2%</td>
<td>0%</td>
<td>-30%</td>
</tr>
<tr>
<td>Jute</td>
<td>1,952</td>
<td>59</td>
<td>188</td>
<td>0%</td>
<td>-4%</td>
<td>32%</td>
</tr>
<tr>
<td>Wool</td>
<td>45</td>
<td>67</td>
<td>5</td>
<td>0%</td>
<td>-9%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total Fibre</strong></td>
<td><strong>8,013</strong></td>
<td><strong>384</strong></td>
<td><strong>1,638</strong></td>
<td><strong>4%</strong></td>
<td><strong>10%</strong></td>
<td><strong>20%</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Textiles, Technopak Analysis
India’s yarn production is 5.3 mn tons, increasing at 5% CAGR in the last 3 years. 20% of the yarn produced is exported.

<table>
<thead>
<tr>
<th>Yarn - Mn Kg (2008-09)</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Production Growth (3 yr CAGR)</th>
<th>Imports Growth (3 yr CAGR)</th>
<th>Exports Growth (3 yr CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% cotton spun yarn</td>
<td>2,899</td>
<td>5</td>
<td>556</td>
<td>5%</td>
<td>2%</td>
<td>0.20%</td>
</tr>
<tr>
<td>Cotton blend spun yarn</td>
<td>655</td>
<td>28</td>
<td>76</td>
<td>4%</td>
<td>16%</td>
<td>-3%</td>
</tr>
<tr>
<td>100% non cotton spun yarn</td>
<td>361</td>
<td>42</td>
<td>174</td>
<td>1%</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>MMFY</td>
<td>1,416</td>
<td>152</td>
<td>225</td>
<td>6%</td>
<td>0%</td>
<td>14%</td>
</tr>
<tr>
<td>Viscose Filament Yarn</td>
<td>42</td>
<td>5</td>
<td>4</td>
<td>-7%</td>
<td>27%</td>
<td>-25%</td>
</tr>
<tr>
<td>Polyester Filament Yarn</td>
<td>1,330</td>
<td>70</td>
<td>200</td>
<td>7%</td>
<td>-9%</td>
<td>24%</td>
</tr>
<tr>
<td>Nylon Filament Yarn</td>
<td>28</td>
<td>3</td>
<td>2</td>
<td>-9%</td>
<td>-32%</td>
<td>-22%</td>
</tr>
<tr>
<td>Other MMFY</td>
<td>15</td>
<td>74</td>
<td>18</td>
<td>4%</td>
<td>17%</td>
<td>-17%</td>
</tr>
<tr>
<td>Total Yarn</td>
<td>5,331</td>
<td>227</td>
<td>1,031</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Ministry of Textiles, Technopak Analysis
India’s fabric production is 54,966 mn sq mtrs increasing @ 3% CAGR in the last 3 years. 5% of the fabric produced is exported. Exports are increasing at a high rate of 14% CAGR in the last 3 years, driven by significant growth of knitted fabric exports.

<table>
<thead>
<tr>
<th>Fabric - Mn sq mtrs (2008-09)</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Production Growth (3 yr CAGR)</th>
<th>Imports Growth (3 yr CAGR)</th>
<th>Exports Growth (3 yr CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knitted fabric</td>
<td>12,077</td>
<td>989</td>
<td>459</td>
<td>5%</td>
<td>64%</td>
<td>66%</td>
</tr>
<tr>
<td>Woven fabric</td>
<td>42,889</td>
<td>601</td>
<td>2,102</td>
<td>3%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Cotton Woven</td>
<td>16,720</td>
<td>144</td>
<td>688</td>
<td>3%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Synthetic Woven</td>
<td>20,093</td>
<td>161</td>
<td>992</td>
<td>4%</td>
<td>-1%</td>
<td>15%</td>
</tr>
<tr>
<td>Other Woven</td>
<td>6,076</td>
<td>296</td>
<td>422</td>
<td>2%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total Fabric</strong></td>
<td><strong>54,966</strong></td>
<td><strong>1,590</strong></td>
<td><strong>2,561</strong></td>
<td><strong>3%</strong></td>
<td><strong>29%</strong></td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Textiles, Technopak Analysis
Financial & Growth Aspects of Textile Value Chain
Apparel retail is better than other product categories in terms of ROCE (Return on Capital Employed) and EBITDA and hence the most attractive segment for retail investment.

Source: Technopak Analysis
Size of bubble represents sales per sq. ft per annum (for example Apparel bubble is Rs 8,000 per sq ft/ annum)
CDIT: Consumer Durables and Information Technology
Within the Textile supply chain Garmenting and Technical Textile segments are the most attractive in terms of financial returns.

Source: Company Financial Reports, Technopak Analysis
*Based on financial statement analysis of Top listed companies in each of the above mentioned sectors
Value Addition Through Supply Chain

- Yarn – 40’s, 100% cotton, combed yarn
- Fabric – 132 x 72 Poplin, Medium shade
- Shirt sold by a mass merchant

- Indicative Numbers

Fiber 375g
Rs 28

Yarn 300g
Rs 56

Fabric 1.5 m
Rs 120

Garment 1 shirt
Rs 190

Retail 1 shirt
Rs 400

Source: Technopak Analysis
In order to capture the additional market (US$ 150 Bn) created for Textile and Apparel by 2020, investments to the tune of Rs 3,20,000 crores (US$ 68 Bn) across the Textile supply chain will be required.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Additional Production</th>
<th>Additional Capacities Required</th>
<th>Investment Required</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>In Rs. Crores</td>
</tr>
<tr>
<td>Spun yarn</td>
<td>3.9 Bn. kg</td>
<td>New spindles - 13.6 million&lt;br&gt;Modernized spindles - 8 million</td>
<td>42,000</td>
</tr>
<tr>
<td>Filament Yarn</td>
<td>5.8 Bn. Kg</td>
<td>Production from modernized capacity - 0.5 Bn kg&lt;br&gt;Production from brownfield expansion - 4.2 Bn kg&lt;br&gt;Production from greenfield projects - 1.1 Bn kg</td>
<td>31,000</td>
</tr>
<tr>
<td>Weaving</td>
<td>50 Bn. sq. m.</td>
<td>New Shuttleless Looms - 77 thousand&lt;br&gt;Second hand Shuttleless Looms - 65 thousand&lt;br&gt;Automatic looms - 1 lakhs&lt;br&gt;Semi automatic - 2 lakhs&lt;br&gt;Plain - 2.35 lakhs</td>
<td>37,000</td>
</tr>
<tr>
<td>Knitting</td>
<td>76 Bn. sq. m.</td>
<td>New Machines - 84 thousand&lt;br&gt;Second hand machines - 56 thousand</td>
<td>25,000</td>
</tr>
<tr>
<td>Processing</td>
<td>95 Bn. sq. m.</td>
<td></td>
<td>90,000</td>
</tr>
<tr>
<td>Garment and Made-ups</td>
<td>38 Bn. pcs.</td>
<td>Machines required - 21 lakhs (for 2 shift working)</td>
<td>65,000</td>
</tr>
<tr>
<td>Technical Textiles</td>
<td></td>
<td></td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3,20,000</strong></td>
</tr>
</tbody>
</table>

Source: Technopak Analysis  
*All numbers are rounded off*
Apparel is placed well compared to other sectors both in terms of size and growth of organized retail.
Growth Opportunities Going Forward

High Growth Opportunities

- Kids Wear
- Women’s Western wear
- Plus Size Apparel
- Lingerie
- Workwear & Uniforms
- Technical Textiles
- Home Textiles

Key Growth Drivers

- Increasing brand /fashion consciousness and spending on kids
- Increasing urban women population and women corporate workforce
- High and increasing share of obese population in India and lack of existing ready to wear brands in this space
- Increasing fashion consciousness and need for better retail experience for women’s innerwear
- Growing modernization and increasing image consciousness and compliance amongst corporates
- Increasing government infrastructure spending and growing sectors like healthcare, automobiles etc.
- Increasing urban households and corporate interiors
Annexure: Assumptions & Definitions
Key Assumptions

- Growth for market is in nominal terms
- Exchange rate (US$ to Rs conversion) maintained at Rs 47 for current market and future projections
- All figures have been rounded off

Definitions

- Bn: Billion
- CAGR: Compound Annual Growth Rate
- Casual wear: clothes worn for casual occasions like t-shirts, denim, casual shirts etc.
- E: Estimated numbers for future years
- EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization
- INR: Indian National Rupee (Rs)
- MMF: Man Made Fibres
- MMFY: Man Made Filament Yarn
- Mn: Million
- ROA: Return on Assets
- ROCE: Return on Capital Employed
- RTS (Ready To Stitch): includes fabric bought at retail stores by consumers. The following are the main categories
  » Shirting fabric, Suitings / Trousers fabric, Salwaar Kameez Dupatta fabric (SKD) etc.
  » Tailoring cost for these fabric are factored in the RTW market.
- RTW (Ready To Wear): includes all garments sold in India
- SEC: Socio Economic Classification
The following are the broad categories of Apparel and respective products in each category:

### Men’s wear (Male > 14 yrs)
- **Shirts**: Woven Shirts (full sleeve and half sleeve)
- **Trousers**: Woven Trousers (Formal wear, Casual wear)
- **Suits**: Formal Suits, Safari Suits, Coats
- **Winterwear**: Sweaters, Jackets, Jerseys, Shawls etc.
- **T-Shirts**: Knitted T-shirts
- **Denim**: Jeans, Denim Tops
- **Sleepwear**: Woven & Knitted Pyjamas / Shorts worn during sleep
- **Activewear**: Sportswear, Gymwear, Swimwear etc.
- **Ethnic**: Kurtas Pyjamas, Sherwani, Dhoti, Lungis etc
- **Innerwear**: Mens Briefs, Vests etc.
- **Others**: Ties, Socks, Handkerchiefs, Gloves and other accessories etc.

### Boys’ wear (Male < 14 yrs)
- **Tee/Shirts – Boys**: Boys’ T-shirts, Woven Shirts
- **Denim – Boys**: Boys’ Jeans, Denim shirts etc.
- **Bottomwear – Boys**: Boys’ Trousers, Shorts, Corduroys, Cargos etc.
- **Ethnic – Boys**: Boys’ Kurta Pyjama, Sherwani etc.
- **Winterwear – Boys**: Boys’ Sweaters, Jackets, Jerseys etc.
- **Uniforms- Boys**: School Uniforms
- **Others – Boys**: Accessories like Socks, Gloves etc.

### Girls’ wear (Female < 14 yrs)
- **Bottomwear – Girls**: Girls Trousers, Skirts etc.
- **Ethnic – Girls**: Salwar Kameez Dupatta, Churidar etc.
- **Tee/Shirts – Girls**: T-shirts, Woven Shirts
- **Denim – Girls**: Jeans, Denim Tops etc.
- **Dresses – Girls**: Frocks, Dresses etc.
- **Winterwear – Girls**: Sweaters, Jackets etc.
- **Uniform – Girls**: School Uniform
- **Others – Girls**: Accessories like Socks, Scarves etc.

### Women’s wear (Female > 14 yrs)
- **Saree**: Sarees
- **Salwar Kameez / Ethnic**: Salwar Kameez Dupatta, Lehenga, Churidar, Dresses etc.
- **Tops/shirts**: Woven Tops / Shirts / Dresses mostly for Formal wear
- **T-Shirts**: Knitted t-shirts for Casual wear / Party wear
- **Denim**: Women’s Jeans and Denim Tops
- **Formal Jackets**: Women’s suits Jackets for formal wear
- **Sleepwear**: Nightwear including Maxi, Nighties etc.
- **Trousers/skirts**: Women’s Trousers (formal and casual), Capris, Skirts etc
- **Innerwear**: Women’s Lingerie items (Bras, Panties, Camisoles etc.)
- **Blouse/petticoat**: Saree Woven Blouses and Petticoat
- **Winterwear**: Sweaters, Jackets, Shawls etc.
- **Others**: Accessories including Bags, Gloves, Handkerchiefs etc.
Definitions: Technical Textiles and Home Textile Categories

<table>
<thead>
<tr>
<th>Technical Textiles</th>
<th>Home Textiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agrotech</td>
<td>Bed Linen: Bed Sheets, Bed Covers, Quilts, Duvets, Comforters, Pillows etc.</td>
</tr>
<tr>
<td>Buildtech</td>
<td>Blankets: Blankets used for Warmth covering during sleep</td>
</tr>
<tr>
<td>Clothtech</td>
<td>Curtains: Made ups hanged for Covering Doors and Windows</td>
</tr>
<tr>
<td>Geotech</td>
<td>Kitchen Linen: Aprons, Table Mats, Oven mitts etc</td>
</tr>
<tr>
<td>Hometech</td>
<td>Rugs and Carpets: Textile floor covering</td>
</tr>
<tr>
<td>Indutech</td>
<td>Towels: Bath Towels, Bath Robes etc</td>
</tr>
<tr>
<td>Meditech</td>
<td>Upholstery: Sofa covers etc</td>
</tr>
<tr>
<td>Mobiltech</td>
<td></td>
</tr>
<tr>
<td>Oekotech</td>
<td></td>
</tr>
<tr>
<td>Packtech</td>
<td></td>
</tr>
<tr>
<td>Protech</td>
<td></td>
</tr>
<tr>
<td>Sporttech</td>
<td></td>
</tr>
</tbody>
</table>
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- Mergers and Acquisitions
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- Investment Evaluation

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- Industry Benchmarking
- Market Insights

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- Construction Management (CMC)
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- Techno-economic feasibility report
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  - Selection and Pre-Training
  - Implementation
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- Performance Enhancement

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