Management Discussion and Analysis

Textiles

Grasim is a pioneer in India's linen and worsted yarn manufacturing landscape, with a strong presence across three strategically located production facilities. Its operations span the entire value chain, from linen spinning and fabric production to wool combing and worsted spinning, making it the country's only fully integrated linen manufacturer. Equipped with cutting-edge technology, Grasim's facilities set a benchmark in quality and innovation in the textile sector.

Linen • Wool • Premium Cotton Fabrics

₹**2,222** crore
Revenue

₹**605** crore
B2C Revenue

23
New EBOs opened (Linen Club)

"At Grasim, we take pride in being a global supplier of choice for wool and linen, and in our pivotal role as the pioneer of linen in India. Over the years, we have not only transformed the Indian fashion landscape but also evolved our business model, moving beyond manufacturing to building iconic, consumer-loved brands."

Kapil Agrawal
Business Head

Jasvinder Kataria
Chief Executive Officer

Ashok Machher
Chief Financial Officer

Chandra Bhattacharjee
Chief Human Resources Officer

Business Overview

Grasim's Textiles business is structured around three strategic business units (SBUs), each focused on natural fibres and integrated across key stages of the textile value chain. The largest of these is the Linen segment, which stands out for its premium sourcing and end-to-end capabilities. We procure the finest flax fibres from France, Belgium, and the Netherlands, renowned for their superior quality, and transform them into high-grade linen yarn, fabric, and apparel. While our linen yarn and fabric are supplied to downstream partners, our apparel segment operates on an outsourced garmenting model, allowing us to scale efficiently while maintaining a strong brand presence in the premium fashion space.

Expanding our portfolio of natural fibre offerings, we also operate 'Cavallo', a contemporary brand that blends natural fabrics such as linen and cotton, catering to evolving consumer preferences for comfort and sustainability. In our Wool segment, we produce high-quality wool tops and worsted yarn sourced from fine Merino wool, which are eventually supplied to leading downstream apparel manufacturers. Our premium cotton fabric division further strengthens our presence in the luxury fabric market, with products sold under globally recognised brands such as 'SOKTAS' and 'Giza House.'

The retail arm of Grasim's Textiles business, led by our flagship brand 'Linen Club', has established one of the largest single-brand franchise networks in India. With a presence in over 240 exclusive brand outlets (EBOs) and more than 9,000 multi-brand outlets (MBOs), Linen Club continues to set the benchmark in premium linen retail.

Management Discussion and Analysis

Competitive Strengths

Largest single local integrated linen manufacturing facility

Wide customer base with renowned brands like **'Linen Club'**, **'SOKTAS'** and **'Cavallo'**

End-to-end presence in linen cloth material

Our Brands

LINEN CLUB
PASSIONATE LIKE YOU

CAVALLO
BY LINEN CLUB

SÖKTAŞ

Operating Context

The textile sector in India presents an attractive opportunity for investment, driven by strong consumer dynamics. Apparel accounts for the second-largest share in the retail basket, nearly 10%, trailing only food, groceries, and general merchandise. This share is expected to grow, underpinned by India's favourable demographics. A young and increasingly affluent population, coupled with greater exposure to media and digital platforms, is more inclined to adopt emerging fashion trends. This shift in consumer behaviour is fuelling demand for lifestyle and premium products, making the textile sector a compelling space for long-term investment.

Strategic Focus Areas

Retail Presence

We remain committed to positioning 'Linen Club', 'SOKTAS', and 'Giza House' as cornerstone retail brands in the Indian textile landscape. Over the past five years, we have significantly expanded our retail footprint, adding 60+ exclusive brand outlets (EBOs) and scaling up our presence to over 9,000+ multi-brand outlets (MBOs). This strategic growth reflects our focus on deepening market reach, enhancing brand visibility, and strengthening our connection with consumers nationwide.

Innovation and Sustainability

We are driving innovation in sustainable textiles by developing blends of linen with natural fibres like cotton and viscose under our brand Cavallo, making premium fabrics more accessible and versatile. Our recent launches include Silk Touch, a biodegradable, cellulosic fabric with a luxurious silk-like feel, and our Circular Solutions line, which uses recycled linen from pre-consumer waste. These initiatives reflect our commitment to reducing environmental impact, managing raw material costs, and creating future-ready, eco-conscious textile solutions.

Operating and Financial Performance

In line with our business strategy to shift from pure manufacturing to establishing iconic brands in some of these categories, the B2C revenues for the segment grew by 4% YoY. Textiles segment revenue stood at ₹2,222 crore in FY 2024-25 against ₹2,217 crore in FY 2023-24. Linen performance was severely impacted due to demand slowdown and exceptionally high flax prices. EBITDA for FY 2024-25 stood at ₹1 crore as against ₹168 crore in FY 2023-24.

Revenue (₹ crore)

↑ 0.2%

FY25	2,222
FY24	2,217

↗ Outlook

Market sentiment toward premium clothing remains subdued, with dealers holding elevated inventory levels. Geopolitical tensions, particularly in Europe, are impacting demand in global markets. Meanwhile, India is emerging as one of the world's most dynamic fashion markets, driven by rising disposable income, growing E-commerce penetration and strong demand from Tier 2/Tier 3 cities. Our Linen business is a trusted name in premium natural fabrics. We are also transforming from pure manufacturing to building iconic consumer brands, deepening retail footprint and entering fast-growing categories.