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TEXTILES

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TEXTILES

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A report by KPMG for IBEF

Market Overview

The global textile and clothing industry is worth over US$ 4,395 billion, with clothing accounting for 60 per cent of the market and textiles the remaining 40 per cent. Global trade in textile and clothing is currently at US$ 356 billion and is expected to grow to US$ 600 billion by 2010. The bulk of the increase is expected to be in clothing, which is projected to grow from US$199 billion to about US$ 400 billion.

USA and the European Union (EU) together dominate consumption, accounting for 64 per cent of clothing and 39 per cent of textiles consumption in 2004. The US market alone accounts for US$ 15 billion and is growing at five per cent a year. Among the other countries, Japan, Australia and New Zealand are significant consumers of home textile.

India accounts for 22 per cent of the world installed capacity of spindles and is one of the largest exporters of yarns in international market. The industry contributes about 25 per cent share in the world trade of cotton yarn. Indian textile industry contributes about 22 per cent to the world spindleage and about 6 per cent to the world rotor capacity installed. It has second highest spindleage in the world after China with an installed capacity of 38.60 million.

Indian textile has the highest loomage (including handlooms) in the world and contributes about 61 per cent to the world loomage. In terms of high-tech shuttleless looms, the contribution is only about 2.8 per cent to the world loomage. It contributes about 12 per cent to the world production of textile fibres and yarns (including jute). It is the largest producer of jute, second largest producer of silk, third largest producer of cotton and cellulosic fibre/yarn and fifth largest producer of synthetic fibres/yarns.

The sector plays a significant role in the economy

The Indian textile industry is one of the largest and most important sectors in the economy in terms of output, foreign exchange earnings and employment in India. It contributes 20 per cent of industrial production, 9 per cent of excise collections, 18 per cent of employment in industrial sector, nearly 20 per cent to the country's total export earnings and 4 per cent to the GDP. The sector employs nearly 35 million people and is the second highest employer in the country. The textile sector also has a direct link with the rural economy and performance of major fibre crops and crafts such as cotton, wool, silk, handicrafts and handlooms, which employ millions of farmers and crafts persons in rural and semi-urban areas. It has been estimated that one out of every six households in the country depend directly or indirectly on this sector.

India has several advantages in the textile sector, including abundant availability of raw material and labour. It is the second largest player in the world cotton trade. It has the largest cotton acreage, of about nine million hectares and is the third largest producer of cotton fibre in the world. It ranks fourth in terms of staple fibre production and fourth in polyester yarn production. The textile industry is also labour intensive, thus India has an advantage.

The industry is dominated by small scale players

India's textile industry comprises mostly small-scale, non-integrated spinning, weaving, finishing, and apparel-making enterprises. The figure below depicts the overall value chain and the number and type of units within the industry.

TEXTILE SECTOR - HIGH LEVEL VALUE CHAIN

Process	Raw Material	Spin	Weave / Knit	Process	Stitch (Garment / Apparel)
Unit		Spinning mills	Weaving / Knitting unitse	Processing units	Apparel Manufacturers
		Composite Mills			
Output	Fibre Cotton, Jute, Silk, Wool, Man-made	Yarn	Fabric	Processed Fabric	Garment
# units		• 1135 small scale units • 1564 larger scale units	• Handlooms – 3.9 million • Powerlooms – 1.8 million • Organised sector – 0.1 million	2100 units	~ 77000 units (mostly small scale)

Spinning mills

With an installed capacity of 40 million spindles, India accounts for about 22 per cent of the world's spindle capacity. In 2003-04, India's spinning sector consisted of about 1,135 small-scale independent firms and 1,564 larger scale independent units. Independent spinning mills account for about 75 per cent of capacity and 92 per cent of production.

Weaving / knitting units

India's weaving and knitting sector is highly fragmented, small-scale, and labour-intensive. The woven fabric production industry can be divided into three sectors: powerloom, handloom and mill sector. In 2003-04 it consisted of about 3.9 million handlooms, 1.8 million powerlooms, and 0.1 million looms in the organised sector. The decentralised power loom sector accounts for 95 per cent of the total cloth production. The knitted fabric forms 18 per cent of the total fabric production.

Processing units

The processing industry is largely decentralised and marked by hand processing units and independent processing units. Composite mill sectors are very few falling into the organised category. Overall, about 2,300 processors are operating in India, including about 2,100 independent units and 200 units that are integrated with spinning, weaving or knitting units.

Garment manufacturing units

Small-scale fabricators dominate garment manufacturing. Most garment manufacturing units fare reasonably well on the technology count. The bulk of apparel is produced by about 77,000 small-scale units classified as domestic manufacturers, manufacturer exporters, and fabricators (subcontractors).

The fragmented structure of the industry provides the advantage of a large pool of skilled workers in different areas of textile manufacturing, and also gives scope for entry of organised integrated textile manufacturers. Small scale units in different sectors can also be leveraged as a supply base for sourcing materials at low cost.

Apart from these advantages, the industry has also been experiencing consistent growth across different sectors, making it one of the key potential sectors in India.

The industry has been performing strongly across key areas

India has been experiencing strong performance in the textile industry, across different segments of the value chain, from raw materials to garments. Domestic production has been growing, as well as exports. The performance in each segment is discussed in following sections.

Abundant availability of Raw Materials

Cotton

Cotton is the predominant fabric used in the Indian textile industry – nearly 60 per cent of the overall consumption in textiles and more than 75 per cent production in spinning mills is cotton. India is among the world's largest producers of cotton with nearly 9 million hectares under cultivation and an annual crop of around 3 million tonnes. In the year 2004-04, India produced nearly 17.7 million bales of cotton.

Wool

India's wool industry is primarily located in the northern states of Punjab, Haryana, and Rajasthan. These three states alone account for more than 75 per cent of the production capacity, with both licensed and decentralised players. There are more than 700 registered units in the sector and more than 7000 powerlooms and other unorganised units. The woollen industry provides employment to approximately 1.2 million people.

India's raw wool production in 2003-2004 was over 50 million kg. The large players in the sector have made significant inroads into the world market, as a result of supply tie-ups and joint ventures with important brands in EU and other developed countries.

Silk

India is the second largest producer of silk in the world, contributing about 18 per cent to global production. The value of silk fabrics produced in India in 2002-2003 was over US$ 1.78 billion. India also exported over US$ 190 million of silk goods and over US$ 357 million of silk yarn, fabrics and made-ups. Growing demand for traditional silk fabrics and exports of handloom products have spurred growth in silk demand.

Jute

Jute industry occupies an important place in India's economy, being one of the major industries in the eastern region, particularly in West Bengal. It supports nearly 4 million farming families, besides providing direct employment to 260,000 industrial workers and livelihood to another 140,000 people in the tertiary sector and allied activities. Nearly 1 million hectares of land is under jute cultivation.

Handloom

The handloom sector is based on Indian traditional crafts. It employs nearly 7.5 million people and contributes 13 per cent to cloth production. Handlooms receive preferential policy treatment as they are highly labour intensive and viewed as a source of employment and supplementary income for 6-7 million people in over 3 million weaver households.

Strong growth in domestic production and exports

India's production in the textiles sector has been growing across different areas in the value chain, resulting in increased output of yarn and fabric. In the year 2003-04, production of yarn amounted to 2.12 billion kg of cotton yarn, 1.12 billion kg of man-made filament yarn and 931 million kg of other spun yarn. In the same year, fabric production was 18.04 billion square metres of cotton fabric, 18.28 billion square metres of non-cotton fabric and 6.07 billion square metres of blended fabric.

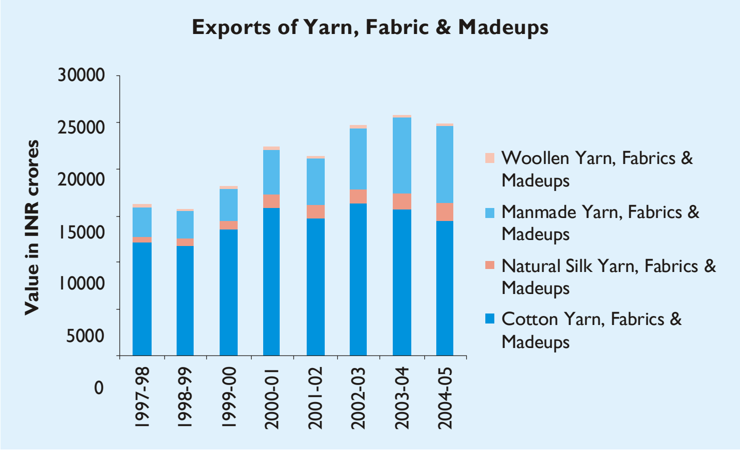
Each industry segment has been witnessing growth:

Spinning: Yarn production has been growing at a compounded annual growth rate of 4.5 per cent a year, from 1990 to 2004. While man-made and blended yarns grew at annual rates of 8.6 per cent and 9.1 per cent respectively, production of cotton yarn grew at a lower rate of 3.2 per cent per year.

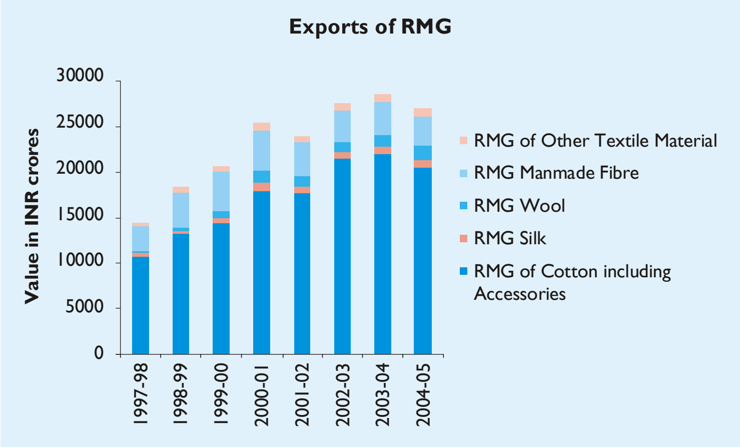
Weaving and knitting: Fabric output has been growing at 5.5 per cent a year between 1990 and 2003, driven primarily by the small scale, independent powerloom sector.

Exports

Exports of textiles and clothing from India have also been growing strongly over the last 10-15 years. Since 1992, Indian



Source:http://texmin.nic.in/ermiudel/exports.pdf

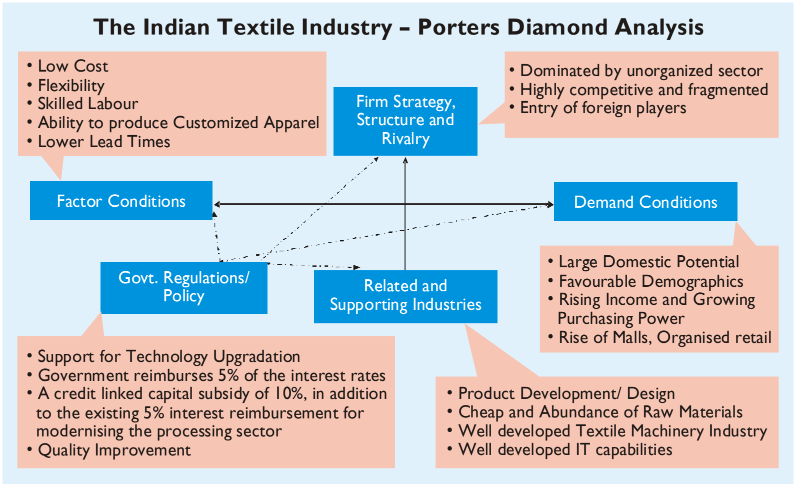


Source:http://texmin.nic.in/ermiudel/exports.pdf textile and clothing exports have grown 7.7 per cent annually, reaching US$ 13.4 billion in 2002 and accounting for 4 per cent of global trade in this sector. In 2002, India was the fifth-largest global exporter and the second largest net exporter of textiles and clothing. Cotton based products dominate the bulk of exports.

The dominant markets for India's textile and apparel exports are the US and EU, which together accounted for nearly 83 per cent of exports in 2003. Exports to US have further increased after the Multi Fibre Agreement (MFA) ceased - analysis of trade figures as made available by the US Census Bureau shows that post MFA imports from India into US have been nearly 27 per cent higher than the corresponding period last year.

With a consistent growth of nearly 5 per cent in the domestic market and the opening up of exports options post MFA, India's textile industry is poised to grow further and take up a more significant position in the domestic and global markets. The industry's growth is aided by several key strengths. .

India enjoys significant comparative advantages in the textiles sector



Source : KPMG Analysis

India's strong performance and growth in the textiles sector is aided by several key advantages that the country enjoys, in terms of easy availability of labour and material, buoyant and large market demand, presence of supporting industries and supporting policy initiatives from the government.

These advantages can be exhibited within the framework given in the figure below, and are further discussed in the subsequent sections.

Favourable factor conditions

Favourable factor conditions give India a strong comparative advantage over other competing countries in the textile industry. Specifically, India has the following strengths:

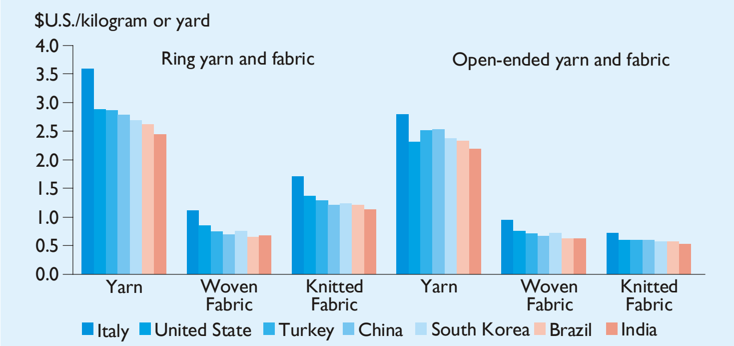
- Ample low priced supply of domestically produced cotton - this is a significant advantage that is currently not matched by other key countries with competitive labour costs, including China and Brazil. India not only has the largest acreage under cotton cultivation, but also produces nearly twentythree varieties of cotton. This diversity makes India capable of catering to various segments in the world trade. Further, this inherent strength in raw material availability prevents any supply side shocks.
- Predominance of small-scale units with skilled workmen – provides increased flexibility in production.
- Availability of low cost skilled labour - provides a significant advantage for the textile industry in India in terms of increased productivity at lower costs

These strengths offer significant advantages for the industry which are discussed below.

Low costs

India has significantly lower raw material costs, wastage costs and labour costs when compared to other countries.

International cost comparisons for production of ring yarn, fabric, and open-ended yarn and fabric, 2003



Source : International Textile Manufacturing Federation.

A recent study estimated India's labour costs (total employment cost for labour across industries) to be amongst the lowest (2.024 Euro) in the world, a sixth of even China's (13.88 Euro).

Manufacturing flexibility

The fragmented industry structure and small average scale of operation in India's textile industry has created the capability for enhanced flexibility in production. Indian firms are used to handling small-runs, and have skilled manpower with the ability and willingness to work on complex designs. Therefore India has the ability to produce not only large orders but also smaller and complex orders.

In contrast, the textile industry in other countries like China are more industrialised, and production lines are mostly geared to handle relatively simple designs that can be easily broken down and mass-produced.

The flexibility offered by India's textile industry can be a significant advantage for the fashion industry, which typically demands small lots of complex designs. India also offers flexibility in its ability to handle different materials such as cotton, wool, silk and jute, with equal skill.

These advantages also enable the Indian industry to produce high value customised apparel that is increasingly finding demand in several exports markets.

Lower lead times

India is one of the few developing countries today with a fully developed textile value chain extending from fibre to fabric to garment exports. The presence of capabilities across the entire value chain within the country is an advantage as it reduces the lead time for production and cuts down the intermediate shipping time.

Indian textile firms have leveraged this advantage to integrate their operations, either forward or backward. For example, Arvind Mills, the largest producer of blends and denim in the country and the third largest denim producer globally, supplies fabric to virtually every major clothing brand in the world, such as Levi's, Gap, Dockers and so on. Three years ago it integrated forward into garment manufacturing (jeans and T-shirts), investing more than $30 million in ten new factories.

Favourable demand conditions – large, growing domestic market

Demographic trends in India are changing, with increase in disposable income levels, consumer awareness and propensity to spend. According to NCAER data, the Consuming Class, with an annual income of US$ 980 or above, is growing and is expected to constitute over 80 per cent of the population by 2009-10. There is a change in the consumer mindset that has led to a trend of increased consumption on personal care and lifestyle products as well as branded products. These trends offer great growth opportunities for companies across various sectors, including textiles.

Supporting the increasing demand for consumption is the revolution taking place in India's retail sector. Organised retail is playing a key role in structuring the Indian domestic market, reinforced by the rapid rise of supermarkets, malls, theme stores and franchises across urban India.

India thus presents a large and vibrant market for textiles and apparels, with a potential for sustained growth.

Strong presence of related and supporting industries

India's textile industry is supported by well established supporting industries and institutions that provide inputs and expertise to the industry in terms of design, engineering and machinery.

Product development/ design

India has built adequate infrastructure throughout the various stages in textile development, that is,design, sourcing, merchandising and production. Apart from institutes such as NIFT (National Institute of Fashion Technology) and Apparel Training Institutes, there are several colleges, including the Indian Institutes of Technology and National Institutes of Technology that offer courses in Textile Engineering. Thus, India has the infrastructure in place to produce qualified and skilled manpower in areas of textile design and engineering

Indian firms have leveraged this strength to develop a competitive advantage – the ability to contribute to the design, not only in preparing samples and prototypes, but also in translating concepts into varieties of finished designs, as well as introducing designs of their own. Several Indian firms have their own design departments and in the last five years have begun to work closely with overseas designers and/or agents. High value, up-market specialty buyers such as Gap, Banana Republic and J. Crew value such expertise and have been leveraging this while buying from India.

Textile machinery

The Indian textile engineering industry, which began as an offshoot of the textile industry, is today reckoned as the largest segment in the country. Indian textile machinery manufacturers are able to produce at competitive prices sophisticated machines of higher speed and production capability.

The textile industry also gets significant support from the well developed IT capabilities of Indian firms.

Industry competition – promotes innovation

Despite a large and growing market, the presence of a large number of small scale players makes the Indian textile Industry highly competitive. A number of MNCs have also entered India in different areas. The high level of competition in the industry impels the firms to work to increase in productivity and innovation. India today is one of the lowest cost manufacturers of quality textiles, not only due to its inherent strengths, but also because industry rivalry has prompted firms to focus on quality improvement, cost reduction and productivity increase.

Government Regulations and Support

The textile industry, being one of the most significant sectors in the Indian economy, has been a key focus area for the Government of India. A number of policies have been put in place to make the industry more competitive.

The Technology Upgradation Fund Scheme (TUFS)

Recognising that technology is the key to being competitive in the global market, the Government of India established the Technology Upgradation Fund Scheme (TUFS) to enable firms to access low-interest loans for technology upgradation. Under this scheme, the government reimburses 5 per cent of the interest rates charged by the banks and financial institutions, thereby ensuring credit availability for upgradation of the technology at global rates. In the last one-year projects worth US$ 1.5 billion were sanctioned, logging a growth of 168 per cent over 2003-04.

Modernisation

In the Union Budget 2005-06, the Government of India announced a credit linked capital support of 10 per cent, in addition to the existing 5 per cent interest reimbursement for modernising the processing sector. This measure has been widely acclaimed by the industry and trade circles and is expected to bring at least, US$ 330 million to US$ 440 million investment in two years.

The government also provides 20 per cent capital subsidy for procurement of modern machinery in the powerloom sector.

Quality improvement

The Textile Commission, under the Ministry of Textiles, facilitates firms in the industry to improve their quality levels and also get recognised quality certifications. Out of 250 textile companies that have been taken up by the Commission, 136 are certified ISO 9001. The other two certifications that have been targeted by the Textile Commission are ISO 14000 Environmental Management Standards and SA 8000 Code of Conduct Management Standards.

Textile Policy

Foreign investments

Foreign investment and market presence was not very high in India's textile and apparel sector. With liberalisation in investment and the subsequent the removal of quantitative restrictions on several textile products, the Indian market now has the presence of several international brands. However, the presence is more in the nature of brand licensing with Indian players rather than direct investment. U.S. brands have a larger presence in the market than others. According to official data from the Secretariat of Industrial Assistance (SIA), the total foreign investment approved in the sector since 1991 is in the region of US $80 million, of which E.U. investment is estimated to be US$ 16.5 million a little over 20 per cent of total approvals, from 46 applications. The largest number of approvals was of investments from UK (16) and Italy (14), together representing more than 75 per cent of the cases and 86 per cent of the value approved. A few companies have also set up export-oriented manufacturing facilities in India. Notable names include La Perla, and Brinton, a leading carpet manufacturer from the U.K. Besides investment, brand licensing and marketing joint ventures have been on the rise in the 1990s, with some of the world's most popular apparel brands entering the Indian market. Some of the highly visible names include: Levi's, Lee, Wrangler, Benetton, Pepe, Reid and Taylor, Zegna, Arrow, Louis Philippe, Van Heusen, Lacoste, and Ralph Lauren.

A new trend in recent years has been the arrival in India of expatriate and western designers (from France, Italy, UK) who are beginning to form joint ventures with Indian designers to cater to the domestic and export markets. Italian companies are investing in capacity expansion and striking manufacturing, distribution and franchising deals with India Inc. Carrera is to invest US$ 252.7 million in textile projects in India. Much of the US$ 275.7 milion FDI inflows from Italy in '04 came during the second-half. The last few months have seen hordes of Italian brands like Lotto and Paneria watches, signing brand franchising deals with Indian players. Many more such deals have taken place in leather, fashion and accessories' space.

FDI policy

FDI in the apparel and textile industry has been recently opened up, as liberalisation has gathered steam. Manufacturing is a thrust area for the government, as Indian industry and the government see foreign companies more as partners in building domestic manufacturing capabilities rather than a threat to Indian businesses. Following this through, the Central Government as well as various states are executing schemes such as integrated textile and apparel parks. Although direct investment in retail remains closed to FDI as of now, companies have found alternative structures through which they can approach Indian consumers (examples include Levi Strauss, Marks & Spencer, Royal Sporting House, Adidas, Nike and Reebok in fashion products). There is certainly a broader opportunity to "grow the market from inside" as companies can freely set up fully-owned sourcing (liaison) offices, as well as marketing operations.

The number of FDI approved between 1991 and 2004 was 641 which amounts to over US$ 1.02 billion. Now, foreign investors can invest up to 100 per cent through the Foreign Investment Promotion Board (FIPB).

The Foreign Direct Investment (FDI) limit of 24 per cent is removed and the foreign investors will be able to invest up to 100 per cent through Foreign Investment Promotion Board (FIPB). The obligation of the firms with foreign investment to export 50 per cent of the production is also removed.

Recent Fiscal Duty reforms

Far-reaching decisions have been taken to remove the discriminatory excise duty structure, which placed the organised industry at a disadvantaged position and throttled investment in modern mills.

- In the Union Budget 2004-05, the duty structure of textiles was completely revised. The excise duty for textiles was made optional with mandatory duty only on man-made fibres / yarns.
- Except for mandatory duty on man-made fibres / yarns, all other textile goods were fully exempt from excise duty.
- For those opting to pay the duty and thereby avail of duty credit, the duty was reduced to a nominal rate of 4 per cent for cotton textile items (i.e., yarns, fabrics, garments and made-ups) and 8 per cent for other textile items including yarn, fabrics, garments, and made-ups.
- Additional Excise Duty was abolished; Customs duty on a number of textile items was also reduced.

The impact of fiscal duty reforms

a) The Inspector Raj ended in one stroke.

b) The decentralised sector – powerloom, handloom as well as small garmenting units relieved of problems of maintaining excise records and complying with excise procedures.

c) Reduction in the cost of production.

d) Multiplicity of taxes has been done away with.

e) Investment has started flowing in the textile sector for capacity addition and modernization / technology upgradation. The CRISIL (commissioned by ICMF) estimates that fresh investment of US$ 31 billion is expected to flow into the sector.

f) Industry is geared up for facing post-quota challenges.

g) Creation of additional employment opportunities expected in future.

h) Reduction in prices has enhanced the competitiveness of the industry to compete with confidence in the domestic as well as international market.

Key Domestic & Foreign Players

Conclusion

India's textile industry is an attractive sector that is poised for higher growth. The industry enjoys significant advantages, aided by India's key strengths in availability of raw materials, labour, domestic market and supportive government policies. While the domestic market has been growing consistently and offers attractive growth potential, exports are poised for a quantum increase after the removal of quotas under MFA.

The industry is also undergoing transformation, determined by a few key trends. While the structure is predominantly of small scale, unorganised player;, de-reservation and the removal of quotas has led to the growth of vertically-integrated, large-scale units as well. India thus has the potential to be a significant player not only in complex, customised designs, but also in low cost mass production. Mass customisation may well be a key differentiator for the industry in future.

Arvind Mills Ltd.

Arvind Mills Limited is the flagship company of the US$550 million Lalbhai Group. It is engaged in the production of the widest range of textiles. It is the world's largest exporter of denim and Asia's largest denim producer. Ranking among the top denim manufactures of the world, 120 million metres of denim roll out every year from Arvind plants and is stitched into leading international denim brands in more than 70 countries. The company is also in the garment and mens' shirting business under the brand names of 'Newport', 'Flying Machines', 'Lee', 'Arrow'. Besides textiles, the company also has EPBAX unit.

US$ million	2005	2004
Revenue	451	367
Net Profit/Loss	26	20

Raymond Ltd.

Incorporated in 1925, the Raymond Group is a US$ 300 million plus conglomerate having businesses in textiles, readymade garments, engineering files & tools, prophylactics and toiletries. The group is the leader in textiles, apparel, files and tools in India and enjoys a pronounced position in the international market. Raymond Textile produces pure wool, wool blended and polyester viscose fabrics and blankets along with furnishing fabrics. The d enim division produces high quality ring denims. Raymond believes in excellence, quality and leadership.

US$ million	2005	2004
Revenue	350	322
Net Profit/Loss	20	30

Alok Industries

Established in 1986 as a private limited company, Alok Textiles began as fabric traders and suppliers to the garment industry. Beginning with texturising of yarn, the company steadily expanded into weaving, knitting, processing, home textiles and readymade garments. In 1993, it became a public limited company. In less than two decades, it has grown to become a diversified manufacturer of world-class apparel fabrics selling directly to garment manufacturers and exporters.

US$ million	2005	2004
Revenue	314	245
Net Profit/Loss	20	15

Vardhman Spinning & General Mills Ltd.

The Vardhman Group, established in 1965, under the entrepreneurship of Late Lala Rattan Chand Oswal has today blossomed into one of the largest textile business houses in India. At its inception, Vardhman had an installed capacity of 14,000 spindles. Today its capacity has increased multifold to over 550,000 spindles. Today Vardhman Threads is the second largest producer of sewing thread in India. The grey fabric weaving unit at Baddi (HP), commissioned in 1990 with a capacity of 20,000 metres per day, has already made its mark as a quality producer of grey poplin/sheeting/shirting in the domestic as well as foreign market. This was followed by entry into fabric processing by setting up Auro Textiles at Baddi, which currently has a processing capacity of 100 thousand metres/day.

US$ million	2004
Revenue	138
Net Profit/Loss	7

Indian Rayon

Indian Rayon (IRIL) is Aditya Birla group's most diversified conglomerate. It is the second largest producer of viscose filament yarn in India. It is also the largest branded apparel company in India. It is a diversified company and operates a wide range of businesses. Its focus areas are viscose filament yarn, carbon black, branded apparels, textiles and insulators. It has also made forays into insurance, software and business process outsourcing (BPO).

US$ million	2005	2004
Revenue	746	561
Net Profit/Loss	13	7

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Century Textiles

Century Textiles & Industries was incorporated in 1897.
Till 1951, it had only one industrial unit—Cotton Textile Mills. It has Asia's largest composite 100 per cent cotton textile mill. Century has diversified into other businesses as well. At present, Century is not only the trend setter

in cotton textiles, but also a presence in yarn, denim, viscose filament rayon yarn, tyrecords, caustic soda, sulfuric acid, salt, cement and pulp & paper.

US$ million	2005	2004
Revenue	663	592
Net Profit/Loss	24	16.6

Welspun India

Beginning with a small texturising unit in 1985, the group has significantly expanded and diversified its business. It now has interests in terry towels, LSAW pipes, pipe coating, cotton yarns, PFY, bathrobes and buttons. The group has ties with 12 out of top 20 retailers in the world namely Wal-Mart, K-Mart, JC Penny and Target to name a few. LSAW pipe clientele includes names such as Shell, Gazprom, ExxonMobil, etc.

US$ million	2005	2004
Revenue	112	83.5
Net Profit/Loss	4.3	6.4

Himatsingka Seide Ltd.

The company commenced its operations on 15 February 1985.
It was promoted by. It manufactures natural silk fabrics under a 100 per cent export oriented unit scheme. The company undertook to set up a composite silk mill with an annual capacity of 7,50,000 square metres for producing natural silk fabrics.

It produces a wide range of regular and fancy 100 per cent silk and silk blended yarns. Its weaving division - Himatsingka Seide, offers yarn dyed decorative, bridal and fashion fabrics. The entire operation of winding, doubling, twisting, dyeing, weaving and finishing is integrated under one roof.

US$ million	2005	2004
Revenue	32	30.8
Net Profit/Loss	10.3	11

Bombay Dyeing

Bombay Dyeing is one of India's largest producers of textiles. The company is one of the largest and oldest textile companies in the country. It manufactures cotton and blended textiles. Product mix comprises suitings, shirtings, sarees, towels and bed linen. It manufactures 'Vivaldi' brand of mens' clothing. It is also a manufacturer of DMT. The company was formed on 23 August 1879 by Nowrosjee Wadia, a dye works near Mahim. This was the mill, which first started dyeing of yarn in India. Textile Mfg. Co. Ltd. was set up in 1895. Nowrosjee Wadia & Sons become the managing agents in 1898.

US$ million	2005	2004
Revenue	261	218
Net Profit/Loss	6	11.6

CONTACT FOR INFORMATION

Information on the market and opportunities for investment in the textiles sector in India can be obtained from the Confederation of Indian Industry (CII), which works with the objective of creating a symbiotic interface between industry, government and domestic and international investors.

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