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Home
Furnishing
Industry

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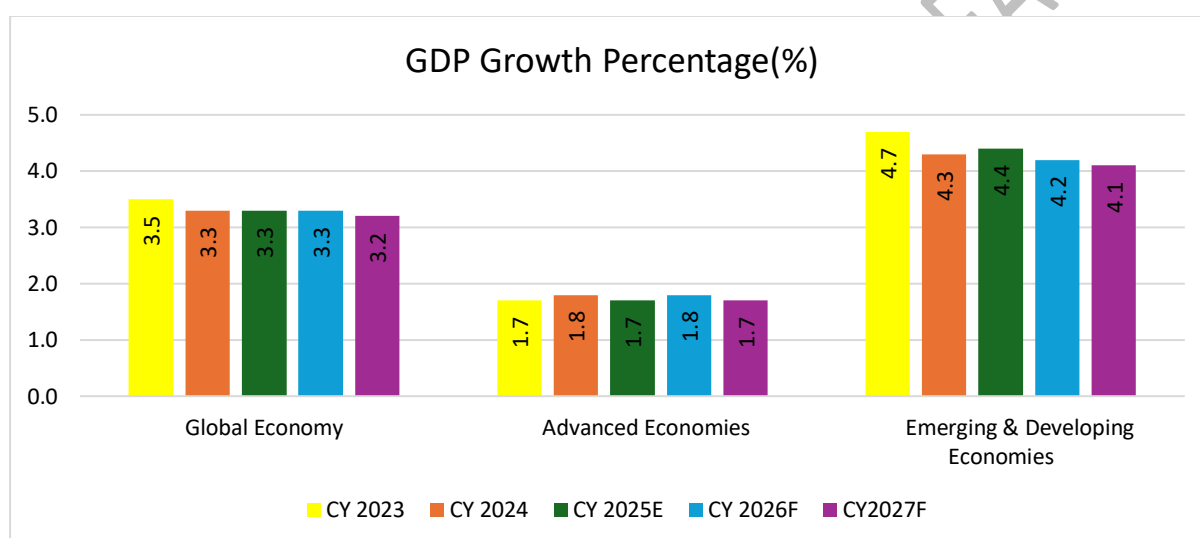
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1. Global Economic Outlook

As per the IMF's World Economic Outlook (WEO) published in January 2026, global growth is projected to remain resilient at 3.3 percent in 2026 and at 3.2 percent in 2027.

Global headline inflation is expected to decline from an estimated 4.1 percent in 2025 to 3.8 percent in 2026 and further to 3.4 percent in 2027. The inflation projections are also broadly unchanged from those in October and envisage inflation returning to target more gradually in the United States than in other large economies.



Note: E = Estimates, F = Forecast

Source: IMF World Economic Outlook January 2026

Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

Growth in advanced economies is projected to be 1.8 percent in 2026 and 1.7 percent in 2027. In the United States, the economy is projected to expand by 2.4 percent in 2026, supported by fiscal policy and a lower policy rate, while the impact of higher trade barriers also gradually wanes. This 0.3 percentage point upward revision from the October forecast reflects a stronger-than expected GDP outturn in the third quarter of 2025, a rebound in activity in the first quarter of 2026 compared with that in the fourth quarter of 2025 following the end of the federal government shutdown, and the associated carryover.

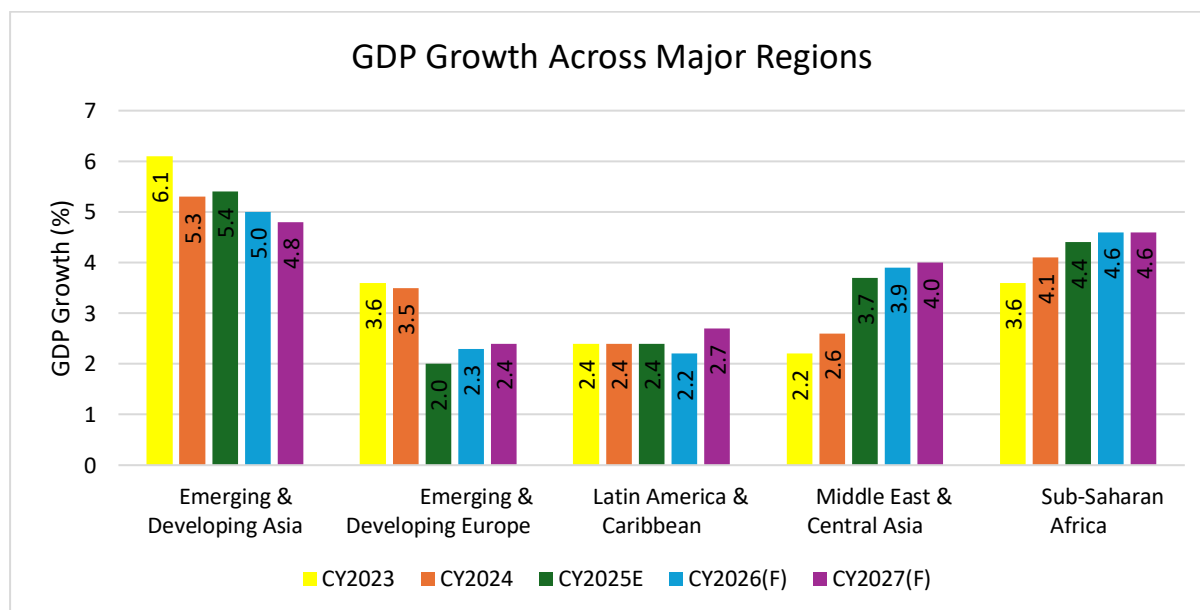
In emerging market and developing economies, growth is expected to continue to hover just above 4.0 percent in 2026 and 2027. Relative to the projection in October, growth in 2025 for China is revised upward by 0.2 percentage point to 5.0 percent. The revision reflects stimulus measures and additional policy bank lending for investment. Growth for 2026 is also revised upward by 0.3 percentage point to 4.5 percent, reflecting the lower US effective tariff rates on Chinese goods due to the yearlong trade truce agreed to in November and stimulus measures that are assumed to be implemented over two years. The economy's growth rate is expected to decelerate to 4.0 percent in 2027 as structural headwinds assert themselves.

In India, growth is revised upward by 0.7 percentage point to 7.3 percent for 2025, reflecting the better-than expected outturn in the third quarter of the year and strong momentum in the fourth quarter. Growth is projected to moderate to 6.4 percent in 2026 and 2027 as cyclical and temporary factors wane.

In the Middle East and Central Asia, growth is projected to accelerate from 3.7 percent in 2025 to 3.9 percent in 2026 and to 4.0 percent in 2027, supported by higher oil output, resilient local demand, and ongoing reforms. Growth is also expected to accelerate in sub-Saharan Africa, from 4.4 percent in 2025 to 4.6 percent in 2026 and 2027, supported by macroeconomic stabilization and reform efforts in key economies. In Latin America and the Caribbean, growth is projected to moderate to 2.2 percent in 2026 and bounce to 2.7 percent in 2027 as countries in the region approach potential from different cyclical positions. In emerging and developing Europe, a sharp slowdown in 2025 to a growth rate of 2.0 percent is expected to reverse, with economies in the region expanding at an average rate of 2.3 percent in 2026 and 2.4 percent in 2027. In most regions, the rebound also reflects the fading effect of shifting trade policies

1.1 GDP Growth Across Major Regions

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



Note: E = Estimates, F = Forecast

Source: IMF World Economic Outlook January, 2026 update

In Emerging and Developing Asia, growth is projected to moderate from 5.4% in CY 2025 to 5.0% in CY 2026 and further projected at 4.8% during CY 2027. India's expected growth in 2025 has been uplifted at 7.3% in CY 2025, supported by resilient rural consumption and sustained infrastructure investments, up from 6.5% in CY2024. The growth estimate for 2026 and 2027 is kept at 6.4%. In contrast, China's growth is estimated at 5.0% in CY2025, and to further decelerate at 4.5% in 2026 and 4.0% in 2027.

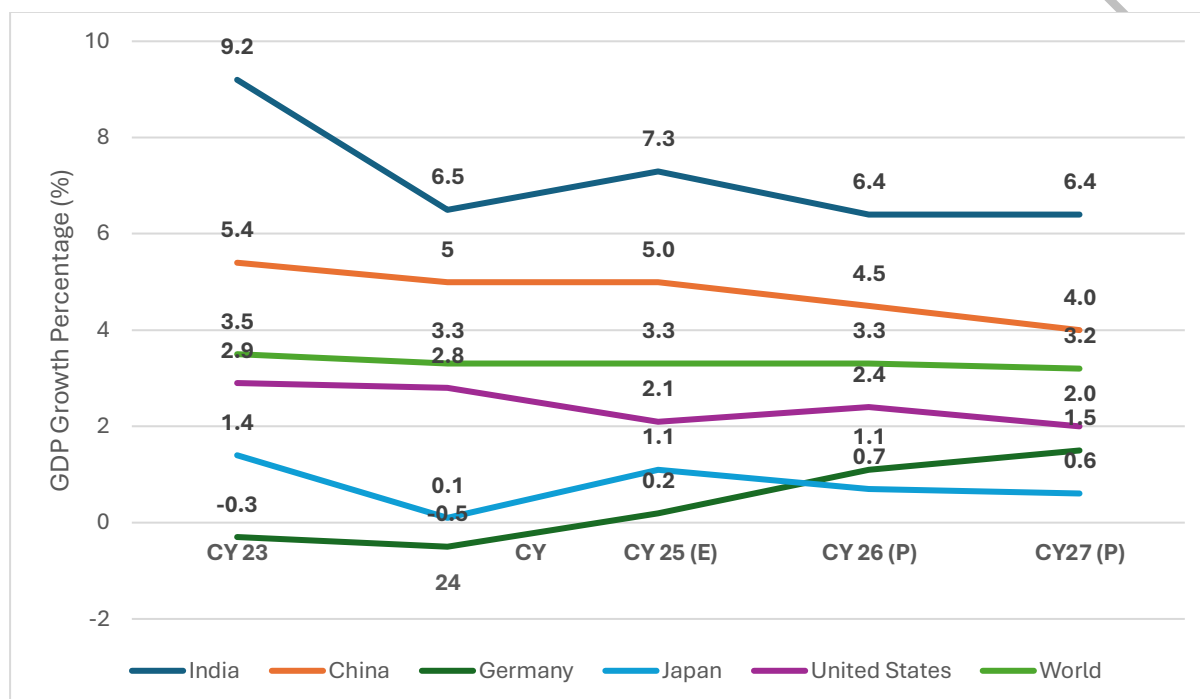
Sub-Saharan Africa is projected to grow at 4.4% in CY 2025, increased from 4.1% in CY 2024, with growth is expected to accelerate further at 4.6% in CY 2026. This gradual improvement is being supported by better weather conditions and more efficient supply chain operations.

In the Middle East and Central Asia, the economy is forecasted to expand from 3.7% in CY 2025 to 3.9% in CY 2026, and further at around 4.0% in CY 2027, driven by stabilization in oil production and ongoing economic reforms.

For Latin America and the Caribbean, the economy is expected to slow from 2.4% in CY 2025, to 2.2% in CY2026, but increase again at 2.7% in CY 2027 reflecting stable yet subdued economic momentum supported by stronger macroeconomic management across key economies.

Emerging and Developing Europe remains subdued, with growth estimated at 2.0% in CY 2025, down from 3.5% in CY 2024, expected to rise modestly to 2.3% in CY 2026 and further at 2.4% in 2027. However, the recent Greenland issue and tariff imposition by the US President has posed fresh challenges for the region. The region continues to face structural manufacturing challenges, particularly in major economies like Germany.

India and Top 4 Global Economies GDP Growth Forecast



Note: E = Estimates, P = Projections

Source: IMF World Economic Outlook January, 2026 update

Overall, while global growth is expected to remain steady at 3.3% in CY 2025~CY2026 and at 3.2% in CY2027, regional disparities persist, influenced by a combination of domestic challenges, external geopolitical tensions, and fluctuating commodity prices.

2. India's Macroeconomic Scenario

2.1 Gross Domestic Product (GDP)

According to the latest Second Advance Estimates by MOSPI, GOI (27 Feb26), after replacing old base year 2011-12 by the new base year 2022–23, real GDP has been estimated to grow by 7.6% in FY 2025-26. Nominal GDP has witnessed a growth of 8.6%. These growth rates are revised upward from their respective First Advance Estimates computed using previous Base Year (2011-12).

India's Economic Growth Momentum Remains Strong - Surpassed USD 4 Trillion.

In June 2025, India became the fourth-largest economy in the world and retained its position as the fastest-growing major economy. The country is projected to become the world's third largest economy by 2030, with an estimated GDP of USD 7.3 trillion.

Source: PIB, Press Release - India Becoming an Economic Powerhouse posted on June 16, 2025

India achieved a significant milestone by overtaking Japan to become the *third most powerful nation in the Asia-Pacific region*, as per the Asia Power Index 2024. India's overall score rose to 39.1, reflecting a 2.8-point increase from the previous year, driven by growing influence across economic, military, and diplomatic dimensions.

Source: PIB, Press Release - India becomes 3rd Most Powerful Nation in Asia, Surpasses Japan in Asia Power Index posted on September 24, 2024

Key factors behind India's rise include its strong economic performance, expanding and youthful workforce, and increasing strategic engagement across the region. India's Economic Capability improved significantly, supported by its position as the world's third-largest economy in terms of purchasing power parity (PPP). Additionally, a notable increase in its Future Resources score highlights the demographic advantage that is expected to sustain its growth trajectory in the coming years.

2.2 Gross Value Added (GVA)

According to the Second Advance Estimate of GDP for 2025-26 by MOSPI, Govt. of India (GoI), Real GVA is estimated at INR 294.40 lakh crore in the year 2025-26, against INR 273.36 lakh crore in FY 2024-25, registering a growth rate of 7.7% as compared to 7.3% growth rate in 2024-25. Nominal GVA is estimated to attain a level of INR 313.61 lakh crore during FY 2025-26, against INR 288.54 lakh crore in 2024-25, showing a growth rate of 8.7%. (MOSPI, Press Release, 27 February 2026)

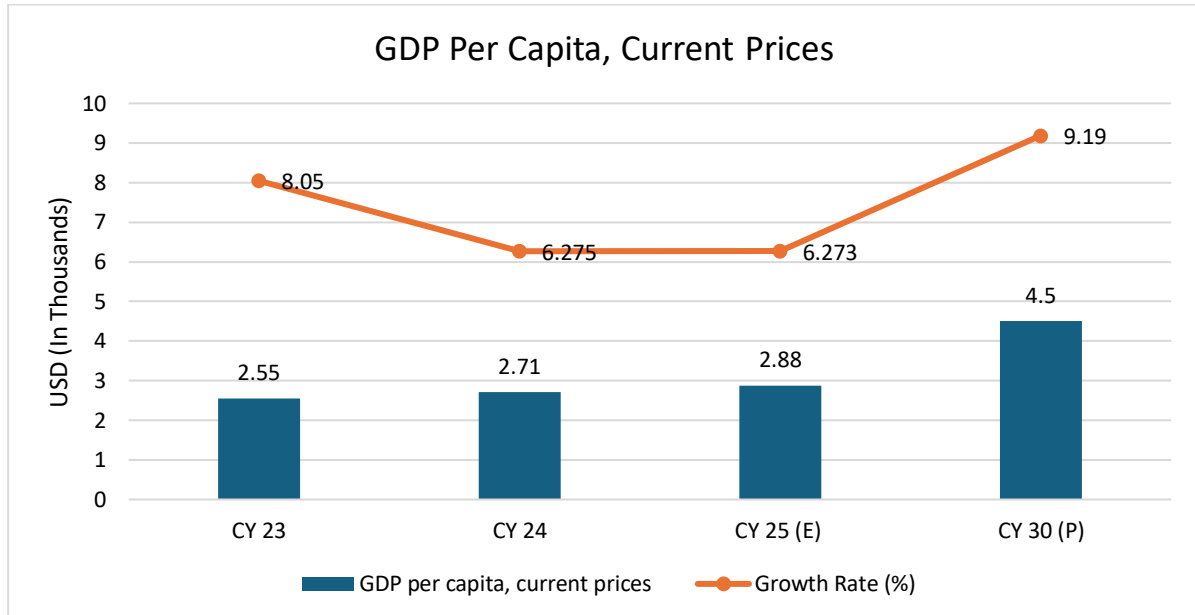
Major Highlights:

- Real GDP has been estimated to grow by 7.6% in FY 2025-26. Nominal GDP has witnessed a growth of 8.6%. These growth rates are revised upward from their respective First Advance Estimates computed using previous Base Year (2011-12).
- Overall Economic performance in FY 2025-26 is primarily on account of robust Real growth observed in Second Quarter (8.4%) and Third Quarter (7.8%).
- The Economy has exhibited sustained performance, recording Real GDP growth rates of 7.2% and 7.1% respectively during FY 2023-24 and FY 2024-25.
- Nominal GDP has registered 11.0% and 9.7% growth rates during FY 2023-24 and FY 2024-25 respectively.
- Manufacturing sector has been the major driver in contributing to the resilient performance of the economy in consecutive 3 financial years after rebasing. This sector has attained double digit growth rates in FY 2023-24 and FY 2025-26.
- Secondary and Tertiary sectors have boosted the performance of the economy by registering above 9.0% growth rate in FY 2025-26.
- 'Trade, Repair, Hotels, Transport, Communication & Services related to Broadcasting, Storage' sector has attained a growth rate of 10.1% at Constant Prices in FY 2025-26.
- On the Consumption side, both the Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) have exhibited more than 7.0% growth rate in FY 2025-26.

Source: MOSPI, Press Release, 27 February 2026, Govt. of India (GoI).

2.3 India Per Capita GDP Forecast

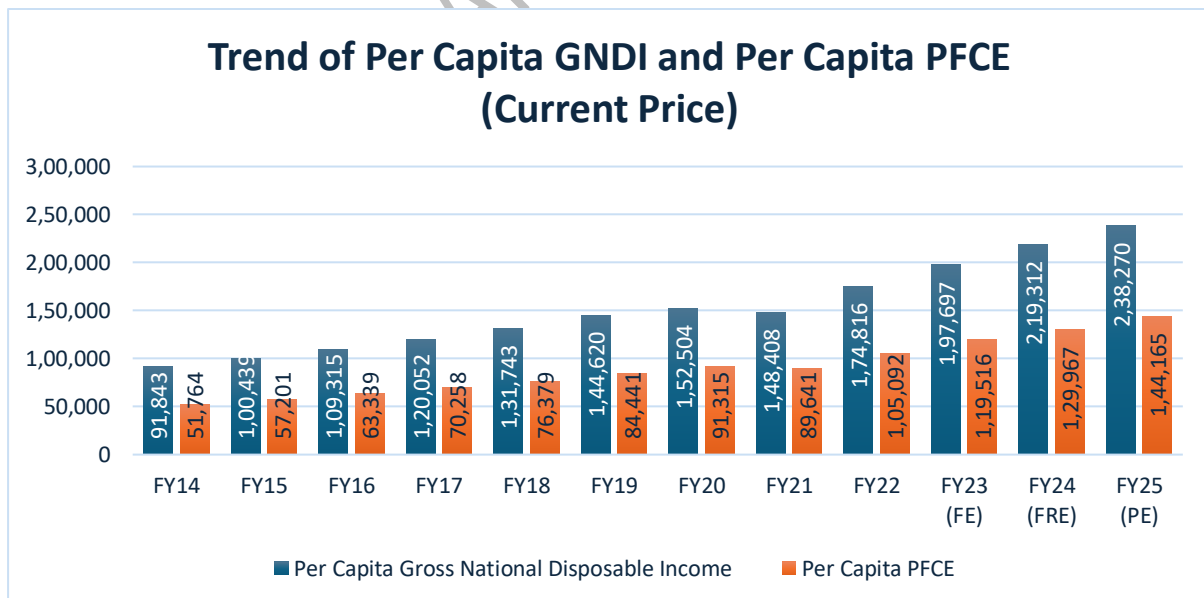
Per capita GDP growth for India is estimated at 9.19 % CAGR between CY2025-CY2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.



Note: E = Estimated, P = Projected

Source: IMF Data Mapper, World Economic Outlook April 2025, India, GDP Per Capita

2.4 Disposable Income and Consumer Spending



Note: Data mentioned is in INR, FE – Final Estimates, FRE – First Revised Estimates, PE – Provisional Estimate

Source: PIB, Provisional estimates of GDP 2024-25 released on May 30th, 2025

Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. In FY24, Per capita GNDI grew by 10.9%, followed by a moderate growth of 8.6% in FY25. This steady increase indicates that households and businesses had more income at their disposal, which is critical for supporting both consumption and savings—key components of economic resilience and expansion.

The rise in income levels has translated into increased consumer spending, as seen in the growth of Private Final Consumption Expenditure (PFCE), which grew by 8.7% in FY24 and further accelerated to 10.9% in FY25. Strong consumption demand typically drives higher retail lending (such as personal loans, home loans, and auto loans), thereby supporting credit growth for banks.

Simultaneously, higher disposable income improves household savings, leading to greater deposit inflows into the banking system. This strengthens banks' liability base (CASA deposits), improves liquidity, and enables further credit expansion. Additionally, rising income levels generally enhance borrowers' repayment capacity, contributing to better asset quality and lower NPAs.

Overall, the upward trend in disposable income and consumption not only reflects economic resilience but also acts as a key structural driver for deposit growth, retail credit expansion, and overall profitability in the banking sector.

2.5 Household Financial Savings

Year	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25*
Gross household financial savings (as per cent of GDP)	15.4%	11.1%	10.9%	11.4%	10.8%

* Preliminary estimates as per RBI Bulletin, August 2025, Occasional Series Table 50(a)

Source: MoSPI and RBI

Household financial savings in India have moderated significantly over the past five years, declining from 15.4% of GDP in FY2020-21 to 10.8% in FY2024-25 (P). The elevated levels in FY2020-21 were largely driven by precautionary savings during the pandemic; however, with normalization of economic activity, savings have stabilized at lower levels. This moderation has important implications for the banking sector, as household savings constitute the primary source of bank deposits, particularly low-cost CASA deposits. A sustained decline in savings may lead to slower deposit growth, increased competition for retail deposits, and upward pressure on deposit rates, thereby impacting banks' cost of funds and Net Interest Margins (NIMs). Additionally, lower savings may gradually reduce the share of stable, granular deposits, prompting banks to rely more on term deposits or wholesale funding, which could affect overall balance sheet efficiency.

2.6 Household Financial Liabilities

Year	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25*
Household financial liabilities (INR lakh crore)	7.4	9.0	16.0	18.8	15.7
Household financial liabilities (as per cent of GDP)	3.7%	3.8%	5.9%	6.2%	4.7%

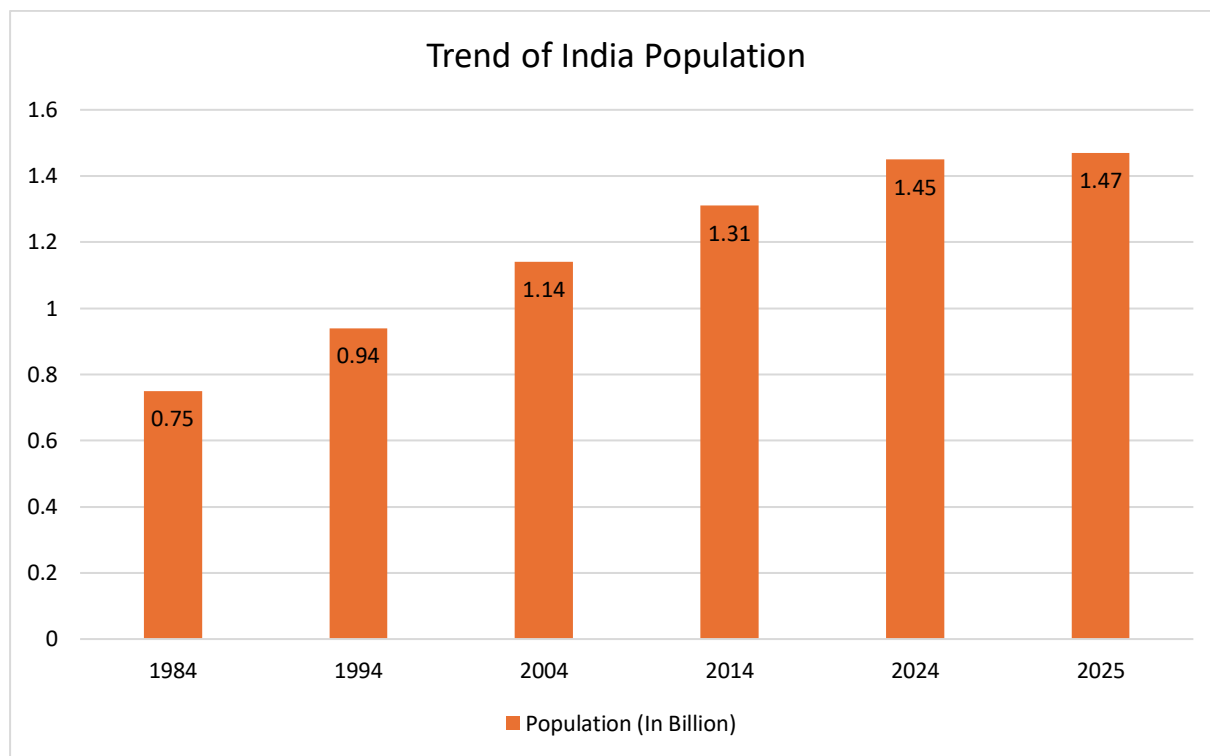
* Preliminary estimates as per RBI Bulletin, August 2025, Occasional Series Table 50(a)

Source: MoSPI and RBI

In contrast, household financial liabilities have shown a rising trend, reflecting increased credit uptake by households. The liabilities-to-GDP ratio has increased from 3.7% in FY2020-21 to higher levels in subsequent years, peaking around ~6.2% in FY2023-24 before moderating to ~4.7% in FY2024-25 (P). This trend supports robust growth in retail lending segments such as housing, personal loans, and consumer credit, thereby driving banks' asset-side expansion and interest income. However, the divergence between rising credit demand and relatively slower deposit growth may lead to higher credit-deposit ratios and tighter liquidity conditions. Further, increasing household leverage, particularly in unsecured segments, may pose asset quality risks under stressed conditions, although current macroeconomic indicators remain supportive.

2.7 Overview on Key Demographic Parameters

2.7.1 Population growth



Source: World Bank Database, Infomerics Analytics & Research

India's economic trajectory is closely linked to its demographic expansion, with the population increasing from approximately 0.75 billion in 1984 to 1.45 billion in 2024, and further to around 1.47 billion in 2025, making it the world's most populous nation. This growth supports a large labour force and rising consumption demand, strengthening long-term economic potential.

For the banking sector, this translates into a structural expansion in customer base, driving higher financial inclusion, account penetration, and deposit mobilization. At the same time, a growing and increasingly aspirational population fuels demand for retail credit, including housing, personal, and consumption loans, supporting loan book growth.

Overall, population growth acts as a long-term growth driver for banks, supporting both deposit accretion and credit expansion, while also creating opportunities for cross-selling financial products.

2.8 Union Budget FY26-27 Highlights

The Union Budget FY 2026–27, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure, and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation, and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**

In FY2026-27, the Union Budget has increased the public capex towards to INR 12.2 lakh crore from the previous INR 11.21 lakh crore (3.1% of GDP) which was earmarked in FY 2025–26. To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, the budget proposed to set up an Infrastructure Risk Guarantee Fund to provide prudently calibrated partial credit guarantees to lenders.

- **Support for MSMEs**

Recognizing the pivotal role of Micro, Small, and Medium Enterprises (MSMEs) in India's economic landscape, the budget introduced a three-pronged approach to support the sector. The budget introduced a dedicated INR 10,000 crore SME Growth Fund as well as proposed to top up the Self-Reliant India Fund set up in 2021, with INR 2,000 crore to continue support to micro enterprises and maintain their access to risk capital. With TReDS, more than INR 7 lakh crore has been made available to MSMEs. To leverage its full potential, the budget further proposed four measures: (i) mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates; (ii) introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on TReDS platform; (iii) link GeM with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing; (iv) introduce TReDS receivables as asset-backed securities, helping develop a secondary market, enhancing liquidity and settlement of transactions. Moreover, Government will facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of 'Corporate Mitras', especially in Tier-II and Tier-III towns, which will help MSMEs meet compliance requirements at affordable costs.

- **Establishment of dedicated Rare Earth Corridors**

A Scheme for Rare Earth Permanent Magnets was launched in November 2025. In line with that, the budget proposed to support the mineral-rich States of Odisha, Kerala, Andhra Pradesh and Tamil Nadu to establish dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.

- **Integrated Programme for the Textile Sector**

The following Schemes have been announced:

- (a) The National Fibre Scheme for self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres.
- (b) Textile Expansion and Employment Scheme to modernise traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres.
- (c) A National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans.
- (d) Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels.
- (e) Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions.

- **Carbon Capture Utilization and Storage (CCUS)**

Aligning with the roadmap launched in December 2025, CCUS technologies at scale will achieve higher readiness levels in end-use applications across five industrial sectors, including, power, steel, cement, refineries and chemicals. An outlay of INR 20,000 crore is proposed over the next 5 years.

- **Municipal Bonds**

To encourage the issuance of municipal bonds of higher value by large cities, the budget proposed an incentive of INR 100 crore for a single bond issuance 10 of more than INR 1000 crore. The current scheme under AMRUT which incentivises issuances up to INR 200 crore, will also continue to support smaller and medium towns.

- **Ease of Doing Business**

Individual Persons Resident Outside India (PROI) will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme. It is also proposed to increase the investment limit for an individual PROI under this scheme from 5% to 10%, with an overall investment limit for all individual PROIs to 24%, from the current 10%.

- **Hubs for Medical Value Tourism**

To promote India as a hub for medical tourism services, the budget proposed to launch a Scheme to support States in establishing five Regional Medical Hubs, in partnership with the private sector. These Hubs will serve as integrated healthcare complexes that combine medical, educational and research facilities. They will have AYUSH Centres, Medical Value Tourism Facilitation Centres and infrastructure for diagnostics, post-care and rehabilitation. These Hubs will provide diverse job opportunities for health professionals including doctors and AHPs.

- **Agriculture Related Schemes**

To diversify farm outputs, increase productivity, enhance farmers' incomes, and create new employment opportunities, the budget announced support schemes related to high value crops such as coconut, sandalwood, cocoa and cashew in coastal areas. Agar trees in Northeast and nuts such as, almonds, walnuts and pine nuts in hilly regions will also be supported. India is the world's largest producer of coconuts.

About 30 million people, including nearly 10 million farmers, depend on coconuts for their livelihood. To further enhance competitiveness in coconut production, the Budget proposed a Coconut Promotion Scheme to increase production and enhance productivity through various interventions including replacing old and non-productive trees with new saplings/plants/varieties in major coconut growing States. A dedicated programme is proposed for Indian cashew and cocoa to make India self-reliant in raw cashew and cocoa production and processing, enhance export competitiveness and transform Indian Cashew and Indian Cocoa into premium global brands by 2030.

Further, the Central Government will partner with State Governments to promote focused cultivation and post-harvest processing to restore the glory of the Indian Sandalwood ecosystem. To rejuvenate old, low-yielding orchards and expand high-density cultivation of walnuts, almonds and pine nuts, the budget announced to support a dedicated programme to enhance farmer incomes and in bringing value addition by engaging youth.

The Union Budget FY 2026–27 presents a balanced approach to economic growth by addressing immediate consumption needs and laying the foundation for long-term sustainability. Through targeted investments in infrastructure, support for MSMEs, and sector-specific initiatives, the budget aims to foster an inclusive and resilient economy. These measures are expected to create new opportunities for financial institutions, as the growing demand for investment products will provide avenues for expansion and innovation in the financial services sector.

2.9 Concluding Remarks

The major headwinds to global economic growth remain significant, with escalating geopolitical tensions involving the United States, Israel, and Iran, volatile global commodity prices, disruptions in global trade flows, inflationary pressures, and tightening financial conditions. These geopolitical developments have adversely impacted global supply chains, leading to a decline in import and export activity, particularly across energy-dependent regions. These disruptions have triggered a sharp rise in energy prices, with crude oil prices increasing by approximately 27% between late February and early March 2026, alongside a surge in freight costs, bunker fuel prices, and insurance premiums. The increase in energy and transportation costs has had a cascading effect on global inflation, particularly food prices, as higher fuel and fertilizer costs elevate agricultural production and distribution expenses. . Despite these challenges, the global economy remains relatively resilient, with growth projected at 3.3% in 2026 and inflation expected to moderate to 3.8%, as per the International Monetary Fund.

India's economy remains relatively well-positioned amid these global uncertainties, supported by strong macroeconomic fundamentals. As per the Ministry of Statistics and Programme Implementation, India's GDP is estimated to grow at 7.6% in FY 2025–26, maintaining its status as one of the fastest-growing major economies globally. Inflation, as measured by the Consumer Price Index (CPI), remains contained at 2.75% in January 2026 under the revised base year, although rising global oil prices and supply disruptions may pose upside risks going forward. Key growth drivers for the Indian economy include strong domestic demand, rising disposable incomes, and continued government focus on infrastructure development and policy support.

Public investment is expected to play a crucial role in sustaining economic momentum, with the Union Budget FY 2026–27 increasing capital expenditure to INR 12.21 lakh crore from INR 11.21 lakh crore in the previous year. The proposed Infrastructure Risk Guarantee Fund is aimed at enhancing private sector participation by mitigating risks associated with infrastructure development. These measures are likely to crowd in private investment, strengthen infrastructure capacity, and support long-term economic growth.

Overall, while global headwinds such as geopolitical tensions, trade disruptions, and rising energy and food prices present near-term challenges, India's strong domestic growth drivers, proactive policy measures, and continued focus on investment-led growth are expected to support economic resilience. Strengthening supply chains, maintaining inflation stability, and sustaining infrastructure investments will be critical for navigating external uncertainties and ensuring stable long-term growth.

3. Industry Overview – Home Furnishing

3.1 Introduction

The home furnishing industry refers to the sector that includes items used to enhance the comfort, functionality and visual appeal of interior living spaces. It encompasses a wide range of interior furnishing elements that contribute to the arrangement, usability and aesthetic character of residential environments. These items play an essential role in shaping household interiors by combining practical utility with design appeal, enabling individuals to create comfortable and personalized living spaces.

The industry forms an integral part of the broader home and lifestyle segment and caters to diverse requirements across residential, hospitality and institutional settings. Interior furnishing elements are used across various areas of a home including bedrooms, living areas and other indoor spaces, where they contribute to comfort, organization and overall interior presentation.

The sector includes several categories of home textile and interior furnishing elements such as bedding solutions, mattress protection accessories, comforters, pillows, cushions, curtains and bath linen, along with other decorative textile-based furnishings that enhance the overall ambience of living spaces. These items are designed to combine durability, comfort and aesthetic appeal while complementing different interior styles and household needs.

As living environments continue to evolve, interior furnishing elements have become an important component of modern households. They contribute not only to everyday comfort and functionality but also to the visual identity and atmosphere of interior spaces. The industry therefore plays a significant role in supporting the development of well-designed and comfortable residential environments.

Market Segmentation



Segment Category	Segment Name	Description
By Product	Home Textiles	Includes textile-based furnishings such as bedding, curtains, cushions, mattress protectors, comforters and bath linen that enhance comfort and interior aesthetics.
	Floor Coverings	Includes carpets, rugs and mats used to improve interior décor while providing comfort and insulation.
	Furniture	Includes items such as sofas, beds, tables, chairs and cabinets that provide functionality and structure to interior living spaces.
	Lighting Fixtures	Includes lamps, pendant lights and other lighting solutions designed to enhance interior ambience and functionality.
	Home Décor Accessories	Includes decorative elements such as mirrors, wall art, vases and other accessories that improve visual appeal of living spaces.

Segment Category	Segment Name	Description
By Application	Residential	Furnishing items used within homes including bedrooms, living rooms and other residential spaces.
	Hospitality	Furnishing solutions used in hotels, resorts and serviced apartments where comfort and interior design are important.
	Commercial	Includes furnishing requirements for offices, retail stores and other commercial establishments.
	Real Estate / Institutional Projects	Includes furnishing used in residential developments, corporate projects and institutional spaces.

Segment Category	Segment Name	Description
By Distribution Channel	Offline Retail	Sales through furniture showrooms, specialty stores and large retail outlets.
	Online / E-Commerce	Sales through online marketplaces and brand-owned websites that allow consumers to purchase furnishing items digitally.
	Direct-to-Consumer (D2C)	Brands selling directly to customers through their own digital platforms or exclusive brand stores.

Industry Value chain Analysis



- **Raw Material Sourcing**

The value chain begins with the procurement of key inputs such as textile fabrics, yarn, polyester fiber, foam, filling materials and other components used in the production of bedding and home textile furnishings. Availability and pricing of these materials influence manufacturing costs and production planning.

- **Product Design and Development**

Manufacturers develop furnishing solutions based on consumer preferences, interior design trends and functional requirements. This stage focuses on product conceptualization, design development and material selection to create furnishing items that combine comfort, durability and aesthetic appeal.

- **Manufacturing and Processing**

Manufacturing involves converting raw materials into finished furnishing items through processes such as fabric processing, stitching, quilting, filling and finishing. This stage represents a major component of value addition within the industry.

- **Distribution and Logistics**

Finished items are transported through distribution networks to wholesalers, retailers and institutional buyers. Efficient logistics and inventory management systems help ensure timely product availability across different markets.

- **Retail and Sales Channels**

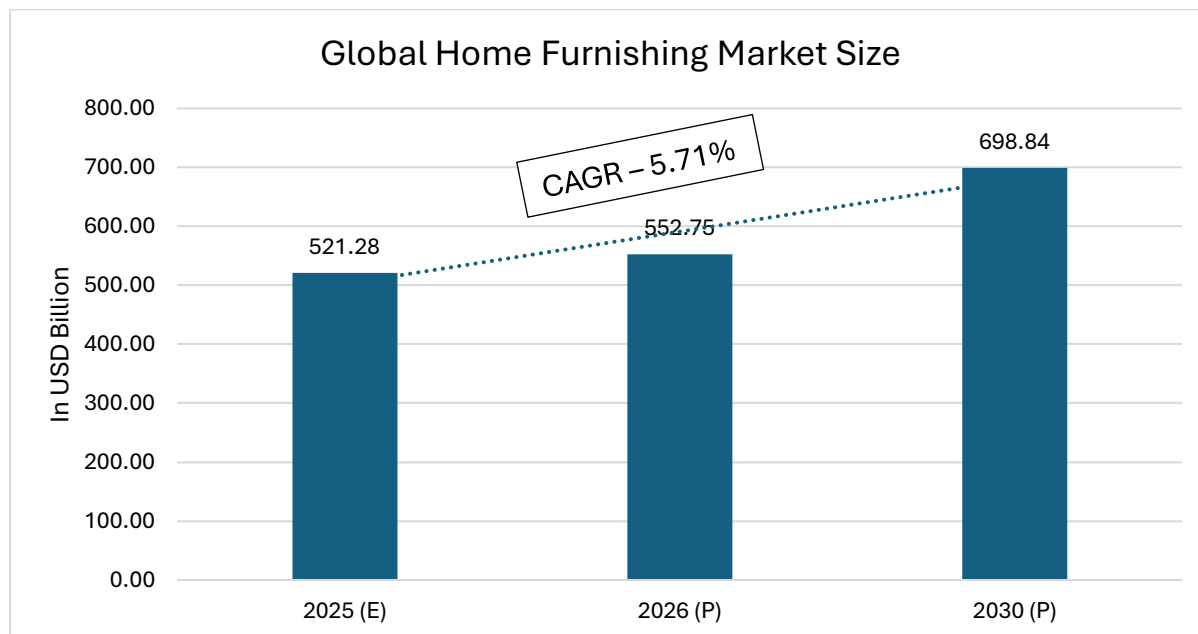
Furnishing items reach consumers through multiple sales channels including specialty home furnishing stores, department stores, organized retail outlets and online marketplaces. These channels play an important role in improving product visibility and consumer access.

- **End Consumers**

The final stage of the value chain involves residential households, hospitality establishments and commercial spaces that purchase furnishing items to enhance comfort, functionality and interior aesthetics.

3.2 Global Home Furnishing Industry Market size

The Global Home Furnishing Market is estimated at USD 521.28 billion in CY 2025 and is Projected to reach USD 552.75 billion in CY 2026, growing further to USD 698.84 billion by CY 2030 at a CAGR of 5.71% during the forecast period.



Note: E (Estimated), P (Projected)

Source: Infomerics Analytics & Research

Growth in the home furnishing industry is underpinned by several structural factors including rising urbanization, increasing disposable incomes and evolving lifestyle preferences. As consumers place greater emphasis on comfort, aesthetics and functionality within living spaces, demand for well-designed and durable household furnishings continues to expand. Increased home ownership and a growing focus on interior design and home improvement have further supported demand for furnishing products.

The rapid expansion of e-commerce platforms has also played a significant role in supporting industry growth. Online marketplaces enable consumers to access a wider variety of furnishing products, compare prices and purchase customized designs with greater convenience. Digital retail channels have improved product visibility and market reach, allowing manufacturers and brands to access a broader consumer base across multiple geographic regions.

Additionally, changing consumer preferences are encouraging demand for multifunctional and modular furniture, particularly as hybrid work arrangements increase the need for home-office spaces. At the same time, growing awareness of sustainability is influencing purchasing decisions, with consumers increasingly preferring products made using environmentally responsible materials and manufacturing practices.

Regional Insights

- **North America**

North America represents the largest market for home furnishing products, supported by strong housing demand, high consumer spending on home improvement and a well developed retail ecosystem. Consumers in the region increasingly prioritize premium, durable and aesthetically designed furnishing products. The widespread adoption of e-commerce platforms has further strengthened market accessibility and enabled consumers to purchase furniture, bedding and décor products through digital channels.

- **Europe**

Europe continues to experience stable growth driven by a strong emphasis on design aesthetics and sustainable manufacturing practices. Consumers increasingly prefer eco-friendly materials and high-quality furnishings. The region is also influenced by minimalist and Scandinavian design trends, while online retail channels and virtual showrooms are gaining popularity among consumers.

- **Asia-Pacific**

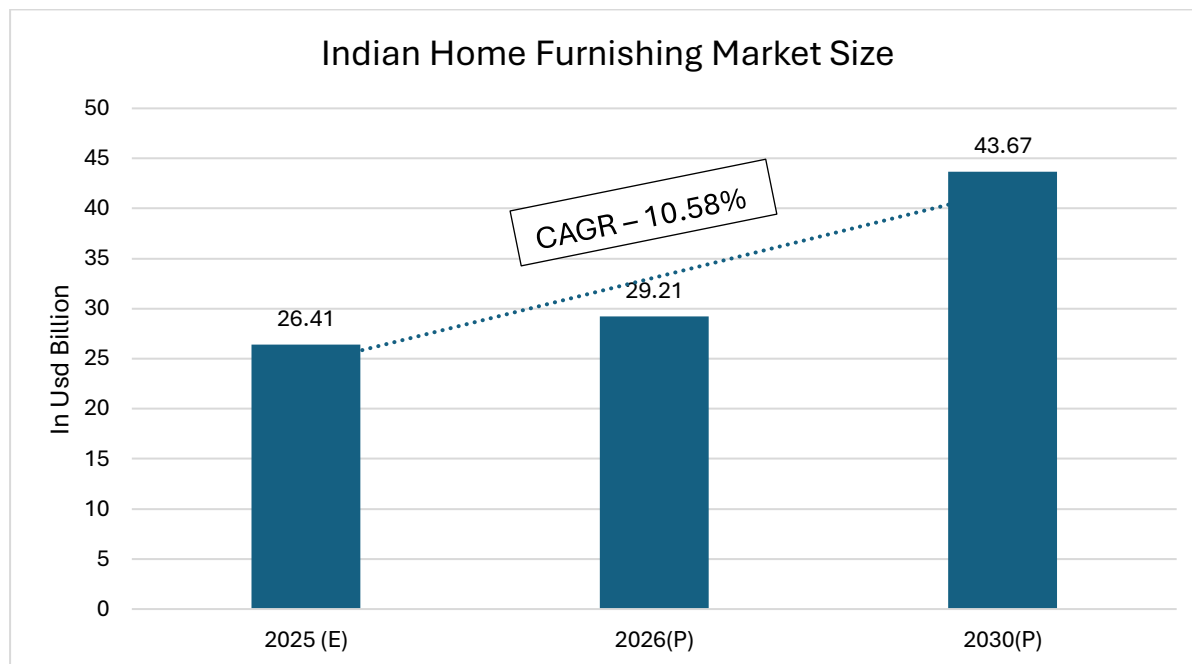
Asia-Pacific is among the fastest growing regions for home furnishing products, supported by rapid urbanization, expanding residential construction and rising disposable incomes. Growing middle-class consumer segments and increasing demand for compact and multifunctional furniture suitable for urban living are supporting market growth. E-commerce platforms are also playing an important role in expanding product availability and consumer reach.

- **Middle East & Africa**

The home furnishing market in the Middle East and Africa is supported by rising investments in residential infrastructure, hospitality developments and luxury interior projects. Demand in the region is influenced by increasing preference for customized and premium furnishing products, while the expansion of retail networks and online platforms is gradually improving product accessibility.

3.3 Indian Home Furnishing Market size

The Indian Home Furnishing Market is estimated at USD 26.41 billion in CY 2025 and is Projected to reach USD 29.21 billion in CY 2026, growing further to USD 43.67 billion by CY 2030 at a CAGR of 10.58% during the forecast period.



Note: E (Estimated), P (Projected)

Source: Infomerics Analytics & Research

The growth of the home furnishing industry is supported by the expansion of the middle-income consumer segment and increasing residential development across urban and semi-urban regions. Rising home ownership and continued investments in residential construction have contributed to sustained demand for interior furnishing solutions across households.

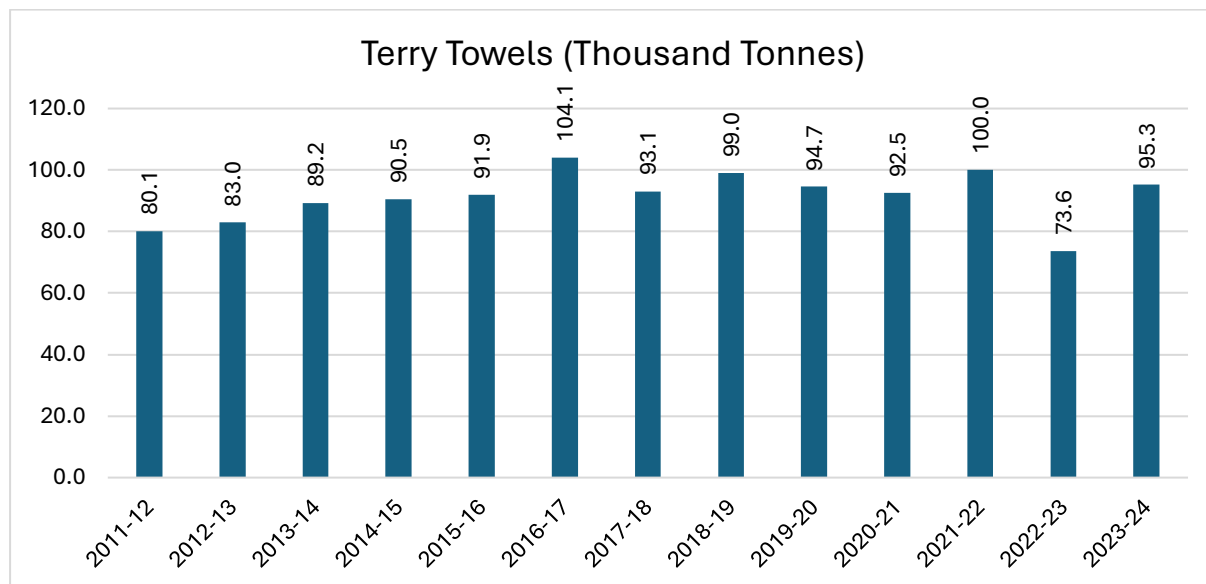
Changing consumer spending patterns have also influenced the market, with households allocating a greater share of expenditure toward improving living environments and enhancing the quality of household interiors. The growing culture of home improvement and interior décor has encouraged consumers to invest in furnishing solutions that enhance both comfort and visual appeal.

The increasing presence of organized retail networks has further strengthened the market landscape by improving product availability, standardization and brand visibility. Specialized home furnishing retailers and large-format retail stores have enabled consumers to access a wider variety of furnishing options while improving overall market penetration.

Additionally, the transition from unorganized markets to more structured retail channels, along with improved product design and wider availability of furnishing options, continues to support the development of the home furnishing industry.

Production Trend

- Terry Towels



Source: CMIE, Infomerics Analytics & Research

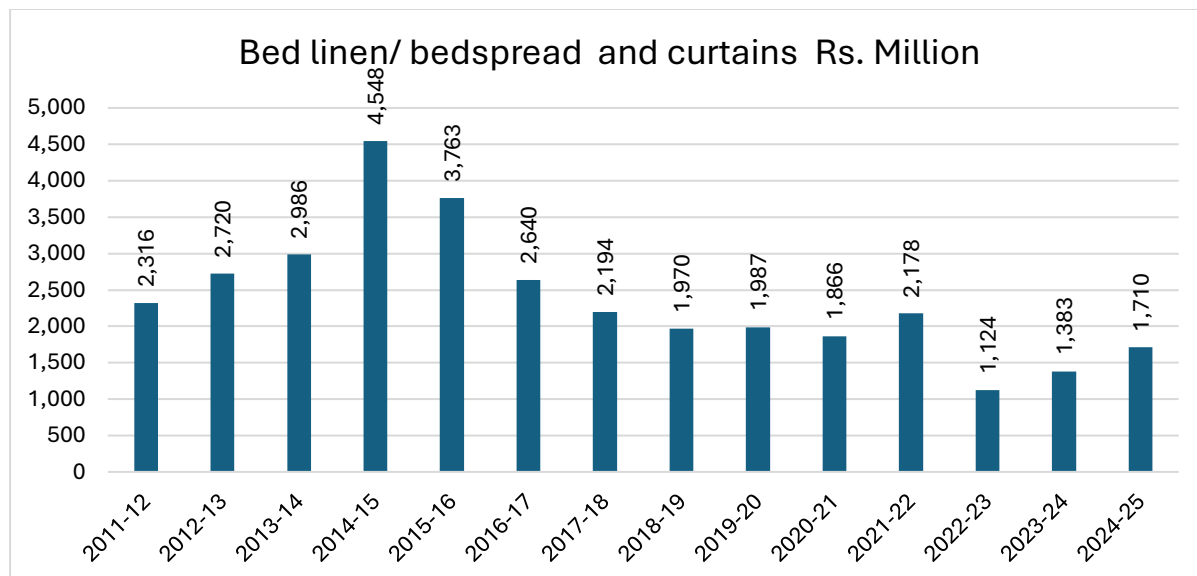
The production of terry towels has exhibited notable fluctuations over the observed period, reflecting changing demand conditions and production dynamics within the home textile segment. At the beginning of the period, production stood at 80.1 thousand tonnes in 2011–12 and increased steadily in the following years. Output rose to 83.0 thousand tonnes in 2012–13 and further to 89.2 thousand tonnes in 2013–14, indicating strengthening production activity within the sector.

Production continued to grow in the subsequent years, reaching 90.5 thousand tonnes in 2014–15 and 91.9 thousand tonnes in 2015–16. The upward trend culminated in 2016–17, when production reached its highest level of approximately 104.1 thousand tonnes during the period under review. This peak reflected strong demand for home textile products and expanded manufacturing activity.

Following this peak, production declined to 93.1 thousand tonnes in 2017–18, although it witnessed a modest recovery to 99.0 thousand tonnes in 2018–19. In the subsequent years, production again moderated, falling to 94.7 thousand tonnes in 2019–20 and 92.5 thousand tonnes in 2020–21, indicating a period of reduced output.

Production levels recovered in 2021–22, increasing to 100.0 thousand tonnes, before experiencing a significant decline to 73.6 thousand tonnes in 2022–23, representing the lowest level during the observed period. In the most recent year, production rebounded to 95.3 thousand tonnes in 2023–24, indicating signs of recovery within the home textile segment after the previous year's decline.

- **Bed linen/ bedspread and curtains**



Source: CMIE, Infomerics Analytics & Research

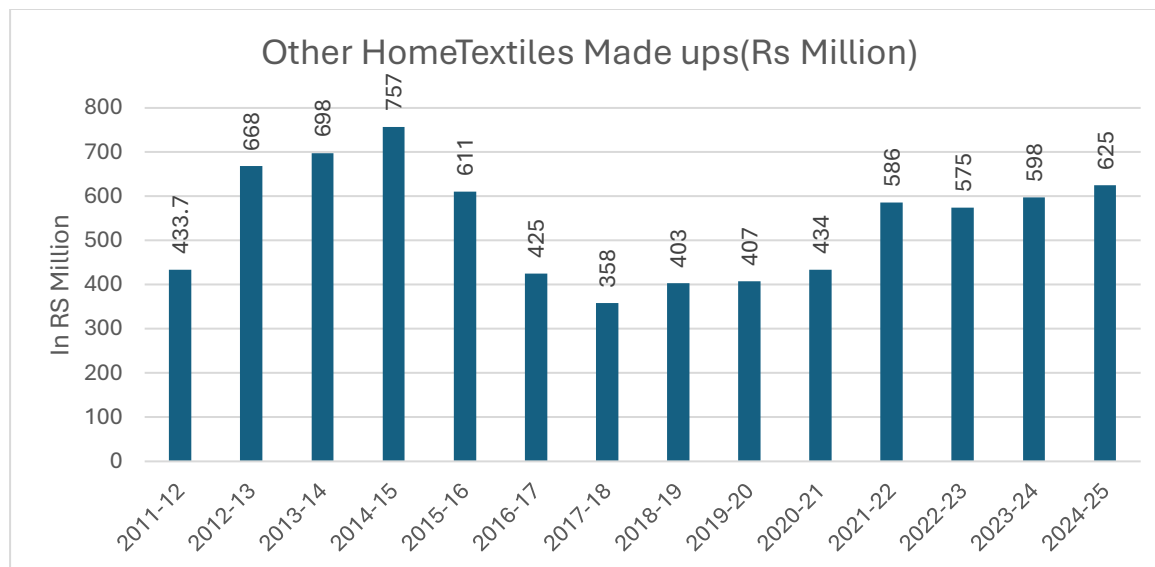
The value of production for bed linen, bedspreads and curtains has demonstrated notable fluctuations over the observed period, reflecting changing demand conditions and production patterns within the home textile segment. At the beginning of the period, production stood at ₹2,316 million in 2011–12 and increased to ₹2,720 million in 2012–13 and further to ₹2,986 million in 2013–14, indicating steady growth in the early years.

Production rose significantly in 2014–15, reaching ₹4,548 million, representing the highest level recorded during the period under review. This peak suggests a period of strong demand and increased production activity within the segment.

Following this peak, production declined to ₹3,763 million in 2015–16 and further to ₹2,640 million in 2016–17. The downward trend continued in the subsequent years, with production falling to ₹2,194 million in 2017–18 and ₹1,970 million in 2018–19. Although a marginal improvement was observed in 2019–20, when production increased slightly to ₹1,987 million, output again declined to ₹1,866 million in 2020–21.

Production recovered in 2021–22, increasing to ₹2,178 million, before experiencing a sharp decline to ₹1,124 million in 2022–23, representing the lowest level recorded during the observed period. In the following years, production showed signs of recovery, rising to ₹1,383 million in 2023–24 and further to ₹1,710 million in 2024–25, indicating a gradual improvement in production activity within the segment.

- **Other Home Textiles Made – ups**



Source: CMIE, Infomerics Analytics & Research

The production of other home textile made-ups has exhibited a fluctuating trend over the period under review. Production increased from USD 433.7 million in 2011–12 to USD 668.0 million in 2012–13, and further to USD 698.0 million in 2013–14, indicating strong growth in the initial years.

The upward trend continued, reaching a peak of USD 757.0 million in 2014–15, representing the highest level during the period. This was followed by a decline, with production reducing to USD 611.0 million in 2015–16 and further to USD 425.0 million in 2016–17, reflecting a contraction phase.

The declining trend continued in 2017–18, with production reaching a low of USD 358.0 million, marking the lowest level during the period under review. Thereafter, production recovered gradually to USD 403.0 million in 2018–19 and USD 407.0 million in 2019–20, followed by a further increase to USD 434.0 million in 2020–21.

A stronger recovery was observed in 2021–22, with production rising to USD 586.0 million. Although there was a marginal decline to USD 575.0 million in 2022–23, the upward trend resumed with production increasing to USD 598.0 million in 2023–24 and further to USD 625.0 million in 2024–25.

Overall, the trend reflects an initial growth phase, followed by a period of decline and subsequent recovery, with recent years indicating stabilization and gradual expansion in production levels, supported by improving demand conditions in the home textile segment.

Trade Dynamics – Home furnishing

Metric	FY24	FY25	Growth (%)
Exports (USD Million)	2416.81	2557.55	 5.82%
Imports (USD Million)	1591.22	1718.60	 8.01%

Source: MEIDB, Infomerics Analytics & Research

The trade performance of the home furnishing industry indicates growth in both exports and imports during the period under review. Exports increased from USD 2,416.81 million in FY24 to USD 2,557.55 million in FY25, reflecting a growth of approximately 5.82%, which indicates continued demand for home furnishing products including bedding, mattress supports and related textile furnishings in international markets.

Imports also recorded an increase, rising from USD 1,591.22 million in FY24 to USD 1,718.60 million in FY25, representing a growth of approximately 8.01%. The increase in imports may reflect rising domestic consumption as well as sourcing of certain furnishing products or textile inputs from overseas markets.

Despite the increase in imports, the industry continues to maintain a trade surplus, as exports remain higher than imports. In FY25, the trade surplus stood at approximately USD 838.95 million, indicating that the home furnishing sector continues to operate as a net exporter in international trade.

Top Export Destinations

Top Export Destinations	Fy 2025	Market Share (%)
U.S.A	1,146.73	44.84%
Germany	186.96	7.31%
Netherlands	137.27	5.37%
U. K	131.97	5.16%
France	106.65	4.17%
Others	847.97	33.15%
Total	2,557.55	100%

Top Import Destinations

Major Countries	FY 2025	Market Share (%)
China	851.2	44.84%
Germany	118.58	7.31%
U.S.A	91.09	5.37%
Malaysia	84.55	5.16%
Italy	82.78	4.17%
Others	490.4	28.54%
Total	1,718.60	100%

Source – MEIDB, Infomerics Analytics & Research

Exports of home furnishing products, including bedding, mattress supports and related textile furnishings, are moderately diversified across several international markets. The top five destination countries account for approximately 66.85% of total exports, while “Others” contribute around 33.15%, indicating a relatively broad geographic distribution. The United States represents the largest export destination, accounting for 44.84% of total exports, reflecting strong demand from developed markets with established home textile consumption. European countries such as Germany, the Netherlands, the United Kingdom and

France together account for around 21% of exports, highlighting stable demand from mature markets. Overall, the export structure indicates a balanced destination profile with strong presence in North America and Europe while maintaining diversification across other regions.

Imports of home furnishing products exhibit a relatively concentrated sourcing pattern. China accounts for the largest share of imports at approximately 44.84%, reflecting its strong manufacturing base and cost competitiveness in textile and furnishing products. Other supplier countries including Germany, the United States, Malaysia and Italy collectively contribute around 24% of imports, indicating selective sourcing of certain furnishing products or specialized textile inputs from these markets. The remaining 28.54% of imports originate from other countries, suggesting additional diversification in sourcing. Overall, the import mix indicates a notable reliance on a few key supplier countries while maintaining supplementary imports from a broader group of markets.

The home furnishing industry may face challenges arising from geopolitical instability and regional conflicts that affect international trade and supply chains. Events such as the Russia–Ukraine conflict and tensions in the Middle East have disrupted global logistics networks and trade routes, resulting in higher transportation costs and potential delays in the availability of raw materials used in home furnishing production.

Currency volatility may also pose challenges for the industry. In recent periods, the Indian rupee has experienced depreciation pressures due to factors such as rising global crude oil prices, concerns over the current account deficit (CAD) and foreign institutional investor (FII) outflows. Further depreciation of the rupee may increase the cost of imported raw materials and inputs. While larger companies may adopt hedging strategies to manage foreign exchange risk, smaller manufacturers may face limitations due to the associated costs, which could impact operating margins.

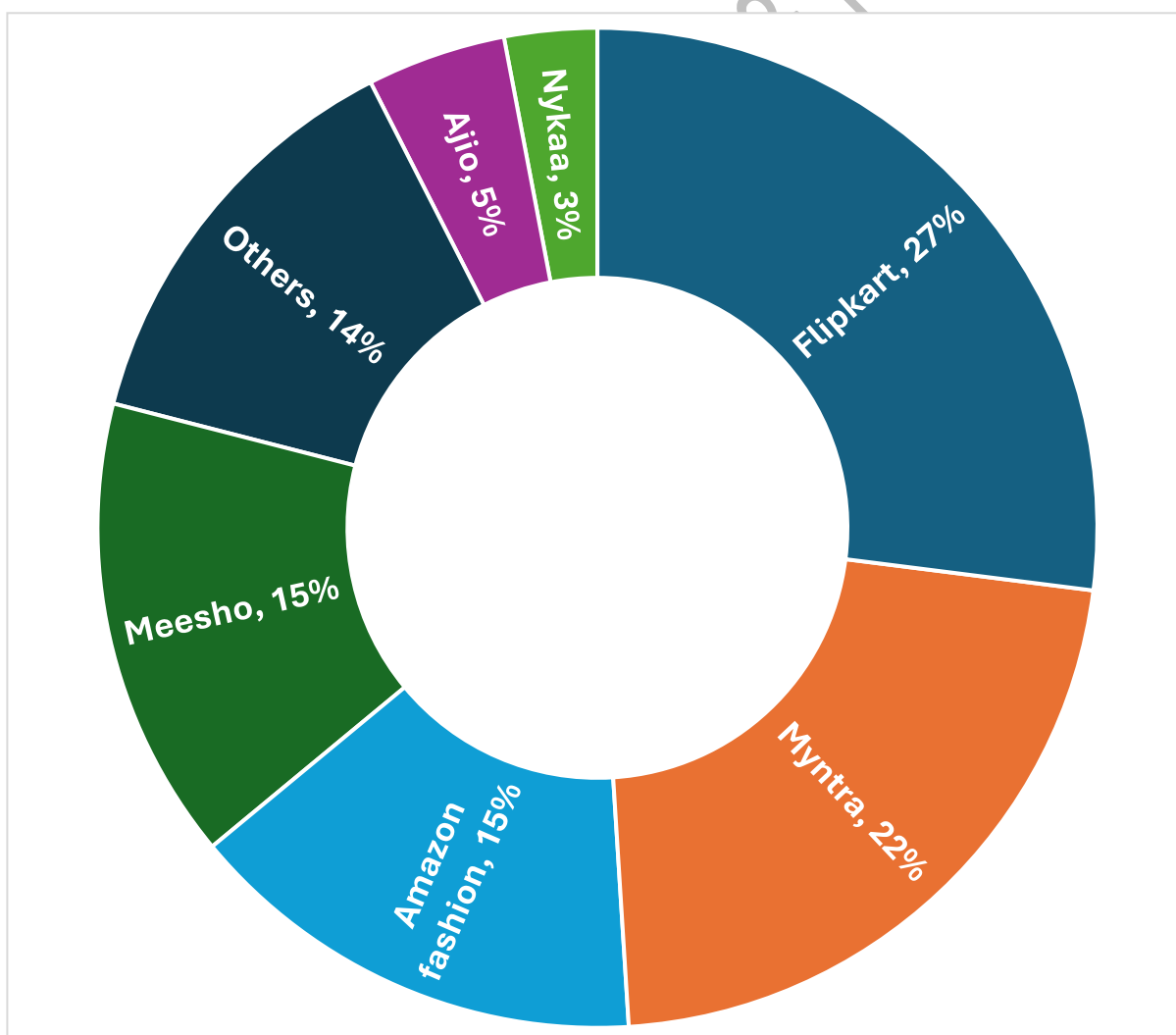
3.4 E-Commerce & Supply Chain

3.4.1 Market Overview – Fashion E-Commerce in India

The Indian fashion e-commerce market has evolved into one of the most dynamic segments of the country's retail landscape, driven by a combination of demographic, technological, and behavioural factors. The sector benefits from:

- A **young, digitally active population** with growing purchasing power.
- **Affordable smartphones** and **low-cost data plans**, enabling mobile-first shopping behaviour.
- The proliferation of **digital payment platforms** such as UPI, making online transactions seamless.

Fashion E-Commerce Market Share in India



Source – Money Control, Indian Institute of Art & Design, Infomerics Analytics & Research

As of 2025, market leadership rests with **Flipkart (27%)** and **Myntra (22%)**, together holding nearly 49% share. **Meesho (15%)** and **Amazon Fashion (15%)** leverage low-cost offerings, wide assortments, and extensive logistics networks to serve both urban and semi-urban markets. Niche players such as **Ajio (4.5%)** and **Nykaa Fashion (3%)** cater to targeted style segments and premium consumers. The remaining **Others (13.5%)** category comprises regional platforms, direct-to-consumer (D2C) brands, and emerging social commerce models.

Fashion e-commerce differs significantly from other categories such as electronics or FMCG due to:

- **High SKU complexity** – Products vary extensively in sizes, colours, fabrics, and seasonal trends.
- **Frequent purchase cycles** – Driven by shorter fashion seasons, trend adoption, and heavy reliance on discount sales.
- **High return rates** – Averaging 16–20%, primarily due to size mismatches, style changes, and quality expectations.

These characteristics increase the operational intensity of the supply chain, making warehousing, fulfilment, and logistics a critical success factor for platforms in this segment.

3.4.2 Interlinkages Between Fashion E-Commerce Growth and Warehousing Demand

The rise of online fashion retail has directly influenced the scale, nature, and location of warehousing infrastructure in India. Warehousing is no longer just about storage — it has become an integrated fulfilment engine capable of managing fast-moving inventory, handling returns efficiently and supporting high service-level commitments.

The linkage between demand (fashion e-commerce) and supply chain requirements is outlined below:

Fashion E-Commerce Growth Driver	Supply Chain Requirement	Outcome
Expansion into Tier 2/3 cities	Regional distribution hubs closer to demand clusters	Reduced delivery timelines
Seasonal sales peaks and flash discounts	High-capacity automated fulfilment centres	Faster order throughput during peaks
SKU diversity and style/fit sensitivity	Specialised storage and handling systems	Reduced order errors and returns
High return volumes	Integrated reverse logistics operations	Faster restocking and lower write-offs
Demand for same/next-day delivery	Proximity-based warehouses and last-mile optimisation	Enhanced customer experience

In effect, the growth of fashion e-commerce dictates where warehouses are located, how they are designed, and what technologies are deployed. For instance, a flash sale on a fashion platform may require warehouses to operate in 24×7 shifts with automated sorting lines, while a high-return geography demands robust reverse logistics and inspection units.

3.4.3 Fulfilment Infrastructure and Operational Requirements for Fashion E-Commerce

The fashion e-commerce fulfilment chain is more complex than that of many other categories due to the volume and variability of SKUs, the speed of product turnover, and the need for enhanced customer experience.

Key operational components include:

1. **Inventory Management** –Ensures the right product is available at the right time by tracking stock levels across multiple warehouses. Advanced systems enable demand forecasting, replenishment planning, and Stock Keeping Unit-level visibility, which is critical in fashion where styles, colours, and sizes change rapidly.
2. **Order Processing** - Involves picking, packing, and preparing items for dispatch. Automation tools like barcode scanning and AI-driven sorting reduce errors and improve speed, particularly during peak sales seasons.
3. **Packaging** - Protects goods during transit and influences customer experience. Fashion requires specialized packaging to maintain garment quality and presentation. Increasingly, eco-friendly and branded packaging are gaining importance.
4. **Quality Checks** - Products undergo inspections for defects, damages, or mismatches before shipping. In apparel, checks extend to fabric condition, stitching, and labelling, ensuring customer satisfaction and reducing return volumes.
5. **Returns Handling** - A critical function in fashion, where return rates average 16–20%. Efficient systems allow quick inspection, sorting, and restocking of returned items, minimizing revenue loss and enhancing trust.
6. **Last-Mile Delivery** - The most visible stage for customers. Companies use route optimization, local courier partnerships, and delivery hubs to achieve same-day or next-day delivery standards in metros and faster reach into Tier 2/3 cities.
7. **Reverse Logistics** - Deals with the flow of goods back from customers to warehouses. Strong reverse logistics networks are vital for fashion e-commerce, where efficient return-to-stock processes directly impact profitability.

3.4.4 Role of Third-Party Logistics Providers in Fashion E-Commerce Supply Chain

The complexity of fashion e-commerce supply chains has led to increasing reliance on third-party logistics (3PL) service providers. Companies such as **Dehlivery**, **Ecom Express**, and **Shadow fax** are investing significantly in infrastructure and technology to strengthen their fulfilment capabilities and meet the rising expectations of both businesses and consumers. They have become strategic partners, offering:

1. Large-Scale Regional Warehouse Networks

- To enable faster deliveries, logistics players are building regional distribution centres across metros as well as Tier 2 and Tier 3 cities.
- These warehouses serve as hubs to store inventory closer to end consumers, reducing delivery distances and enabling same-day or next-day fulfilment.
- Such networks are critical in fashion e-commerce, where speed of delivery is a key differentiator for customer satisfaction.

2. Automation and Robotics

- Leading platforms are investing in automated conveyor belts, robotic picking systems, and smart sorting technologies to handle high order volumes with speed and accuracy.
- Automation reduces dependency on manual labour, minimizes errors, and allows scalability during peak periods such as festive sales or flash discounts.
- Robotics also supports cost efficiency by streamlining repetitive tasks and improving throughput.

3. AI and Data Analytics for Forecasting and Optimization

- Artificial intelligence (AI) and predictive analytics help logistics providers anticipate demand surges, optimize inventory placement, and plan delivery routes.
- For example, demand forecasting enables proactive stock positioning in warehouses nearest to regions with high expected orders, cutting down delivery times and costs.
- Data-driven insights also help improve reverse logistics by predicting high-return zones and deploying resources accordingly.

4. Advanced Tracking and Visibility Tools

- Real-time tracking platforms allow both businesses and consumers to monitor shipments at every stage.
- This transparency builds trust, reduces customer queries, and improves overall delivery experience.

- For businesses, detailed tracking data also helps in performance monitoring, supply chain planning, and dispute resolution.

By combining scale, technology, and customer-centric solutions, specialized logistics platforms are reshaping the fulfilment ecosystem in India, enabling e-commerce companies to compete more effectively and deliver superior customer experiences.

These capabilities have reduced delivery timelines from days to hours in many urban markets, expanded reliable delivery services into semi-urban and rural areas, and optimised per-order costs — all of which strengthen the competitive positioning of fashion e-commerce platforms.

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4. Market Dynamics – Home Furnishing Industry

4.1 Growth Drivers

The home furnishing industry is expected to experience steady growth supported by favourable demographic trends, increasing consumer focus on interior aesthetics and comfort, expanding housing development and evolving lifestyle preferences. Growing interest in well-designed and functional living spaces, along with advancements in retail and product innovation, is expected to reshape the home furnishing market in the coming years.

Market Drivers and Impact Assessment

(All values represent directional impact based on industry estimates and qualitative analysis)

Driver	1–2 Years	3–4 Years	5–7 Years
1. Increasing Urbanization and Housing Development	High	High	Medium
2. Expansion of E-Commerce and Digital Retail Channels	High	High	Medium
3. Changing Consumer Preferences and Lifestyle Trends	Medium	High	High
4. Growing Importance of Sustainable and Eco-Friendly Materials	Medium	High	High
5. Role of Home Textiles in Interior Furnishing Demand	High	Medium	Medium
6. Technological Advancements in Product Design and Manufacturing	Medium	High	High
7. Expansion of Organized Retail and Brand Presence	Medium	Medium	High
8. Rising Demand for Sustainable and Eco-Friendly Products	Medium	High	High

Source: Infomerics Analytics & Research

Detailed Driver Commentary

1. Increasing Urbanization and Housing Development

Rapid urbanization has emerged as a key factor supporting the growth of the home furnishing market. As urban populations expand and residential construction activity increases, demand for furniture, bedding and interior décor products continues to rise. Consumers living in urban apartments and compact homes increasingly prefer multifunctional and space-saving furnishings that offer practicality and efficient use of space. Rising disposable incomes and improving living standards have further encouraged consumers to invest in home upgrades and interior décor products that enhance comfort and aesthetic appeal.

2. Expansion of E-Commerce and Digital Retail Channels

The rapid growth of e-commerce platforms has significantly transformed the home furnishing retail landscape. Online marketplaces and digital retail platforms provide consumers with convenient access to a wide range of products, design options and price comparisons. Technological innovations such as virtual room visualization tools, customization features and home delivery services have improved the online purchasing experience. As a result, digital commerce has become an important distribution channel for manufacturers and retailers seeking to expand market reach.

3. Changing Consumer Preferences and Lifestyle Trends

Consumer preferences in the home furnishing industry are increasingly influenced by modern lifestyle trends, interior design aesthetics and the need for functional living spaces. Demand for minimalist designs, modular furniture and multifunctional home solutions has increased, particularly among younger consumers and urban households. Growing interest in personalized interior spaces has also encouraged demand for customizable furnishing products that reflect individual style and preferences.

4. Growing Importance of Sustainable and Eco-Friendly Materials

Environmental awareness is influencing purchasing decisions in the home furnishing industry. Consumers are increasingly preferring products made using sustainable materials such as responsibly sourced wood, recycled materials and environmentally friendly fabrics. Manufacturers are responding by adopting sustainable sourcing practices and eco-friendly production processes in order to meet evolving consumer expectations.

5. Role of Home Textiles in Interior Furnishing Demand

Home textiles such as bedding products, curtains, cushions and other fabric-based furnishings play an important role in shaping interior aesthetics and household comfort. Growing demand for coordinated interior décor and improved living standards has supported the expansion of the home textile segment within the home furnishing market. Textile-based furnishing products are increasingly being designed to combine comfort, durability and visual appeal, contributing to overall industry growth.

6. Technological Advancements in Product Design and Manufacturing

Technological innovation is contributing to improvements in product design, manufacturing efficiency and customization capabilities. Digital design tools, automated manufacturing processes and advanced textile technologies are enabling companies to develop innovative products and respond more efficiently to changing consumer preferences.

7. Expansion of Organized Retail and Brand Presence

The growth of organized retail chains and specialized home furnishing stores has improved product visibility and accessibility for consumers. The expansion of branded retail outlets and modern retail formats has contributed to increased consumer awareness and demand for furnishing products.

8. Rising Demand for Sustainable and Eco-Friendly Products

Growing environmental awareness is influencing purchasing decisions in the home furnishing industry. Consumers are increasingly preferring products made from sustainable materials and environmentally responsible manufacturing processes. This trend is encouraging manufacturers to adopt eco-friendly materials and sustainable sourcing practices.

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4.2 Challenges

While the home furnishing industry continues to demonstrate growth potential, certain structural and market-related challenges may influence the pace of expansion. Factors related to cost structures, supply chain dynamics, evolving consumer purchasing behaviour and market competition can affect operational efficiency and demand patterns within the industry. These challenges may require industry participants to continuously adapt their strategies in order to maintain competitiveness and sustain long-term growth.

Market Challenges and Impact Assessment

(All values represent directional impact based on industry estimates and qualitative analysis)

Restraints	1–2 Years	3–4 Years	5–7 Years
1. Fluctuations in Raw Material Prices	High	Medium	Medium
2. Supply Chain Disruptions and Logistics Challenges	High	Medium	Low
3. Price Sensitivity Among Consumers	Medium	Medium	Medium
4. Space Constraints in Urban Housing	Medium	High	High
5. Intense Market Competition	High	High	High

Source: Infomerics Analytics & Research

Detailed Overview of Challenges

1. Fluctuations in Raw Material Prices

The home furnishing industry relies on a range of raw materials including wood, metal, foam, fabrics and other inputs. Volatility in the prices of these materials can significantly impact production costs and pricing strategies for manufacturers. Changes in global trade conditions, environmental regulations and supply availability may further contribute to fluctuations in raw material costs.

2. Supply Chain Disruptions and Logistics Challenges

Global supply chains for furniture and furnishing products often involve multiple stages of sourcing, manufacturing and distribution. Disruptions in transportation networks, shipping delays and rising logistics costs may affect delivery timelines and inventory management. Such disruptions can create operational challenges for manufacturers and retailers and may influence product availability in certain markets.

3. Price Sensitivity Among Consumers

Home furnishing products, particularly premium furniture and décor items, can involve relatively high purchase costs. In several markets, consumers remain price-sensitive and may prioritize affordability over design or brand preferences. This sensitivity may limit demand for higher-priced furnishing products and influence purchasing decisions.

4. Space Constraints in Urban Housing

Increasing urbanization has resulted in smaller residential living spaces in many metropolitan areas. Limited housing space may reduce demand for large traditional furniture pieces and require manufacturers to focus on compact or modular furnishing solutions. These spatial constraints may influence product design and purchasing behaviour.

5. Intense Market Competition

The home furnishing industry is characterized by the presence of numerous domestic and international manufacturers and retailers offering similar products. Intense competition can lead to pricing pressure, reduced profit margins and increased marketing expenditure as companies attempt to differentiate their products in a crowded marketplace.

5. Government Initiatives and Policy Support

The home furnishing industry in India primarily consists of products such as bed linen, towels, and other household textile products. These products form part of the broader home textile segment of the textile industry. Consequently, several policy initiatives introduced by the Government of India for the development of the textile sector also support the growth of the home furnishing industry. These initiatives are aimed at strengthening manufacturing capabilities, improving infrastructure, promoting exports and encouraging investment across the textile value chain.

1. Production Linked Incentive (PLI) Scheme for Textiles

The Government approved the Production Linked Incentive (PLI) Scheme for Textiles on September 8, 2021, with a total outlay of ₹10,683 crore over a five-year period. The scheme is designed to promote large-scale manufacturing of man-made fibre (MMF) apparel, MMF fabrics, and technical textile products, with the objective of achieving scale, improving cost competitiveness, and enhancing export potential. As several household furnishing products rely on similar textile inputs and manufacturing processes, the scheme may indirectly support manufacturers operating in this segment. Financial years 2022–23 and 2023–24 were designated as gestation periods, while the performance period extends from FY2024–25 to FY2028–29. Under the scheme, 64 applications have been approved, involving proposed investments of approximately ₹19,798 crore, projected turnover of about ₹1.94 lakh crore, and estimated employment generation of over 2.45 lakh persons.

2. PM MITRA Parks and Textile Cluster Development

The Government is facilitating the creation of integrated textile hubs through the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks, with an approved outlay of ₹4,445 crore to be implemented by FY2027–28. These parks offer plug-and-play infrastructure and integrated value chains across spinning, weaving, dyeing, and garmenting. The Textile Cluster Development Scheme (TCDS) has a sanctioned amount of ₹853 crore and has generated 1.22 lakh jobs as of March 2025.



3. National Technical Textiles Mission (NTTM)

The National Technical Textiles Mission has been launched to position the country as a global leader in technical textiles. The mission focuses on research, innovation, and product development; promotion and market development; skilling and training of the workforce; and export promotion. The mission supports development of high-performance textiles for applications in sectors such as healthcare, infrastructure, defence, automotive, and industrial uses.

4. SAMARTH – Scheme for Capacity Building in the Textile Sector

The SAMARTH scheme is a demand-driven, placement-oriented skilling initiative aimed at addressing the requirement for skilled manpower across the textile value chain. The scheme focuses on training unemployed youth, women, and underprivileged sections of society to improve employability, productivity, and workforce availability in textile manufacturing and allied activities. Strengthening workforce skills across the textile sector may support manufacturing efficiency and productivity across related segments.

5. National Handicrafts Development Programme (NHDP)

The National Handicrafts Development Programme (NHDP) is designed to provide comprehensive and need-based support to artisans engaged in the handicrafts sector. The scheme focuses on strengthening livelihoods through skill upgradation, design development, technology support, and marketing assistance. Under NHDP, support is extended for organising domestic and international exhibitions, buyer–seller meets, branding initiatives, and e-commerce enablement to improve market access for handicraft products. The programme also facilitates training and capacity-building initiatives to enhance productivity, product quality, and income levels of artisans, while promoting preservation of traditional crafts.

6. Comprehensive Handicrafts Cluster Development Scheme (CHCDS)

The Comprehensive Handicrafts Cluster Development Scheme (CHCDS) adopts a cluster-based approach to develop handicraft clusters with significant artisan concentration. The scheme aims to address structural gaps by providing integrated support for infrastructure development, common facility centres, raw material banks, technology upgradation, and design studios within identified clusters. CHCDS also promotes formation of producer groups and producer companies to improve collective bargaining power, operational efficiency, and sustainability of artisan communities. The scheme focuses on long-term development of clusters by improving scale, formalisation, and value addition, thereby enhancing competitiveness of handicraft products in domestic and export markets.

7. Amended Technology Upgradation Fund Scheme (ATUFS)

The Amended Technology Upgradation Fund Scheme (ATUFS) provides capital investment subsidies to encourage technology upgradation and modernisation of textile units. The scheme incentivises investment in benchmarked machinery, supporting improvements in productivity, and quality, particularly in spinning, weaving, and processing segments.

6. Technology and Digital Transformation in the Industry

Technological advancements and digital transformation have increasingly influenced the home furnishing industry, shaping the way products are designed, manufactured and distributed. The adoption of modern manufacturing technologies, digital retail platforms and data-driven supply chain systems has enabled industry participants to improve operational efficiency, enhance product quality and respond more effectively to evolving consumer preferences. Companies operating in the home furnishing sector are increasingly integrating technology across production processes, product development and distribution channels in order to remain competitive in a rapidly evolving market environment. Various Technological and digital transformation in the industry are:

1. Advanced Manufacturing Technologies

Manufacturers are adopting automated machinery and advanced textile processing technologies to improve production efficiency and ensure consistent product quality. Technologies such as automated cutting, quilting and lamination processes help streamline manufacturing operations and support higher production capacity.

2. Digital Design and Product Development

Computer-aided design (CAD) tools are increasingly used to develop new patterns, textures and product designs. These tools enable companies to respond quickly to changing interior design trends and introduce new product collections more efficiently.

3. Expansion of E-Commerce and Digital Retail Platforms

The growth of online marketplaces and brand-owned websites has expanded distribution channels in the home furnishing industry. Digital platforms enable manufacturers to reach a wider consumer base and improve product visibility across geographic markets.

4. Supply Chain Digitization and Inventory Management

Companies are adopting digital systems such as enterprise resource planning (ERP) and inventory tracking tools to improve supply chain visibility and manage production and inventory more efficiently.

5. Data Analytics and Consumer Insights

Manufacturers and retailers are increasingly using data analytics to understand consumer preferences, monitor purchasing trends and refine product offerings and marketing strategies.

7. PESTEL Analysis of the Industry

The PESTEL framework provides a structured assessment of the external macro environmental factors that influence the industry's operating landscape. It examines the political, economic, social, technological, environmental, and legal dimensions that collectively shape industry performance, regulatory evolution, and strategic direction. This analysis enables a comprehensive understanding of the opportunities and challenges impacting market stability, investment potential, and long-term sectoral growth.

Factor	Key Insights and Implications
Political	- Government initiatives aimed at strengthening domestic manufacturing and exports, including programs promoted by the Ministry of Textiles, may support growth in the home furnishing manufacturing ecosystem. - Export promotion schemes and trade agreements may enhance market access for home furnishing products in key markets such as the European Union and the United States. - Import duties and trade policies affecting raw materials such as cotton yarn and fabrics may influence production costs for home furnishing manufacturers. - Government infrastructure development and housing initiatives may support demand for home décor and furnishing products. - Political stability and trade relations with key export markets may influence export demand and supply chain continuity. - Changes in global trade policies, including tariff measures imposed by the United States during the Trump administration and ongoing geopolitical tensions, may impact export competitiveness and create uncertainties in international trade for home furnishing manufacturers.
Economic	- Growth in residential real estate development and housing construction may increase demand for home furnishing products such as curtains, carpets, upholstery fabrics and bed linen. - Rising disposable income and improving living standards in emerging economies such as India may support increased spending on home décor and interior products. - Expansion of organized retail and e-commerce platforms is contributing to increased accessibility and demand for home furnishing products. - Volatility in prices of key raw materials such as cotton and synthetic fibres may influence production costs and profitability for manufacturers. - Economic slowdown in major export markets may reduce discretionary spending on home décor and furnishing products.

Social	- Increasing consumer focus on home aesthetics and interior décor is contributing to growing demand for decorative and functional home furnishing products. - Rapid urbanization and expansion of residential housing projects are supporting increased consumption of home furnishing products. - Rising middle-class population and improving lifestyles are driving demand for branded and premium home décor products. - Growing influence of interior design trends and social media platforms is shaping consumer preferences for modern home furnishings. - Increasing consumer preference for comfortable, durable and aesthetically appealing home products is encouraging product innovation.
Technological	- Adoption of advanced weaving, dyeing and finishing technologies is improving product quality and manufacturing efficiency in the home furnishing sector. - Growth of digital commerce platforms such as Amazon and Flipkart is expanding distribution channels for home furnishing products. - Technological innovation in textile processing is enabling development of value-added products such as stain-resistant, anti-microbial and performance fabrics used in home furnishings. - Digital supply chain management and inventory systems are improving operational efficiency and product availability. - Use of data analytics and digital marketing tools is enabling companies to better understand consumer preferences and demand patterns
Environmental	- Textile processing used in home furnishing manufacturing is subject to environmental regulations related to water consumption, chemical usage and waste management. - Growing consumer awareness regarding sustainability is increasing demand for eco-friendly home furnishing products made from organic or recycled materials. - Adoption of sustainable manufacturing practices and environmentally friendly dyes is becoming increasingly important for exporters. - Climate variability affecting cotton production may influence availability and pricing of raw materials used in home furnishing products. - Increasing emphasis on energy-efficient production and reduced carbon emissions is shaping manufacturing practices within the industry.
Legal	- Home furnishing manufacturers must comply with domestic and international textile quality and safety standards for finished products. - Compliance with labor laws governing wages, working conditions and employee welfare may influence operational practices. - Export-oriented companies must comply with certification and regulatory requirements in destination markets.

- | | |
|--|--|
| | <ul style="list-style-type: none">• Intellectual property protection for designs, patterns and branding is important for companies operating in the home décor and furnishing segment.• Consumer protection regulations relating to product labelling, safety standards and quality claims may impact product compliance requirements.• Export of frozen fruits requires compliance with international food safety and phytosanitary regulations.• Food processing is governed by strict food safety, hygiene, and quality regulations, increasing compliance requirements. |
|--|--|

8. Competitive Landscape

The competitive landscape of the home furnishing industry is shaped by evolving consumer preferences, growing emphasis on interior aesthetics, and increasing demand for quality and design-oriented household products. As demand for products such as bed linen, mattress protectors, comforters, pillows, bath linen and other home textile furnishings expands, competition is driven not only by manufacturing scale but also by design capabilities, product quality, brand positioning and distribution reach. Market participants are increasingly focusing on product innovation, development of value-added fabrics, and expansion across organized retail and e-commerce channels to strengthen market presence. In addition, the ability to maintain consistent product quality, manage efficient supply chains and respond to changing design trends plays an important role in determining competitive positioning within the home furnishing industry.

8.1 Key Factors Shaping Competition

Competition within the home furnishing industry is influenced by a range of operational, product and market-related factors that determine how companies differentiate themselves within the sector. Market participants typically focus on strengthening product capabilities, maintaining reliable supply chains and expanding distribution networks in order to enhance their competitive positioning. The ability to respond to evolving consumer requirements while maintaining operational efficiency remains an important determinant of long-term competitiveness in this industry.

1. Product Quality and Fabric Standards

Product quality remains an important determinant of competitiveness within the home furnishing industry, particularly for frequently used bedding and home textile products. Manufacturers that are able to maintain consistent fabric quality, durability and finishing standards may benefit from stronger consumer acceptance and repeat demand.

2. Design Capabilities and Product Development

The ability to introduce new designs, patterns and textures in line with evolving interior décor trends plays an important role in shaping market competition. Companies that regularly update product collections and offer aesthetically appealing designs across multiple furnishing categories may be better positioned to attract a wider consumer base.

3. Product Portfolio Diversification

Companies with a diversified portfolio of home textile and bedding products may benefit from broader market reach and the ability to cater to different consumer requirements. A wider product offering may also enable manufacturers to serve multiple customer segments including residential and institutional buyers.

4. Manufacturing Capabilities and Production Efficiency

Efficient manufacturing processes and reliable sourcing of raw materials are important factors influencing competitiveness in the home furnishing industry. Companies with established production infrastructure and efficient operational processes may benefit from improved cost management and consistent product availability.

5. Distribution Network and Market Access

The ability to maintain strong distribution channels plays an important role in determining market reach within the home furnishing industry. Companies that maintain relationships with retailers, wholesalers and digital commerce platforms may benefit from improved product visibility and wider consumer access.

6. Brand Positioning and Customer Relationships

Brand recognition and long-term customer relationships may contribute to differentiation within the home furnishing sector. Companies that maintain consistent product quality, timely delivery and strong customer engagement may strengthen their competitive positioning over time.

8.2 Competitive Strategies

Companies operating in the home furnishing industry adopt a range of strategic approaches to strengthen their market positioning and sustain long-term growth. Competitive strategies within the sector typically focus on product differentiation, operational efficiency, supply chain strength and the ability to respond to evolving consumer preferences. Market participants that effectively combine design capabilities, quality control and distribution reach may be better positioned to enhance their competitive advantage in both domestic and international markets. The following are the principal strategies driving competitiveness and growth within the industry:

1. Rising Demand for Home Improvement and Furnishing Products

The home furnishing market is witnessing steady growth, supported by increasing urbanization, rising disposable incomes and evolving lifestyle preferences. The market is projected to grow at a CAGR of 10.58%, reflecting sustained demand for interior décor, bedding and home improvement products across residential segments.

2. Increasing Supply Chain and Fulfilment Complexity

Home furnishing products involve higher logistics intensity due to product size and customization requirements. Industry estimates indicate that return rates in online furnishing categories range between ~10–15%, increasing the importance of efficient warehousing and reverse logistics.

3. Expansion of Product Portfolio across Home Furnishing Categories

Companies often pursue portfolio expansion strategies by offering a wider range of home furnishing products, including bed linen, comforters, mattress protectors, pillows and other bedding products. A diversified product portfolio may allow companies to cater to multiple consumer segments and strengthen their presence across residential, hospitality and institutional markets.

4. Strengthening Distribution and Retail Presence

Expanding distribution networks through organized retail outlets, wholesale channels and digital commerce platforms remains an important competitive strategy within the industry. Companies that are able to maintain wider product availability across multiple sales channels may benefit from improved market penetration and customer accessibility.

5. Shift towards Organized Retail Sector

The industry remains highly fragmented, with the unorganized sector accounting for ~85–90% of the market, although the share of organized players is gradually increasing due to rising consumer preference for branded products.

8.3 Barriers to Entry

Entry into the home furnishing industry is influenced by several structural and operational factors that may affect the ability of new participants to establish and sustain market presence. While the industry offers opportunities due to growing demand for home décor and furnishing products, new entrants may face challenges related to manufacturing capabilities, distribution networks, product differentiation and compliance with quality standards. These factors collectively shape the competitive dynamics and may limit the ease of entry for new market participants. Key barriers to entry are:

1. Capital Investment in Manufacturing Infrastructure

Establishing manufacturing facilities for home furnishing products such as curtains, carpets, blankets and quilts may require significant capital investment in machinery, production equipment and supporting infrastructure. The need for investment in processing, finishing and quality control capabilities may increase the initial financial commitment required for new entrants.

2. Established Distribution and Retail Networks

Existing market participants often maintain established relationships with wholesalers, retailers and organized retail channels. New entrants may face challenges in building comparable distribution networks and securing shelf space across retail outlets and online platforms.

3. Product Quality and Standardization Requirements

Maintaining consistent product quality and meeting customer expectations regarding fabric durability, finishing and design standards may present challenges for new entrants. Companies that lack established quality control systems may find it difficult to compete with experienced manufacturers.

4. Brand Recognition and Consumer Trust

Established brands within the home furnishing industry often benefit from customer loyalty and market recognition. New entrants may need to invest in branding, marketing and customer acquisition efforts to build trust and gain acceptance among consumers.

5. Supply Chain and Raw Material Sourcing

Reliable sourcing of raw materials such as textile fabrics, yarn and related inputs plays an important role in maintaining product quality and cost competitiveness. New entrants may face challenges in establishing supplier networks and negotiating favourable procurement terms.

6. Design Capabilities and Market Responsiveness

The ability to develop new designs and respond to evolving interior décor trends is an important competitive factor in the home furnishing sector. New entrants without established design capabilities or market insights may find it difficult to compete with companies that regularly update their product offerings.

8.4 Consolidation Trends

The home furnishing industry has witnessed gradual consolidation as companies seek to strengthen market presence, expand product offerings and enhance operational capabilities. Increasing competition, evolving consumer preferences and the need for efficient supply chains have encouraged market participants to pursue strategic initiatives aimed at improving scale, operational efficiency and market reach. Various consolidation trends are:

1. Increasing Online Penetration and Platform Dominance

E-commerce has emerged as a key distribution channel, driven by the presence of large digital platforms. Leading players such as Flipkart (27%) and Myntra (22%) together account for ~49% market share, while Meesho (15%) and Amazon (15%) cater to value and mass-market segments. Other platforms, including niche and D2C players, account for approximately 13.5% of the market. The increasing shift towards online purchasing of home furnishing products, including bedding, décor and furniture, reflects a rapidly expanding and competitive digital ecosystem, supporting broader market reach and consumer adoption. Further, the Indian e-commerce market is expected to grow at an approximate CAGR of 17–18% over the next decade, which is likely to further strengthen the role of digital channels in the home furnishing industry.

2. Entry of International Brands and Organised Retail Expansion

International players such as IKEA are scaling their presence in India, with announced plans to invest approximately ₹18,000–₹20,000 crore (c. USD 2.2 billion) over the next five years, alongside a continued focus on increasing local sourcing. Domestic players are also strengthening their market position through expansion of omnichannel distribution networks. While organised retail channels, including specialty stores and e-commerce platforms, are witnessing increasing penetration, the Indian furniture and home furnishing market remains predominantly unorganised, with such players accounting for approximately 70–80% of the overall market. Notwithstanding the same, organised players are driving premiumisation through branding, product bundling, and cross-selling of value-added accessories such as mattress protectors and baby care products.

3. Operational Integration and Scale Efficiency

Manufacturers are focusing on improving operational integration across sourcing, manufacturing and distribution activities. Achieving operational efficiencies and economies of scale may support improved cost management and enhanced competitiveness within the industry.

4. M&A Activity Driving Industry Consolidation

Mergers and acquisitions have increased in the home furnishing industry as companies focus on scale, market share and supply chain integration. Domestic consolidation is emerging as a key trend, with a rise in larger and control-oriented transactions. Notable developments include the acquisition of Kurlon by Sheela Foam for approximately ₹2,150 crore in 2023, and the acquisition of Pepperfry by TCC Concept for approximately ₹1,200 crore in 2025, reflecting efforts to strengthen market position and expand presence.

5. IPO Pipeline and Capital Raising Driving Consolidation

The home furnishing industry is witnessing increasing participation in capital markets, with several organised players pursuing public listings and other fund-raising avenues to support expansion and strengthen market presence. Such capital infusion is expected to enable investments in capacity expansion, distribution networks, brand building and potential acquisitions. This, in turn, is likely to accelerate consolidation within the organised segment of the industry, while enhancing scale efficiencies and competitive positioning.

6. Rising Market Growth

The home furnishing market is witnessing steady expansion, reflecting an approximate CAGR of 10–11%. This growth indicates increasing consumer spending on home improvement and décor products.

8.5 Key Indian Players

1. Sheela Foam Limited

Sheela Foam Limited is a manufacturer of polyurethane (PU) foam and mattresses in India and is widely recognized for its flagship brand Sleepwell. With more than five decades of operations, the company has developed capabilities in manufacturing, product innovation and distribution within the home comfort products segment. The company operates multiple manufacturing facilities across India as well as internationally, including operations in Spain and Australia, and distributes its products through an extensive retail network of over 20,000 touchpoints across India. Its portfolio includes mattresses and related comfort products marketed under brands such as Sleepwell and Kurl-on, supported by an integrated manufacturing and distribution framework aimed at maintaining product quality and market reach.



2. Silky Overseas Limited

Silky Overseas Limited is a manufacturer and exporter of home furnishing and bedding products based in India. The company primarily operates in the home textile segment and offers a range of products including blankets, comforters, quilts, bed sheets and related bedding products. Its operations are supported by integrated manufacturing processes that include knitting, dyeing, processing, printing and packaging, enabling the company to maintain quality control and production efficiency. The company distributes its products across domestic and international markets through various distribution channels and product brands, including Rian Blankets, and focuses on design development, large-scale manufacturing and timely order fulfilment to cater to evolving consumer preferences in the home furnishing industry.



3. Wakefit Innovations Limited

Wakefit Innovations Limited is an India-based home and sleep solutions company engaged in the design, manufacturing and retailing of mattresses, furniture and home furnishing products. Founded in 2016 and headquartered in Bengaluru, the company initially started as a mattress-focused brand and subsequently expanded its product portfolio to include beds, sofas, wardrobes, study tables, pillows and other home products. The company primarily operates through a direct-to-consumer (D2C) business model, leveraging digital platforms for product sales while also expanding its presence through a network of company-operated experience centres across India.



8.6 About the Company – Avi Lifestyles Limited

AVI Lifestyles Limited is a manufacturer and supplier of home furnishing and bedding products with a focus on sleep-related textile solutions. The Company was incorporated in 2017 and is headquartered in Jaipur, Rajasthan. It operates from a state-of-the-art manufacturing facility located in the VKI Industrial Area, Jaipur, with an integrated infrastructure that supports production, quality control and packaging processes. The Company is engaged in the manufacturing, sourcing and distribution of a range of bedding, bath linen and related home textile products designed for residential, hospitality and institutional applications.



The Company's product portfolio primarily includes mattress protectors, mattress toppers, bedsheets, comforters, pillows, baby dry sheets and other sleep accessories, along with bath linen products such as towels and bathmats. In addition, the Company offers protective and accessory products such as pillow covers, cushion covers, pillow protectors and cushion protectors. These products are manufactured in multiple sizes, designs and fabric compositions to cater to diverse customer requirements across different price segments. The Company focuses on delivering products characterized by durability, colour fastness, tear resistance, absorbency and comfort, which makes them suitable for both retail consumers and institutional users including hotels, resorts and healthcare establishments.

AVI Lifestyles Limited operates through an integrated manufacturing model supported by modern machinery and specialized production processes. The manufacturing operations involve fabric sourcing, TPU lamination, cutting, stitching, quilting, fiber filling, quality inspection and packaging. The Company utilizes various machines including lamination machines, quilting machines, cutting machines, pillow filling machines and multiple stitching units, enabling efficient production and quality consistency across product categories. The facility is supported by a skilled workforce of over 150 employees and is designed to accommodate scalable production and product customization capabilities.

The Company markets its products through multiple sales channels including e-commerce platforms, reseller networks and corporate sales. AVI Lifestyles Limited has developed a strong digital presence through major online marketplaces such as Amazon, Flipkart, Myntra, Ajio and Meesho, enabling nationwide customer reach. In addition, the Company supplies products in bulk to corporate and institutional clients and maintains relationships with several established industry players and retail chains. The Company's sales mix includes non-corporate sales through resellers and distributors, online sales through e-commerce platforms, and corporate sales to organized buyers.

Over the years, the Company has expanded its operations from a small e-commerce-driven business to an integrated manufacturer with its own production infrastructure and diversified sales channels. Since its inception, AVI Lifestyles Limited has focused on strengthening product quality, expanding its product portfolio and increasing its market reach. The Company also markets certain products under its proprietary brands including “AVI Lifestyles,” “Daksh,” and “Ajish.” Through its emphasis on quality manufacturing, product innovation and multi-channel distribution, the Company aims to strengthen its position in the home furnishing and bedding products segment in India.

8.7 Financial Performance Analysis

The financial performance analysis of Avi Lifestyles Limited presents an overview of its operational and profitability trends over FY 2023 to FY 2025. The assessment highlights key indicators such as total income, EBITDA, and profitability margins etc. reflecting the company's operational efficiency and financial stability.

Figures are in INR lakhs (Except for ratios and Percentages)

Key Indicators (in INR Lakhs)	Avi Lifestyles Limited		
	FY 2023	FY 2024	FY 2025
Total Operating Income	919.68	990.99	3182.95
Total Income	920.63	994.45	3190.51
EBITDA	35.48	140.32	392.45
EBITDA Margin (%)	3.86	14.16	12.33
PAT	22.57	88.47	294.33
PAT Margin (%)	2.45	8.90	9.23
Current Ratio (Times)	0.96	1.55	1.43
Tangible Net worth	34.07	122.11	563.10
Total Debt	21.90	71.97	853.50
Debt Equity Ratio (Times)	0.64	0.59	1.52
ROCE (%)	101.43	95.70	46.19
Return on Net worth (%)	132.49	113.29	85.91

Source: Standalone Audited Financials as provided by the company

Formula Used:

- EBITDA: Total Operating Income - Operating Expenses (excluding Depreciation & Amortisation, Interest, and Taxes)
- EBITDA Margin: (EBITDA/Total Operating Income) *100
- PAT Margin: (Profit after Tax/Total Income) *100
- Current Ratio: Current Assets /Current Liabilities
- Tangible Net Worth: Share Capital + Reserve & Surplus – Intangible Assets -Deferred Tax Assets – Misc Expenditure not written off – Revaluation Reserves
- Return on Net Worth (RONW): (Profit After Tax /Average Tangible Net Worth) *100
- Total Capital Employed: Fixed Assets + Intangible Assets +Net Working Capital
- Return on Capital Employed (ROCE): (Earnings before Interest & Taxes/Average Capital Employed) *100

During the period under review, total operating income increased from INR 919.68 lakhs in FY23 to INR 990.99 lakhs in FY24, reflecting growth supported by higher sales of products and services. In FY25, operating income increased significantly to INR 3,182.95 lakhs, indicating substantial expansion in business operations and scale.

In FY23, the Company reported an EBITDA of INR 35.48 lakhs, with an EBITDA margin of 3.86%. In FY24, operating profitability improved significantly, with EBITDA increasing to INR 140.32 lakhs and EBITDA margin expanding to 14.16%, reflecting improved operating leverage. In FY25, EBITDA further increased to INR 392.45 lakhs, while the EBITDA margin moderated to 12.33%, primarily due to higher operating expenses associated with the scale-up of operations.

Profit after tax stood at INR 22.57 lakhs in FY23, translating into a PAT margin of 2.45%. In FY24, net profit increased to INR 88.47 lakhs, with the PAT margin improving to 8.90%, reflecting improved operating performance. During FY25, net profit increased significantly to INR 294.33 lakhs, and PAT margin improved further to 9.23%, supported by strong revenue growth and improved operating profitability.

The Company's tangible net worth strengthened from INR 34.07 lakhs in FY23 to INR 122.11 lakhs in FY24 and further to INR 563.10 lakhs in FY25, reflecting improved profitability and strengthening of the capital base.

Liquidity improved during the period, with the current ratio increasing from 0.96 times in FY23 to 1.55 times in FY24, and standing at 1.43 times in FY25, indicating adequate short-term solvency despite the expansion in operations.

Total debt increased from INR 21.90 lakhs in FY23 to INR 71.97 lakhs in FY24 and further to INR 853.50 lakhs in FY25, largely on account of borrowings undertaken to support working capital requirements and expansion in operations. Consequently, the debt-equity ratio moderated from 0.64 times in FY23 to 0.59 times in FY24, before increasing to 1.52 times in FY25, reflecting higher leverage during the year.

As a result of the increase in capital employed and expansion in the capital base, return indicators moderated during the period, with ROCE declining from 101.43% in FY23 to 95.70% in FY24 and further to 46.19% in FY25. Similarly, return on net worth declined from 132.49% in FY23 to 113.29% in FY24 and further to 85.91% in FY25, reflecting the increase in net worth during the period.

Overall, the Company's financial performance during FY23–FY25 reflects significant growth in scale of operations, strengthening of the balance sheet and improvement in profitability, indicating the Company's ability to expand its business operations while maintaining operational efficiency and financial stability.

8.8 Peer Benchmarking – Financial performance analysis

The following table presents a comparison of key financial indicators of Avi Lifestyles Limited with Sheela Foam Limited and Silky Overseas Limited which has been considered as the primary peer for benchmarking purposes. Financial information for the other identified peer-Wakefit Innovations Limited is not publicly available for FY 2024–25, and therefore these entities have not been included in the quantitative peer comparison.

Figures are in INR Lakhs (Except for ratios and Percentages)

Key Indicators	Avi Lifestyles Limited	Silky Overseas Limited	Sheela Foam Limited
Total Operating Income	3182.95	12382.20	343919.00
Total Income	3190.51	12425.17	357011.00
EBITDA	392.45	1716.08	24992.00
EBITDA Margin (%)	12.33	13.86	7.27
PAT	294.33	1038.04	9553.00
PAT Margin (%)	9.23	8.35	2.68
Current Ratio (Times)	1.43	1.47	0.96
Tangible Net worth	563.10	2511.29	106158.00
Total Debt	853.50	2017.57	151474.00
Debt Equity Ratio (Times)	1.52	0.80	1.43
ROCE (%)	46.19	35.58	1.46
Return on Net Worth (%)	85.91	51.95	9.26

Source: Company filings and publicly available FY25 financial data

Avi Lifestyles Limited, Silky Overseas Limited, and Sheela Foam Limited operate at materially different scales within the home furnishing and bedding segment, reflecting variations in product portfolios, manufacturing scale, brand presence and market reach.

At the revenue level, Avi Lifestyles Limited reported total operating income of INR 3,182.95 lakhs, positioning it at a smaller scale compared with its peers. Silky Overseas Limited reported operating income of INR 12,382.20 lakhs, reflecting a larger scale of operations within the home textile segment. In contrast, Sheela Foam Limited reported substantially higher operating income of INR 343,919.00 lakhs, underscoring its position as a large and well-established player within the mattress and comfort solutions industry.

Operating profitability further differentiates the peers. Avi Lifestyles Limited generated EBITDA of INR 392.45 lakhs with an EBITDA margin of 12.33%, reflecting healthy operating efficiency for its scale of operations. Silky Overseas Limited reported EBITDA of INR 1,716.08 lakhs with an EBITDA margin of 13.86%, indicating strong operating profitability within the

home textile segment. Sheela Foam Limited reported EBITDA of INR 24,992.00 lakhs with a margin of 7.27%, reflecting lower margins compared with the other peers despite its significantly larger scale of operations.

At the net profit level, Avi Lifestyles Limited reported PAT of INR 294.33 lakhs, translating into a PAT margin of 9.23%, indicating healthy profitability relative to its scale. Silky Overseas Limited reported PAT of INR 1,038.04 lakhs with a PAT margin of 8.35%, reflecting stable net profitability. In comparison, Sheela Foam Limited reported PAT of INR 9,553.00 lakhs with a PAT margin of 2.68%, reflecting comparatively lower net margins.

From a balance sheet perspective, Avi Lifestyles Limited reported tangible net worth of INR 563.10 lakhs, reflecting its relatively smaller capital base. Silky Overseas Limited reported tangible net worth of INR 2,511.29 lakhs, indicating a stronger equity base within the home textile segment. Sheela Foam Limited reported a significantly higher tangible net worth of INR 106,158.00 lakhs, reflecting its long operating history, accumulated reserves and large asset base.

In terms of leverage, Avi Lifestyles Limited reported total debt of INR 853.50 lakhs and a debt-equity ratio of 1.52 times, indicating relatively higher leverage compared with certain peers. Silky Overseas Limited reported total debt of INR 2,017.57 lakhs and a debt-equity ratio of 0.80 times, reflecting a more moderate leverage profile. Sheela Foam Limited reported total debt of INR 151,474.00 lakhs with a debt-equity ratio of 1.43 times, consistent with its large-scale and capital-intensive operations.

Liquidity indicators show that Avi Lifestyles Limited maintained a current ratio of 1.43 times, indicating comfortable short-term liquidity. Silky Overseas Limited reported a similar current ratio of 1.47 times, reflecting adequate working capital management. Sheela Foam Limited reported a current ratio of 0.96 times, which is comparatively lower but remains manageable considering its scale of operations.

Return indicators highlight differences in capital efficiency among the peers. Avi Lifestyles Limited reported ROCE of 46.19% and return on net worth of 85.91%, indicating strong capital efficiency relative to its scale of operations. Silky Overseas Limited reported ROCE of 35.58% and RONW of 51.95%, reflecting healthy return metrics within the home textile segment. Sheela Foam Limited reported lower return indicators with ROCE of 1.46% and RONW of 9.26%, reflecting lower profitability relative to its capital base.

Overall, Sheela Foam Limited represents the largest peer with a significantly higher scale of operations and capital base, while Silky Overseas Limited operates at a mid-scale within the home textile segment. Avi Lifestyles Limited operates at a comparatively smaller scale but demonstrates competitive profitability margins and strong return ratios, indicating efficient operations and potential for growth as the business continues to expand.

8.9 Company's Positioning

AVI Lifestyles Limited operates within the home furnishing industry, specifically in the bedding and sleep products segment. The Company is engaged in the manufacturing and supply of bedding and related home textile products including mattress protectors, mattress toppers, bedsheets, comforters, pillows, baby dry sheets and bath linen products. Within the broader home furnishing market, the Company is positioned as a bedding-focused manufacturer supplying functional sleep and protection products for residential as well as institutional use.

The Company's positioning within the industry is characterized by its focus on functional bedding solutions, particularly mattress protection and sleep comfort products. Products such as mattress protectors, mattress toppers and quilted bedding accessories are designed to address practical consumer needs including mattress protection, hygiene, durability and improved sleeping comfort. This focus on functional bedding products differentiates the Company from players that primarily operate in decorative home furnishing categories.

AVI Lifestyles Limited also distinguishes itself through its integrated manufacturing capabilities. The Company operates a manufacturing facility equipped with machinery for lamination, quilting, stitching and packaging processes. The ability to undertake several production processes in-house supports quality control, operational efficiency and the development of specialized products such as laminated mattress protectors and quilted bedding items. Such manufacturing capabilities enable the Company to maintain consistency in product quality and respond efficiently to varying order requirements.

The Company has also adopted a multi-channel distribution strategy, combining e-commerce sales, reseller networks and corporate supply relationships. AVI Lifestyles Limited maintains presence across major online marketplaces and supplies products to organized buyers and retail chains in the home furnishing sector. This diversified distribution approach allows the Company to access a broad customer base while also participating in bulk supply to institutional clients.

Through its focus on functional bedding products, integrated manufacturing infrastructure and diversified sales channels, AVI Lifestyles Limited has positioned itself as a growing manufacturer in the bedding and home textile segment of the home furnishing industry, catering to both consumer and institutional demand.

8.10 Swot Analysis

Strengths (Internal / Competitive Advantages)	Weaknesses (Internal / Limitations)
✓ Integrated Manufacturing Capabilities The company operates its own manufacturing facility in Jaipur equipped with specialized machinery for lamination, quilting, stitching and packaging. In-house production capabilities enable better quality control, operational efficiency and the ability to manage production timelines effectively. ✓ Diversified Product Portfolio AVI Lifestyles offers a range of bedding and home textile products including mattress protectors, mattress toppers, bedsheets, comforters, pillows, baby dry sheets and bath linen products. A diversified product portfolio allows the company to cater to varied consumer requirements across residential as well as institutional segments. ✓ Multi-Channel Sales and Distribution Presence The company distributes its products through multiple channels including e-commerce platforms, reseller networks and corporate sales. Presence across major online marketplaces along with bulk supply to institutional clients enables the company to reach a broader customer base. ✓ Established Corporate Client Relationships The company supplies products to several organized buyers and retail chains in the home furnishing sector. Corporate relationships support bulk order volumes and provide relatively stable demand for the company's products.	✗ Limited Operating Track Record Compared to Established Industry Players Established in 2017, the company has a relatively shorter operating history compared to established players in the home textile industry, which may limit brand recognition and long-term market positioning. ✗ Dependence on Online Marketplaces A portion of the company's sales is generated through third-party e-commerce platforms. Dependence on such platforms may expose the company to risks related to changes in platform policies, commission structures and competitive listings. ✗ Moderate Scale Compared to Large Industry Players The company operates at a smaller scale compared to some large domestic and global home textile manufacturers with significantly larger production capacities and established international distribution networks.

Opportunities (External / Market Realities)	Threats (External / Sector Challenges)
 Growing Demand for Home Textile and Bedding Products Rising urbanization, increasing disposable incomes and changing consumer lifestyles are driving demand for bedding and home textile products in India, creating opportunities for companies operating in this segment.  Expansion of E-Commerce and Digital Retail Channels The continued growth of e-commerce and organized retail platforms provides opportunities for manufacturers to reach a wider customer base across multiple geographic markets.  Rising Institutional Demand Growth in hospitality, healthcare and organized retail sectors may increase demand for bedding and bath linen products, creating opportunities for expansion in institutional and corporate supply segments.  Scope for Product Portfolio Expansion The company may expand its product portfolio across additional home textile and furnishing categories, enabling it to cater to evolving consumer preferences and strengthen its market presence.  Growing Preference for Branded Home Furnishing Products Increasing consumer awareness regarding quality, comfort and durability of home textile products is contributing to rising demand for branded bedding and furnishing products.	 Intense Competition in the Home Textile Industry The industry is characterized by the presence of numerous domestic and international manufacturers offering similar products, which may result in pricing pressure and increased competition.  Fluctuations in Raw Material Prices Changes in the prices of textile fabrics, yarn and other raw materials may impact production costs and affect profitability.  Changing Consumer Preferences and Design Trends Home furnishing products are influenced by evolving design trends and consumer preferences. Companies that fail to adapt to changing market trends may face challenges in sustaining demand for their products.  Competitive Pressure from Established Large Manufacturers Large home textile companies with significant manufacturing capacities, strong brand recognition and extensive distribution networks may pose competitive challenges.

9. Future Outlook

The home furnishing industry is expected to witness steady growth in the coming years, supported by increasing residential development, rising urban housing demand and evolving consumer lifestyle preferences. As households increasingly focus on improving interior living environments, demand for home furnishing solutions such as bedding, curtains, home textiles and decorative furnishings is expected to continue expanding.

The market size of the home furnishing industry is estimated at USD 26.41 billion in CY 2025 and is projected to increase to USD 29.21 billion in CY 2026. Over the longer term, the market is expected to reach approximately USD 43.67 billion by CY 2030, representing a compound annual growth rate (CAGR) of approximately 10.58% during the forecasted period.

The industry is also expected to benefit from the increasing penetration of organized retail and digital commerce platforms, which have improved product accessibility and consumer reach. In addition, expanding product offerings and greater availability of modern furnishing designs are expected to contribute to the continued development of the home furnishing market.

Overall, the home furnishing industry is expected to continue expanding over the forecast period, supported by sustained demand for interior furnishing solutions and the ongoing development of the residential housing sector.

Yours Faithfully,



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