



Industry Report on Readymade Garments with focus on Kidwear in India

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Prepared for
Purple United Sales Limited

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India Macroeconomic Analysis

GDP Growth Scenario

India's economy showed resilience with GDP growing at estimated 7.6% in FY 2024. The GDP growth in FY 2024 represents a return to pre pandemic era growth path. Even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (2023)	Projected GDP Growth 2024
India	7.8%	6.8%
China	5.2%	4.6%
Russia	3.6%	3.2%
Brazil	2.9%	2.2%
United States	2.5%	2.7%
Japan	1.9%	0.9%
Canada	1.1%	1.2%
Italy	0.9%	0.7%
France	0.7% ¹	0.7%
South Africa	0.6%	0.9%
United Kingdom	0.1%	0.5%
Germany	-0.3%	0.2%

Source: The International Monetary Fund

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

Countries have been arranged in descending order of GDP growth in 2023).

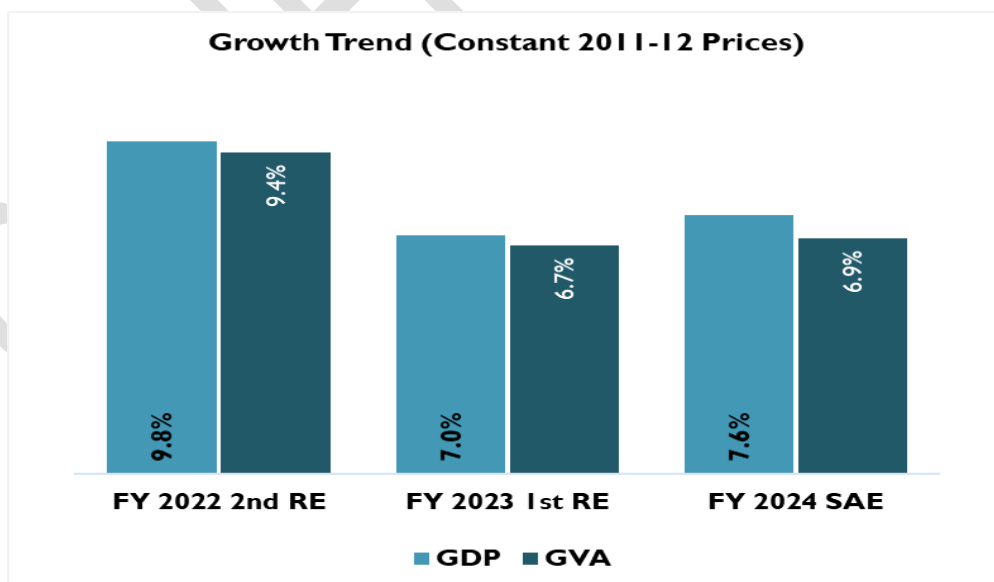
There are few factors aiding India's economic recovery – notably its resilience to external shocks and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

¹ European Commission

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion in the Union Budget 2023-2024. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. The improvement was accentuated further as the Interim Budget 2024-2025 announced an 11.1% increase in the capital expenditure outlay at Rs 11.1 trillion, constituting 3.4% of the GDP. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

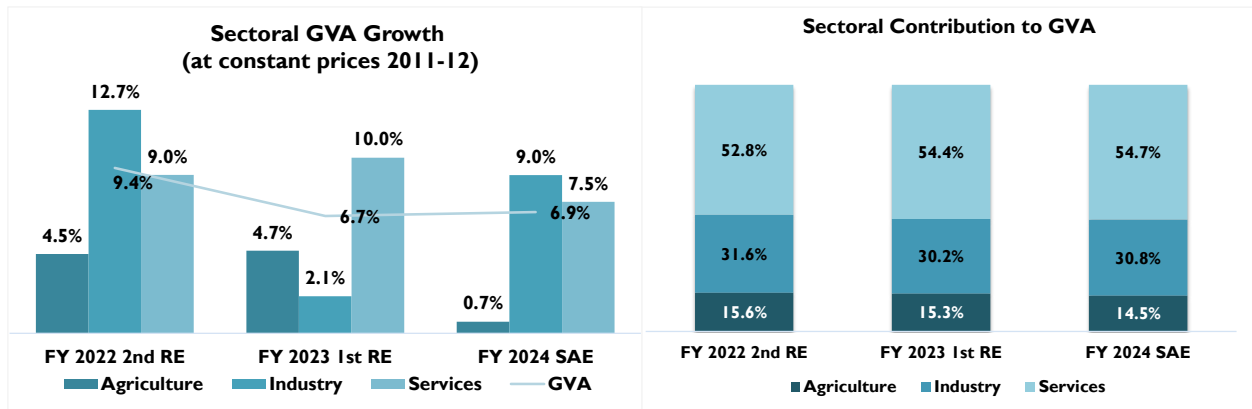
On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans. Banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to micro, small and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the financial year FY 2023 grew by 12.3% to Rs 22.6 trillion compared to FY 2022. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

As per the second advance estimates 2023-24, India's GDP in FY 2024 grew by 7.6% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24
RE stands for Revised Estimates, SAE stands for Second Advance Estimates

Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

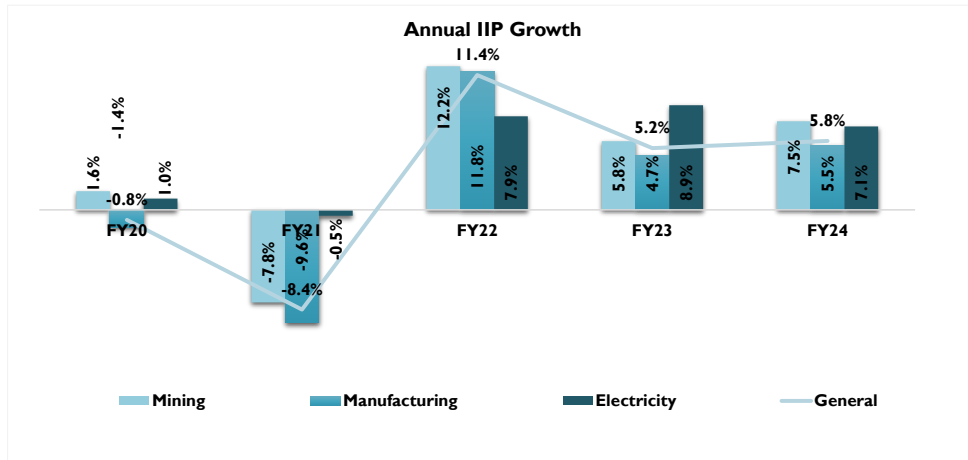
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector rose significantly and it registered a growth of 8.1%, 8.5% and 10.7% in FY 2024 against a growth of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against a 10% in the previous years.

Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen and grow by 10% in FY 2023 against 9% in the previous year. However, second advance estimates for FY 2024 reveal a decelerated growth in the largest component of the GDP, i.e., the service sector. In FY 2024, the sector registered a growth of 7.5%, as compared to the 10% growth recorded in FY 2023. This slowdown is primarily attributed to a pronounced deceleration in the Trade, Hotel, Transport, Communication, and Broadcasting services. The growth rate in this subsector nearly halved, decreasing from 12% in FY 2023 to 6.5% in FY 2024. This slowdown is influenced by the normalization of the base effect and potentially some dilution in discretionary demand. Financial services, real estate and professional services sector recorded 8.21% y-o-y growth against 9.05% y-o-y growth in the previous year, while public administration and defence services sector recorded 7.75% yearly increase against 8.92% increase in the previous year.

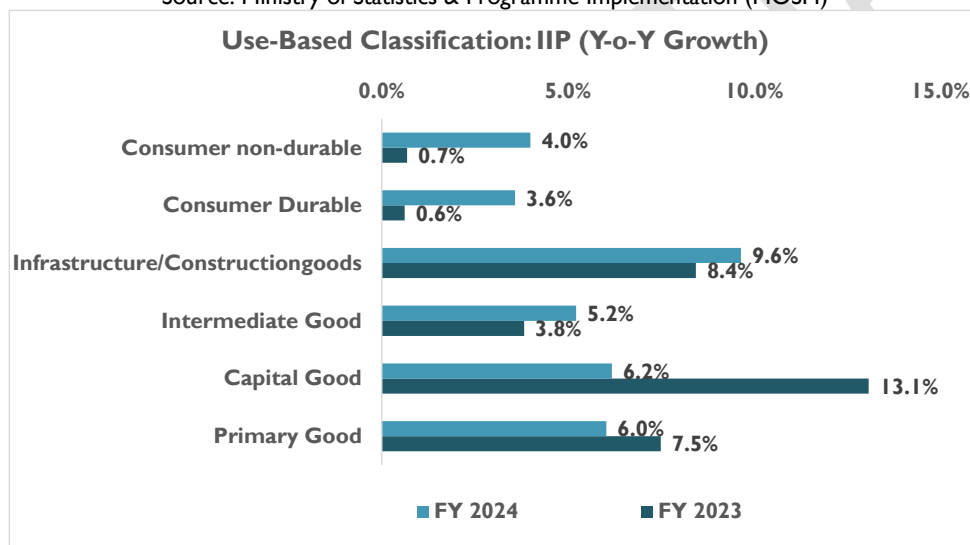
Index of Industrial Production

Industrial sector performance as measured by IIP index exhibited mild improvement in FY 2024 by growing at 5.8% (against 5.2% in FY 2023). Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% in FY 2023 while mining sector index too grew exhibited healthy

improvement by growing at 7.5% against 5.8% in the previous years. Electricity sector Index witnessed improvement of 7.15% against 8.9% y-o-y growth in FY 2023.



Source: Ministry of Statistics & Programme Implementation (MOSPI)



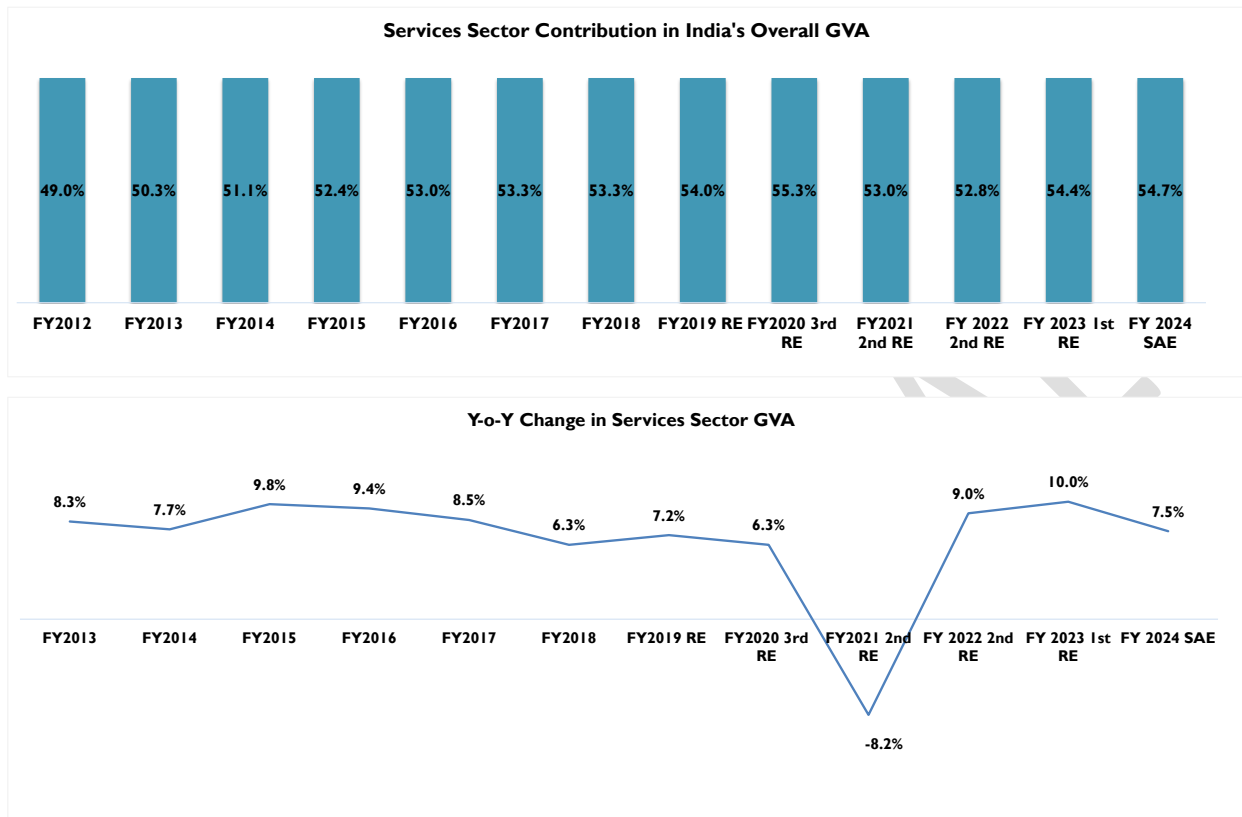
Sources: MOSPI

As per the use-based classification, excluding capital good and primary good, other segment observed healthy y-o-y growth against the previous year. Infrastructure / construction goods followed by intermediate goods were the bright spot while consumer non-durable and consumer durable both observed sharp growth over the previous year. However, the mild growth in IIP indicates towards challenging operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance.

Expansion in Service Sector

Services sector is a major contributor to the country’s overall economic growth. Since 2012, its contribution to India’s GVA has increased from 49% to nearly 55% currently (in FY 2024) as per Second Advance estimates. While excluding 8.2% decline in FY 2021, the services sector GVA has observed average 8.2% growth between growth between FY 2013-24 and it has exhibited robust 8.8% average increase in the post pandemic period (FY 2022-24). The expansion of the service sector has

spurred the development of multiple industries, including IT, healthcare, tourism, transport, and finance, among others.

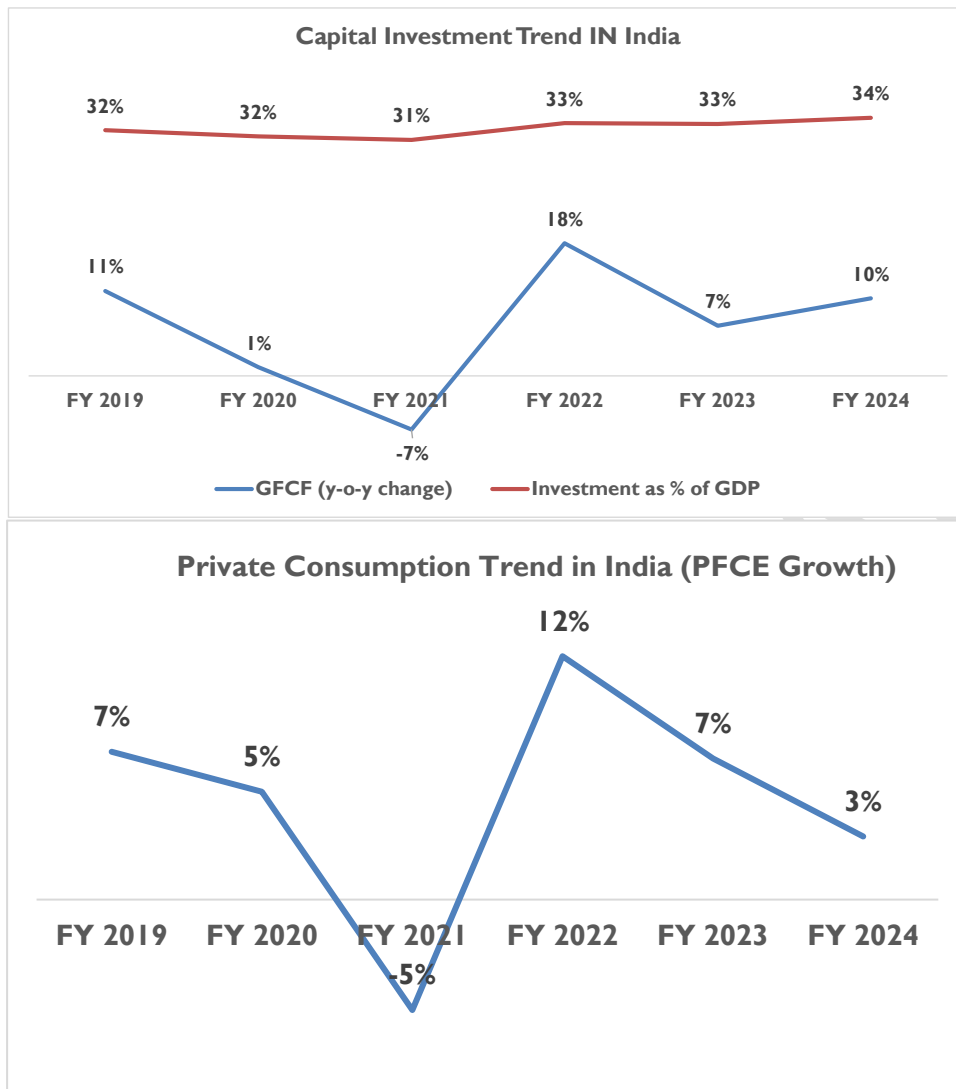


Source: Ministry of Statistics & Programme Implementation (MOSPI)

India's HSBC Services Purchasing Managers' Index, an important indicator to track service sector performance, increased to 61.4 in May 2024 from 60.8 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it grew by 10% on y-o-y basis against 7% yearly growth in the previous fiscal, while GFCF to GDP ratio measured all time high settled higher at 34%.

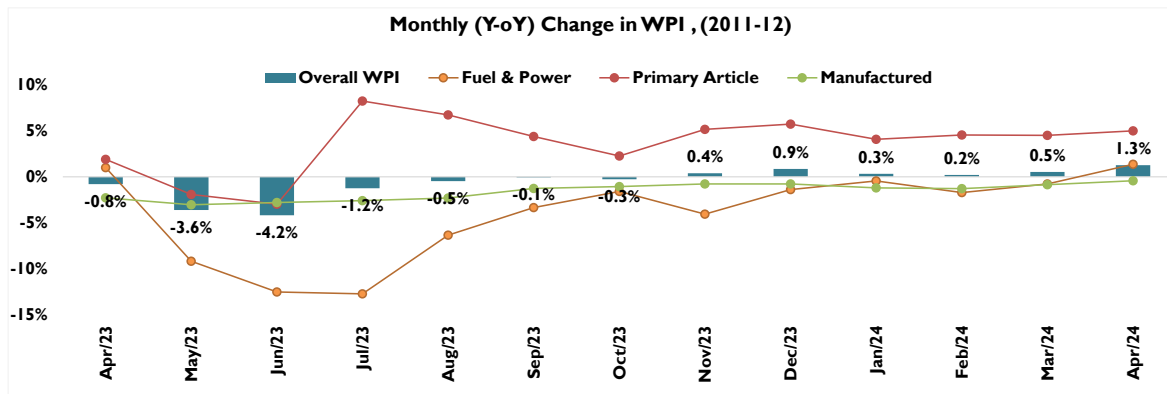


Sources: MOSPI

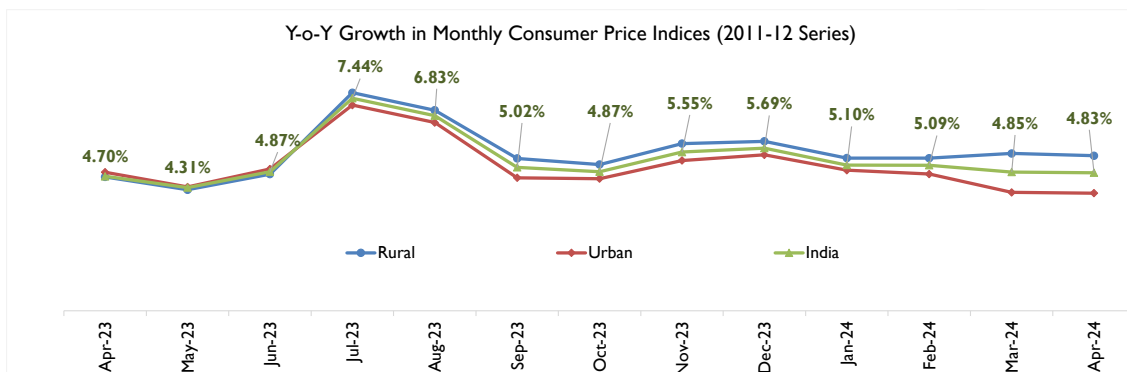
Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 3.1% y-o-y growth in FY 2024 which is less than half of the previous year indicating sustained weakness in consumer spending.

Inflation Scenario

The inflation rate based on Wholesale Price Index (WPI) exhibited rose to 1.3% in the month of April 2024 on the back of steady growth in the prices of primary article which grew by 5% in April 2024 on y-o-y bases. Increasing prices of food articles and energy prices contributed to increasing inflation.



Source: MOSPI, Office of Economic Advisor.

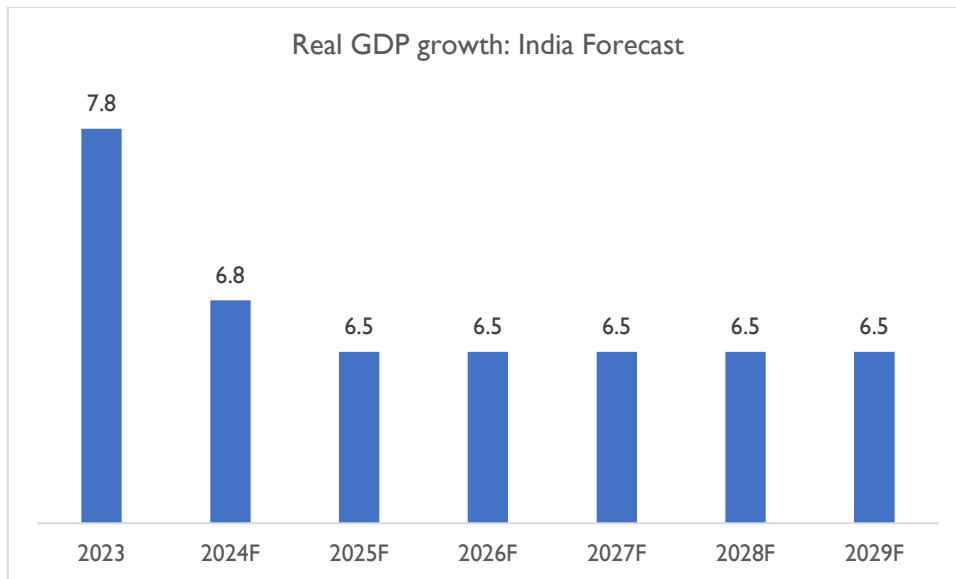


Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) eased to 4.83% in April 2024 as compared to 4.85% in March 2024. The CPI inflation for rural and urban for the month of April 2024 was 5.43% and 4.11% against 5.51% and 4.14% respectively in March 2024. Retail inflation moderated during FY 2024 after the peak of 7.4% in July 2023 and it fluctuated between 4.85%-6.83%. CPI measured below 6% tolerance limit of the central bank since September 2023. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

India's Economic Growth Outlook

Looking ahead to 2024, India's projected GDP growth of 6.8% in 2024 stands out as the fastest among major emerging markets, significantly outpacing China's 4.6% and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2029, reflecting strong economic fundamentals and continued momentum.



Source: IMF

This decent growth momentum in near term (2024) is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilisation and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1st Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY24 and setting a lower-than expected fiscal deficit target for FY25, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY24 and projecting a lower than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at

3.4% of GDP (INR 11.1 trillion/USD 134 bn) for 2024/25 – is at a 21-year high (3.3% of GDP in 2023/24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and reduce logistics costs.

However, headwinds to external demand emanate from recession in key exporting partners - the UK and Germany (which collectively account for over 5% of India's export portfolio) - and the spiralling effect it will have on other European countries. Supply disruptions posed by the conflict in the Red Sea, leading to rerouting of shipments through Africa, are impacting sectors exposed to exports to Europe, running on thin margins, especially small businesses. Although headline inflation moderated to 5.1% in January 2024, a three-month low, volatility in crude prices and uncertainties about food inflation are likely to keep the central bank cautious in the near term.

India's optimistic economic outlook is underpinned by its demographic dividend, which brings a substantial workforce that boosts labor participation and productivity. The burgeoning middle class and urbanization contribute to increased domestic consumption, driven by rising incomes and purchasing power. Extensive investments in infrastructure, encompassing roads, railways, ports, and digital connectivity, are enhancing productivity and efficiency, with government initiatives like the Smart Cities Mission and PM Gati Shakti creating a conducive growth environment. This digital transformation, catalyzed by initiatives such as Digital India, is fostering a tech-driven economy marked by enhanced internet penetration, digital payments, and e-governance, thereby fueling growth in sectors like fintech, e-commerce, and digital services. The push to position India as a global manufacturing hub through Make in India and PLI schemes is further boosting industrial output, exports, and domestic production capabilities. Compared to other major emerging markets facing demographic and economic challenges, India's combination of demographic strengths, policy reforms, and strategic initiatives positions it as a standout performer and a significant driver of global economic growth in the foreseeable future.

Overview of Textile & Apparel Industry

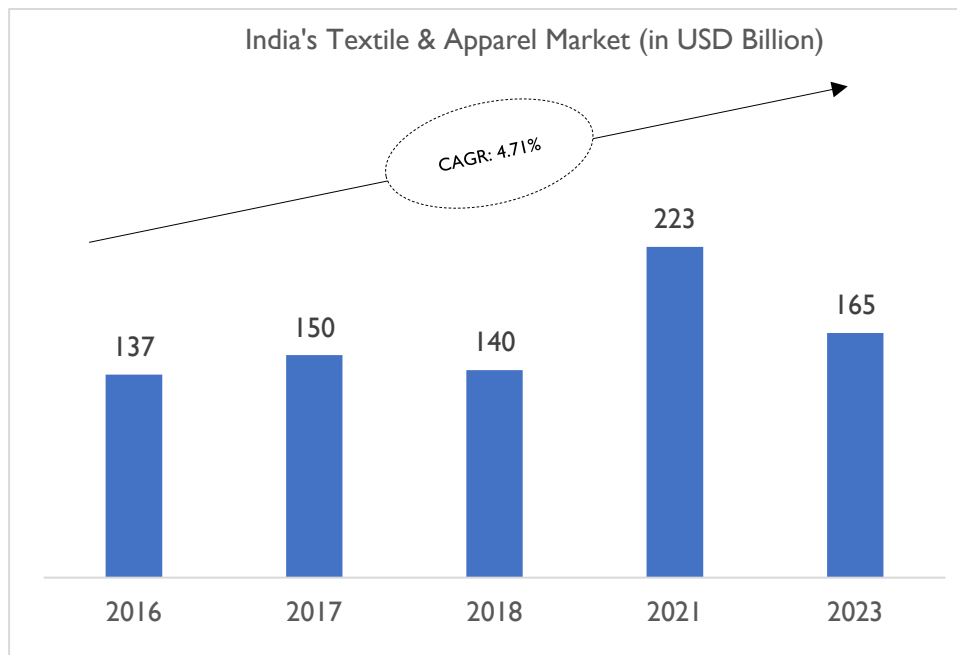
The textile and apparel market in India is one of the oldest industries in the country, with a rich heritage that spans centuries. Overall, the industry contributes around 2% to the country's GDP and accounts for 7% of industrial output in value terms. With a 4% share of the global textile and apparel trade, the sector is vital for India's export economy, making up 10.33% of the country's overall export basket during 2021-22. This sector is broadly divided into several segments including fibre and yarn, processed fabrics, garments, and technical textiles. The garment sector is divided into ready-made garments and customized tailoring.

However, the industry is facing a significant downturn, exacerbated by sluggish domestic market conditions. Manufacturers are seeing lower-than-expected sales as consumer spending increasingly favors food items, consumer electronics like mobiles and iPads, and vehicles over garments. This shift in consumer preferences is particularly challenging for overall garment market.

The spinning sector is struggling with high under-utilization due to reduced yarn imports from China and sluggish buying from weavers and knitters. The combined effect of reduced exports and lacklustre local consumption has compounded the industry's challenges. In response, initiatives such as the Production Linked Incentive (PLI) and PM Mitra schemes aim to attract investments in man-made fibres and technical textiles, to reduce import dependence over time.

Despite these setbacks, segments like the athleisure and sportswear market, have shown robust growth, doubling sales over the past two years. Additionally, the kid's wear segment has benefited from the increasing demand driven by the growing child population. However, the reliance on imported man-made fibres, particularly spandex fabrics from China, Vietnam, and Taiwan, continues to pose challenges.

Textile mills are also experiencing margin pressures, even as cotton prices stabilize around a two-year low. Adding to these difficulties, the industry is grappling with a significant rise in freight costs, up by 40% due to disruptions in the Red Sea region. This unexpected increase in transportation expenses raises concerns about its impact on operational costs and product pricing, particularly for the cost-sensitive ready-made garment market.



Source: IBEF report, D&B estimates

The Indian textile and apparel market size was estimated to be approximately USD 165 billion in 2023, with the domestic market accounting for USD 125 billion and exports contributing USD 40 billion. This growth is driven by increasing domestic demand, favourable government policies, and the rising preference for sustainable and ethically produced textiles, positioning India as a key player in the global textile industry.

Readymade Garment Industry in India

The ready-made garment (RMG) industry in India is a vital sector that significantly contributes to the country's economy. India is one of the largest consumers and producers of cotton, with the highest acreage of 12.5 million hectares, accounting for 38% of the global area under cotton cultivation. A substantial portion of its textile production is dedicated to the RMG sector. Key manufacturing states such as Andhra Pradesh, Telangana, Haryana, Jharkhand, and Gujarat play a pivotal role in this sector. Manufacturers focus on innovative designs, high-quality fabrics, and affordability to cater to evolving consumer preferences, including the rapidly growing kid's wear market.

India is a major player in the global textile and apparel market, being the second-largest producer of man-made fibre (MMF) after China and the third-largest exporter of textiles and apparel. In 2021-22, textiles and apparel, including handicrafts, accounted for 10.5% of India's total merchandise exports, with key markets in the USA, EU-27, and the UK. The RMG industry is a significant contributor to this success, and within this industry, the kid's wear segment is driven by rising disposable incomes, a growing child population, and increasing urbanization. Despite some fluctuations due to broader

market factors, the kid's wear market continues to expand and evolve, reflecting the dynamic nature of India's textile and apparel industry.

Key product segments

The Indian readymade garment industry is a significant segment within the broader textile and apparel market. It encompasses a wide variety of products catering to diverse consumer needs both domestically and internationally. This report outlines the key product segments in the Indian readymade garment industry, highlighting their characteristics, market dynamics, and contributions to the economy

Product Segment	Overview
Men's Wear	<p>The men's wear segment is a major component of the readymade garment industry, catering to various categories including formal wear, casual wear, ethnic wear, and sportswear. This segment includes <i>shirts, trousers, suits, blazers, t-shirts, jeans, shorts, and traditional attire such as kurta-pajamas and sherwanis</i>. The demand for men's wear is driven by a growing urban population, increasing disposable income, and evolving fashion trends. Formal wear and casual wear dominate the market, with a rising preference for branded apparel. Men's wear is a substantial contributor to the overall market size and plays a crucial role in driving sales in retail and export markets.</p>
Women's Wear	<p>Women's wear is a vibrant and dynamic segment, characterized by its wide range of products and significant contribution to the industry. This segment includes <i>sarees, salwar kameez, lehengas, kurtis, tops, dresses, skirts, jeans, and activewear, etc.</i> The women's wear market is influenced by cultural diversity, changing fashion trends, and increasing participation of women in the workforce. Ethnic wear remains a strong segment, while Western wear is gaining popularity. Women's wear is one of the largest segments in the readymade garment industry, driving both domestic consumption and exports, particularly in categories such as ethnic and fusion wear.</p>
Kids' Wear	<p>The kids' wear segment caters to the clothing needs of infants, toddlers, and children up to the age of 14. This segment includes <i>t-shirts, shorts, dresses, skirts, pants, school uniforms, and traditional attire for children</i>. The demand for kids' wear is driven by factors such as</p>

	<p>increasing birth rates, rising disposable incomes, and greater emphasis on child fashion. Parents are increasingly opting for branded and high-quality garments for their children. Kids' wear is a fast-growing segment, with significant potential for expansion in both urban and rural markets. It is a key focus area for retailers and brands looking to capture a younger demographic.</p>
<p>Activewear and Sportswear</p>	<p>This segment includes garments designed for physical activities and sports, catering to the growing demand for fitness and active lifestyles. <i>This segment includes t-shirts, track pants, shorts, leggings, sports bras, jackets, and specialized sports gear.</i> The activewear and sportswear market is expanding rapidly due to increasing health consciousness, the popularity of sports, and the athleisure trend. Technological advancements in fabric and design also drive this segment. Activewear and sportswear are significant growth areas within the readymade garment industry, attracting investment from both domestic and international brands.</p>
<p>Innerwear and Lingerie</p>	<p>The innerwear and lingerie segment caters to the intimate apparel needs of men, women, and children. This segment includes undergarments, vests, briefs, boxers, shapewear, and thermal wear. The innerwear market is evolving with increasing consumer awareness about comfort, quality, and fashion. There is a rising preference for branded innerwear, driven by changing lifestyles and improved retail experiences. Innerwear and lingerie are essential product segments that offer high margins and consistent demand, contributing significantly to the overall revenue of the readymade garment industry.</p>
<p>Denim Wear</p>	<p>Denim wear is a popular segment known for its versatility and wide consumer base across different age groups. <i>This segment includes jeans, jackets, shirts, skirts, and shorts.</i> Denim is a staple in wardrobes globally, with demand driven by its durability, style, and comfort. The segment benefits from continuous innovation in fabric technology and design. Denim wear is a key export product and a significant segment in the domestic market, contributing substantially to the revenue and growth of the readymade garment industry.</p>

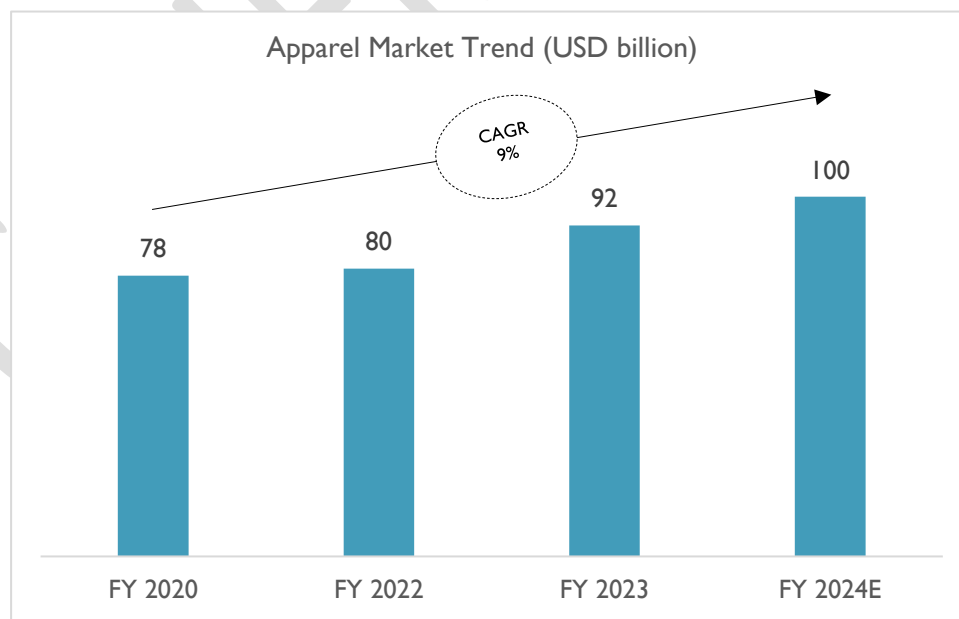
The Indian readymade garment industry is a diverse and dynamic sector, encompassing various product segments that cater to a wide range of consumer needs. Each segment plays a crucial role in the overall growth and development of the industry, driven by factors such as changing fashion trends, increasing disposable incomes, and evolving consumer preferences. The industry's ability to innovate and adapt to market demands ensures its continued significance in both domestic and global markets.

Demand Drivers

Domestic Demand Scenario

Readymade garment manufacturer makers will rely on domestic consumption (75% of the overall demand), which is expected to grow 6-8 percent in volume terms this fiscal. The Indian textile and apparel market for the fiscal year 2022-23 is valued at USD 165 billion. Of this, the domestic market accounts for a substantial 75%, amounting to USD 125 billion. Within the domestic market, the apparel segment is dominant, making up 74% of the market, which translates to USD 92 billion. Other significant segments include home textiles at USD 9 billion and technical textiles at USD 24 billion. Exports constitute the remaining 24% of the market, valued at USD 40 billion, with apparel exports at USD 16.5 billion and textile exports at USD 23.5 billion.

The apparel market has shown steady growth from FY 2020 to FY 2024. Starting at 78 billion USD in FY 2020, the market size increased to 80 billion USD in FY 2022, reached 92 billion USD in FY 2023, and is projected to hit 100 billion USD by FY 2024. This trend reflects a CAGR of 9%.



Source: Industry report, D&B Estimate

Several factors contribute to the steady growth observed in the apparel market. Rising disposable incomes have enabled consumers to increase their spending on apparel. Increasing fashion awareness

and the desire to keep up with trends have fuelled demand. Additionally, the expansion of online retail platforms has facilitated easier access to a wide range of apparel options, further boosting market growth. This consistent upward trend highlights the robust potential and expanding nature of the apparel industry.

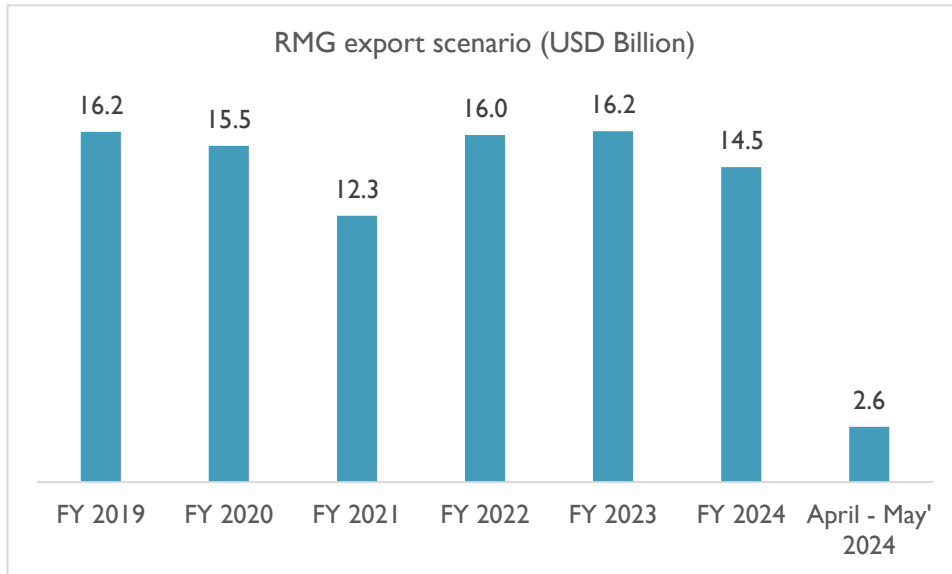
India's readymade garment sector continues to exhibit robust growth within the country's textile industry. The sector remains a significant contributor, driven majorly by domestic demand including kid's wear. Rising disposable incomes and evolving fashion preferences among Indian consumers have bolstered domestic consumption of kids' readymade garments and the overall RGM industry. Major manufacturing hubs are concentrated in cities such as Tirupur, Bengaluru, Mumbai, and Delhi-NCR, facilitating efficient production and distribution.

However, the sector faces challenges, including stiff competition from countries such as Bangladesh and Vietnam, as well as susceptibility to global economic fluctuations. To support growth, the Indian government has implemented initiatives aimed at promoting exports, upgrading technological capabilities, and fostering sustainable manufacturing practices. There is also a growing focus on integrating digital technologies to adapt to changing retail dynamics, particularly with the rise of e-commerce platforms in the market. The RMG industry, with a significant focus on the kid's wear segment, continues to be a vital and growing component of India's textile industry, driven by strong domestic demand and strategic government support.

Export Demand Scenario

India ranks as the sixth-largest exporter of textiles and apparel globally, bolstered by its extensive raw material and manufacturing base. In 2022-23, textiles and apparel accounted for 8.0% of India's total exports, with the country holding a 5% share of the global trade in these products. Despite significant logistics challenges, India achieved record-high exports of textiles and apparel, including handicrafts, totaling USD 35.58 billion in FY23.

Focusing on the ready-made garment (RMG) sector, exports reached USD 16.19 billion in FY23, reflecting a modest growth of 1.1% over 2021-22. In February 2024, RMG exports increased to USD 1.48 billion, up from USD 1.41 billion in February 2023. Within the RMG sector, the kid's wear market is particularly significant, accounting for nearly 50% of the total RMG exports. This substantial share is driven by rising global demand for high-quality, affordable children's clothing, which has positioned India as a key supplier in this segment.

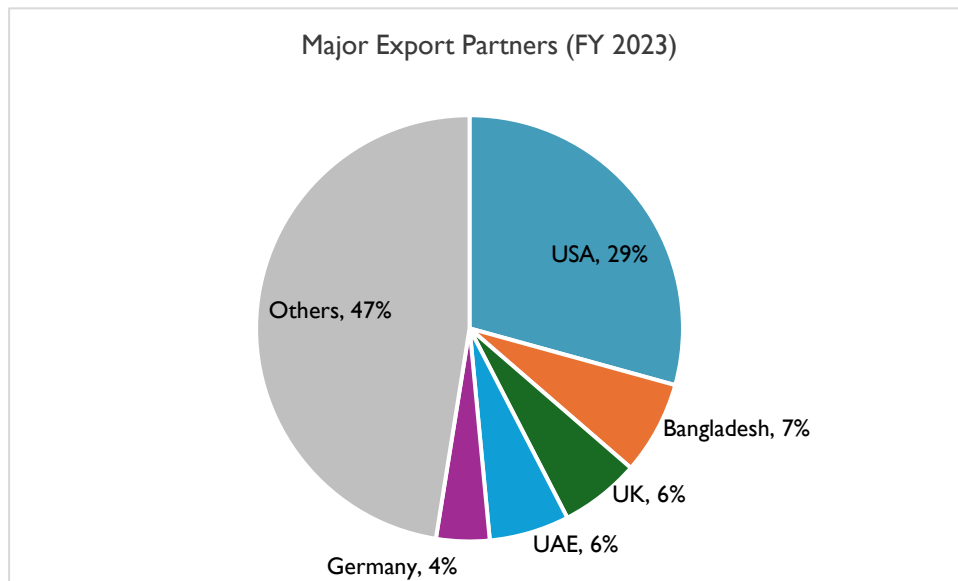


Source: AEPC Journal

From April 2023 to February 2024, exports of cotton fabrics and made ups stood at USD 10.58 billion. However, exports during 2022-23 saw declines in several categories: cotton textiles decreased by 28.45%, man-made textiles by 11.86%, and handicrafts by 19.13%. Despite these challenges, the kid's wear market within the RMG sector showed resilience and continued to drive export growth, highlighting the dynamic nature of India's textile and apparel industry. Overall, while the Indian textile and apparel industry faces challenges, the robust performance of the kid's wear segment within the RMG sector underscores its potential for continued growth and its vital role in the country's export landscape.

Trade Partners

India exports its textile and apparel products, including handlooms and handicrafts, to over 100 countries worldwide. Key export destinations include the USA, Bangladesh, UK, UAE, Germany, and others, with the USA being the largest importer, accounting for about one-fourth of India's total textile exports. In 2022-23, the USA remained the top export destination for Indian textiles and apparel, capturing a 29% share of overall exports, up from 24% in 2019-20.



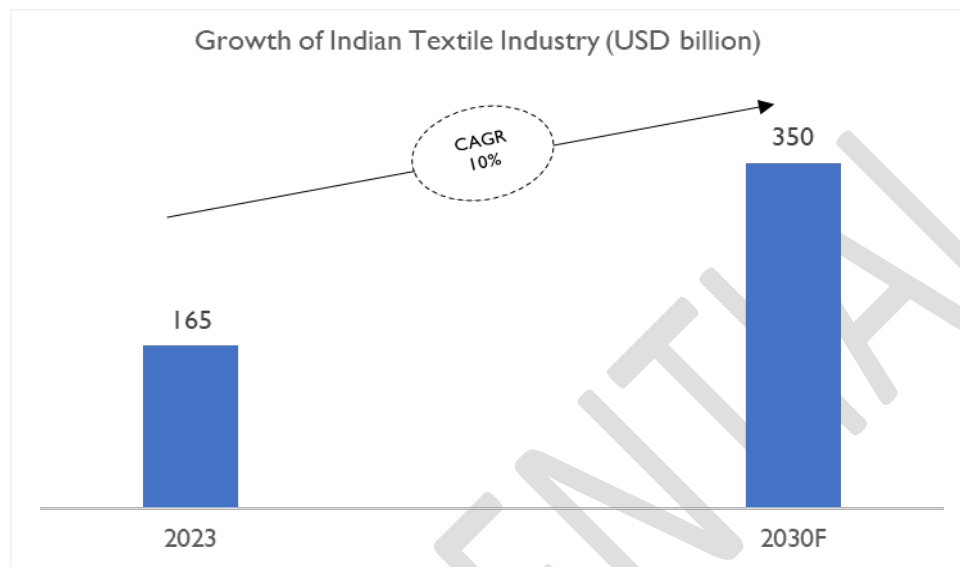
Source: Ministry of Commerce

The India-UAE Free Trade Agreement (FTA), effective from May 1, 2022, and ongoing negotiations for FTAs with the EU, Australia, UK, Canada, Israel, and other regions, are expected to further boost Indian textile and apparel exports by providing a competitive advantage. Additionally, India's consolidated Foreign Direct Investment (FDI) policy circular 2020 permits 100% FDI in single-brand retail trading and up to 51% FDI in multi-brand retail trading, subject to certain conditions. This policy continues to attract leading international retailers to source their garment and home textiles from India, enhancing interest from new export markets.

Growth Forecast

In 2023, the Indian textile industry faced significant challenges, including fluctuating cotton prices, declining demand, under-utilized capacity, and stiff competition from imported fabrics and garments from China and Bangladesh. Gurudas Aras, an independent director and strategic advisor, highlighted these issues and suggested measures for recovery in 2024. Major global markets, such as the US and EU, saw sharp declines in apparel imports, impacting Indian exporters. For instance, US apparel imports dropped by 21% to USD 6.5 billion in October 2023, and EU imports fell by 20% to USD 7.2 billion.

The global garment industry is contracting, with predictions of a continued decline in US garment imports by 25% to 30%. This trend is exacerbated by major US retailers reducing imports and maintaining minimal stock levels. Bangladesh's strategic import of cheap raw materials from China and its tax-exempt status as a least developed country have further strained Indian exports, which stagnated at around USD 16.5 billion, while Bangladesh's exports surged past USD 44 billion.



Source: IBEF

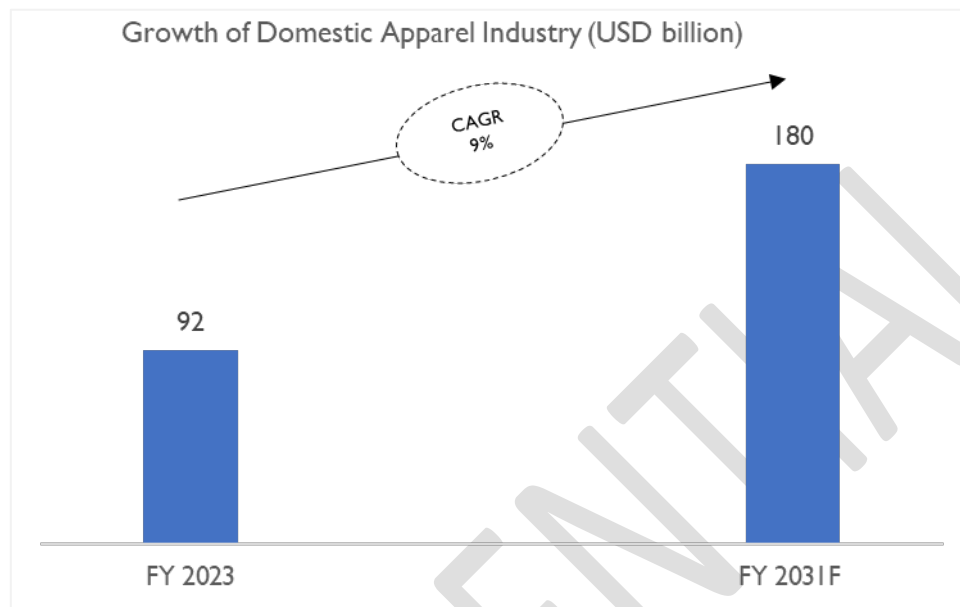
Despite these challenges, the Indian textile industry is on a growth trajectory, with its market size projected to nearly double from USD 165 billion in 2023 to USD 350 billion by 2030, reflecting a compound annual growth rate (CAGR) of 10%. Increasing disposable incomes and a growing middle class are driving demand for textile products, including kid's wear. This segment is particularly buoyed by changing fashion trends, a preference for branded items, and the expansion of e-commerce platforms. Government initiatives such as the Production Linked Incentive (PLI) scheme and PM Mitra are promoting modernization and enhancing global competitiveness.

Moreover, Strategic trade agreements and advancements in quality standards are improving India's position in international markets, supporting export growth alongside rising domestic consumption. Technological innovations and sustainable practices further enhance the industry's efficiency and quality. These factors position the Indian textile sector, including the kid's readymade garment market, as a robust engine of economic growth and global competitiveness.

Domestic Textile & Apparel Market Growth

The Indian textile and apparel industry is poised for substantial growth, with market size expected to increase from USD 125 billion in FY 2023 to USD 250 billion by FY 2031, reflecting a compound annual growth rate (CAGR) of 9%. This growth is driven by rising domestic demand, supported by increasing disposable incomes, evolving fashion trends, and government initiatives like the Production Linked Incentive (PLI) scheme and PM Mitra, which aim to attract investments and modernize the industry.

The rapid expansion of e-commerce has further fuelled this growth by making apparel more accessible, especially to the tech-savvy younger generation. Additionally, improved quality standards and strategic trade agreements are enhancing India's position in the global market. Technological advancements and sustainable practices are also boosting industry efficiency and competitiveness.



Source: Industry Sources, D&B Estimated

Within the domestic market, the apparel segment is a major growth driver. In FY 2023, it stood at USD 92 billion and is projected to reach USD 180 billion by FY 2031. This increase is largely attributed to rising disposable incomes and growing fashion awareness, including a significant focus on the kid's readymade garment market. The kid's wear segment, in particular, is experiencing robust growth with some fluctuation, driven by the rising child population and changing consumer preferences for high-quality, stylish, and affordable children's clothing. This segment's expansion underscores its vital role in the overall growth of the apparel sector.

Kids Garments Industry in India

The kids wear market in India is experiencing robust growth, driven by increasing disposable incomes, urbanization, and a rising population of young children. The market is characterized by a diverse range of products, catering to different age groups, styles, and price points. Modern parents, who are becoming increasingly affluent and fashion-conscious, are showing a growing demand for trendy outfits that not only mirror their aspirations but also reflect the unique personalities of their children. This shift is noticeable across various shopping areas, from the traditional lanes of Old Delhi to the bustling malls of Mumbai. Social media and images of celebrity kids in designer wear are shaping parents' purchasing decisions, with homegrown brands such as Gini & Jony competing against global giants such as H&M and Zara Kids. Eco-conscious parents are driving the demand for sustainable and organic clothing, while gender-neutral fashion is gaining traction, challenging traditional norms. However, the

unorganized sector continues to offer budget-friendly alternatives, posing competition to branded players, and the industry struggles with the critical issue of sizing standardization. Overall, the kids wear sector in India reflects the nation's evolving aspirations and values, balancing tradition with progress through diverse fashion choices, from ethnic wear to western styles, and sustainable fabrics to personalized designs, showcasing the dynamic changes in the country.

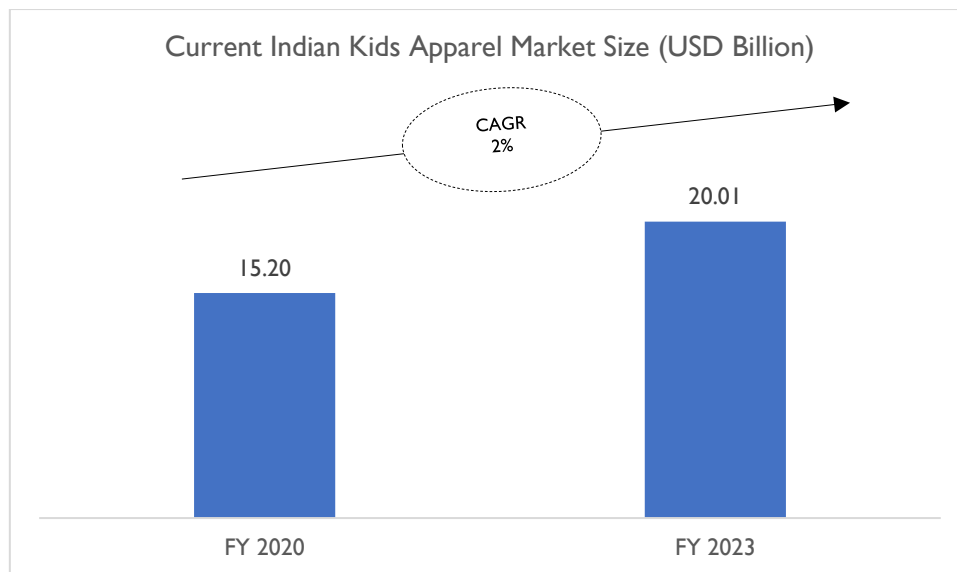
The kids wear market, a sub-sector of the broader apparel and fashion industry, focuses on clothing designed specifically for children, ranging from newborns to pre-teens. This market includes clothing tailored to the needs of various age groups—newborns, infants, toddlers, and kids—across segments such as casual wear, active wear, formal wear, and ethnic wear. In India, rising disposable incomes and the increasing influence of fashion trends have transformed parents into fashion-conscious consumers. Unlike in the past, when children's clothing was primarily functional, contemporary Indian parents now seek stylish, comprehensive outfits for their children. This shift has led to the emergence of numerous domestic and international brands, offering a diverse and stylish selection of children's clothing. The market has become highly competitive, with companies investing in marketing strategies and product innovation to stay ahead.

Current Market Scenario

The Indian kidswear market is experiencing a remarkable rebound post-pandemic, reflecting a dynamic recovery fueled by a young and rapidly growing population. The market's size surged from USD 15.20 billion in FY 2020 to USD 20.01 billion in FY 2023, marking a substantial growth of nearly 32% over three years. This robust increase highlights not only the sector's resilience but also its potential for continued expansion.

Several interconnected factors contribute to this impressive growth. Firstly, India's demographic profile with a significant proportion of young families and a high birth rate creates a steady and consistent demand for children's clothing. This demographic trend ensures a continuous market for kidswear, driven by both necessity and evolving consumer preferences.

Rising disposable incomes across urban and semi-urban areas have empowered families to spend more on premium and branded kidswear. As economic conditions improve, parents are increasingly willing to invest in high-quality and fashionable clothing for their children. This trend is further supported by the growing fashion awareness among children, influenced by media exposure, social media, and celebrity endorsements. Children today are more attuned to fashion trends and are influenced by global styles, driving demand for trendy and stylish apparel.



Source: Industry Articles, D&B Research Estimates

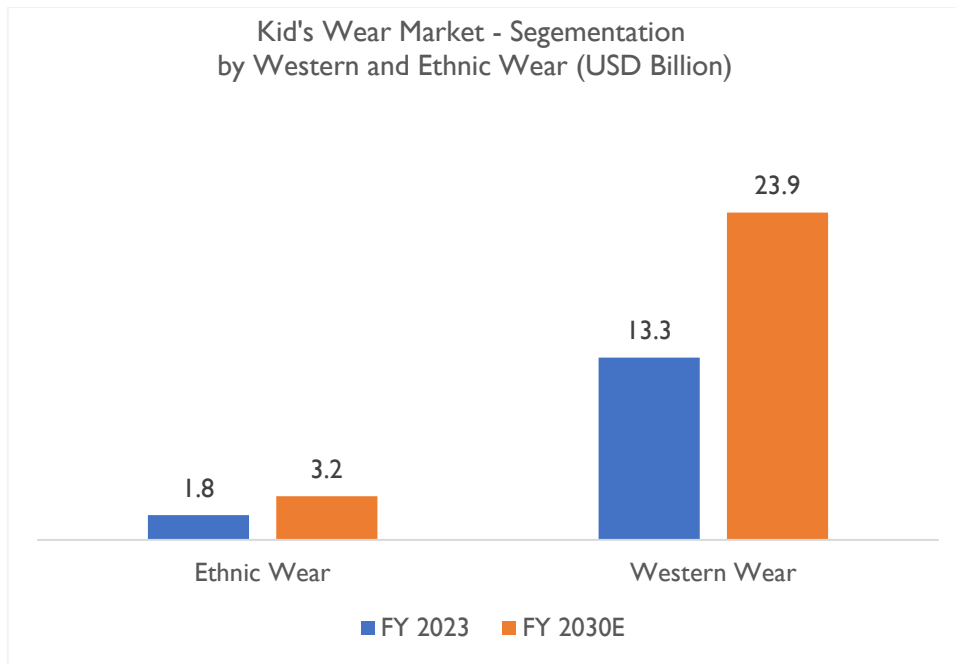
Urbanization has also contributed to the growth of the kidswear market. As more families move to urban areas, there is a shift towards convenience and ready-to-wear garments, which align with busy lifestyles and the preference for modern shopping experiences. This urban shift has led to an increased demand for fashionable, easy-to-maintain clothing that fits the fast-paced city life.

The market's expansion is also supported by the growing presence of both online and offline retail channels. E-commerce platforms and D2C brands have revolutionized the way parents shop for kidswear, offering a wide variety of options, competitive pricing, and convenient shopping experiences. This shift towards online shopping, combined with the growth of brick-and-mortar stores in key urban centers, has broadened access to diverse and high-quality kidswear.

Looking ahead, the Indian kidswear market is poised for continued growth. As disposable incomes rise and fashion trends evolve, demand for high-quality, trendy kidswear is expected to sustain its upward trajectory. The sector's recovery from the challenges of the Covid-19 pandemic is solidifying, with promising prospects for sustained success and innovation in the coming years.

Market Segmentation

Within the market, Western wear dominates with a substantial market share, reaching USD 13.3 billion in FY 2023 and expected to grow to USD 23.9 billion by FY 2030. Concurrently, ethnic wear, though smaller in size at USD 1.8 billion in FY 2023, is also expanding, projected to reach USD 3.2 billion by FY 2030. Both segments are growing at approximately 22-24% annually, suggesting a balanced market that caters to modern and traditional clothing preferences alike.



Source: Industry Articles, D&B Research Estimates

The disparity in market size between Western and ethnic wear underscores the prevailing preference for Western-style children's apparel in everyday fashion, while the robust growth rates in both segments highlight sustained consumer interest and purchasing power across diverse clothing categories. This data presents opportunities for brands to capitalize on evolving consumer trends and cultural preferences, positioning the kids apparel sector as a pivotal growth area within India's dynamic retail landscape.

Demand Drivers

Domestic Demand Scenario

The demand for kidswear in India is driven by a combination of demographic, economic, and cultural factors. A young and growing population ensures a steady and consistent demand for children's apparel, while rising disposable incomes allow families to spend more on quality and branded clothing. The influence of global fashion trends, amplified by media exposure and social media, has heightened fashion awareness among children, increasing the demand for trendy and stylish outfits. Urbanization has led to a preference for ready-to-wear garments that offer convenience and modernity. Additionally, the expansion of e-commerce and organized retail has made a wide range of kidswear more accessible, catering to the diverse needs of Indian consumers. These factors collectively contribute to the robust growth and dynamic nature of the kidswear market in India.

Rising Disposable Incomes and Working Parents:

The burgeoning middle class in India is a significant driver of growth for the readymade kidswear market. Industry reports predict a remarkable growth trajectory for this demographic segment, with the middle class expected to reach a massive 547 million by 2025. This translates to a massive pool of families with more disposable income at their disposal. This newfound financial flexibility has a profound impact on consumer spending patterns, particularly when it comes to their children.

Shifting Priorities and Evolving Needs

Previously, a significant portion of household income was allocated to fulfilling basic needs like food and shelter. However, with rising disposable income, families now have more freedom for discretionary spending. This shift in financial priorities translates to increased investment in their children's well-being, including their clothing. Gone are the days when functionality was the sole consideration. Parents are now seeking a balance between comfort, quality, and style when it comes to their children's wardrobes. This evolution in consumer preferences marks a notable departure from the past, reflecting broader societal changes and aspirations for a better quality of life.

The Rise of Brand Consciousness

The growing middle class is not just spending more but also becoming increasingly brand-conscious. Exposure to media and advertising has fueled a desire for branded clothing that is not only fashionable but also perceived as superior in quality and durability. This shift aligns perfectly with the rise of readymade kidswear brands offering a wider variety of styles and designs compared to traditional stitched clothes. As a result, brands that cater to the evolving tastes and preferences of this demographic are seeing substantial growth. The trend towards brand consciousness also indicates a broader cultural shift towards consumerism and the importance of social status and image, particularly in urban and semi-urban areas.

Beyond Functionality: The Value of Quality and Style

Previously, children's clothing might have been viewed as purely functional, with the primary concern being practicality and affordability. However, with rising disposable income, parents are placing a higher value on quality and style. They are more willing to invest in well-made garments that last longer and offer better comfort for their active children. Additionally, the desire to see their children dressed in trendy and fashionable clothes is a growing trend. This opens doors for brands that can offer a unique blend of comfort, quality, and style that resonates with the aspirations of this growing middle class. The focus on quality and style also reflects a broader shift towards a more consumer-driven economy, where product differentiation and brand value play critical roles in purchasing decisions.

A Win-Win Situation

The rise of the Indian middle class creates a win-win situation for both families and the kidswear industry. Families have the means to invest in the well-being of their children, while the kidswear

industry experiences a surge in demand for its products. This trend is expected to continue in the coming years, creating a vibrant and dynamic market for readymade kidswear in India. The industry's growth is further supported by advancements in retail infrastructure, including the proliferation of organized retail formats and the rapid expansion of e-commerce platforms, which make branded kidswear more accessible to a wider audience.

In conclusion, the burgeoning middle class is a pivotal factor driving the expansion of the readymade kidswear market in India. As disposable incomes rise and consumer preferences evolve, the demand for high-quality, stylish, and branded kidswear is set to grow exponentially, offering significant opportunities for both established players and new entrants in the market.

Young Population: A Continuously Replenishing Demand

India's young population, with a significant portion (31%) below the age of 14, presents a unique advantage for the readymade kidswear market. This vast youth segment translates to a constantly replenishing demand for clothes, driven by several factors:

Rapid Growth Spurt

Children grow at a phenomenal pace, especially in their early years. This rapid growth cycle translates to frequent wardrobe updates. Clothes purchased last season might no longer fit by the next, necessitating parents to constantly replenish their child's wardrobe. This ongoing need for new clothes creates a steady demand for the kidswear market.

Seasonal Variations

In addition to growth spurts, seasonal changes also influence clothing needs. Summer calls for light and airy fabrics, while winter necessitates warmer garments. This seasonal requirement necessitates multiple wardrobe changes throughout the year, further driving demand for readymade kidswear.

Evolving Fashion Trends

The fashion industry is constantly evolving, and kidswear is no exception. New trends emerge each season, enticing parents to update their child's wardrobe with the latest styles. This desire to keep kids looking fashionable creates a dynamic market where fresh and trendy collections are in high demand.

Multiple Occasions

Kidswear caters to various occasions beyond everyday wear. Special events like birthdays, festivals, and school functions necessitate specific clothing choices. This creates a demand for occasion-specific wear, such as ethnic wear for festivals or party dresses for special events. Readymade garments offer a convenient and diverse range of options to suit these varied needs.

Increased Social Awareness

With growing social media influence, children are becoming more aware of fashion trends and brand consciousness at a younger age. This can lead to them requesting specific styles or brands, further fueling the demand for trendy and diverse kidswear options.

In essence, India's young population is a double-edged sword for the kidswear market. It guarantees a constantly replenishing customer base due to rapid growth and evolving needs. At the same time, it necessitates a dynamic and responsive industry that can cater to the ever-changing demands of fashion-conscious parents and their growing children. Brands that can effectively navigate these dynamics will be well-positioned to capitalize on this ever-evolving market.

Increasing Urbanization: Exposure to Trends and Brand Consciousness

India's urbanization rate is accelerating, with projections suggesting that 40% of the population will reside in urban areas by 2030². This shift towards urban living exposes families to diverse lifestyles and fashion trends. Urban families tend to be more brand-conscious and have a greater preference for readymade garments compared to traditional stitched clothes. This is due to factors like convenience, wider variety, and access to established brands in urban centers.

Exposure to Trends

Urban living exposes families to a wider range of media and social influences. This constant exposure to fashion trends, often through social media and advertising, creates a desire for trendy and stylish clothing for their children. Urban families are more likely to keep up with the latest fashion trends compared to their rural counterparts. Branded kidswear companies that cater to these trends with innovative designs and seasonal collections will find favor with this audience.

Brand Consciousness

Urbanization fosters a more brand-conscious consumer base. Easy access to shopping malls, branded stores, and online retailers exposes families to a diverse range of brands. This not only increases brand awareness but also influences purchase decisions. Parents in urban areas are more likely to associate specific brands with quality, design, and social status, making them more receptive to branded kidswear.

Convenience Factor

The fast-paced lifestyle of urban living often leaves parents with limited time. Readymade garments offer a convenient and time-saving solution compared to traditional methods of stitching clothes at home. Urban families are more likely to embrace the convenience of readymade options, especially when coupled with the wider variety and consistent quality offered by established brands.

² IBEF Urban Development in India

Nuclear Families and Working Parents

The rise of nuclear families and dual-income households is a prominent feature of urban life. With both parents working, there's less time and energy available for traditional practices like stitching clothes. Readymade garments cater to this need, offering a readily available and diverse selection of clothing options.

Shifting Priorities

Urban families often have higher disposable incomes compared to their rural counterparts. This allows them to prioritize factors beyond just basic functionality when it comes to their children's clothes. Comfort, design, and brand value become more important considerations, creating a market for premium and well-established kidswear brands that cater to these evolving needs.

In conclusion, urbanization is a significant driver of the branded kidswear market in India. It exposes families to new trends, fosters brand consciousness, and creates a need for convenient and stylish clothing options. Brands that can effectively tap into these dynamics by offering trendy designs, high-quality materials, and convenient shopping experiences will be well-positioned to thrive in this growing urban market.

The E-commerce Boom: Transforming Kidswear Shopping in India

The e-commerce boom has revolutionized kidswear shopping. Online platforms offer a vast selection, convenience, and competitive pricing. This caters to busy parents who appreciate the ease of shopping from home and the ability to compare prices across brands. Some of the ways by which online platforms are revolutionizing the market:

Convenience at Your Fingertips

Online shopping eliminates the need for time-consuming trips to physical stores. Busy parents can browse, compare, and purchase kidswear from the comfort of their homes, even during late hours or nap times. This flexibility is a major advantage, especially for parents with tight schedules.

Vast Selection and Global Reach

Online platforms offer a seemingly endless selection of kidswear brands, styles, and sizes. This surpasses the limitations of physical stores, allowing parents to access a wider variety of options, including international brands that might not be readily available in their local markets.

Competitive Pricing and Deals

Online retailers often offer competitive pricing and attractive deals to attract customers. This allows parents to compare prices across different brands and stores, potentially saving money on their purchases. Additionally, online platforms frequently host discount sales and offer coupon codes, further enhancing affordability.

Detailed Product Information and Reviews

Online platforms provide detailed information about products, including size charts, material descriptions, and high-resolution images. This allows parents to make informed decisions without physically examining the clothes. Additionally, customer reviews offer valuable insights into product quality, fit, and overall user experience.

Easy Returns and Exchange Policy

Most online retailers offer hassle-free return and exchange policies, addressing a major concern for parents buying clothes for children who grow rapidly. This flexibility allows them to exchange clothes for a different size or return them altogether if they are not satisfied with the purchase.

Time-Saving Features

Online shopping platforms offer features like filters and sorting options that help parents narrow down their search based on specific criteria like size, brand, price, and color. This saves them time and ensures they find exactly what they're looking for quickly and efficiently.

In conclusion, online shopping has become an indispensable tool for busy parents in India. The convenience, vast selection, competitive pricing, and time-saving features offered by online platforms are revolutionizing the kidswear market. As e-commerce continues to grow, online platforms are poised to play an even more significant role in shaping the future of kidswear shopping in India.

Increasing Organized Retail in the Kidswear Market

The emergence of organized retail and brand proliferation has significantly transformed the kidswear market in India. Traditionally, a large portion of kids' clothing was bought from local markets and small retailers. However, the advent of organized retail formats, including malls and branded stores, has revolutionized the shopping experience for consumers.

Curated and Consistent Selection:

Organized retail offers a more curated and consistent selection of products, providing better quality assurance and enhanced customer service. Malls and branded stores present a wide variety of kidswear options, making shopping more convenient and reliable.

Consumer Preferences

According to the industry reports, 47% of respondents prefer visiting malls or stores to try on clothes before purchasing, indicating a strong inclination towards in-store experiences. This preference underscores the importance of physical retail spaces in the kidswear market.

Hybrid Shopping Approach

While in-store shopping remains popular, 40% of households adopt a hybrid approach, balancing their clothing purchases between physical stores and online platforms. This trend highlights the growing importance of e-commerce while maintaining the relevance of traditional retail.

Trends in Retails

Varieties of products with different price points are available due to the proliferation of both domestic and international brands in the kids retail market. Brands such as Gini & Jony, First Cry and international have established a strong presence, offering a mix of affordability, quality, and style. This brand-centric approach aligns with the growing consumer awareness and preference for products that offer value beyond mere aesthetics.

Dominance of Western and Comfort Clothing Over Ethnic and Traditional

The Indian kidswear market has seen a significant shift towards Western and comfort clothing, overshadowing the demand for traditional and ethnic wear. This trend reflects broader societal changes and evolving consumer preferences, driven by various cultural and economic factors. As globalization and urbanization continue to shape the Indian lifestyle, the clothing choices for children are increasingly influenced by Western fashion trends, media exposure, and the conveniences offered by modern retail and e-commerce platforms. This shift is not just a superficial change in clothing styles but also signifies deeper transformations in lifestyle, values, and aspirations among Indian families.

Global Fashion Influence

The increasing exposure to Western fashion trends through digital platforms, social media, and international brands has significantly influenced the clothing choices for Indian children. Parents and children are more inclined towards adopting global fashion styles, which are often perceived as trendier and more modern.

Versatility and Convenience

Western clothing, such as T-shirts, shirts, jeans, and dresses, offers greater versatility and convenience compared to ethnic wear. These garments are easy to wear, maintain, and are suitable for a wide range of occasions, from casual outings to semi-formal events. This practicality makes Western clothing a preferred choice for everyday use.

Adaptability to Weather Conditions

These garments are suitable for various weather conditions across India, making them a practical choice for parents looking to dress their children comfortably throughout the year.

Urbanization and Lifestyle Changes

Rapid urbanization and changing lifestyles have contributed to the dominance of Western clothing. As more families move to urban areas, there is a growing preference for readymade, comfortable, and

stylish outfits that align with the fast-paced city life. This shift has led to a decline in the regular use of traditional attire, which is often reserved for special occasions.

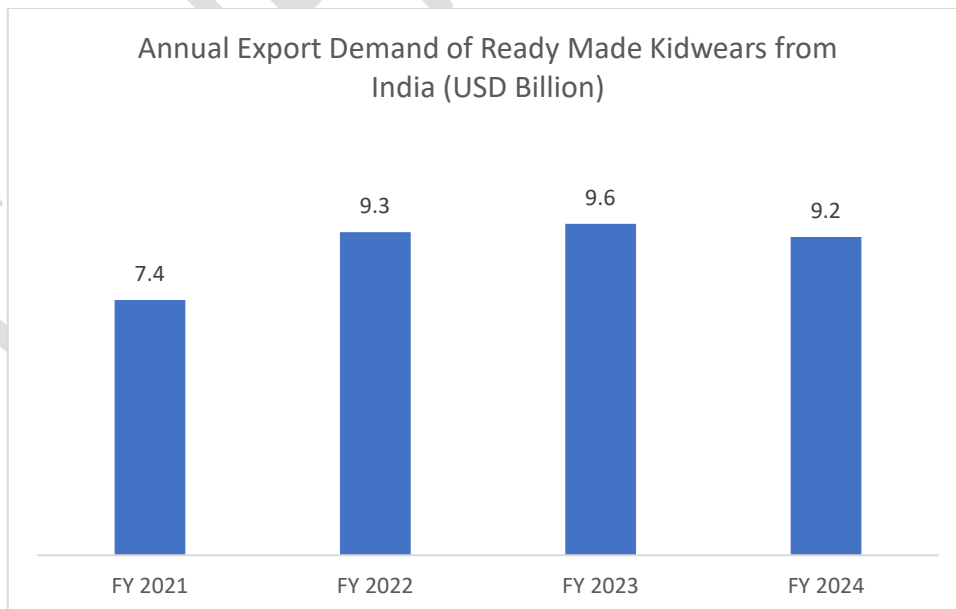
Media and Celebrity Influence

Media and celebrities play a crucial role in shaping fashion trends. The portrayal of Western clothing in movies, TV shows, and advertisements influences children's fashion preferences. Parents often seek to replicate the trendy looks seen on popular media figures, further driving the demand for Western apparel.

While traditional and ethnic wear remains important for cultural and religious occasions, the day-to-day dominance of Western and conform clothing in the Indian kidswear market is undeniable. This trend is expected to continue as urbanization progresses and global fashion influences persist.

Export demand Scenario

The export scenario for India's readymade kidswear market paints a picture of steady growth with promising potential. While domestic demand is surging, international markets are taking notice of the value proposition Indian manufacturers offer. The export demand for readymade kidswear from India has exhibited a gradual rise over the four fiscal years provided. It jumped from USD 7.4 Bn in FY 2021 to USD 9.6 Bn in FY 2023, showcasing a positive trajectory. A slight dip is observed in FY 2024 (USD 9.2 Bn) compared to the peak in FY 2023. This could be due to various global economic factors or temporary fluctuations in international demand. However, the overall trend indicates space for further growth in the export market.



Source: Directorate General of Foreign Trade³

³ HS Code 6111

Indian readymade kidswear finds a ready market in several key regions around the world. The United States, Europe (particularly Germany, the United Kingdom, and France), and the Middle East are major destinations for Indian exports. These regions share a common thread: a high demand for quality and affordable kidswear. This demand perfectly aligns with the strengths of Indian manufacturers. They can offer high-quality garments at competitive prices due to factors like a skilled workforce and readily available raw materials. This value proposition makes Indian kidswear an attractive option for international buyers in these regions, solidifying India's position as a prominent player in the global kidswear export market.

Competitive Production Costs

India's cost-effectiveness is a major driver of its success in the global kidswear export market. A large pool of skilled yet affordable labor keeps production costs low compared to competitors. Furthermore, India's status as a major producer of cotton and other natural fibers used in kidswear eliminates dependence on expensive imports of raw materials. This easy access to a skilled workforce and readily available materials allows Indian manufacturers to offer high-quality kidswear at attractive prices, making them a compelling choice for international buyers.

Skilled Workforce and High-Quality Standards

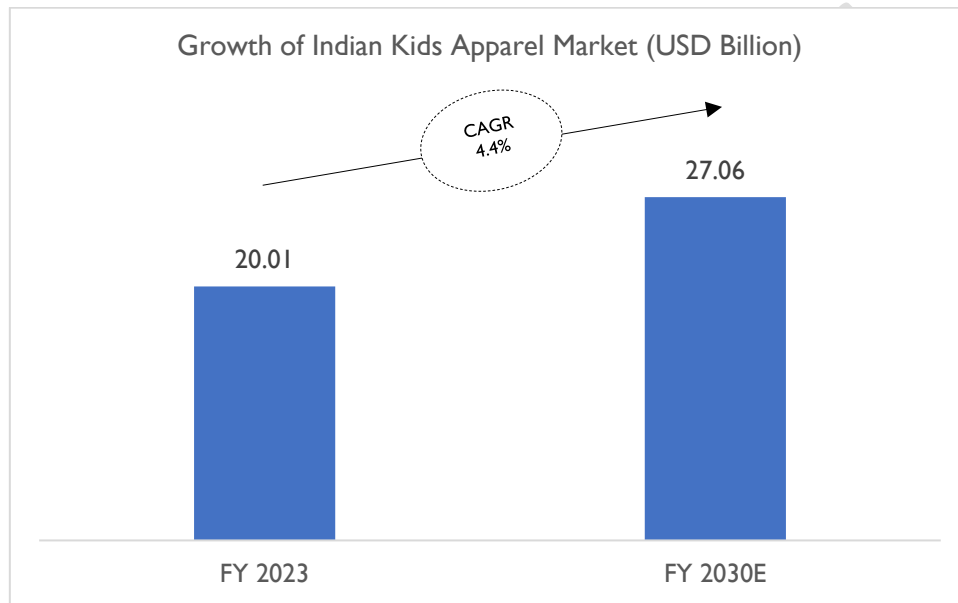
India's well-established textile and garment industry boasts a significant advantage: a large pool of skilled workers. This experienced workforce translates to efficient production processes, minimizing wasted materials and maximizing output. Furthermore, these skilled workers are adept at meeting the stringent quality standards demanded by international markets. This ensures that Indian-made kidswear meets global benchmarks for safety, durability, and construction. This combination of efficiency and quality control allows Indian manufacturers to deliver high-quality garments at competitive prices, solidifying their position in the global kidswear export market.

Government Support for Exporters:

The Indian government plays a crucial role in supporting the growth of kidswear exports. Initiatives like duty drawbacks offer partial or full refunds on customs duties paid for imported materials used in export garments. This directly reduces production costs for manufacturers, making their products more competitive in the international market. Additionally, the government has established dedicated textile parks. These parks provide essential infrastructure, resources, and streamlined processes specifically designed to support garment manufacturers. By reducing costs and simplifying export procedures, these government initiatives create a favourable environment that empowers Indian kidswear manufacturers to compete effectively on the global stage.

Growth Forecast

Projections indicate a robust growth trajectory for the kids wear sector, with an anticipated faster expansion rate compared to the overall apparel market, at a CAGR of 4.4% between FY 2023 and 2030 reaching to USD 27.06 Billion. The kidswear market is undergoing a significant transformation, driven by a confluence of factors. Its rapid expansion, outpacing the broader apparel industry, is a testament to the increasing disposable incomes, changing lifestyle trends, and growing emphasis on children's fashion.



Source: Industry Articles, D&B Research Estimates

Within the kids wear segment, western wear holds a majority share, currently accounting for 88% of the market, and is expected to maintain this share while growing at an 8.7% CAGR between FY 2023 and FY 2030. The pronounced preference for western wear within the segment is a reflection of the global influence on children's fashion. This trend is likely to persist, propelled by the media's portrayal of western styles and the aspiration of parents to provide their children with trendy outfits.

The burgeoning organized retail sector in kidswear signifies a paradigm shift in consumer behavior. Parents are increasingly opting for branded products, drawn to the assurance of quality, design, and safety standards associated with established brands. Moreover, the convenience and organized shopping experience offered by these retail formats are major contributing factors. As the organized sector expands, it is likely to exert significant pressure on the unorganized players, leading to a more competitive landscape. The projected CAGR of 12.6% for the organized segment between FY 2023 and 2025 presents substantial growth opportunities for retailers and brands. Expanding their retail footprint, introducing innovative product lines, and leveraging digital platforms will be key strategies

to capitalize on this growth. Additionally, there's potential for niche players to cater to specific segments, such as eco-friendly or premium kidswear, to carve out a distinct market position.

Regulatory Landscape

The textile industry has consistently received significant government focus due to its positive impact on employment and the substantial foreign exchange it generates through exports. This special attention is evident through the introduction and amendment of various acts, policies, and schemes over time. These measures were implemented to foster the growth of a robust manufacturing infrastructure and encourage the export of textile products.

The government also initiated schemes such as Amended Technology Upgradation Fund Scheme (ATUFS), Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme (ISDS), supply of power and energy at subsidized rates, setting up Integrated Textile Parks, sops on export, and benefits under scheme of Fund for Regeneration of Traditional Industries (Khadi, village and coir industries).

ATUF Scheme

The "Amended Technology Upgradation Fund Scheme (ATUFS)" was introduced to replace the existing Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS). The Ministry of Textiles implemented Amended Technology Upgradation Fund Scheme (ATUFS) with effect from 13.01.2016, for a period of seven years. To incentivize production the government is implementing this scheme with an outlay of INR 178.22 billion during 2016-2022 and it is expected to attract investment of INR 1 trillion and generate 35.62 lakhs employment in the textile sector by 2022.

The Ministry of Textiles (MoT) may introduce a new programme to replace the Amended Technology Upgradation Fund (ATUF) scheme, which was set to expire on March 31, 2022. The new scheme, likely to be Textile Technology Development scheme, will come with an outlay of about Rs. 16,600 crore for the next five years. MoT has proposed investment and value-addition-linked incentives under this scheme. Incentives for technology transfer in case of joint ventures by foreign manufacturers, and support for research and development and commercialization, are also likely to figure in the planned scheme.

Scheme for Integrated Textile Park (SITP)

The Scheme for Integrated Textile Parks (SITP) was launched in 2005 to encourage private investments and employment generation in textile sector by facilitating excellent infrastructure for common facilities. The facilities included roads, water supply treatment and distribution network, power generation and distribution network, effluent collection treatment and disposal system, design centre, warehouse, first aid centre, etc.

So far, out of the 54 Textiles parks that have been approved across the country, 31 parks have been completed while 23 are at various stages of completion.

Export Promotion Capital Goods (EPCG) scheme

The scheme facilitates the import of capital goods, including equipment for pre-production, production, and post-production, with no duty for specified industries and concessional customs duties ranging from 3% to 11% for most sectors. Certain select industries benefit from full customs duty concessions under this scheme, aimed at enhancing industrial competitiveness through subsidized importation of essential manufacturing equipment. With the help of concessional duty of 3% EPCG Scheme allows the manufacturers import of capital goods at 3% customs duty. The requirements of exports compulsion to be fulfilled are equal to 6 times of duty amount saved on the capital goods imported under EPCG scheme. The export compulsion/ obligation needs to be satisfied in 8 years estimated from Authorization-issue date.

SAMARTH (Scheme for Capacity Building in Textile and Apparel Sector)

This aim is to provide demand-driven, placement-oriented skilling program to incentivize the efforts of the industry in creating jobs. A total of 184 courses aligned with National Skill Qualification Framework (NSQF) have been adopted under the scheme across various textile segments covering traditional sector such as Handloom/ Handicrafts to conventional sector such as Garmenting to advanced sector such as Technical Textiles.

Atmanirbhar Bharat packages

To support economic revival post COVID-19, the government in May 2020 announced first stimulus package. The first economic stimulus of INR 20 trillion was announced on 13th May 2020 and subsequent two more Atmanirbhar Bharat packages of INR 730 billion on 12th October 2020 and INR 2.65 trillion was announced on 12th November 2020, bringing the total stimulus package at INR 29.87 trillion. The domestic textile manufacturing is expected to benefit from the government measure to promote an Atmanirbhar Bharat, or self-reliant India. Various other policy decision such as **Production linked incentive for 13 key sectors including textiles**, changing the definition of MSMEs and encouraging the scope for private participation have been introduced as a part of Atmanirbhar Bharat package which will have a favorable impact on textile manufacturing companies too.

Mega Textile Parks

The Government in Union Budget 2022-23 had announced a plan to set up 7 mega textile parks, under the PM MITRA (PM-Mega Integrated Textile Region and Apparel) scheme. The scheme comes with a total budgetary outlay of INR 4,445 Crore, however, the initial allocation in the Budget 2023-24 is only Rs 200 crore. These parks will be set up by 2026-27 and are expected to generate 20 lakh

employment opportunities. As per the Government notification, the proposed seven parks are set to come up in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and Maharashtra and will help in creating world-class industrial infrastructure that would attract large scale investment including foreign direct investment (FDI) and encourage innovation and job creation within the sector. Each of these parks will be having facilities to create an integrated textile manufacturing value chain from spinning, weaving to garment manufacturing.

For a greenfield project, the Government of India would provide a development capital support of 30% of the project cost (with a cap of INR 500 Crore). For a brownfield project, the capital cost of 30% would be on the project cost incurred to set up additional infrastructure & facilities (with an upper cap of INR 200 Crore). In addition to this development capital support, the PM MITRA scheme also has a competitiveness incentive support (CIS) of INR 300 Crore to each of the parks. These parks would be developed by a special purpose vehicle (SPV) which would be owned by the state government (state where the respective park would come up) and the Government of India.

Production Linked Incentive (PLI) Scheme

The Government launched the Textile PLI (Production Linked Incentive) Scheme 2.0 as a part of the Atmanirbhar Bharat Abhiyan (Self-Reliant India Campaign) to boost the country's textile manufacturing sector and make it globally competitive. The scheme has a financial outlay of INR 10,683 Crore and would run from FY 2025 – 29 period. The objective is to attract investment into 40 MMF apparel products, 14 MMF fabric products and 10 types of technical textiles. The scheme has two parts, each with its own distinct eligibility criteria and incentive structure. In both the parts, incentive rate would be tied to the annual incremental revenue during FY 2025-30 period.

Competitive Landscape

The children's apparel market in India is rapidly growing, driven by increasing disposable incomes and the influence of global culture. There is a notable shift towards branded clothing, with children becoming more independent consumers influenced by media and peers. Brands such as Gini and Jony are responding with colorful collections, while partnerships with entertainment giants are introducing beloved characters into clothing lines. Retail expansion and a shift towards fashionable, yet affordable clothing underscore the industry's efforts to capitalize on this expanding market.

The children's wear market in India showcases a variety of brands employing distinct distribution strategies. Brands such as Eteenz and Zero Babywear predominantly rely on Multi-Brand Outlets (MBOs), Large Format Stores (LFS), and online marketplaces. They have limited presence in Exclusive Brand Outlets (EBOs), with a significant portion of their sales stemming from traditional channels such as family stores and local kids' wear shops.

On the other hand, well-established players such as Mothercare, Me n Moms, and Gini & Jony adopt a comprehensive multi-channel approach. They utilize a blend of traditional and modern distribution channels such as LFS, Exclusive Brand Outlets, and E-commerce platforms. This diversified presence across various formats helps these brands to enhance brand visibility, cater to diverse consumer preferences, and maintain an aspirational appeal.

In contrast, newer entrants such as Hopscotch and Ed-a-Mama have embraced a digital-first strategy. Operating exclusively online, these brands have gained traction, especially in the post-COVID-19 era, where online retail has surged. It is anticipated that online channels will play a crucial role, potentially accounting for around 15% of fashion retail sales in India by the fiscal year 2025. This shift underscores the evolving landscape of children's apparel retail, driven by changing consumer behaviors and technological advancements.

Key factors shaping competition in the Indian kidswear market.

Increasing Disposable Income: Rising disposable incomes among Indian households have significantly influenced spending patterns, with parents increasingly willing to invest in premium and fashionable clothing for their children. This trend has spurred demand for higher-quality fabrics, innovative designs, and branded apparel, driving competition among brands to offer superior products that justify higher price points.

Rising Fashion Consciousness: Modern parents are becoming more fashion-conscious, seeking clothing that not only meets functional needs but also reflects current trends and their personal styles. Brands must continuously innovate in terms of designs, colors, patterns, and themes to stay relevant and appealing. This necessitates quick adaptation to changing fashion trends and consumer preferences, intensifying competition.

Brand Reputation and Trust: Established brands with a reputation for reliability, quality, and safety hold a competitive edge in the market. Building and maintaining trust is critical. Brands invest in rigorous quality control measures, sustainable practices, and certifications that assure parents of the safety and durability of their products. Customer loyalty programs and positive word-of-mouth also play crucial roles in brand differentiation and market positioning.

Innovative Designs and Themes: The market rewards brands that offer unique and creative designs that resonate with both parents and children. Brands invest in research and development to introduce innovative fabrics, eco-friendly materials, customizable options, and themed collections (seasonal or character-based themes). This creativity not only attracts consumers but also fosters brand loyalty and differentiation.

Retail Expansion and Omnichannel Presence: The growth of organized retail, including malls, hypermarkets, and e-commerce platforms, has increased accessibility to kids wear products. Brands

expand their distribution networks and enhance their online presence to reach a broader audience. Effective omnichannel strategies that integrate physical stores with digital platforms offer convenience and cater to diverse consumer preferences, thereby intensifying competition.

Price Sensitivity and Value Proposition: While quality remains paramount, price sensitivity among Indian consumers necessitates competitive pricing strategies. Brands focus on offering value for money by balancing quality with affordability. Pricing strategies may include periodic discounts, bundle offers, and loyalty programs to attract and retain price-sensitive consumers without compromising brand integrity or profitability.

Market Dynamics: India's children's wear market is influenced by several key factors driving growth. With children aged 0-14 years constituting approximately 26% of the population, there is a substantial demand for clothing catering to this demographic. Additionally, higher disposable incomes and evolving lifestyles are prompting parents to invest more in fashionable, branded apparel for their children. The convenience of online shopping has also reshaped consumer behavior, particularly appealing to busy millennial parents seeking diverse product ranges and competitive pricing from home.

Consumer Behavior Trends: In the children's wear market, consumer buying behavior varies significantly based on the purpose of purchase. Gift-giving traditions during occasions such as birthdays and festivals drive sales, attracting budget-conscious buyers. Conversely, when shopping for their own children, parents prioritize high-quality clothing over price. Coordinated clothing sets are favored for their convenience and cost-efficiency, particularly as gifting options.

Emerging Trends: Theme-based clothing featuring popular cartoons, movies, and TV shows has become integral to the children's wear market, influenced by children's preferences and "pester power." Sustainability is another growing trend, with eco-conscious parents opting for natural fibers such as cotton and linen, avoiding synthetic materials. Gender-neutral fashion is gaining prominence, reflecting a broader societal shift towards inclusivity and individual expression. Luxury and designer children's wear are also on the rise, driven by middle-class aspirations and celebrity influences, while 'mini-me' outfits are increasingly popular, fostering familial bonding through coordinated fashion.

Brand and Marketing Strategies: Premium children's wear brands in India are implementing integrated strategies to enhance consumer experience and ensure sustained growth. These brands prioritize attractive product packaging and design, emphasizing quality and luxury to appeal to discerning parents and children. Simultaneously, effective marketing campaigns leveraging digital platforms, social media, and influencer collaborations are crucial for brand visibility and engagement. By creating compelling content and targeted promotions, these brands enhance brand recall and drive sales, establishing a competitive advantage in the dynamic children's wear market.

Key Players Profiling

FirstCry - BrainBees Solutions Pvt. Ltd.

FirstCry is a leading player in the Indian kids wear market, catering comprehensively to the needs of newborns, infants, toddlers, and older children. Established in 2010, FirstCry has built a robust online platform and a network of offline stores across India. The brand offers a wide range of products including clothing, footwear, accessories, toys, and baby care essentials.

Establishment year: November 2010

Presence: As of June 2023, FirstCry has over 900 FirstCry and BabyHug stores across India.

Key Strengths

- **Omni-channel Presence:** FirstCry operates a seamless omnichannel retail model, integrating over 300 stores with its online platform, ensuring convenience and accessibility for customers.
- **Private Label Offerings:** It has successfully launched several private label brands across categories, ensuring a diverse product range and maintaining competitive pricing.
- **Customer Loyalty:** FirstCry's strong customer loyalty programs and personalized marketing strategies enhance brand retention and consumer engagement.

Products Portfolio

FirstCry offers a wide array of products catering to families' needs, including clothing for newborns to kids, footwear, toys like educational items and dolls, essential baby gear such as strollers and car seats, feeding and nursing supplies, bath and skincare products, nursery furniture and décor, and maternity wear. They prioritize convenience and quality across their extensive online and physical store presence in India.

Gini & Jony - Gini & Jony Limited

Gini & Jony has established itself as a prominent brand in the Indian kids wear segment since its inception in 1980. The brand focuses on blending style with comfort, offering a wide array of casual and formal clothing options for children.

Establishment year: founded in 1980, and incorporated in 1994

Presence: The company has manufacturing facilities in Kolkata and Baddi and over 250 stores across 140 Indian cities.

Key Strengths

- **Design Innovation:** Known for its trendy designs and vibrant color palettes, Gini & Jony consistently introduces new collections that resonate with both parents and children.

- **Retail Presence:** The brand operates through a mix of exclusive brand outlets (EBOs) and multi-brand outlets (MBOs) across India, ensuring widespread accessibility.
- **Brand Equity:** Gini & Jony has built a strong brand equity based on reliability, quality, and customer trust, which has contributed to its sustained growth and market leadership.

Product Portfolio

Gini & Jony is renowned for its diverse range of children's apparel and accessories, covering newborns to teenagers. Their offerings include casual wear, party wear, ethnic attire, and sleepwear, ensuring comfort and style for all occasions. The brand also provides a variety of footwear options tailored for different age groups. Gini & Jony's commitment to quality and trendy designs makes it a preferred choice among parents seeking fashionable clothing for their children across India.

Nauti Nati (Omega Designs Pvt Ltd)

Nauti Nati is a popular kid's wear brand headquartered in New Delhi, known for its chic and playful clothing collections. The brand caters to infants, toddlers, and young children, focusing on vibrant colors, trendy designs, and comfortable fabrics. Nauti Nati's retail footprint includes exclusive brand outlets and partnerships with leading multi-brand retailers across India. In the year 2022 Nauti Nati was acquired by Aditya Birla Fashion & Retail Limited (ABFRL) and the brand Nauti Nati comes under ABFRL's subsidiary, TMRW.

Establishment year: 2009, New Delhi

Presence: Nauti Nati has a strong presence across India with exclusive brand outlets and a wide distribution network through multi-brand retailers. The brand's products are available in major cities and tiered towns, ensuring widespread accessibility to its collections.

Key Strengths

- **Fashion-forward Designs:** Nauti Nati is known for its vibrant colors, stylish patterns, and age-appropriate designs that appeal to both children and parents.
- **Quality Fabrics:** The brand emphasizes high-quality materials and meticulous craftsmanship, ensuring comfort and durability in their products.
- **Wide Distribution Network:** With a strong presence across India, including exclusive brand outlets and partnerships with multi-brand retailers, Nauti Nati ensures widespread accessibility to its diverse collections.
- **Customer-Centric Approach:** Nauti Nati's commitment to understanding and meeting the evolving fashion preferences of young consumers and their parents enhances its brand loyalty and market competitiveness.
- **Ethical Practices:** The brand adheres to ethical business practices, contributing to its reputation for reliability and trustworthiness among consumers and stakeholders.

Product Portfolio

Nauti Nati specializes in trendy kids wear. Their offerings include playful apparel like dresses, tops, bottoms, and coordinated sets for children up to 10 years old. They also provide matching accessories such as hairbands, socks, and hats. Additionally, Nauti Nati offers stylish occasion wear tailored for festive events and celebrations, emphasizing current fashion trends. With a focus on quality and widespread availability through exclusive outlets and multi-brand retailers across India, Nauti Nati caters effectively to fashion-conscious parents and their children.

Allen Solly Kids (Madura Fashion & Lifestyle)

Allen Solly Kids originally established comes under the Madura Fashion & Lifestyle brands, a division of Aditya Birla Fashion & Retail Limited, and is a distinguished brand in the children's apparel market. As part of the larger Allen Solly family, known for its premium fashion offerings, Allen Solly Kids focuses on delivering stylish and high-quality clothing for children. The brand has established itself as a leading choice for families seeking contemporary and comfortable apparel, leveraging the extensive retail and fashion expertise of its parent company. Allen Solly caters to customers through online channels like Myntra, Flipkart, Ajio, and their website, and has offline stores across India.

Establishment year: 1744, England (Later bought by Madura Garment which got acquired by ABFRL 2001)

Key Strengths

- **Premium Quality Materials:** Allen Solly Kids is known for using high-quality fabrics, ensuring that their clothing is durable, comfortable, and long-lasting.
- **Fashion-Forward Designs:** The brand blends contemporary, stylish designs with practicality, offering trendy and comfortable apparel that appeals to both children and their parents.
- **Established Brand Trust:** Leveraging the strong reputation of the Allen Solly name, Allen Solly Kids benefits from a legacy of quality and fashion, which bolsters consumer confidence and loyalty.
- **Comprehensive Product Range:** The extensive collection includes everyday wear, seasonal items, and special occasion outfits, meeting a wide array of needs and preferences in the children's apparel market.
- **Robust Retail and Online Presence:** Allen Solly Kids' availability in physical stores and through online platforms ensures convenient access for customers, enhancing their shopping experience.
- **Commitment to Comfort and Practicality:** The brand focuses on creating clothing that is not only stylish but also designed for comfort and functionality, making it suitable for daily wear.

Product Portfolio

Allen Solly Kids offers a diverse range of clothing designed for various age groups, including everyday wear and special occasion outfits. The product line features stylish t-shirts, shirts, trousers, dresses, skirts, and shorts, crafted from high-quality fabrics for durability and comfort. The brand emphasizes modern designs and vibrant colors, ensuring that children not only look fashionable but also enjoy comfort and practicality in their daily wear. Available through both physical stores and online platforms, Allen Solly Kids caters to contemporary fashion needs with a focus on quality and trendiness.

U.S. Polo Assn. (United States Polo Association (USPA))

U.S. Polo Assn. is the official brand of the United States Polo Association (USPA), established in 1890 and recognized as one of the oldest sport's governing bodies. With a multi-billion-dollar global footprint, U.S. Polo Assn. operates in over 190 countries. In India, the brand has a significant presence with more than 356 locations through retail stores, including major chains like Megamart, independent retailers, and e-commerce platforms, ensuring broad accessibility and reach. Arvind Fashions Limited is the official licensee and business partner for U.S. Polo Assn. in India. This partnership allows Arvind to manage the brand's operations, including retail, distribution, and marketing within the Indian market. Arvind Fashions' extensive network and expertise contribute to the success and growth of U.S. Polo Assn. in India.

Establishment year: 1890, United States

Key Strengths

- **Established Brand Legacy:** As a brand affiliated with the prestigious USPA, U.S. Polo Assn. leverages a rich heritage and reputation for quality and style.
- **Extensive Global Presence:** The brand's wide reach across 190 countries and over 356 locations in India enhances its market penetration and consumer accessibility.
- **Focused Kids' Apparel:** U.S. Polo Assn. excels in providing a diverse range of fashionable and comfortable children's clothing, blending classic polo style with modern trends.
- **Versatile Product Range:** The brand offers a comprehensive selection of kids' wear, including everyday essentials, sportswear, and accessories, meeting various needs and preferences.
- **Strong Retail Network:** With a robust presence in major retail chains, independent stores, and online platforms, U.S. Polo Assn. ensures broad distribution and availability.

Product Portfolio

U.S. Polo Assn. offers a diverse range of products, with a strong emphasis on children's apparel. The kids' segment features stylish and comfortable clothing, including casual wear, sportswear, and accessories. The collection integrates classic polo-inspired design with contemporary trends, providing practical and fashionable options for children. From everyday outfits to special occasion attire, U.S. Polo Assn. caters to young customers with high-quality, trendsetting apparel.

Tommy Hilfiger

Tommy Hilfiger is a globally recognized brand known for its classic American cool style. The brand offers a wide range of products, including apparel, accessories, and footwear for men, women, and children. Tommy Hilfiger Kids is a key segment of the brand, catering to children with the same iconic style and quality that the brand is known for. The kids' collection mirrors the adult line's preppy aesthetic, infused with a youthful and playful spirit. Tommy Hilfiger has a strong retail presence worldwide, with products available in its stores, department stores, and online platforms. In India, Tommy Hilfiger operates through a joint venture with Arvind Fashions Limited, ensuring the widespread availability of its products across the country.

Establishment year: 1985, New York (In 2004, the brand was established in India)

Key Strengths

- **Brand Recognition:** Strong global brand with a reputation for quality and style.
- **Wide Product Range:** Extensive variety of clothing and accessories for kids, catering to different needs and occasions.
- **Quality and Durability:** High-quality materials and craftsmanship ensure long-lasting products.
- **Retail Presence:** Strong retail network including own stores, department stores, and online platforms, ensuring easy accessibility.
- **Fashionable and Trendy:** Designs that reflect current fashion trends while maintaining a timeless appeal.
- **Strategic Partnership:** Collaboration with Arvind Fashions Limited in India, enhancing market reach and distribution.
- **Customer Loyalty:** Strong customer base and brand loyalty due to consistent quality and style.
- **Sustainability Initiatives:** Commitment to sustainable practices and materials, appealing to environmentally conscious consumers.

Product Portfolio

Tommy Hilfiger Kids offers a diverse range of products that include casual and formal clothing, accessories, and footwear. The collection features everything from stylish shirts, polos, and tees to jeans, dresses, and outerwear, all designed with the brand's signature colours, logos, and patterns. The products are crafted to provide comfort, durability, and style, appealing to both children and parents.

alike. Seasonal collections often reflect the latest trends while maintaining the classic Tommy Hilfiger look, making them a popular choice for children's fashion.

UCB (United Colors of Benetton)

UCB is a globally recognized fashion brand with a strong presence in India. Established in Italy in 1965, the brand entered the Indian market in the early 1990s, with its headquarters based in Mumbai. UCB has carved a niche for itself in the kidswear segment by offering vibrant, colorful, and comfortable clothing that resonates with young consumers and their parents. Key strengths of UCB include its strong brand recognition, extensive retail network, and focus on sustainability. The brand's product portfolio for kids encompasses a wide range of apparel, including tops, bottoms, dresses, outerwear, and accessories, catering to different age groups and occasions.

Key Strengths:

- **Strong Brand Equity:** UCB enjoys a robust brand image synonymous with quality, style, and affordability.
- **Extensive Retail Network:** A wide distribution network ensures accessibility for customers across various regions in India.
- **Diverse Product Range:** UCB offers a comprehensive range of clothing options, catering to different age groups, occasions, and seasons.
- **Focus on Comfort and Quality:** The brand prioritizes using soft, breathable fabrics and employing stringent quality control measures.
- **Effective Marketing and Branding:** UCB invests in strategic marketing campaigns to connect with its target audience and build brand loyalty.

Product Portfolio

UCB offers a comprehensive range of apparel for children, encompassing various categories such as tops, bottoms, dresses, outerwear, and accessories. The brand's product portfolio is characterized by its contemporary designs, vibrant colors, and comfortable fits. UCB also places a strong emphasis on creating age-appropriate styles, catering to the needs of children of different age groups. Moreover, the brand regularly introduces new collections to stay ahead of fashion trends and cater to the evolving preferences of its young consumers.

By consistently delivering high-quality products, understanding consumer needs, and leveraging effective marketing strategies, UCB has solidified its position as a leading player in the Indian kidswear market.

Leading Sports Brands for Kids

In India, several leading sports brands cater specifically to kids, offering high-quality and stylish sportswear and equipment designed for young athletes. Brands like Adidas, Nike, and Puma dominate the market with their extensive range of kid's apparel, including sports shoes, tracksuits, t-shirts, and accessories. These global giants are complemented by homegrown brands like Shiv Naresh, which also provides a wide selection of sportswear and equipment for children. These brands focus on comfort, performance, and innovative designs, ensuring that kids have the best gear to support their active lifestyles and sporting endeavours.

Adidas (Adidas AG)

Adidas AG, founded in 1949 by Adolf Dassler, is a German multinational corporation that designs and manufactures shoes, clothing, and accessories. Headquartered in Herzogenaurach, Germany, Adidas is a global leader in sportswear, casual wear, and athletic equipment, competing with major brands like Nike and Puma. Adidas has a significant presence in India, having entered the market in the mid-1990s. Adidas operates numerous retail outlets across major cities and towns in India and has a strong online presence in India, with its products available on its official website and major e-commerce platforms like Amazon, Flipkart, and Myntra. Recently Adidas has established Global Captive Centre (GCC) in India.

Establishment year: 1949 Germany (1989 India)

Key Strengths

- **High-Quality Products:** Adidas is known for its superior quality products, incorporating advanced technologies to ensure maximum comfort, performance, and durability.
- **Innovative Designs:** The brand consistently updates its product offerings with innovative designs, catering to the evolving needs of athletes and casual wearers alike.
- **Strong Retail and E-commerce Presence:** With numerous retail outlets across major cities and a strong online presence on platforms like Amazon, Flipkart, and Myntra, Adidas ensures widespread accessibility to its products in India.
- **Collaborations and Partnerships:** Adidas collaborates with athletes, celebrities, and designers to create exclusive collections, enhancing brand visibility and appeal.
- **Sustainability Initiatives:** The company is committed to reducing its environmental footprint through the use of recycled materials and promoting sustainable practices.
- **Targeted Marketing:** Adidas actively markets its products, including kid's apparel, through various channels such as social media, online advertising, and in-store promotions, often featuring popular characters and athletes to attract younger audiences.

- **Community and Sports Development:** Adidas supports local communities and sports development in India through sponsorships, partnerships with sports organizations, and involvement in charitable initiatives related to education, health, and the environment

Product Portfolio

Adidas offers a diverse range of products in India, catering to various sports and casual wear needs. Adidas provides sportswear for activities such as running, football, basketball, and cricket. This includes tracksuits, jerseys, shorts, and specialized footwear designed for performance and comfort. The brand offers stylish casual wear, including t-shirts, hoodies, leggings, and sneakers, suitable for everyday wear and athleisure. Adidas has a dedicated line of apparel for kids, featuring sportswear, casual wear, and accessories designed for comfort, performance, and durability. This includes tracksuits, jerseys, shorts, and footwear suitable for various activities.

Regional Players in Kids Wear Market

First Step baby Wear Pvt Ltd (Colortone – Miniklub)

First Steps Baby Wear Pvt. Ltd., established in 2002, is a leading manufacturer of baby wear and children's knitted garments, catering to ages from newborn to 15 years. The company began with a modest setup of 60 machines and has since expanded to a multi-location operation with six factories, a design studio, dedicated fabric sourcing and storage warehouses, and liaison offices in Chennai and Tuticorin. With a workforce of 5,200 employees, First Steps produces 50 million garments annually, emphasizing safety, quality, and quick turnaround times to meet the demands of high-street retail outlets. Colortone Garments, a subsidiary of First Steps Baby Wear and one of the second largest babywear manufacturers in India, has recently made a substantial investment in Odisha to leverage their kidswear segment via their domestic brand Miniklub.

Establishment Year: 2002

Key Strengths

- **Extensive Infrastructure:** The company operates six factories around Bangalore with a built-up area of 600,000 sq. ft., housing over 2,000 machines and producing 50 million garments annually.
- **Design Expertise:** A qualified design team based in the UK and India ensures the latest fashion trends and effective liaising with manufacturing units.
- **Advanced Manufacturing:** Equipped with automatic laser cutting machines, specialized stitching setups, and the latest embroidery and printing machines.
- **In-House Facilities:** Centralized critical manufacturing processes, material storage management, and dedicated sampling departments.

- **Quality Assurance:** High standards of quality checks, SEDEX certification, and NABL-certified laboratory facilities for internal testing and color matching.
- **Logistics and Warehousing:** Efficient logistics with warehouses at factories and ports, ensuring smooth operations and timely deliveries.
- **Sustainability and Safety:** Commitment to producing safe and high-quality garments, meeting international safety standards, and ensuring customer satisfaction.
- **High Production Capacity:** Ability to handle large volumes with quick turnaround times.

Product Portfolio

First Steps specializes in producing a wide range of children's knitted garments, from everyday wear to fashionable apparel for high-street retail. Their product portfolio includes baby wear, t-shirts, dresses, shorts, pants, and sleepwear, all designed with a focus on comfort, safety, and style. The company prides itself on its ability to manufacture large volumes with high quality, utilizing advanced technology and a skilled design team to stay ahead of fashion trends and meet international standards.

Popsees (Popees Baby Care Products Private Limited)

Popees, is a prominent Indian kidswear brand with a strong focus on high-quality children's clothing, based in Kochi, the brand has established itself as a significant player in the South Indian market. Popees has made notable strides in expanding its footprint with 32 exclusive outlets across South India, in addition to numerous multi-brand outlets. With a production capacity of 500,000 garments per month, Popees is well-positioned to cater to the growing demand in the children's apparel segment.

Establishment Year: 2003

Strengths

- **High Production Capacity:** Ability to produce 500,000 garments monthly, ensuring a robust supply to meet market demand.
- **Regional Expansion:** Establishment of 32 exclusive outlets in South India, enhancing brand visibility and customer reach.
- **Diverse Product Range:** Comprehensive portfolio including casual, party, and ethnic wear, catering to various needs and occasions.
- **Quality Focus:** Emphasis on high-quality materials and craftsmanship, providing durable and comfortable clothing.
- **Retail Presence:** Significant presence in multi-brand outlets and exclusive stores, increasing accessibility for customers.
- **Ambitious Growth Plans:** Proactive approach towards retail expansion and market growth, reflecting confidence in the segment's potential.

- **Local Expertise:** Strong regional focus with a deep understanding of South Indian market preferences and trends.

Product Portfolio

Popees offers a diverse product portfolio in kidswear that includes casual wear such as t-shirts, jeans, shorts, and dresses for everyday comfort. Their party wear collection features elegant dresses, suits, and festive outfits suitable for special occasions. They also provide ethnic wear line includes traditional Indian clothing like kurtas, lehengas, and sherwanis. Additionally, Popees provides cozy sleepwear, along with a range of accessories to complement their apparel.

D2C & E-commerce Kids Wear Market

The e-commerce and Direct-to-Consumer (D2C) models have notably reshaped the kidswear market in India. E-commerce giants like Amazon, Myntra, and Flipkart offer extensive selections of children's clothing from a multitude of brands, emphasizing convenience, competitive pricing, and swift delivery. These platforms cater to diverse needs with a broad range of products and frequent promotions. In contrast, D2C brands such as Hopscotch, Popsees, First Steps Baby Wear, and Little West Street focus on building direct relationships with consumers through their own online stores. They provide exclusive collections, a personalized shopping experience, and maintain control over product quality and customer service, adding a unique dimension to the kidswear market.

[Hopscotch \(Hopscotch Wholesale Trading Private Limited\)](#)

Hopscotch is a prominent kidswear brand in India, known for its trendy and fashionable clothing for children. Hopscotch has rapidly gained popularity among parents for its stylish and affordable apparel, catering to children from newborns to early teens. The brand operates primarily through its robust e-commerce platform, making it accessible to customers across India.

Establishment Year: 2012

Key Strengths

- **Wide Product Range:** Extensive collection catering to casual, party, and ethnic wear needs.
- **Affordable Pricing:** Offers stylish and high-quality clothing at competitive prices.
- **Strong E-commerce Presence:** Robust online platform ensuring accessibility across India.
- **Fashionable Designs:** Trendy and modern designs that appeal to both parents and children.
- **Focus on Quality:** Emphasis on high-quality fabrics and craftsmanship.
- **Customer Experience:** Convenient online shopping experience with user-friendly interface and customer service.
- **Regular Collections:** Frequent updates to collections to stay in line with current fashion trends.

Product Portfolio

Hopscotch provides a diverse range of kidswear, including casual wear such as t-shirts, dresses, pants, and shorts designed for everyday comfort and style. Their collection also features party wear with elegant dresses, suits, and festive outfits suitable for special occasions. Additionally, Hopscotch offers a variety of ethnic wear, including lehengas, kurtas, and sherwanis, blending traditional designs with contemporary trends. The brand's product lineup is aimed at providing high-quality, stylish, and affordable clothing for children from newborns to early teens.

Amazon

Amazon is a global e-commerce leader with a substantial presence in the Indian kidswear market. It offers a more than 300 brands & 900 sellers which include wide array of children's clothing through its extensive online platform, catering to diverse customer needs across the country. Amazon's vast product selection, competitive pricing, and efficient delivery services make it a popular choice for parents seeking convenience and variety in kidswear. The platform features products from various brands, ranging from budget-friendly options to premium labels, positioning Amazon as a key player in the Indian kidswear segment.

Establishment Year: 2013 (Entered in India)

Key Strengths

- **Extensive Product Range:** Wide variety of kidswear from multiple brands, covering casual, party, ethnic, and sleepwear. Availability of both international and domestic brands, providing diverse choices for consumers.
- **Competitive Pricing:** Offers products at various price points, from budget-friendly to premium options.
- **Convenience:** User-friendly online platform with easy navigation and a comprehensive search feature. Efficient delivery services, including options for same-day and next-day delivery in select areas.
- **Customer Reviews & Wide Reach:** Access to customer reviews and ratings, aiding in informed purchasing decisions. Extensive market reach across India, making it accessible to a large customer base.

Product Portfolio

Amazon's kidswear portfolio includes a comprehensive range of products such as casual wear (t-shirts, jeans, shorts, dresses), party wear (elegant dresses, suits, festive outfits), and ethnic wear (kurtas, lehengas, sherwanis). The platform also offers sleepwear and accessories from numerous brands, ensuring a wide selection that caters to different styles and price points.

Myntra

Myntra is a leading fashion e-commerce platform acquired by Flipkart in 2014. Myntra has a strong presence in the kidswear market. Renowned for its extensive range of stylish and trendy clothing, Myntra caters to the needs of both children and parents. The platform is known for its wide assortment of brands, exclusive collections, and seasonal offers. The company has launched dedicated kids' wear stores, such as 'Myntra Kids', to focus on this segment. Myntra has partnered with international brands like OshKosh B'Gosh to bring their kids' wear collections to the Indian market.

Establishment Year: 2007-2008

Key Strengths

- **Extensive Fashion Range:** Diverse selection of kidswear from various brands, including casual, party, ethnic, and sleepwear.
- **Exclusive Collections:** Access to exclusive collections and designer collaborations that are not available on other platforms.
- **Seasonal Offers:** Regular discounts, sales, and promotions that provide value to customers.
- **User-Friendly Platform:** Easy-to-navigate website and mobile app with detailed product descriptions and high-quality images.
- **Fast Delivery:** Efficient delivery services with options for quick shipping in major cities.
- **Customer Reviews and Ratings:** Helpful reviews and ratings that assist in making informed purchasing decisions.
- **Brand Variety:** Wide range of both international and domestic brands, offering diverse options for different budgets and styles.

Product Portfolio

Myntra's kidswear portfolio features a broad spectrum of clothing options, including casual wear such as t-shirts, jeans, shorts, and dresses. The platform also provides party wear with elegant dresses, suits, and festive outfits suitable for special occasions. Additionally, Myntra offers ethnic wear. Sleepwear including nightgowns, along with a variety of accessories such as caps, socks, and belts, are also available, catering to diverse styles and preferences.

Flipkart

Flipkart is a major e-commerce platform in India with a significant presence in the kidswear market. Known for its extensive product range and competitive pricing, Flipkart offers a wide array of children's clothing through its user-friendly online platform. The company has launched dedicated kids' wear stores, such as 'Flipkart Li'l Stars' and 'Shopsy', to focus on this segment.

Establishment Year: 2007

Key Strengths

- **Wide Product Selection:** Extensive range of kidswear from various brands, covering casual, party, ethnic, and sleepwear. Availability of a broad spectrum of brands, including both popular and emerging names.
- **Competitive Pricing:** Offers a diverse range of products at various price points, often with discounts and deals.
- **Convenient Shopping Experience:** User-friendly website and mobile app with easy navigation and detailed product information. Reliable delivery services with options for quick shipping and easy returns.
- **Customer Reviews:** Access to customer reviews and ratings for informed purchasing decisions.
- **Regular Promotions:** Frequent sales, promotions, and special offers that provide added value to customers.

Product Portfolio

Flipkart's kidswear portfolio includes a broad selection of clothing such as casual wear (t-shirts, jeans, shorts, dresses), party wear (elegant dresses, suits, festive outfits), and ethnic wear (kurtas, lehengas, sherwanis). Flipkart's product range features options from various brands, providing customers with a wide choice to suit different needs and preferences.