

India's apparel retail market poised to reach ₹16 lakh crore by FY 2030

India's apparel retail market is set for a significant expansion over the next five years, with industry size projected to touch nearly ₹16 lakh crore by 2029-30, driven by rising disposable incomes, rapid digitalisation and strong growth in value fashion and e-commerce, according to a CareEdge Ratings report.

Organised retail currently accounts for approximately 41 per cent of the total market and is expected to grow at a faster pace of 10-13 per cent, supported by increasing consumer preference for branded apparel, the entry of international brands and the expansion of structured retail formats.

A key driver of growth is the value fashion segment, which is benefiting from rising brand awareness and consumer price sensitivity. Value fashion, estimated at ₹3.5 lakh crore in 2023-24, is expected to grow at a CAGR of 7 per cent to reach ₹5.0 lakh crore by 2029-30.

Retailers such as Zudio, Max Fashion, and Reliance's Yousta are aggressively expanding their store networks, particularly across Tier-2 and Tier-3 cities, which are rapidly emerging as key consumption hubs. In parallel, e-commerce continues to act as a major growth engine for the sector.

Online channels currently account for about 22 per cent of organised apparel retail and are projected to increase their share to nearly 25 per cent by 2029-30, translating into a market size of around ₹5.0 lakh crore. Rising internet penetration, growing smartphone adoption, and the strong influence of Gen Z consumers on fashion trends are accelerating the transition toward digital-first and omnichannel retail strategies.

INDUSTRY ROUNDUP

Govt Rolls Out ₹7,295-Crore MSME Credit Support

On 02nd January 2026, the government rolled out two critical components of the ₹ 25,000 crore six-year Export Promotion Mission (EPM) - the long-awaited interest subvention scheme with a corpus of ₹ 5,181 crore and ₹2,114 crore collateral support for export credit.

A base interest subvention (subsidy) of 2.75 per cent, on pre- and post-shipment rupee export credit extended by eligible lending institutions, will be provided to MSME exporters of goods based on a positive list covering 75 per cent of total tariff lines. There is a provision for additional incentive for exports to notified under-represented or emerging markets, according to the Commerce & Industry Ministry.

The interest subvention scheme will be applicable exclusively to MSME exporters. The subvention rate will be floating in nature and benchmarked against the repo rates of India and comparable economies. The positive list has been prepared using a transparent and data-driven methodology, prioritising labour-intensive and capital-intensive sectors, MSME concentration and value addition, while excluding restricted and prohibited items, waste and scrap, and products covered under overlapping incentive schemes, according to the government.

The earlier interest equalisation scheme, which got replaced by the new version of the scheme, lapsed on December 31, 2024, and exporters had been waiting for its resumption for over a year.

Under the second intervention, a collateral guarantee support for export credit is being introduced in partnership with the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

Guarantee coverage of up to 85 per cent will be provided for micro and small exporters and up to 65 per cent for medium exporters, with a maximum outstanding guaranteed exposure of ₹10 crore per exporter in a financial year.

Textile PLI Scheme Deadline Extended to March 31, 2026



The government has further extended the deadline for submission of fresh applications under the Production Linked Incentive (PLI) Scheme for Textiles until March 31, 2026.

The extension comes in response to the strong interest shown by textile companies since the application portal reopened in August 2025. Proposals are being submitted across priority segments, including man-made fibre (MMF) apparel, MMF fabrics, and technical textiles.

The latest extension provides additional time for companies to participate in the flagship scheme, aimed at boosting domestic manufacturing and exports in the textile sector.