TEXTILES AND APPAREL
# Table of Content

- Executive Summary ........................................... 3
- Advantage India ............................................. 4
- Market Overview ............................................. 6
- Recent Trends and Strategies ...................... 15
- Growth Drivers .............................................. 19
- Opportunities ............................................. 29
- Industry Organisations ................................ 32
- Useful Information ........................................ 34
India is the world’s second largest producer of textiles and garments.

Rising per capita income, favourable demographics and a shift in preference to branded products to boost demand.

The domestic textile and apparel market is estimated to be US$ 100 billion in 2018-19 and has grown at a CAGR of 10 per cent since 2005-06.

Growth in demand is expected to continue at 12 per cent CAGR to reach US$ 220 billion by 2025.

The textile industry has around 4.5 crore of workers employed in textiles sector including 35.22 lakh handloom workers all over the country.

Favourable trade policies and superior quality to drive textile exports.

India’s textile and apparel exports stood at US$ 38.70 billion in FY19 and is expected to increase to US$ 82.00 billion by 2021 from US$ 11.92 billion in FY20 (up to July 2019).

Increase in domestic demand set to boost cloth production.

Cloth production in FY19 stood at 70 billion square meters and stood at 29.04 billion square meters in August 2019.

**Notes:** E – Estimate, F – Forecast, P - Provisional  CAGR up to FY21, P - Provisional  
**Source:** Ministry of Textiles, Make in India, Technopak, TechSci Research, Annual Report on Indian textile and Apparel industry- Wazir Advisors
● Increased penetration of organised retail, favourable demographics and rising income levels to drive textile demand.
● Growth in building and construction will continue to drive demand for non-clothing textiles.
● In FY19, growth in private consumption is expected to create strong domestic demand for textiles.

● Abundant availability of raw materials such as cotton, wool, silk and jute.
● India enjoys a comparative advantage in terms of skilled manpower and in cost of production relative to major textile producers.

● Huge investments are being made by Government under Scheme for Integrated Textile Parks (SITP) - (US$ 184.98 million) and Technology Upgradation Fund Scheme (TUFS) - (US$ 216.25 million released in 2017) to encourage more private equity and to train workforce.
● In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US$ 4 billion) since June 2017.

● 100 per cent FDI (automatic route) is allowed in the Indian textile sector.
● Under Union Budget 2019-20, the government has allocated Rs 700 crore (US$ 97.02 million) for Amended Technology Upgradation Fund Scheme(ATUFS).

Note: SITP - Scheme for Integrated Textile Park; FDI - Foreign Direct Investment, ASEAN - Association of Southeast Asian Nations
Source: PHD Camber of Commerce; Federation of Indian Chambers of Commerce and Industry, India Ratings and Research
MARKET OVERVIEW
EVOLUTION OF THE INDIAN TEXTILE SECTOR

Pre 1990s

- The first cotton textile mill of Mumbai was established in 1854.
- The first cotton mill of Ahmedabad was found in 1861; it emerged as a rival centre to Mumbai.

1901–2000

- Number of mills increased from 178 in 1901 to 417 in 1945.
- Out of 423 textile mills of the undivided India, India received 409 after partition and the remaining 14 went to Pakistan.
- In 1999, TUFS was set up to provide easy access to capital for technological upgradation.
- TMC was launched to address issues related to low productivity and infrastructure.
- In 2000, NTP was announced for the overall development of the textile and apparel industry.

2000-2015

- SITP was implemented to facilitate setting up of textile units with appropriate support infrastructure.
- After MFA cotton prices are aligned with global prices.
- Technical textile industry will be a new growth avenue.
- Free trade agreement with ASEAN countries and proposed agreement with EU under discussion.
- Restructured TUFS was launched attracting a subsidy cap of US$ 420.65 Million.

2016 onwards

- Make in India campaign was launched to attract manufacturers and FDI.
- Technology Mission for Technical Textile has been continued.
- Under Union Budget 2019-20, Government of India allocated around Rs 5,831.48 crore (US$ 808.24 million) for the Ministry of Textiles.
- 3,544 operational textile mills which includes 2,184 Non-Small Scale Industry and 1,360 Small Scale Industry in the country in 2017-2018*.

Note: NTP - National Textile Policy; NTC - National Textiles Corporation; ASEAN - Association of Southeast Asian Nations, TUFS - Technology Upgradation Fund Scheme; TMC Technology Mission on Cotton, EU - European Union, * As on October 31, 2017 and update is expected by January 2019

Source: Union Budget 2015-16, Make In India
The fundamental strength of the textile industry in India is its strong production base of wide range of fibre / yarns from natural fibres like cotton, jute, silk and wool to synthetic / man-made fibres like polyester, viscose, nylon and acrylic.

India’s textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18.

It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18.

The sector contributed 15 per cent to the export earnings of India in 2017-18.

**Key segments of the textile industry**

- **Process**
  - Raw material
  - Ginning
  - Spinning
  - Weaving/knitting
  - Processing
  - Garment/apparel production

- **Output**
  - Cotton, jute, silk, wool
  - Fibre⁽¹⁾
  - Yarn
  - Fabric
  - Processed fabric
  - Final garment/Apparel

**Yarn and fibre segment**

- Woollen textiles
- Silk textiles
- Jute textiles
- Technical textiles

*Note: data is expected to be updated from Textile Ministry Annual Report 2018-19*

*Source: Textile Ministry, Make in India*
THE SECTOR HAS BEEN POSTING STRONG GROWTH OVER THE YEARS

- The size of India’s textile market as of November 2017 was around US$ 150 billion, which is expected to touch US$ 223 billion market by 2021, growing at a CAGR of 10.14 per cent between 2009-21.
- The new textile policy aims to achieve US$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs. By 2022, the Indian textile sector will require additional 17 million workforce.

Note: F – Forecasted,
Source: Technopak, Make in India, News articles, Ministry of Textiles, TechSci Research
India is world’s largest producer of cotton. Production of cotton in India grew from 28.0 million bales in FY07 to 36.1 million bales in FY19\(^\text{^\#}\), at a CAGR of 2.1 per cent.

Cotton production in India is estimated to have reached 32.3 million bales in FY20\(^*\).

Cotton and fibres are major segments in this category. Production of man-made fibre has also been on an upward trend.

During FY20, production of fibre in India stood at 1.443 million tonnes and reached 0.629 million tonnes during April–August 2019.

Note: E – Estimate, \(^\text{^\#}\) - third advance estimate, \(^\text{^\#}\#\) - forth advance estimate, \(^*\) - First advance estimate, \(P\) – Provisional
Source: The Cotton Corporation of India Ltd, TechSci Research, BusinessLine
COTTON IS THE MAJOR SEGMENT IN YARN AND FABRIC

- Production of yarn grew to 5,862 million Kgs in FY19 from 4,712 million Kgs in FY11, implying a CAGR of 2.69 per cent.
- Cotton yarn accounts for the largest share in total yarn production; in FY18, the segment’s share amounted to 71.52 per cent.
- Production of yarn during April-August 2019 stood at 2387 million kg.
- Fabric production in the country rose to 66,514 million square metre in FY18 from 52,665 million square metres in FY07.
- Cotton yarn, a major segment in FY11, accounted for more than 51.43 per cent share in fabric production, with the share reaching to 59.98 per cent in FY18 and 60.67 per cent in FY19.

Note: P – Provisional
Source: Ministry of Textiles
Exports have been a core feature of India’s textile and apparel sector, a fact corroborated by trade figures.

Exports of textiles from India reached US$ 38.70 billion during FY19 and US$ 11.98 billion during April-July 2019.

The Goods and Services Tax that rolled out in July 2017 is expected to make imported garments cheaper by 5-6 per cent, as the GST regime will levy 5 per cent tax for both domestic textile manufacturers and importers.

Source: Ministry of Textiles
India’s home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014–21 to US$ 8.2 billion in 2021 from US$ 4.7 billion in 2014.

India accounts for 7 per cent of global home textiles trade. Superior quality makes companies in India a leader in the US and the UK, contributing two-third to their exports.

Indian products has gained a significant market share in global home textiles in the past few years.

The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc.

In 2018-19, Indian home textile industry reached US$ 4.95 billion.

Cotton On, Australia’s largest fashion retailer, has entered the Indian market through Myntra and has signed contracts with Flipkart and Jabong as well.

Source: Ministry of Textiles, Welspun Presentation, Technopak, TechSci Research
The major service offerings of the technical textile industry include thermal protection and blood-absorbing materials, seatbelts and adhesive tapes.

India is expected to be a key growth market for the technical textile sector due to cost-effectiveness, durability and versatility of technical textiles.

The targeted market size would be achieved by targeting non-woven technical textiles. Healthcare and infrastructure sectors are major drivers of the technical textile industry.

The Government of India has assigned 207 Harmonized System Nomenclature (HSN) to promote India’s technical textile industry and further increase its market size to Rs 2 lakh crore (US$ 27.72 billion) by 2020-21.

The technical textile industry is expected to expand at a CAGR of 12.20 per cent during FY18–23 to US$ 32 billion in FY23. In FY18 it reached Rs 116,000 crore (US$ 18 billion) and is forecasted to grow at the rate of 20 per cent year-on-year supported by various flagship schemes by the government to promote full potential and expected to reach Rs 200,823 crore (US$ 29.96 billion) by 2020-21.
RECENT TRENDS AND STRATEGIES
ROBUST GROWTH IN TEXTILE MANUFACTURING HAS AIDED GROWTH

- Textile manufacturing in India has been growing robustly.
- The size of India’s textile industry is expected to touch US$ 223 billion market by 2021.
- Index of Industrial Production (IIP) is a composite indicator of the changes in the volume of production in a chosen base period (2011-12).

Source: Ministry of Statistics and Program Implementation
# Notable Trends in India’s Textile Sector

## Textile Parks
- As of November 2018, Odisha is planning to build three textiles parks with the aim to promote investments in the textile sector.
- Since 2014, 19 Textile Park projects have been sanctioned under Scheme for Integrated Textile Park (SITP) under Public Private Partnership mode (PPP) with 40 per cent government assistance of upto Rs 40 crore (US$ 6 million).

## Multi-Fibre Arrangement (MFA)
- With the expiry of MFA in January 2005, cotton prices in India are now fully integrated with international rates.

## Public-Private Partnership (PPP)
- The Ministry of Textiles commenced an initiative to establish institutes under the Public-Private Partnership (PPP) model to encourage private sector participation in the development of the industry.

## Technical Textiles
- Technical textiles industry, which had a market size of Rs 116,000 crore (US$ 18 billion) in 2017-18 is projected to grow at the rate of 20 per cent year-on-year and reach Rs 200,000 crore (US$ 28.61 billion) by 2020-21.
- US$ 70.83 million has been allocated to promote the use of geotechnical textiles in the North East states.

## Promotion of Khadi
- The Government of India plans to connect around 50 million women in Indian villages to charkha (spinning wheel) in the next five years with the aim of providing employment and promoting the khadi brand.
- Khadi may soon open its first foreign venture in Bhutan.
- Indian khadi sales grew three-fold between FY15-18 to reach Rs 2,509 crore (US$ 389.29 million).
- Khadi Express’ train will be run to create awareness about the Indian khadi.

*Note: TUFFS - Technology Upgradation Fund Scheme
Source: Ministry of Textiles, Geotechnical*
### STRATEGIES ADOPTED

<table>
<thead>
<tr>
<th>Focus on high growth domestic markets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- In strategic alliance with importers from UAE, the 1st ever exhibition of, “Incredible Indian Textiles” was held in Dubai in February 2017. The event was organised by Synthetic and Rayon Textiles Export Promotion Council (SRTEPC) of India and witnessed participation of 19 Indian companies.</td>
<td></td>
</tr>
<tr>
<td>- In March 2017, Welspun India Ltd opened a new plant - Needle Entangled Advance Textile Plant in Anjar, Gujarat, to manufacture multi-layer composites for various applications. The plant is worth US$ 23.35 million.</td>
<td></td>
</tr>
<tr>
<td>- As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus on backward integration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- During Textiles India 2017, the Ministry of Textiles signed 65 memorandum of understandings (MoUs). MoUs were signed between various domestic and international organizations from industry and government; three of the MoUs signed are G2G MoUs. The MoUs signed relate to exchange of information and documentation, Research &amp; Development, commercialisation of handloom products and silk production, cooperation in Geo textiles, skill development, supply of cotton and trade promotion with overseas partners, etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus on forward integration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- In February 2017, Future Retail, entered into an agreement with UK based home furnishing brand - Laura Ashley, to operate and own stores and websites in India.</td>
<td></td>
</tr>
<tr>
<td>- The Indian fashion retailers’ online market is poised to grow to US$ 30 billion by the 2020, currently the online market is valued at US$ 7-9 billion.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversification</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Raymond group under its group company J.K.Helene Curtis is looking to ramp up male grooming segment by unleashing new variants of shampoos and deodorants.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Annual Reports and Company Presentations, TechSci Research
GROWTH DRIVERS
STRONG FUNDAMENTALS AND POLICY SUPPORT AIDING GROWTH

Growing Demand
- Rising demand in exports.
- Increasing demand in domestic market due to changing taste and preferences.
- Growing population driving demand for textiles.

Policy Support
- Growing domestic and foreign investments.
- Government setting up SITPs and Mega Cluster Zones.
- Increasing loans under TUF.

Increasing Investments
- 100 per cent FDI in textile sector.
- US$ 140 billion of foreign investments are expected.
- Government investment schemes (TCIDS and APES).

Note: TCIDS - Textile Center Infrastructure Development Scheme, APES - Apparel Park for Exports Scheme
Source: Ministry of Textiles, TechSci Research
RISING INCOMES AND A GROWING MIDDLE-CLASS HAVE BEEN KEY DEMAND DRIVERS

- Rising incomes has been a key determinant of domestic demand for the sector; with incomes rising in the rural economy as well, the upward push on demand from the income side is set to continue.

- Rising industrial activity would support the growth in the per capita income.

**Note:** PE – Provisional Estimate

**Source:** IMF, Mckinsey Global Institute, TechSci Research
India is world’s second largest textile exporter. Capacity built over years has led to low cost of production per unit in India’s textile industry; this has lent a strong competitive advantage to the country’s textile exporters relative to key global peers.

The strong performance of textile exports is reflected in the value of exports from the sector over the years. Textile exports increased to US$ 39.20 billion in FY18 and witnessed a growth (CAGR) of 6.90 per cent over the period of FY06 to FY18. It reached US$ 31.65 billion in FY19*.

In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.

Note: * - between April 2018 –January 2019, *CAGR upto 2017-18

Source: Ministry of Textiles, Budget 2015
As of January 22, 2019, India had seven exporting SEZs for textiles, apparel and wool.

<table>
<thead>
<tr>
<th>Name of SEZ and status</th>
<th>State</th>
<th>Area (hectares)</th>
<th>Sector</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mahindra City SEZ</td>
<td>Tamil Nadu</td>
<td>607.1</td>
<td>Apparel and fashion accessories</td>
<td>Mahindra City is India's first integrated business city, divided into business and lifestyle zones. It is a cluster of 3 sector specific SEZs in Tamil Nadu, for apparels and fashion accessories; IT and hardware; and auto ancillary. The business zone provides plug-n-play working spaces. This zone comprises a SEZ (primarily for exporters) and Domestic Tariff Area (DTA) for companies targeting domestic market.</td>
</tr>
<tr>
<td>Brandix India Apparel City (BIAC) (Functional)</td>
<td>Andhra Pradesh</td>
<td>404.7</td>
<td>Textiles</td>
<td>BIAC is an integrated apparel supply chain city, managed by Brandix Lanka Ltd. It aims to be a end-to-end apparel solution provider.</td>
</tr>
<tr>
<td>(KIADB) (Functional)</td>
<td>Karnataka</td>
<td>16,129.0</td>
<td>Several sectors</td>
<td>Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka. Till date, KIADB has formed 132 industrial areas spread all over the state.</td>
</tr>
</tbody>
</table>

**Note:** SEZ - Special Economic Zone  
**Source:** SEZ India invest.com, TechSci Research
KEY TEXTILES AND APPAREL ZONES IN INDIA

North: Kashmir, Ludhiana and Panipat account for 80 per cent of woollens in India.

West: Ahmedabad, Mumbai, Surat, Rajkot, Indore and Vadodara are the key places for cotton industry.

East: Bihar for jute, parts of Uttar Pradesh for woollen and Bengal for cotton and jute industry.

South: Tirupur, Coimbatore and Madurai for hosiery. Bengaluru, Mysore and Chennai for silk.

Note: 2011-12 As Per Latest Available Information
Source: TechSci Research
POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH (1/2)

| **Amended Technology Upgradation Fund Scheme (TUFS)** | Investment was made to promote modernisation and up-gradation of the textile industry by providing credit at reduced rates. A subsidy of Rs 1,400 crore (US$ 216.25 million) was released under this scheme in 2017.  
Under the Union Budget 2019-20, Rs 700 crore (US$ 97.02 million) crore have been allocated for this scheme. |
| **National Textile Policy - 2000** | Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.  
New draft for this policy ensures to employ 35 million by attracting foreign investments. It also focuses on establishing a modern apparel garment manufacturing centre in every North Eastern state for which Government has invested an amount of US$ 3.27 million. |
| **FDI** | Foreign direct investment (FDI) of up to 100 per cent is allowed in the textile sector through the automatic route. |
| **SAATHI Scheme** | The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India. |
| **Merchandise Exports from India Scheme** | The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 per cent. |
| **Scheme for Capacity Building in Textiles Sector (SCBTS)** | The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US$ 202.9 million) from 2017-18 to 2019-20.  
The scheme is aimed at providing a demand driven and placement-oriented skilling programme to create jobs in the organised textile sector and to promote skilling and skill up-gradation in the traditional sectors. |
| **Textile Incentives** | The Textile Ministry of India earmarked Rs 690 crore (US$ 106.58 million) for setting up 21 ready made garment manufacturing units in seven states for development and modernisation of Indian Textile Sector. |

*Source: Company website, Business Standard*
POLICY SUPPORT HAS BEEN A KEY INGREDIENT TO GROWTH (2/2)

### Government Incentives

- The Government of India announced a Special Package to boost exports by US$ 31 billion, create one crore job opportunities and attract investments worth Rs 800.00 billion (US$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 253.45 billion (US$ 3.78 billion) and exports worth Rs 57.28 billion (US$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS). The scheme is estimated to create employment for 3.5 million people and enable investments worth Rs 950.00 billion (US$ 14.17 billion) by 2022.
- To boost exports from India’s handicraft sector, the Government of India is in process of identifying 25 export-oriented clusters, as of September 2018.
- The Ministry of Textiles announced outlay of Rs 690 crore (US$ 106.58 million) for setting up 21 ready-made garment manufacturing units in seven states for development and modernisation of Indian textile sector.

### SAMARTH

- In December 2017, Rs 1,300 crore (US$ 201.71 million) were approved for providing employment-oriented training to 10 lakh people in various segments including one lakh in traditional sectors, by March 2020, under the Scheme for Capacity Building in Textile Sector (SCBTS).
- Ministry of Textiles signed a pact with sixteen states for skilling around four lakhs workers under the SAMARTH scheme.

### Integrated Wool Development Programme

- Integrated Wool Development Programme (IWDP) approved by Government of India to provide support to the wool sector starting from wool rearer to end consumer which aims to enhance the quality and increase the production during 2017-18 and 2019-20.
- Under Union Budget 2019-20, Rs 29 crore (US$ 4.14 million) have been allocated to this programme.

*Source: Press Releases*
FOREIGN INVESTMENTS FLOWING INTO THE SECTOR

- 100 per cent FDI is permitted in the sector. Cumulative FDI inflows into the textiles sector stood at over US$ 3.19 billion from April 2000 to June 2019.

- The textiles industry in India is experiencing a significant increase in collaboration between global majors and domestic companies.

- International apparel giants, such as Hugo Boss, Liz Claiborne, Diesel and Kanz, have already started operations in India.

- Furthermore, the Government of Gujarat expects that the extension of its textile policy by a year will attract investments worth Rs 5,000 crore (US$ 775 million) in various sectors across the value chain.

Note: Textiles sector FDI includes Dyed and Printed, FDI – Foreign Direct Investment
Source: Ministry of Commerce and Industry, DPIIT
M&A ACTIVITY UP IN THE SECTOR

- M&A activity in the sector has been picking up pace over the years
  - Some of the major M&A deals are listed below:

### Prominent M&A deals

<table>
<thead>
<tr>
<th>Date</th>
<th>Acquirer name</th>
<th>Target name</th>
<th>Deal size (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2019</td>
<td>Aditya Birla Fashion and Retail Ltd (ABFRL)</td>
<td>Jaypore E-Commerce Pvt. Ltd</td>
<td>15.74</td>
</tr>
<tr>
<td>March 2019</td>
<td>Reliance Industries Ltd</td>
<td>(ITC) John Players</td>
<td>21.79</td>
</tr>
<tr>
<td>March 2019</td>
<td>Grasim Industries Ltd</td>
<td>Soktas India Pvt. Ltd (SIPL)</td>
<td>22.87</td>
</tr>
<tr>
<td>July 2018</td>
<td>Future Lifestyle</td>
<td>Koovs (29.9% Stake)</td>
<td>19.40</td>
</tr>
<tr>
<td>November 2017</td>
<td>Donear Industries Limited</td>
<td>OCM Woolen Mills</td>
<td>NA</td>
</tr>
<tr>
<td>October 2017</td>
<td>Sutlej Textiles and Industries Ltd (STIL)</td>
<td>Design, sales and distribution (DS&amp;D) business and</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>brand of American Silk Mills (ASM) LLC</td>
<td></td>
</tr>
<tr>
<td>July 2017</td>
<td>Advent International</td>
<td>Dixcy Textiles Pvt Ltd</td>
<td>NA</td>
</tr>
<tr>
<td>April 2017</td>
<td>Myntra</td>
<td>InLogg</td>
<td>NA</td>
</tr>
<tr>
<td>February 2017</td>
<td>Saks and Company</td>
<td>Aditya Birla Group</td>
<td>NA</td>
</tr>
<tr>
<td>January 2017</td>
<td>Soch</td>
<td>L Catterton, Westbridge and CX Partners</td>
<td>200</td>
</tr>
<tr>
<td>March 2016</td>
<td>Sutlej Textiles and Industries Ltd</td>
<td>Birla Textile Mills</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>BR Machine Tools Pvt Ltd</td>
<td>Bombay Rayon Fashions Ltd</td>
<td>721.1</td>
</tr>
<tr>
<td>May 2015</td>
<td>Oasis Procon Pvt Ltd</td>
<td>Bombay Dyeing and Manufacturing Company Ltd</td>
<td>37.67</td>
</tr>
</tbody>
</table>

*Source: MandA Thompson ONE Banker, Grant Thornton, CMIE, TechSci Research*
OPPORTUNITIES
OPPORTUNITIES … (1/2)

**Immense growth potential**
- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The sector is expected to reach US$ 226 billion by FY2023.
- Population is expected to reach to 1.34 billion by FY2019.
- Urbanisation is expected to support higher growth due to change in fashion and trends.

**Private sector participation in silk production**
- The Central Silk Board sets targets for raw silk production and encourages farmers and private players to grow silk.
- To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments has been encouraged.

**Proposed FDI in multi-brand retail**
- For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers.
- It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.
- With global retail brands assured of a domestic foothold, outsourcing will also rise significantly.

**Union Budget 2019-20**
- Under Union Budget 2019-20, Government of India allocated around Rs 4,831.48 crore (US$ 691.29 million) for the Ministry of Textiles.
- Rs 58.55 crore (US$ 8.37 million) into Textile Infrastructure.
- Rs 700 crore (US$ 100.15 million) have been allocated for the Amended Technology Upgradation Fund Scheme (ATUFS).
- The government has allocated Rs 159.08 crore (US$ 22.76 million) towards schemes for powerloom units.
- The government has allocated Rs 20 crore (US$ 2.86 million) for the Scheme for Integrated Textile Parks.
- The National Handloom Development Programme will get Rs 456.80 crore (US$ 65.35 million) and the Integrated Processing Development Scheme will get Rs 3.50 crore (US$ 0.50 million).
OPPORTUNITIES … (2/2)

Retail sector offers growth potential

- With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks and Spencer, Guess and Next having entered Indian market.
- The organised apparel segment is expected to grow at a Compound Annual Growth Rate of more than 13 per cent over a 10-year period.
- India and Bangladesh plans to increase their cooperation in order to increase promote the investment and trade of jute and fabrics.
- Future Group plans to expand with 80 stores in order to reach the target sales of 80 million units. This would add to their portfolio of 300 stores spread across the country.

Centers of Excellence (CoE) for research and technical training

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.
- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities.

Foreign investments

- The government is taking initiatives to attract foreign investments in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the government is planning to attract foreign investments thereby creating employment opportunities to 35 million people.
- In April 2017, StalkBuyLove, an online fashion brand, has raised US$ 1 million venture debt from Trifecta Capital, to expand its team and strengthen the supply chain technology.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN), as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

Notes: BTRA - The Bombay Textile Research Association, SITRA - South India Textile Research Association, NITRA - Northern India Textile Research Association, SASMIRA - Synthetic and Art Silk Mills Research Association
Source: Department for Promotion of Industry and Internal Trade (DPIIT)
KEY INDUSTRY ORGANISATIONS
### INDUSTRY ORGANISATIONS

<table>
<thead>
<tr>
<th>Textile Organisation</th>
<th>Address</th>
<th>Phone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Textile Association (India) (TAI)</strong></td>
<td>72-A, Santosh, Dr M B Raut Road, Shivaji Park, Dadar, Mumbai- 400 028</td>
<td>91 22 24461145</td>
<td></td>
<td><a href="mailto:sitraindia@dataone.in">sitraindia@dataone.in</a></td>
<td><a href="http://www.textileassociationindia.org">www.textileassociationindia.org</a></td>
</tr>
<tr>
<td><strong>The South India Textile Research Association (SITRA)</strong></td>
<td>13/37, Avanashi Road, Coimbatore - 641 014, Tamil Nadu</td>
<td>91 422 2574367, 6544188, 4215333</td>
<td>91 422 2571896, 4215300</td>
<td><a href="mailto:sitraindia@dataone.in">sitraindia@dataone.in</a></td>
<td><a href="http://www.sitra.org.in">www.sitra.org.in</a></td>
</tr>
<tr>
<td><strong>Northern India Textile Mills’ Association (NITMA)</strong></td>
<td>121, Gagandeep Building (First Floor), 12, Rajendra Palace, New Delhi- 110 008</td>
<td></td>
<td><a href="mailto:nitma@vsnl.net">nitma@vsnl.net</a>, <a href="mailto:nitma@airtelmail.in">nitma@airtelmail.in</a></td>
<td></td>
<td><a href="http://www.nitma.org">www.nitma.org</a></td>
</tr>
</tbody>
</table>
USEFUL INFORMATION
GLOSSARY

- BTRA: Bombay Textile Research Association
- CAGR: Compound Annual Growth Rate
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March)
- GOI: Government of India
- INR: Indian Rupee
- NITRA: Northern India Textile Research Association
- NTC: National Textiles Corporation
- NTP: National Textile Policy
- SASMIRA: Synthetic and Art Silk Mills Research Association
- TUFS: Technology Upgradation Fund Scheme
- TMC: Technology Mission on Cotton
- US$: US Dollar

Wherever applicable, numbers have been rounded off to the nearest whole number.
<table>
<thead>
<tr>
<th>Year (Fiscal Year)</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.95</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.28</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.29</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.24</td>
</tr>
<tr>
<td>2008–09</td>
<td>45.91</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.58</td>
</tr>
<tr>
<td>2011–12</td>
<td>47.95</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.45</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.50</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.15</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016–17</td>
<td>67.09</td>
</tr>
<tr>
<td>2017–18</td>
<td>64.45</td>
</tr>
<tr>
<td>2018–19</td>
<td>69.89</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year (Calendar Year)</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44.11</td>
</tr>
<tr>
<td>2006</td>
<td>45.33</td>
</tr>
<tr>
<td>2007</td>
<td>41.29</td>
</tr>
<tr>
<td>2008</td>
<td>43.42</td>
</tr>
<tr>
<td>2009</td>
<td>48.35</td>
</tr>
<tr>
<td>2010</td>
<td>45.74</td>
</tr>
<tr>
<td>2011</td>
<td>46.67</td>
</tr>
<tr>
<td>2012</td>
<td>53.49</td>
</tr>
<tr>
<td>2013</td>
<td>58.63</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016</td>
<td>67.21</td>
</tr>
<tr>
<td>2017</td>
<td>65.12</td>
</tr>
<tr>
<td>2018</td>
<td>68.36</td>
</tr>
</tbody>
</table>

*Source: Reserve Bank of India, Average for the year*
India Brand Equity Foundation (IBEF) engaged TechSci Research to prepare this presentation and the same has been prepared by TechSci Research in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of TechSci Research and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

TechSci Research and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither TechSci Research nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.