

PDS may invest up to ₹225 cr in India, Egypt to service US mkt

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Fashion supply chain company PDS Ltd, which counts Tesco, Asos, Primark, Macy's and Calvin Klein, as its clients, plans to invest ₹170-225 crore to expand its manufacturing facilities both in India and Egypt, a top company executive said.

The move will help PDS expand its US business, which requires sourcing units closer to the West.

The company's expansion plans comes amid increasing interest from retailers worldwide to widen the source base beyond China and Bangladesh since the pandemic disrupted supply chains. Many retailers are also looking at short lead times and sourcing goods from markets closer home.

PDS, which clocked revenues of ₹8,828 crore in FY22, provides customized sourcing and manufacturing solutions to retailers and brands. Globally, it works with over 600



Sanjay Jain, CEO, PDS Ltd.

partner factories that work as suppliers of garments for the company.

PDS draws nearly half of its business from the UK followed by Europe and North America. Jain said the company plans to increase business from the US, which is prompting the firm to invest in factories closer to the western market.

"The world has moved to near-shoring; what I mean is, quicker turnaround time. As a result, countries like Egypt, which are in close proximity, relatively speaking to the US and to Europe, are gaining

more traction," said Sanjay Jain, chief executive officer, PDS. "In fact, PDS, as part of this global manufacturing footprint, which currently is in Bangladesh, Sri Lanka, China, India is also expanding beyond, and we are carefully looking at Egypt. We are also now wanting to have our investment into one or two manufacturing units in India because of India's attractiveness due to textile production-linked incentive schemes, also in terms of FTA conversations that are underway with the UK as well," Jain said in an interview. To be sure, PDS sources over half of its finished goods and apparel from Bangladesh. The company works with third party manufacturers, that for instance, supply garments that it then sells to large retailers; it also operates via its own manufacturing subsidiaries in different markets.

"We are not averse to committing say about ₹170-225 crore into manufacturing locations in Egypt and India," Jain added.