

The background image shows three women walking from left to right against a plain, light-colored wall. The woman on the left is wearing a bright blue suit with a white blouse and glasses. The woman in the middle is wearing a denim jacket over a white top and dark blue jeans. The woman on the right is wearing a white kurta with colorful floral embroidery and blue trousers. The scene is brightly lit, casting shadows on the wall.

India Apparel Market Review: Dynamics and Direction 2020 - 2025

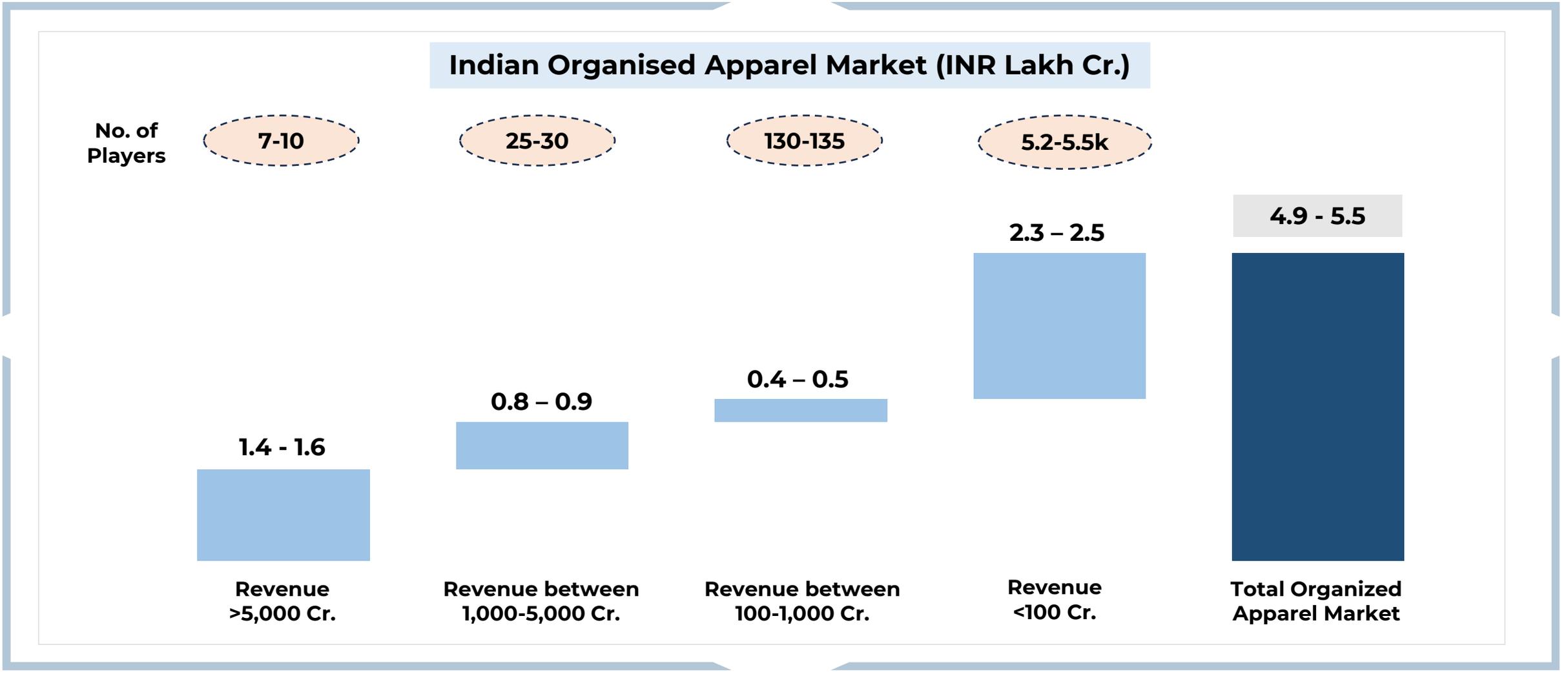
Study Methodology

Description	Details
 Sample	<p>Study Sample: 70 brands & retailers (India; Total revenue: INR 1,34,500 Cr for FY25) Player Mix: National, Regional, Global, D2C Period: FY20–FY25</p>
 Scope	<p>The brands & retailers have been classified into the following categories-</p> <ul style="list-style-type: none">• Value Fashion Retailer• Multi Brand Lifestyle Retailer• Department Stores• Innerwear & Loungewear• Global Brand/Retailer• Regional Retailer• Single Indian Lifestyle Brand/Retailer• Ethnic Brand/Retailer• Startups
 Analysis	<ul style="list-style-type: none">• Benchmarked players using Revenue, PAT% and Marketing spend% to compare performance across the sample.• Used the benchmarking to assess overall cohort performance and identify key growth and profitability patterns.

Category Description

S.No.	Category	Description	Indicative Examples
1	Value Fashion Retailer	Mass-market apparel retailers positioned on affordability and high-volume sales.	 
2	Multi Brand Lifestyle Retailer	Large Indian apparel groups managing multiple brands across categories such as menswear and womenswear.	 
3	Department Stores	Full-assortment, multi-brand retailers that combine apparel, accessories and lifestyle categories under one roof.	 
4	Innerwear & Loungewear	Companies primarily focused on innerwear, loungewear, and athleisure segments.	 
5	Global Brand/Retailer	International fashion companies operating in India through owned stores, franchises, or joint ventures.	 
6	Regional Retailer	Fashion retailers operating primarily within a specific state/region or cluster of cities.	 
7	Single Indian Lifestyle Brand/Retailer	Home-grown fashion brands focused on a specific label with a sharp product range.	 
8	Ethnic Brand/Retailer	Retailers specializing in traditional and occasion-led Indian wear such as sarees, lehengas, kurta sets, sherwanis, and others.	 
9	Startups	Early-stage fashion and lifestyle companies, often digitally-first.	 

Indian Apparel Market Remains Highly Fragmented, with a Long Tail of Small Players

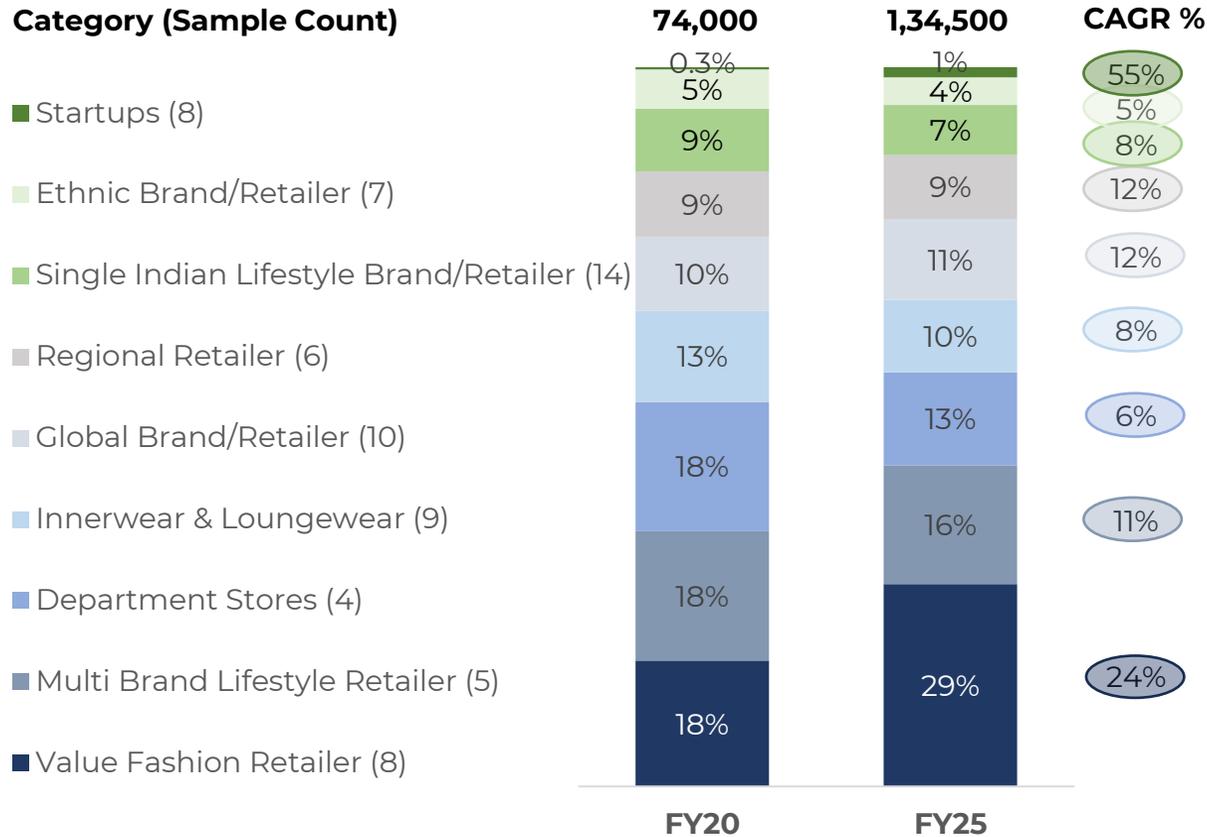


Source: Wazir Analysis

Note: Number of companies including companies selling private labels through department stores and hypermarkets

Value Retailers emerged as the biggest gainer between FY20-25

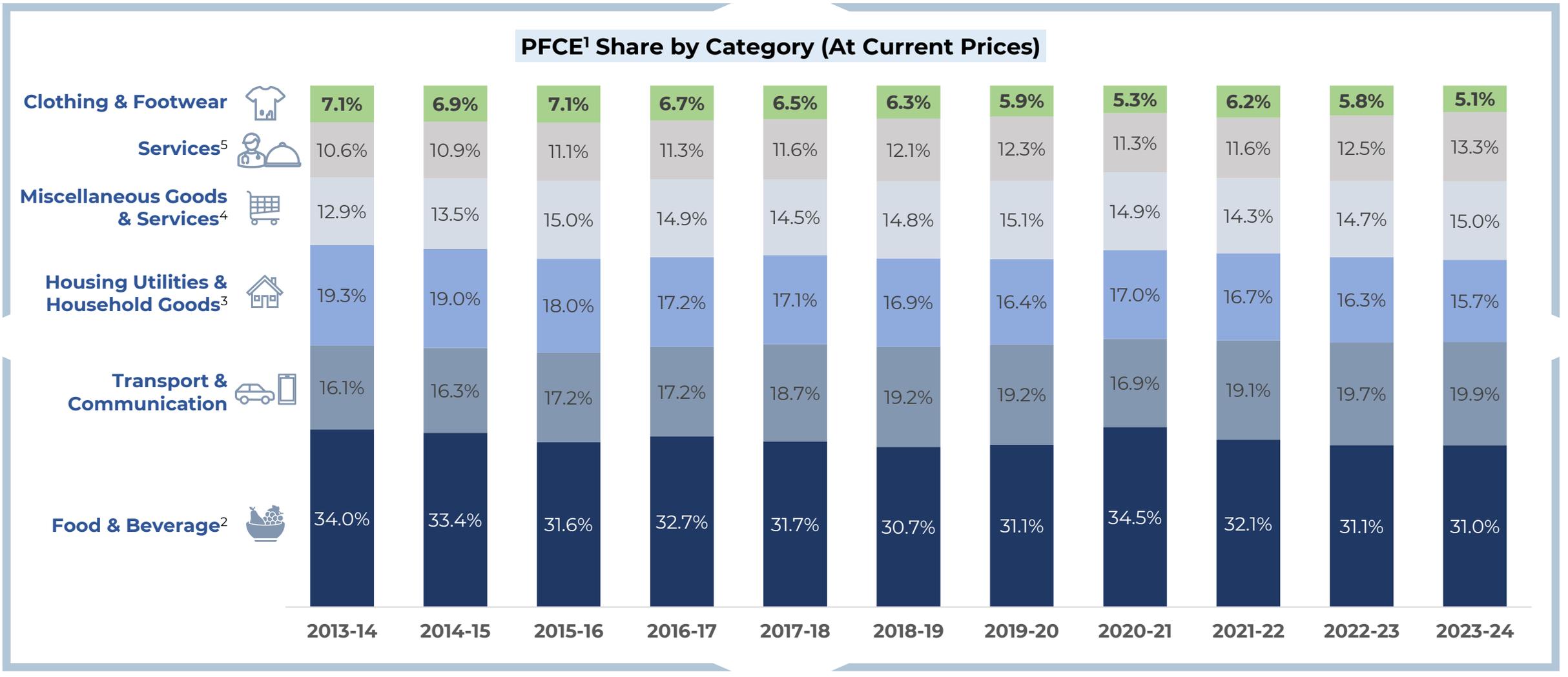
Market Share by Retailer Type (INR Cr)



Key Takeaways

- Value Fashion is winning at scale with price-sensitive consumers driving disproportionate growth, especially in Tier 2/3 cities.
- Large Indian conglomerates with multi-brand portfolios benefit from distribution strength and brand diversification.
- Department store format is growing but losing relative share to value chains and focused brand formats.
- Innerwear & Loungewear players losing share due to distribution challenges.
- Global brands regained traction with premium urban demand recovery, but growth is below value retail pace.
- Regional players maintained market share by expanding into new geographies.
- Single Indian Lifestyle Brand/Retailer losing share due to distribution challenges.
- Ethnic market share largely held steady supported by occasion wear-led growth.
- Startups are scaling rapidly but remain a small share of total industry revenues.

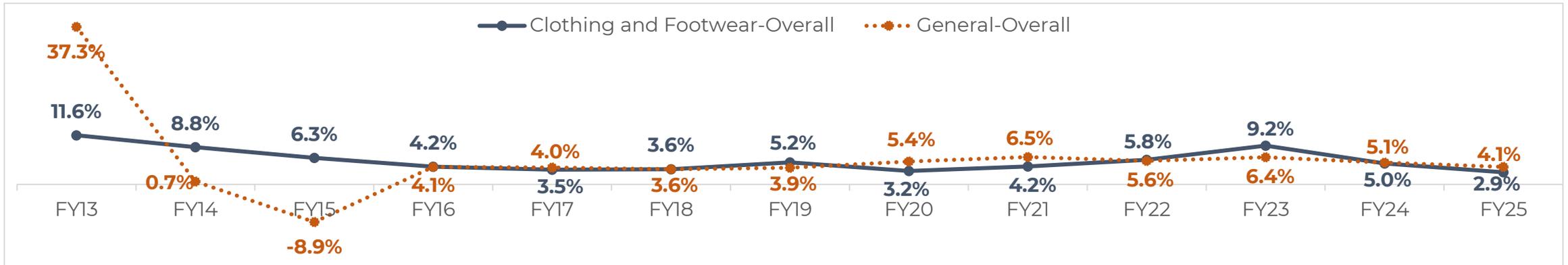
Despite PFCE growth, Clothing & Footwear's has lost share to other categories



Note 1- Private Final Consumption Expenditure in Domestic Market; 2- Food and non-alcoholic beverages + Alcoholic beverages, tobacco and narcotics; 3- Housing, water, electricity, gas and other fuels + Furnishings, household equipment and routine household maintenance; 4- Misc. goods & services include barber & beauty, religious, funeral/other services, sanitary, tailoring, TV & radio services, jewelry ornaments, watches/clocks, leather products, non-metallic mineral products, toilet products, banking charges, legal, business services, and life insurance.; 5-Health + Education + Restaurants and hotels + Recreation and culture
 Source: Ministry of Statistics and Programme Implementation (MoSPI)

Apparel Inflation Has Broadly Tracked Headline CPI, With Limited Divergence

CPI Index: YoY % Change



Other Categories	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Food and Beverages-Overall	11%	13%	6%	5%	4%	2%	1%	8%	8%	5%	7%	7%	7%
Housing-Overall	36%	-1%	-8%	5%	5%	7%	7%	5%	3%	4%	4%	4%	3%
Fuel and Light-Overall	9%	7%	3%	3%	1%	6%	5%	2%	7%	13%	12%	0%	-5%
Pan, Tobacco and Intoxicants-Overall	11%	10%	9%	10%	6%	7%	6%	4%	12%	4%	2%	4%	3%
Miscellaneous-Overall	8%	7%	4%	3%	4%	3%	5%	4%	8%	7%	7%	4%	4%

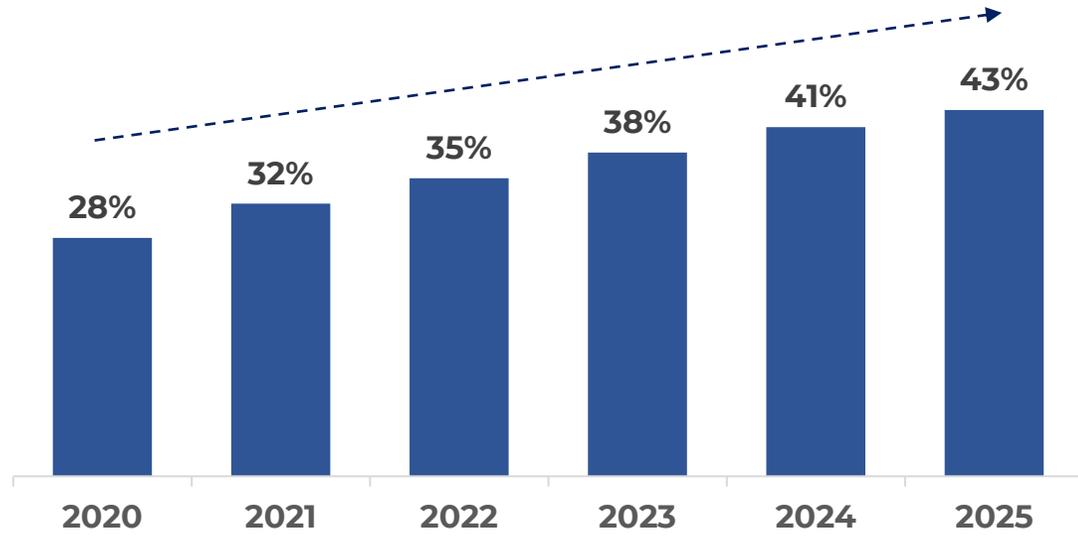
High Supply Intensity Is Resulting In Elevated Discounting, With A Significant Share Of Styles Listed At 50%+ Discount

Category / Price Brackets	0-500	500-1,000	1,000-2,000	2,000-3,000	3,000-5,000	5,000+	Total Products	Share of products discounted ≥50%
Menswear								
T Shirts	41%	35%	18%	4%	2%	1%	2,68,896	63%
Casual Shirts	18%	40%	30%	8%	3%	1%	1,90,700	63%
Jeans	6%	30%	43%	12%	6%	3%	52,502	66%
Casual Trousers	7%	30%	43%	13%	6%	2%	48,350	61%
Formal Shirts	7%	31%	36%	17%	7%	3%	28,295	48%
Formal Trousers	8%	30%	7%	35%	16%	4%	7,240	67%
Womenswear								
Dresses	12%	34%	31%	11%	8%	4%	2,17,455	69%
T Shirts	52%	33%	11%	2%	1%	0.3%	1,25,736	73%
Jeans	5%	46%	34%	9%	4%	1%	45,233	70%
Kurtas Tunics and Tops	39%	38%	17%	4%	2%	1%	23,790	72%
Jumpsuit	6%	31%	40%	11%	7%	4%	9,602	72%

Note: Pricing based on Myntra listed product prices
Source: Myntra, Wazir Analysis

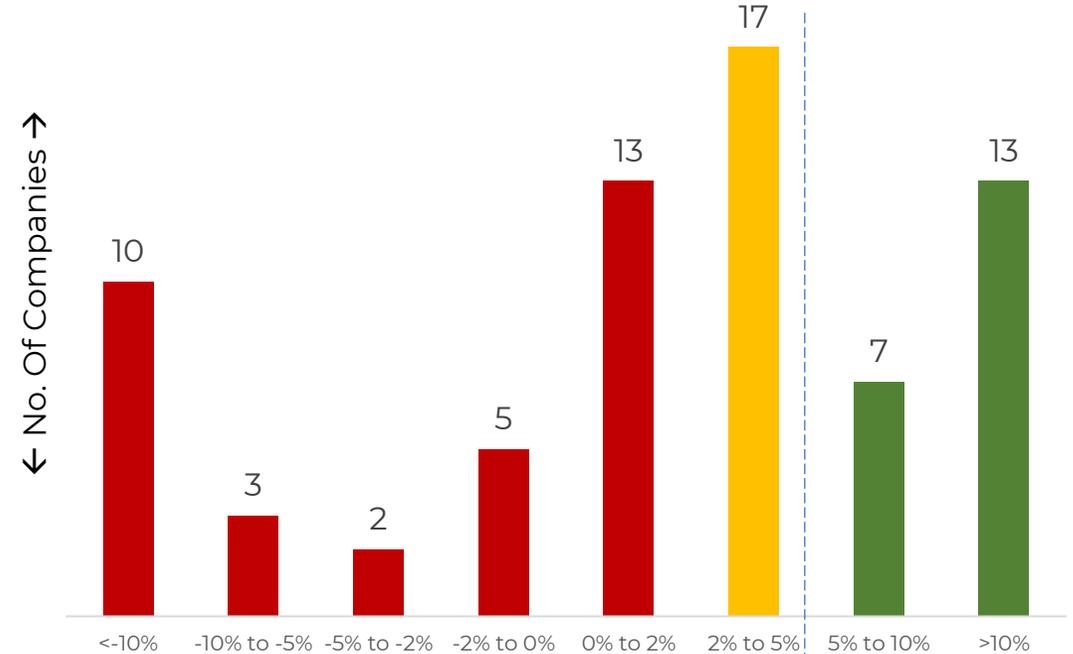
As Discounting Intensifies, PAT Margins Are Coming Under Increasing Pressure

Myntra – Listed Average Discounts %



- **Online markdowns of ~50–70% increasingly frequent during mega sale windows**, such as End of Season Sale, festive sales, and e-commerce events (e.g., Myntra’s Big Fashion Festival, Flipkart’s Big Billion Days).
- **Post-COVID shoppers are deal-conditioned**, waiting for sales, comparing prices online, and timing premium purchases around promotions.

FY25 PAT Margin Histogram



← PAT Margin range

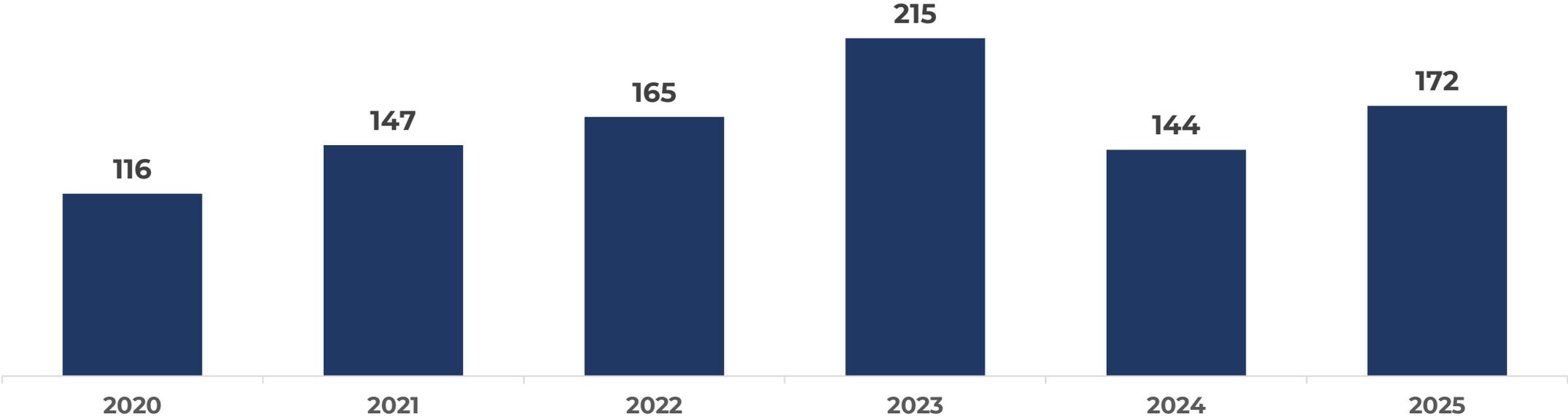
→
Sample size: 70 brands & retailers
Total PAT Margin: 5% (FY25)

The Sector Has Continued To Attract Consistent Investor Interest Over The Past Five Years

Funding Raised in Indian Apparel Industry (USD Mn)

USD 959 Mn
Total Funding Raised
(Since 2020)

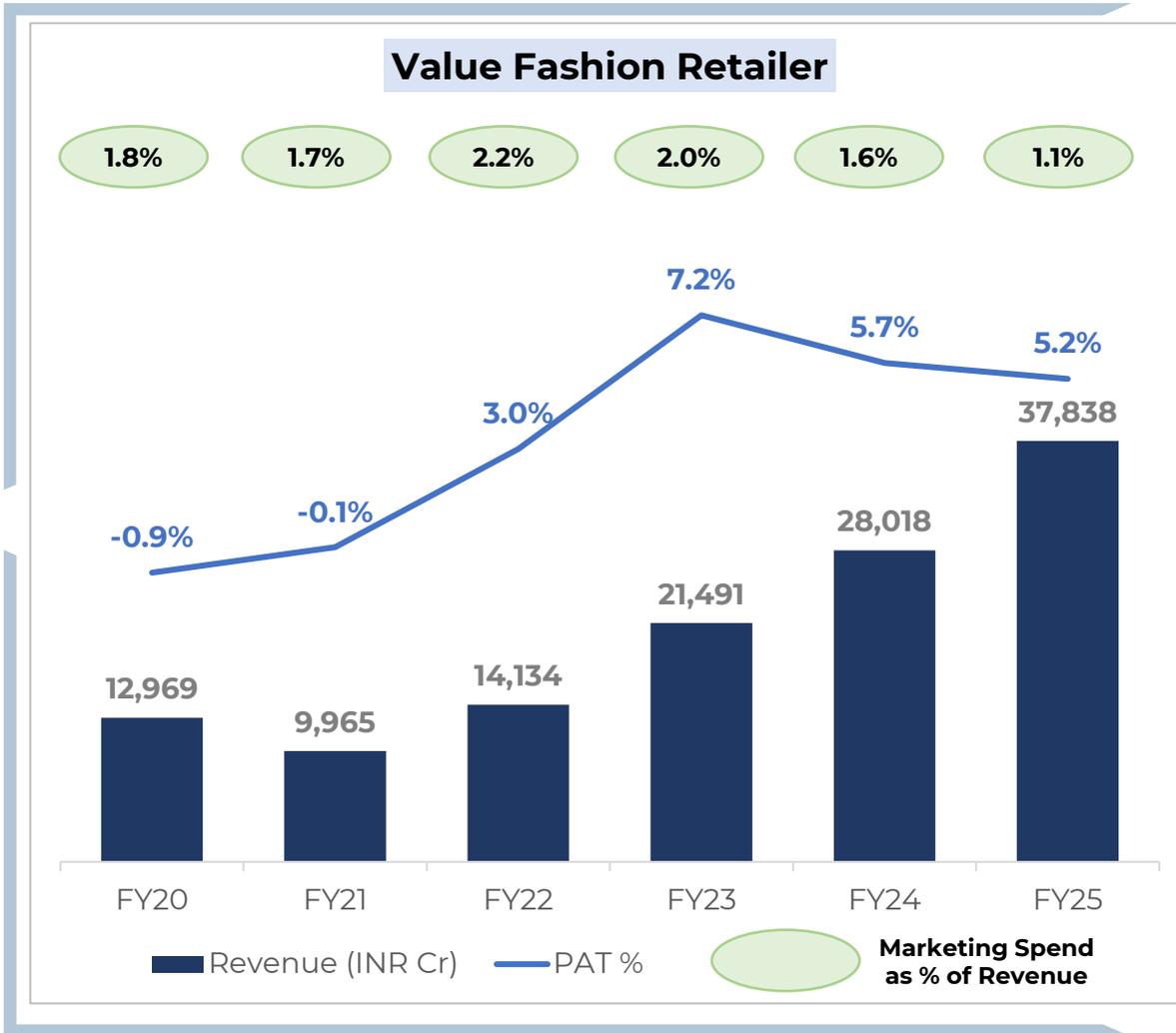
275
Total Funding Rounds
(Since 2020)



Category Deep-Dive

A photograph of a clothing store interior. The store features a variety of garments on display, including a blue suit, a white patterned dress, a blue patterned dress, and several blue jeans. The clothing is arranged on racks and shelves. The store has a warm, neutral-toned wall and a wooden floor. Track lighting is visible on the ceiling. A semi-transparent white banner with the text "Category Deep-Dive" is overlaid across the center of the image.

Value Fashion Retailers Outpaced Premium Peers In FY25 As Demand Shifted To Affordable Formats Amid Urban Slowdown



Key Takeaways

Store expansion:

- **Tier 2/3-led expansion:** Value players are aggressively adding stores in smaller towns, targeting price-sensitive consumers as aspirations rise across Tier 3/4 markets.
- **Category scaling fast:** Value fashion chains across India have more than doubled store count in the last five years, adding ~2,500 outlets
- **Expansion momentum remains strong:** Chains continue to scale through new store additions and deeper cluster penetration.

Efficiency-led growth:

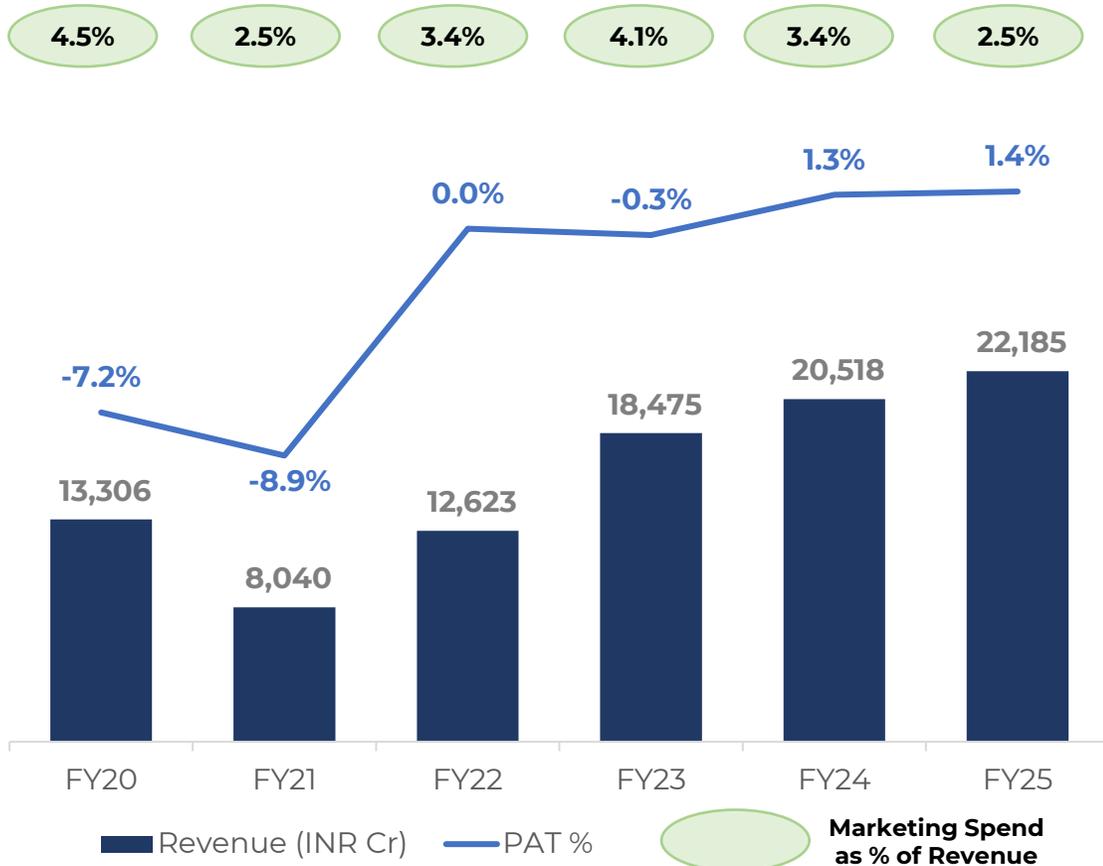
- Value retailers are now scaling with **tighter cost control, better inventory discipline, and stronger store-level productivity**, translating into PAT expansion.

Trade-down effect:

- Consumers are favoring more **affordable formats amid cautious discretionary spending**. Value chains are capturing demand via lower ticket sizes and wider reach.

Multi-Brand Retailers Drove Growth Through Diversification And Casualization, While Heavy Discounting Continued To Cap Profitability

Multi Brand Lifestyle Retailer



Key Takeaways

Profitability pressure:

- Category size has nearly doubled over the period **yet profit growth has remained muted**. No established, consistently profitable benchmarks have emerged within the segment.

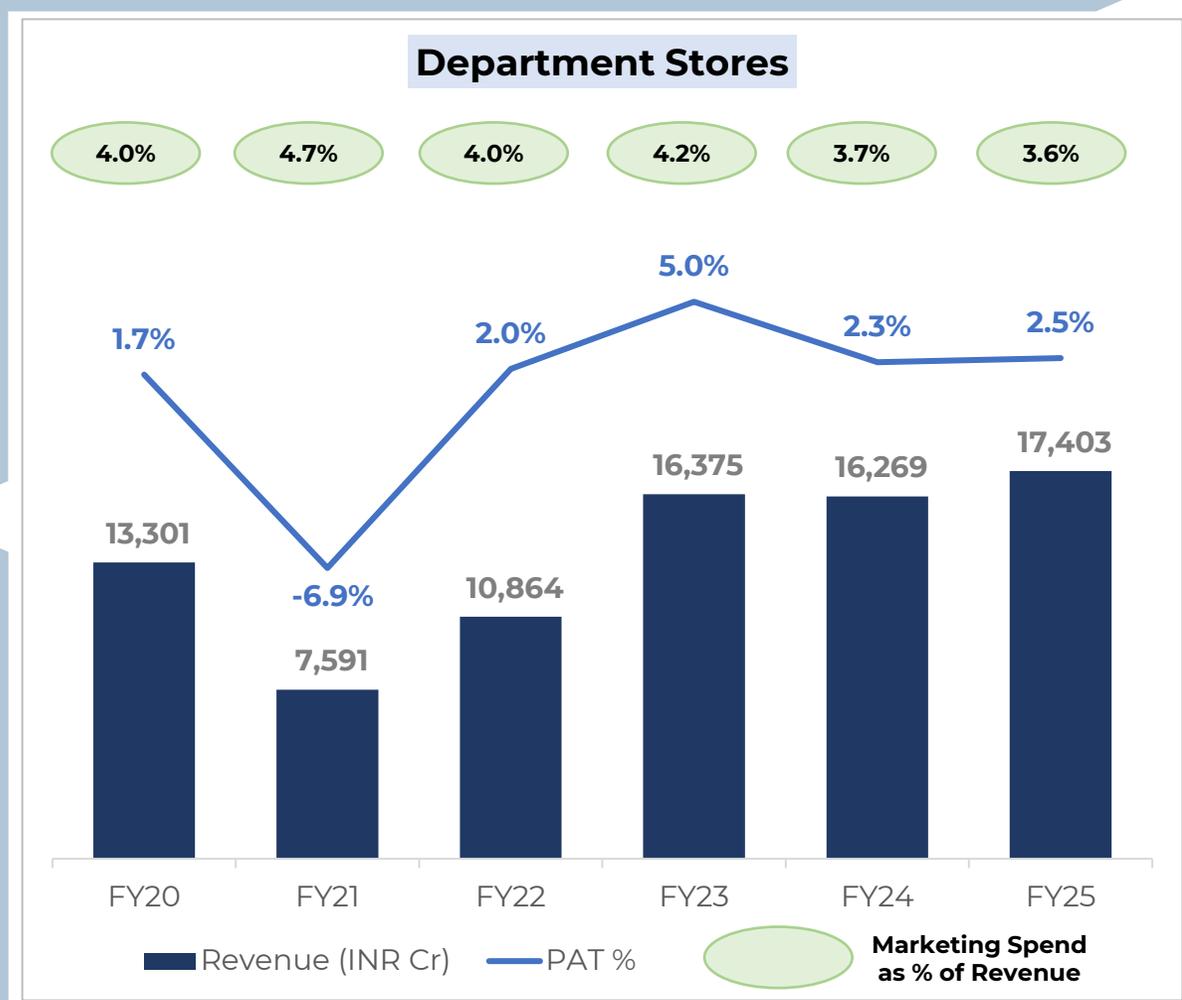
Discount- and marketing-led margin compression:

- Higher promotional intensity and sustained discounting** have eroded margins. Elevated marketing spends as a percentage of revenue continue to weigh on PAT.

Casualization and diversification-led growth:

- Revenue growth has been **driven by casualization and diversification** into new segments and product launches to sustain demand.

Department Stores Sustained Growth Through Diversification Beyond Apparel, While Gradual Premiumization Improved Revenue Quality



Key Takeaways

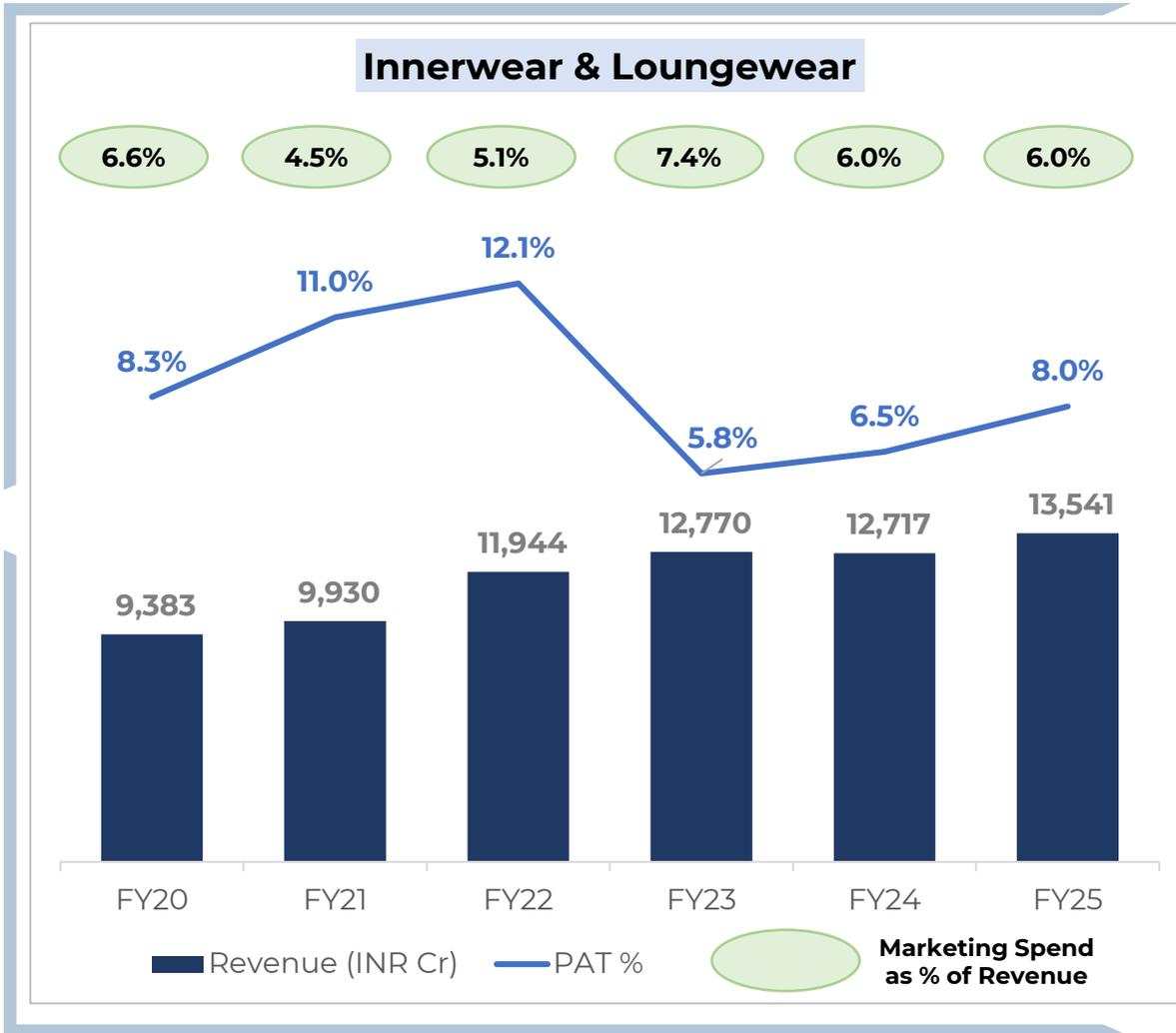
Category Mix Shifting Beyond Apparel:

- Incremental growth is increasingly being **driven by more non-apparel adjacencies**, reducing reliance on apparel-led scaling.
- **Category diversification is reshaping revenue mix** and improving resilience against apparel demand volatility.

Gradual Shift Toward Premiumization:

- Assortment mix is moving toward **higher price points** and more curated premium offerings.
- This transition enhances revenue quality but increases sensitivity to discretionary spending trends.

Startup Influx Intensified Competition As Distribution Saturation Limited Expansion-Led Growth In Innerwear



Key Takeaways

Startup influx is reshaping competition

- A wave of D2C and digital-first innerwear startups has intensified discounting, raised marketing costs, and **forced legacy distribution-led players to defend share.**

Premiumization is driving growth as distribution saturates

- With most general trade and MBO coverage already built out, **category growth is increasingly driven by price hikes and premiumization**, not incremental distribution expansion.
- Consumers are **trading up to comfort-led premium innerwear**, pushing brands to expand premium sub-brands and loungewear adjacencies.

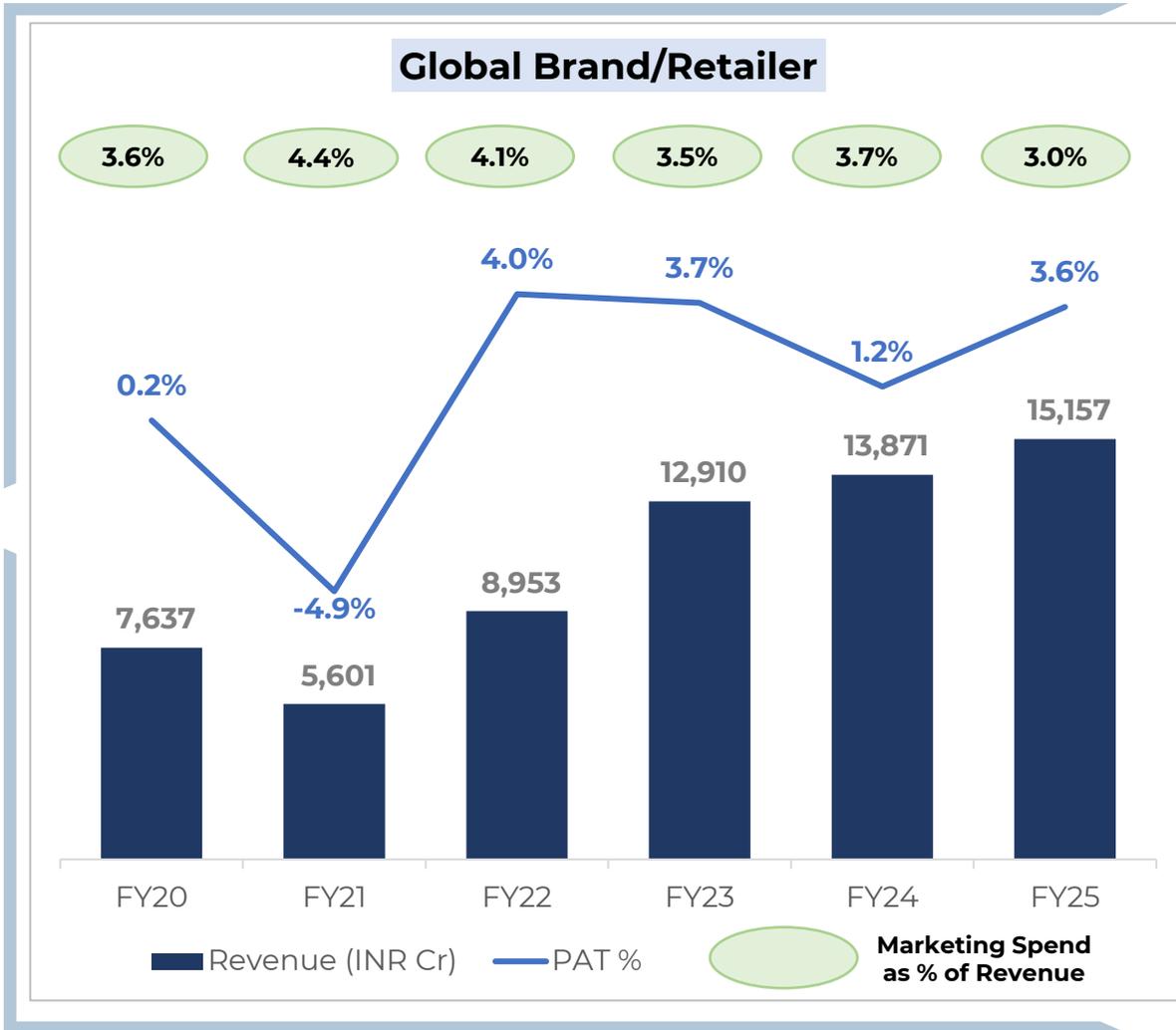
Category diversification accelerating

- Players are expanding into adjacencies such as athleisure and comfort-led segments to drive incremental growth.

Channel shift underway

- Heightened focus on EBOs and E-Commerce to unlock next phase of expansion beyond traditional distribution.

Global Fashion Retailers Entered A Maturity Phase In India As Store Expansion Peaked And Growth Began To Plateau



Key Takeaways

Expansion has matured; growth is plateauing

- After a rapid rollout across metros and top tier-1 cities, most global fashion retailers are now facing challenges for further growth, due to limited store-led growth.

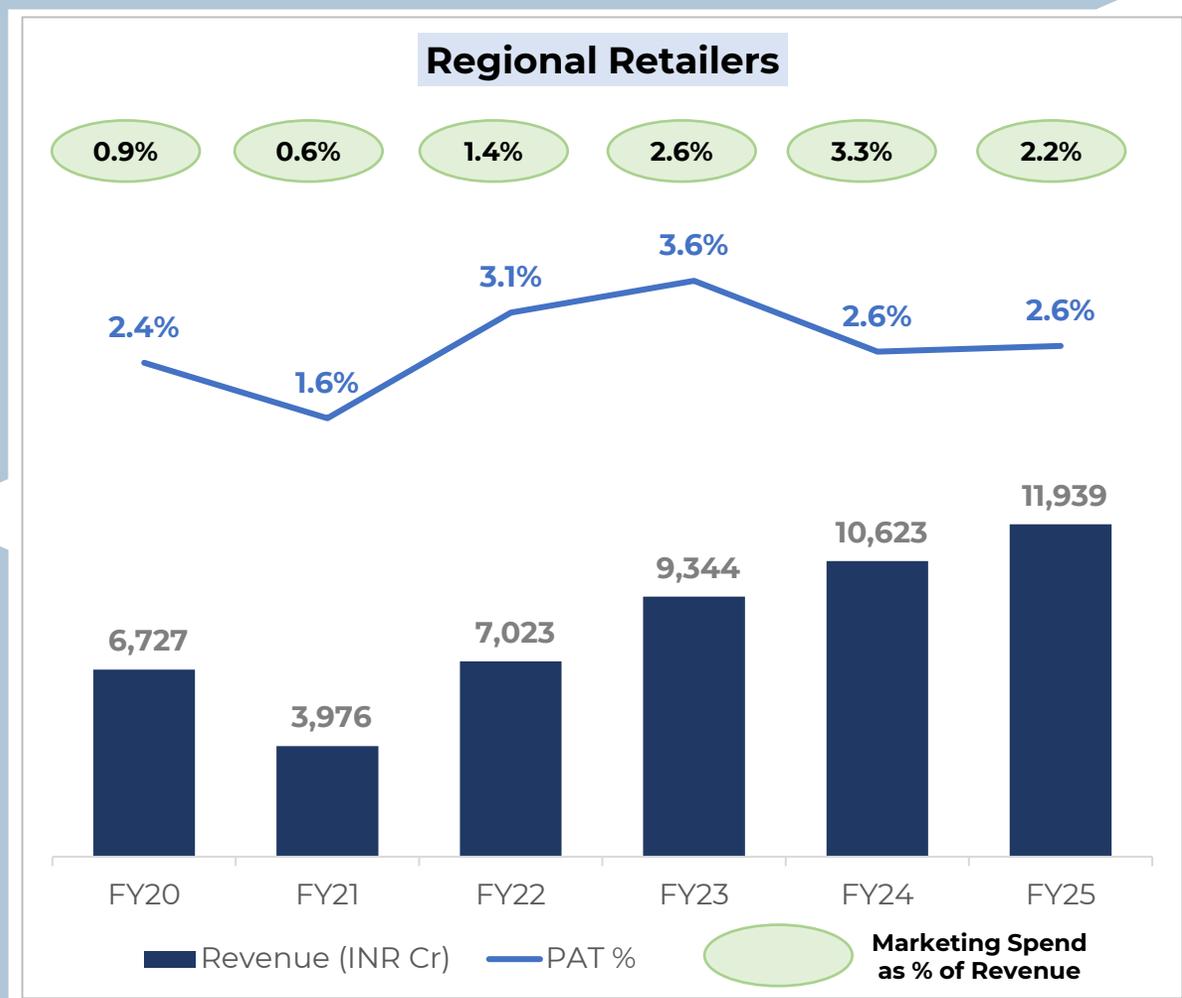
Online channel remains nascent

- Despite strong brand awareness, most global fashion retailers still have **limited online penetration in India**, with growth largely anchored in offline stores rather than scaled, owned e-commerce.

Inventory, deep discounting & margin pressure in FY24–FY25:

- Major fashion retailers ran deeper discounts (50–70%) to clear excess stock, as inventories pile up and footfall/demand remains soft.

Regional Retailers Leveraged Destination-Led Footfall And Localised Assortments, Though Scalability Remained Geography-Constrained



Key Takeaways

Destination-Led Store Economics:

- Large-format stores act as **primary shopping destinations** for weddings, festive purchases, and family-led shopping missions. Catchment dominance drives high footfall concentration during peak seasons.

Localized Assortment Advantage:

- Merchandise mix is **tailored to regional preferences** in fabrics, silhouettes, price points, and occasion trends. This localization often provides an edge over standardized national assortments.

Expansion into adjacent geographies:

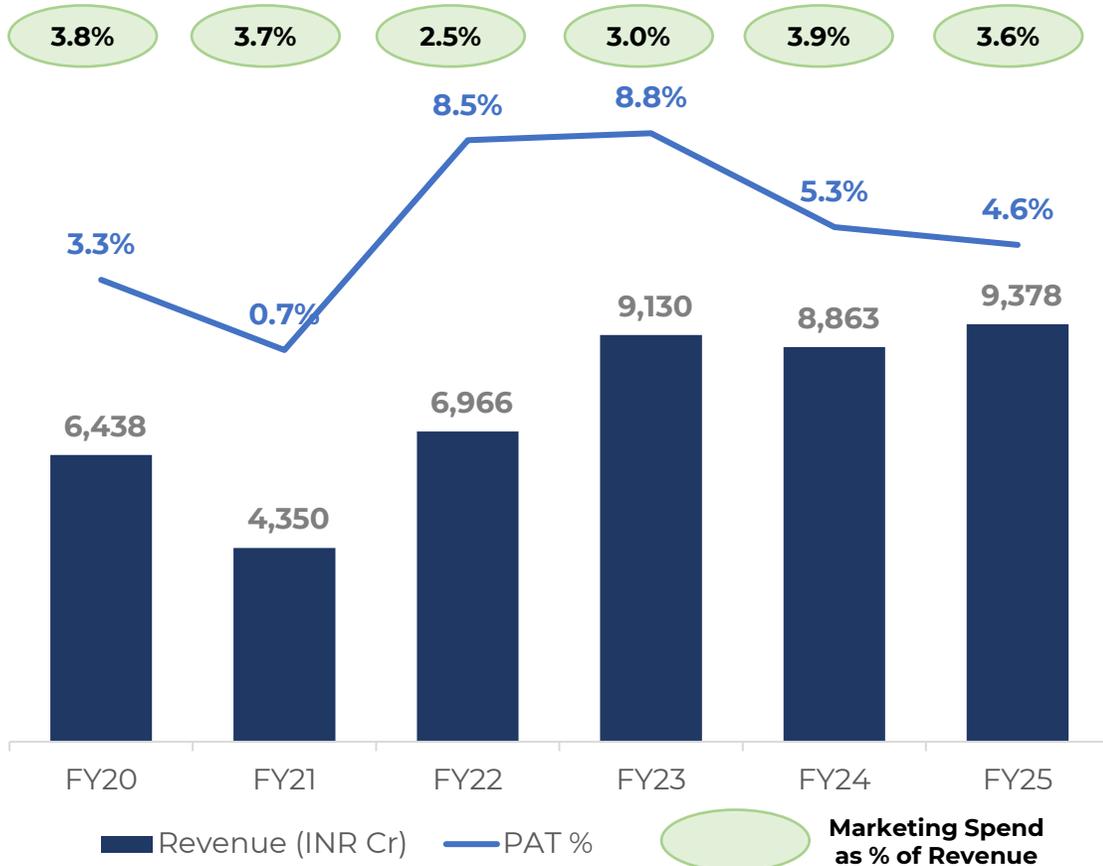
- Regional players are **extending beyond core markets** into neighboring states, leveraging strong local brand equity to scale footprint.

Tapping capital markets for growth:

- An increasing number of players are pursuing structured growth capital, including IPO pathways, to fund expansion and strengthen operations.

Store-Led Expansion Powered Single-Brand Growth. Profitability under pressure as distribution growth stagnates and competition increases

Single Indian Lifestyle Brand/Retailers



Key Takeaways

Market is extremely crowded with many peers:

- Many brands compete in **similar price bands and formats**, limiting differentiation and reducing pricing power.

Distribution-heavy operating model:

- Requires a **large store network** and **heavy inventory**, making costs high and margins fragile.

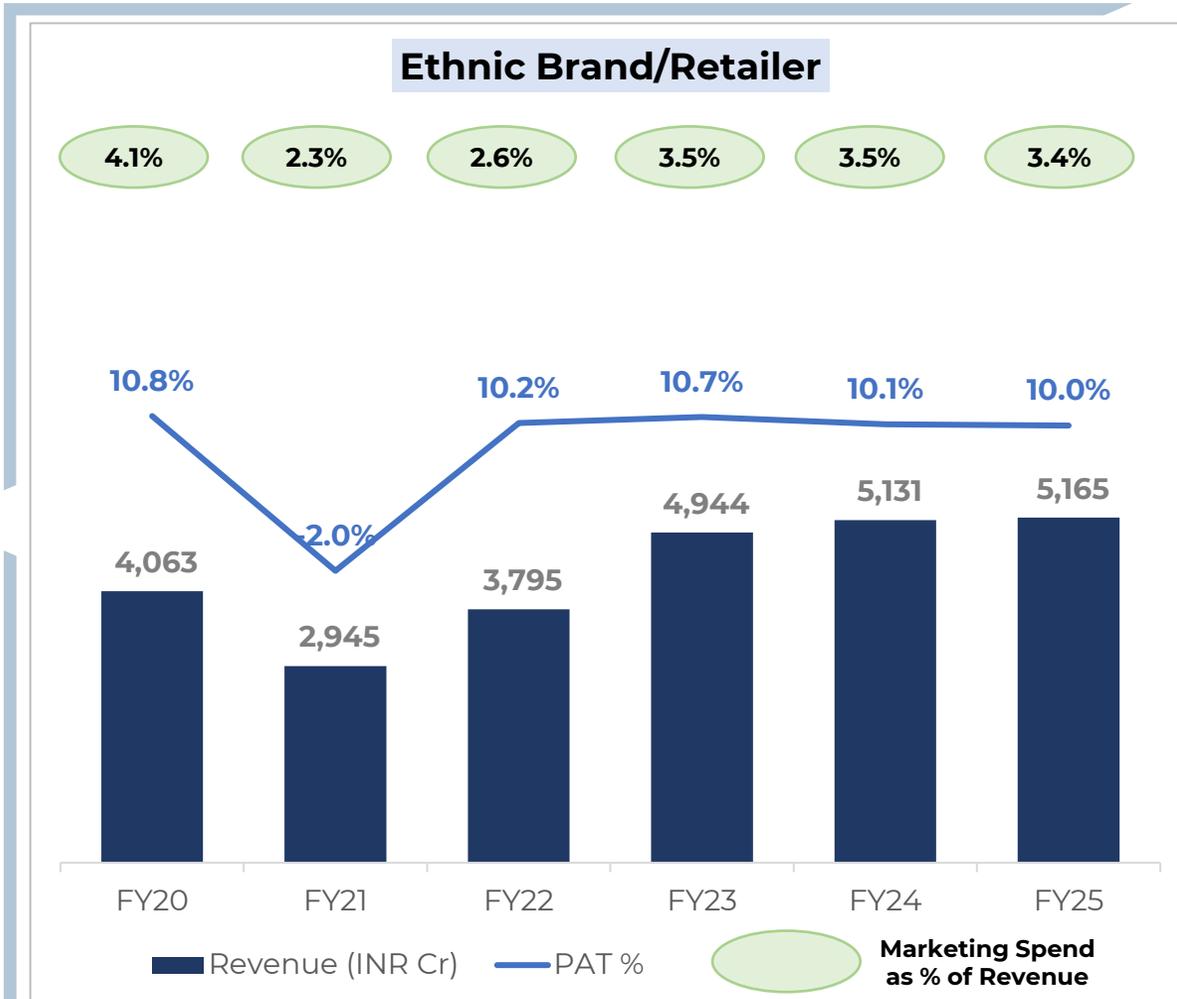
Aggressive expansion led to short-term growth:

- **Fast franchise-led expansion** and **heavy stocking** lifted sales initially, but when demand slowed it created excess inventory, higher returns, and margin pressure.

EBOs as primary growth engine:

- Exclusive Brand Outlets are critical for scaling, enabling stronger brand control, full-price sell-through, and deeper market penetration.

Occasion-Centric Demand And Trading-Up Supported Strong Profitability In Ethnic Retail



Key Takeaways

Occasion-Centric Demand Structure:

- A significant share of **revenue remains concentrated around weddings and festive cycles**, creating predictable yet seasonal demand patterns.

Premiumization & Trading-Up:

- Consumers are gradually shifting toward higher-quality fabrics, designer collaborations, and **premium price bands**.
- Higher ASP realizations are contributing to value growth even without proportional volume expansion.

E-commerce Enablement for Non-Bridal Categories:

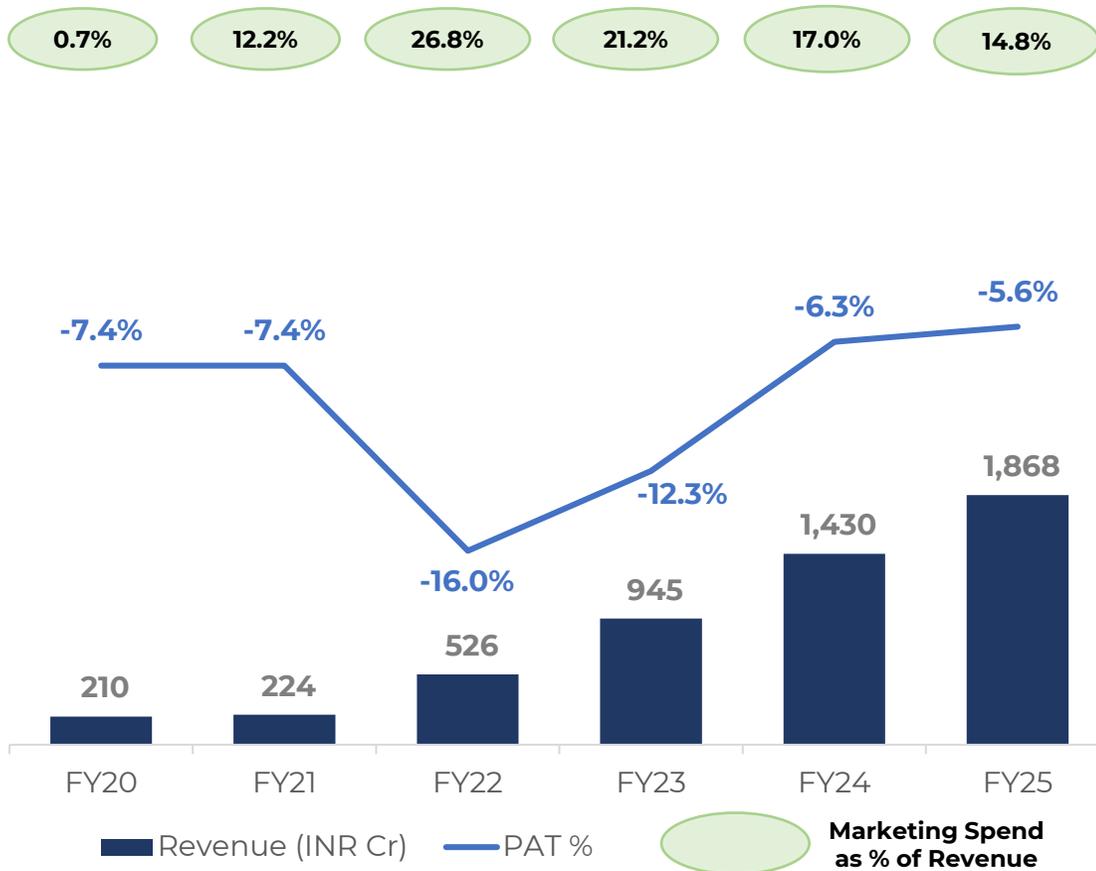
- Online platforms are **expanding reach for lightweight and repeat ethnic purchases**.
- The ethnic category is witnessing the emergence of digital-first brands leveraging social commerce, influencer-led discovery, and online assortment depth to capture younger consumers.

Renewed interest driven by PE investments

- Fresh private equity participation signals growing confidence in the category's structural growth and scalability.

Startup Apparel Moved From Hyper-Growth And Deep Losses To Early Signs Of Margin Stabilization

Startups



Key Takeaways

Scale-first strategy; growth prioritized over profits:

- Many startups show rapid revenue growth driven by capital infusion, but **most startups remain loss-making as CAC, fulfilment, and expansion costs stay elevated.**

Marketing-led growth model:

- Growth remains heavily driven by **digital marketing spends**, keeping margins under pressure despite top-line scale-up.

Omnichannel expansion:

- Clothing startups are **adding stores to boost trial-led conversion**, cut fit-related returns, and drive repeat purchases while online continues to drive reach.

Key Strategic Insights

Key Observations	Wazir Perspective
Value retail has significantly outpaced premium formats, driven by price-sensitive consumers and Tier 2/3 expansion	The structural shift toward affordability is durable. Scalable cost-efficient models with strong cluster penetration will continue gaining share.
Heavy discounting has conditioned consumers, compressing margins across segments	Margin recovery will require sharper assortment control, inventory discipline, and reduced reliance on event-led sales.
Distribution expansion is reaching saturation in several categories	Future growth will be driven by premiumization, productivity improvement, and revenue per store and not footprint expansion alone.
Multi-brand growth is driven by casualization and diversification; department stores are expanding beyond apparel; ethnic remains occasion-led but profitable	Category mix optimization and higher ASP strategies will determine resilience in a low discretionary-spend environment.
Startups scaled rapidly through marketing-heavy models but face profitability pressure.	The next phase will reward omnichannel integration, CAC rationalization, and sustainable margin architecture over top-line growth.

How Wazir Can Support Apparel Brands and Investors

1

Market Assessment

- Mapping Market Opportunity
- Competitive Assessment
- Consumer Behaviour Mapping
- Identify Attractive Opportunities

2

Growth Strategy

- Assessment of Current Business
- Redefining Operating Model
- Strategy Roadmap
- Financial Model Development

3

Business Transformation

- Revenue Enhancement
- Cost Transformation
- Operations Improvement
- Digital Audit and Readiness

4

CDD and IPO DRHP

- Market Sizing, TAM, and Segmentation
- Competition Benchmarking
- Voice of Consumer
- Industry Reports-DRHP

Coverage across major fashion platforms: Myntra | Ajo | Nykaa Fashion | Amazon Fashion | Flipkart Fashion | D2C brand websites



Assortment & Range Planning

Optimize SKU mix across styles, fits, fabrics, colors, and price tiers



Trend & Attribute Intelligence

Track emerging trends across cuts, materials, patterns, and silhouettes



Competitive Benchmarking

Benchmark competitors on pricing, assortment depth, drops, and positioning



Pricing & Discount Intelligence

Monitor price bands, markdown cadence, and promotional intensity



Market Share, Sales & Category Tracking

Track brand- and SKU-level sales and share shifts across platforms and time



Customer Feedback & Fit Intelligence

Extract insights on fit, quality, comfort, and sizing issues from reviews



Expansion & White-Space Discovery

Identify underpenetrated styles, price points, and segments



Sell-Through & Demand Signals

Identify fast movers, slow stock, and demand pockets by attribute



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