

Knitting together a winning global sourcing strategy

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Earlier this year, global fashion solutions firm PDS picked up a 55 per cent stake in Knit Gallery, a Tirupur-based apparel exporter, for an equity consideration of ₹41 crore. For the ₹10,373 crore PDS, a listed entity that emerged out of Pearl Global Group's womb, the acquisition would be its first manufacturing facility in India; its other units are in Bangladesh and Sri Lanka.

At Bharat Tex 2025, the textile trade show in Delhi, PDS had a large pavilion to showcase its work with brands and retailers in the textile space.

Also present was Knit Gallery's founder A Vijay Anand, who, beaming with pride, explained how the deal with PDS would help the company scale up faster. He described how, with no background in textiles and purely entrepreneurial zeal, he had built up Knit Gallery to nearly ₹300 crore in FY24, snagging prestigious clients like UK retailer Primark, the German Ernsting's Family, and American retailer TJ Maxx. "I would love to see more big names in my billings book. I think Knit Gallery's growth will help Tirupur, too, as it will create more jobs in the town," he said.

As for PDS, the controlling stake in Knit Gallery would help it diversify its sourcing footprint, disclosed Sanjay Jain, group CEO of the company.

"We like to have some skin in the game in the geographies we source garments from for our customers," he explained. "I believe India has huge potential. Buyers are also looking at India and we have our own strengths in design here," he added.

PDS' business, he says, is to sell to its customers — retailers

in the UK, the US, and Europe — both garments and services such as design, compliance, factory management and so on. "Customers want an efficient and compliant supply chain. So we take the responsibility of getting the clothes manufactured, buying from the manufacturers, and ensuring they are compliant."

ASSET-LIGHT OPERATION

Jain says PDS is mostly an asset-light operation but also runs a few of its own manufacturing facilities to prove to the customer that it understands the challenges inherent in producing garments. "Why should the customer believe that PDS can do this job of sourcing garments? Because we have 250 designers, 140 compliance professionals located close to the factories where the garments are manufactured, and 800 quality control professionals and merchandisers working with the factories. We have actually invested in manufacturing facilities and in creating an ecosystem," he said.

"We set up two manufacturing units in Bangladesh, one doing tops and one doing bottoms. And these factories do a turnover of \$100 million but we buy garments worth more than \$800 million from Bangladesh," he added. Similarly, in Sri Lanka, PDS' manufacturing unit does about \$50 million business, but the company exports more than \$100 million worth garments sourced from other factories.

HOW IT BEGAN

The PDS story is pretty fascinating. It began life as PDS Multinational, a subsidiary of the Pearl Global Group, an end-to-end clothing vendor and garment supplier set up by the redoubtable Deepak Seth. Then in 2014, the business was hived off, with



SEWING TIES. A Vijay Anand (left), founder, Knit Gallery; and Sanjay Jain, group CEO, PDS, at Bharat Tex expo in New Delhi

one son, Pallak, taking charge of PDS, while the other son, Pulkit, is MD and Vice-Chairman at Pearl Global.

An agile operator, PDS' corporate headquarters is in Mumbai, while customer headquarters is in London. "Our design hub is in Gurgaon, banking is run from Hong Kong and Dubai, customer relationship is out of Germany and Milwaukee in the US, and finance and taxation out of Bengaluru," Jain stated.

Apart from sourcing garments for retailers such as Tesco, Primark, Walmart, Sainsbury and s.Oliver, PDS also offers other services. "I ask garment retailers what their pain points are, and solve them," Jain said. PDS can manage factories for a service fee. "And if you are a retailer like Tesco or Primark

strategy, he added, must factor in a lot of elements. "Commercial considerations are just one part. Stability, predictability are another — that your supply chain will not get disrupted. Duty access is another. Certain countries enjoy duty-free access."

At Bharat Tex, the Indian garment manufacturing sector's intent to scale up exports is laudable, he said, but all these considerations must be kept in mind. "The FTAs (free trade agreements) will be a catalyst for growth. It is up to the Indian government to sew more FTAs. Though, to be fair, it is not only about FTAs but also how efficient you are in manufacturing."

INDIAN BUYERS

Does PDS have any customers in India? Myntra, Red Tape and Aditya Birla Fashion are customers, Jain said. For Myntra, PDS sources from China and Bangladesh. "Since I have offices in China, for smaller MOQs (minimum order quantity) I can easily fulfil."

"We provide supply chain solutions to Indian retailers," he said.

As he pointed out, India's retail (apparel and footwear) consumption will cross \$100 billion by 2028 as it is the fastest growing market in the world. "We should see scale; already large orders are coming from here," Jain said.

So is PDS setting its sights on other manufacturing facilities in India? "There is a land parcel in Coimbatore. But our business model is not to just keep adding capacity and wait for customers to come in," he responded. "Knit Gallery is doing approximately ₹300 crore turnover right now and there is potential to extract 20-25 per cent more. The inquiries that are coming in are very encouraging," he said.

and have a lot of insights into what customers are buying, you could easily curate a new brand for them. We could create that for you," he explained. And there is a growing demand for private labels.

GLOBAL SOURCING

The sourcing game is very complex, Jain said. The risk element increases as you move up the fashion chain. He described how PDS deals with 60 factories in Turkey and 100-plus factories in China. "If you want a highly fashion-oriented product with a short lead time, Turkey is ideal, given its proximity to Europe. On the other hand, if you want low-cost, basic garments, then Bangladesh or China is the place to source from."

But the global sourcing