

The ONLY Textile Daily Newspaper

TECOYA TREND

Email: tecoya@gmail.com

Welcome Our New Captain... Shri Piyush Goyal Ji !!!

By Avinash Mayekar, MD & CEO, Suvin India

Sir, your capabilities and sheer persona for driving growth are no stranger to India. We all are aware of your remarkable accomplishments from the various portfolios handled by you. With your appointment, the entire textile & apparel industry is expecting the same driving force for its growth under your able leadership. However, being an age-old industry, and one of the major employment generating industries, it should not be ignored by the government. The textile & apparel industry is often seen to be more demanding as most of the times, its demands and credit worthiness are somehow not understood or sidelined in the vast industrial domain of our country. The major reasons for this are:

The age of the Industry presumes that it is all settled

The challenges of connecting the various dots of various fibres, segments, locations, diverse processes, etc. among the industry

Over the years, the Industry has witnessed action plans for growth with many Ministers. Each one of them in their capability has tried their level best to uplift the industry. However, being a vast industry with a wide presence of lobbies across fibres, processes, sectors, government bodies, etc. it has number of challenges, interferences and influences.

Naturally, there are lobbies which work very closely with the honorable minister in their favour. By the length & breadth of the lobby, things are being taken care of for the growth of their own lobby. So the overall upliftment of the industry has somehow not taken place to the full extent of India's capabilities.

The vision to develop a policy for channeling the growth across all parts & parcels of Textiles & Apparels is the need of the

hour. I am sure Mr. Piyush Ji with your strategic approach & global vision we will see the industry soar higher & higher.

An overview of the Textiles & Apparel Industry, which I am sure you would already be familiarized with. Indian Textiles & Apparels industry is at distant number 2

in the global trade scenario across the world. But the position is not to be satisfied with as we are at this position for a very long period & all our neighboring countries namely Bangladesh, Cambodia, Viet Nam, Sri Lanka etc. are now doing exceedingly well despite lower capabilities & other challenges. India having a huge domestic market & a well-established brand "India." Also, the recent crisis has shown India's true capabilities of rising to the occasion & being able to do anything & everything under the sun during pandemic. We did quite well with medical textiles.

Since 2012, the entire globe is eying for India to emerge as the hub for textiles & apparels. Unfortunately, we have not yet fully understood our potential. The market is also now more favorable than before towards India owing to the dynamics of politics across the world. China currently the number one country across the textiles & Apparels trade is losing its share, the reason is well known to all. The anti-sentiments & negative vibe that emerged in the pandemic is no more a hidden secret.

The pandemic has also created an alarming situation for



countries to look for other options & reduce dependency on China. The US & EU biggest markets of the textiles are now more stringent on rules, regulations, social compliances which is another reason for the reduced share of China in view of not abiding by the led down regulations. Certifications for the originality and tracking of raw material sources are mandate practiced by global brands. Though China's economy of scale & their policy of investment in other countries is the challenging factor in beating their number 1 position. However, India can rise to its full potential & very well reduce the gap & be a competitor number 2 than a distant number 2 player. We can easily drag more share into our belt with a chalked-out vision for the entire value chain of textiles & apparel industry. Some of the guidelines for better mileage generation in line with our vision:

1. To have a global market focus strategy
2. Playing to our strength by mapping target destination countries
 - a. Raw material & resource availability
 - b. Focus sectors for exponential growth
3. Focus & organize the domestic market
 - a. Avoid malpractices
 - b. Avoid dumping of imported products
 - c. Loopholes elimination in the duty structure
 - d. Relining & educating the manufacturers with legal framework
 - e. Adhering to international norms & regulations
4. Educate & necessitate the need for modernization & Continued on Page 4

Welcome Our New Captain...

Continued from Page 1 Col 6

developing world-class infrastructure to

a. Reduce operating cost in terms of power & utility cost reduction by adopting new technologies

b. Renewable sources of energy to take care of environment

c. To adopt & follow environment friendly culture

d. Adopting to all social compliances

5. Strengthening our weaknesses & developing policy to help the producers & create benefits for exporters to compete effectively in the international market

6. History has seen the progress of export-oriented units however, we need to focus on the complete value chain with international standards for exports

7. Boost sectors coming up with finished products for domestic as well as international markets

8. Promotion of marketing wings development

a. Participation in International shows with aggressive brand India

b. Product portfolio development & marketing channel development

c. Support for international marketing activities

9. Cost controls on raw materials to adhere to the international pricing policy

10. New Product developments especially in technical textiles is the need of the hour

a. Our sudden number 2 stature in medical textiles showcases the vast capability of India however a more focus on quality is the necessity to continue the success streak across other segments

b. Focus on replacement products especially for producing products through non-conventional technology to encash on the economy of scale.

c. New outlooks for products for e.g. Traditional curtains to be replaced with nonwoven disposable innovative curtains & also in line with hygiene necessity especially for hospitality industry

Dear Piyush ji, we have admired your work & are well aware of the dynamics of positive changes that you bring across. We have high expectations from you and we believe you will bring innovative solutions & strategic approach to help Indian Textile & apparel industry.

We are once again dreaming for the golden era for our industry and we are sure that it will take its well-deserved position in the global market for leading the textiles & apparels trade under your able leadership!!!



Stitch in Time...Saves Nine!!!

By Avinash Mayekar, MD & CEO, Suvini Advisors Pvt. Ltd.



The very famous and vintage proverb Stitch in times saves nine!!! Crystal clear statement depicting that we need to put a single stitch now or as the time passes by the same patch will need nine stitches i.e. a lot more than what was required.

The proverb stands true for our industry, and it's time for the Indian textile industry to rectify ourselves, make changes, and take appropriate steps to showcase our reputation as most prominent giant player in the global textiles & apparel world. For years we have limited ourselves & made our name as a major yarn exporter.

We have shown our class and integrity in the spinning industry. Actually to be honest this particular picture is what I feel should not be our only image in the world because it is failing to show due respect to the rich heritage our ancestors have created. We were once global leader in manufacturing complete value-added textile products mainly up to finished fabric which was the end product during those days. It's time to realize our strength and accordingly make ourselves competent to fulfill the global demands & become a world-renowned supplier for the entire textiles & apparel value chain.

GLOBAL MARKETS

The covid19 has brought out a lot of changes that have been implemented and many more changes are bound to take place in the future. Many innovations are happening right now at this moment. We will be more innovative as far as product categories are concerned. Hygiene will be the prerequisite in all textiles and apparel products.

The total market in terms of quantity is bound to shrink with the obvious reasons for the fall in demand because the majority of people are still working from home and no celebrations or get togethers are happening due to covid 19. The occasions for shopping and the need for wardrobe change has reduced and seasons collections and fashion shows are almost silent.

The scenario of work from home might be a standard practice appointed by big organizations to control the operation cost. At the same time, the employees will be dedicatedly working on their current jobs with the realization that the profits of the organization are the key for their secured jobs.

Also, the market conditions have brought a reality of the non-availability of jobs in the minds of one and all. Organizations have also realized that they are to rely on & believe in the existing

staff & provide them full freedom to deliver in the work from home models. The efficiency & hard work of employees are noticed by the employer in this pandemic situation. We have seen dedications of employees working efficiently balancing the work responsibilities along with their family care.

We have observed the change in lifestyles as well. All comfy casual wears have outcasted the office wears and in the coming years, its consumption is only to increase. People would prefer to opt for casual wear making it easy to switch over the hats quickly in between the office work & home responsibilities. With this perspective, a lot of change in the type of apparel consumptions will take place. A small folder of casual wear & fancy clothes will take a larger pile that previously included all well-ironed blazers, suits & other formal wear.

With this even apparels with natural fibers will be more preferred over the manmade fibers, of course there are restrictions for productions of natural fibers but days will come when fiber will be the center of focus for its quality of comfort over the appearance or fashion appeal. The impact of the environment will also play a major role. Materials not so environmentally friendly will slowly be reduced from the consumption cycle.



ADVANTAGE INDIA

India has a large population of 1.3 bn people & has shown its keen interest to be a prominent player in the textile Industry. We are foremost having large infrastructure available for supporting the growth of this industry.

The backbone of rich historical culture in the textile industry, skilled labor force, presence of a variety of raw material in abundance as a gift of the varied geographies that lay within our boundary are the very reasons why India is a land for textile industry to flourish. More over many Textile institutes are gifting world-class engineers.

Also, the recent trend of emerging young entrepreneurs has seen many startups companies developing. Government initiatives like the startup India, Make in India, promote India, Atmanirbhar India, etc. are the reason for the success behind

Continued on Page 69



Stitch in Time...Saves Nine!!!

Continued from Page 42

young entrepreneurship developing in India.

These new entrepreneurs are opting for new technologies like technical textiles, green textiles, environmentally friendly textiles, recycling textiles and disposable textiles. All these ideas are no longer jargons. The next generation is seriously thinking about developing this particular space of innovative products and transforming new business ideas into reality.

It will help India into becoming a home for large textile businesses and will help get back our name as the biggest textile giant on the world map.

GOVERNMENT FOCUS

It may not be right on my part saying that the Indian government led by our beloved Prime Minister Mr. Narendra Modi under his first and second term is successful in bringing reforms and taking care of all the issues arising in the textile and apparel sectors. As I feel they have not paid that much attention towards this very old industry creating millions of jobs.

It is my point of view that somehow the government has ignored the capability of this particular industry. Reasons being if we look from jobs created till now by the industry i.e. 105 million people directly and indirectly & consider at least an additional growth of 50% in this sector. We would have created a lot of jobs to handle the current issue of unemployment.

The second reason being focus only on yarn manufacturing and not explored the complete value chain. If we see the Apparel industry giving tremendous job opportunities, the efforts of the government in promoting this sector internationally somehow lack much-needed aggression.

We know that currently there is an anti-China atmosphere in the world giving us the advantage of exploiting this situation and becoming world leaders. If we see our progress in medical textiles from PPE kits, face mask, other hygiene related textile products, we will see that within 2-3 months of the pandemic we became self-sufficient to fulfill our country demands. Similarly, we should understand that creating jobs is our biggest need as important as infrastructure to become super powers. This is the main reason that the government must focus on the textile sector giving a lot of direct & indirect employments and show its seriousness for the growth of its people. As a nation grows only when the people in it grow.

Instead of exporting yarn produced to in our country we should focus on converting this yarn into end products which will multifold the job opportunities created by this sector and hence this should be the vision of our Indian textile Industry &

our Prime minster must give dedicated time to this sector. Being a Textile person I feel this should be the ultimate agenda of our government.

The government needs to come out with a complete model for the revival of the Indian textile industry taking care of all the fibers & not explicit few up to its conversion into a finished product. We must strategize conversion products for them not just apparel but a variety of technical textile products.

We must consider the various opportunities globally & map our productions as per the global demands, understand the market gaps like where we can compete with China in terms of price, replace certain products from our innovative basket, etc. In short, we need to have a full-fledge draft policy having plans for 5 years, 10 Years & 20 years. It should be a complete document covering all aspects so that every person in the sphere different segment within textiles can work on his specific segment taking care of the country's vision. All supports & relevant infrastructure needs should be taken care of.

The Textile Parks were a great initiative but somehow we're not able to capture good limelight. Effluent treatment plants must be made available rather than every entrepreneur need not come up with its plan & being stuck in the permission cycle of getting pollution control certificate & other mandates that slow down the growth & ease of business. Though the certification needs cannot be ignored as processing is a hazardous operation that needs to be handled carefully.

But since the requirements of apparels will be persistent an easy way out of developing the working models for use by the industry is the call of the hour. Also, financial support is another aspect to look after, the financial support is been misused in the past by few players but we need it to be reformed & not categorized as a red category by institutes not much profitable but it is a huge capital incentive industry needing support from financial institutes at par with other global financial institutes. Moreover, energy cost needs to be controlled with new innovative energy reforms.

NEW ENTREPRENEURS

As informed earlier new entrepreneurs need to venture into textiles. We all know fast profit-making industry can also shut down that quickly, the pandemic has shown a reality check for it. The norms of having certain profitability and return on investment within a year on two needs to be reassessed by the players. Their vision should be for years to come & not grow every year by 20-30% but be an industrialist planning to be in the long run league say for 25 years or so. With this prospective, the plan has to be

Continued on Page 71



Stitch in Time...Saves Nine!!!

Continued from Page 69

robust, successful & the most important flexible plan to switch from product 1 to product 2 or 3.

This is the main reason why the textile industry is best suitable it may not offer double-digit profits but a consistent & certain single-digit profit obviously a figure near to 9% to begin with. As you will have a top line with high capital cost opting for technology that is sustainable. So new entrepreneurs need to venture with new products in different regions & innovations completely avoiding the herd mentality. The product identification should be such that the person is reckoned for it.

The owner must have passion for the project and the product must be very close to his heart. He should be understanding the capability of that product segment & feel the ups & downs of the industry & go through the life cycle of that product & then select it as the product for investments.

All innovations needed for future, technical textiles, finishes, green textiles will be the products of the future rather than venturing into traditional textiles. So research & study before entering must be the must act for success and help of consultants like us can also narrow down the business line and suggest new ideas.

INDIAN CITIZENS

Quite recently our relationship with China has led to the ban of the various app in our own country. On a personal level, people have also started boycotting Chinese products.

The same situation can come across the world. It is now time that the pride of India shines through by completely not utilizing a product that's touched by China. The obvious reason is that the money borne for the product in some share will benefit the Chinese military threatening to invade our land.

It is a war that's currently arousing and a stop by shifting to alternate products over Chinese companies can be a small contribution by us the proud citizens of India.

As well as by shifting to local sources we are helping our own citizens grow & there is only greatness in this act of vocal for local. If at all certain products are not developed and there are value additions done in India or by some other countries on such products we may utilize them.

TEXTILE FACTORIES

As stated above being Indian citizens we will start consuming "Made in India" products but at the same time, Indian factories should also understand that whatever they are producing should be top-notch, right from the selection of raw material up to

the end product, has to be of world standard.

The reason is, now we need to understand that whatever we are producing has to be the best. So, whatever technology we are using has to be the best. When I am saying the best means it has to be appropriate as per the market, as per the price, and as per the demand from the consumer. So when Indian factories are producing a product, it has to be 100% perfect. Whatever parameters are required for a particular product, needs to be taken care of by the manufacturing units. You cannot mix other fibers (waste fibers) into good fibers.

The production should be done with 100% dedication and integrity for the products. At the same time producer has to meet all the qualitative parameters and take care of the utmost hygiene in the production.

The unit should have a separate dining facility, the production hall should be clean, dust-free, and bacteria/virus-free. Proper social and safety distancing norms should be followed. The Air conditioning /HVAC systems should virus free and cleaned daily. The Toilet area should be cleaned periodically. It should be monitored by a qualitative agency. We should comply with all the hygiene standards from the buyer's point of view.

Explore Unexplored Markets

As explained earlier there will be new products that the era post COVID19 will demand. So a new galaxy of opportunities has surfaced be it in the health hygiene segment, finish specifics, organic & greener world.

All the opportunities are like one big blue sky waiting for the right player to explore it & mark its presence on it. For eg. disposable curtains which are cheaper, having physical characteristics required for that particular purpose, certain lifespan for which they will be utilized and later on they can be changed & so we can have variety of colors and design possibilities changing periodically giving new look to the same old place.

This is not only longer restricted to hospital use but also hotel industry instead of having huge investment in curtains, bedsheets that now as per norms need to be sanitized. So untouched, cheaper, and catchy eye color combinations/embossed designs of curtains, bed sheets disposable in a few uses will be an excellent product to develop.

Also scaling down the life of certain garments that lie in the wardrobe with clothes that are new for every occasion within the budget-friendly aspect will be certainly what the consumer will be happy to invest in. As one certainly doesn't need clothes staying

Continued on Page 73



Stitch in Time...Saves Nine!!!

Continued from Page 71

in wardrobes attracting viruses, bacteria & foul smell.

TECHNOLOGICAL GAPS

As stated earlier, we know that there are technological gaps when it comes to spinning we have European make, Japanese make and we have Chinese make as well as the Indian make. Somehow Indian make machineries are doing exceptionally well at the price at which they are currently working. So techno-commercially we have accepted them and they are having a very good market share. And even the global players, they have started manufacturing spinning machinery in India. At the same time if it goes to weaving, then we don't have anything. We have all weaving looms which are imported.

Why can't we make a weaving loom in India? I was involved in one of the studies for one of the reputed companies and we came to know that the bought-out items were more than 35 – 36% I remember at that time and they need to be imported. So your basic machine is 60 or 65% and then again because it is a sheet metal you cannot have the advantage of having made in India and that is where there is a gap. Somehow this feeling of techno-commercial analysis is not happening as far as manufacturing of weaving machines is concerned.

But looking at very large shuttleless looms getting consumed nowadays within our country there is a dire need of having manufacturing plants within India and meet this particular requirement. There may not be good returns on this particular business cycle but maybe through government initiatives, supporting in Make in India, having various marketing tie-ups that are not yet explored in a big way can be again explored in order to take care of the Indian textile industry and especially in looms.

We have very good preparatory weaving machines made in India but we do not have looms. So these are the few aspects of technological gaps. Likewise, we also have processing machinery manufacturers in India. They need to do certain technological advancements on the machines so that they can be at par with global quality standards.

At the same time as now, markets are shifting, almost European markets are on the verge of closing, all machinery manufacturers over there, the way they have thought a few years back to come to India or China and they have opted for China because of certain reasons.

Mainly there were two issues – one was corruption in India and the other being logistic cost within India. But now all

parameters are been taken care of which is new government initiatives being more transparent giving lot more facilities to foreign investment coming in.

With these things need to happen and this would give advantage to our country and from that perspective, the entire manufacturing set up needs to be established in India. At the same time from the point of view of manufacturing goods, rather the finished goods which are getting produced in India have certain gaps. So these technological gaps need to be removed while taking care of manufacturing in India for the Indian customers and as stated earlier we need to be the best as far as whatever facilities which we have we should produce and supply the best.

I think from the Indian perspective we need to have quality institutes which would take care of surprise visits, periodic visits to the manufacturing plants and they need to certify them that this particular unit is having this much of compliances, they can take care of customer needs, having this type of technology because many times especially from the global perspective we do not get actual performance parameters of that particular manufacturing unit or how they are doing it whether they are taking care of quality whether they are taking care of child labor, other social reforms.

All these need to be certified by an independent agency so if at all there is a certifying agency that can take care of all these issues that will help in a big way for the manufacturers, as well as their buyers.

“EFFICIENCY” KEY OF SUCCESS

Most of the Indian players have appropriate technology installed, good raw material, suitable infrastructure, skilled workforce, product knowledge & technical know-how the only lacking factor is reaching the efficiency levels. It is the lack of discipline that results in efficiency loss mostly human-related loss resulting in inefficiency.

The dedication level is what lags as compared to other countries. A more social environment & involvements in things beyond work during the working time is what is the major reason for the low efficiency. The management needs to be efficient to set parameters for delivery, adaptability of online monitoring & systems for operation. Taking care of production parameters & efficiency levels at different stages.

Monitoring & rectifying the time losses is the major reason. A quite alarming reason, In garmenting especially our efficiency is lower as compared to China, Bangladesh, or other competing

Continued on Page 75



Stitch in Time...Saves Nine!!!

Continued from Page 73

countries when all other parameters are constant is the reason why we suffer in the international markets.

CONCLUSION:

We need to understand that there is still an opportunity for the key stakeholders of the Indian textiles & apparel business to take care of the difficulties faced over the years. We need to rectify ourselves & be more efficient to have a thorough understanding of the global market demands. The Post-COVID era will be different, we need to understand every business from the ever-growing importance of hygiene. We need to come out with various finishes before the developments are done by any other Nation or before any possible outburst of a virus just like this again surfaces around the globe.

We must also assess ourselves as per the new normal of maintaining checks of temperature, medical conditions & following practices of social distancing to avoid any more setback that may

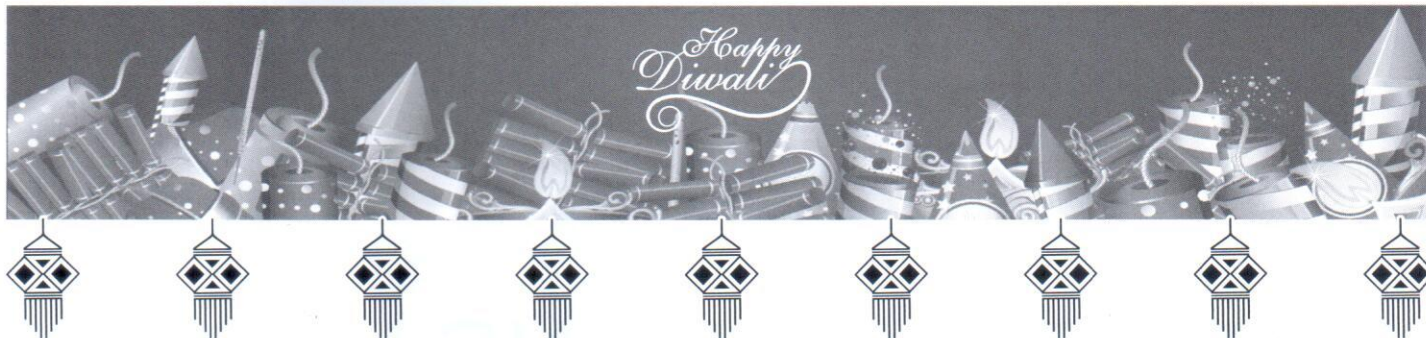
arise due to negligence by a single person in our factory affecting our entire staff and thereby the business in the picture.

Using our rich culture, raw material availability & support of the government should develop this sector by venturing into new & unconventional products by making the product specifications as part of their DNA. Focus on improving efficiency in all the sectors from banking procedures to the manufacturing lines is the demand of India rising to become a Superpower.

The supporters as citizens to all products made in India and voicing for the brands of Indian-owned companies not just merely in the unlock period but also for the years to come will be the motto for our success. A focus on protecting the environment & stitching our deficiency & covering the gap from distant number 2 to a strong competitor is what the aim should be for the textile industry.

LET US STITCH IN TIME...AND GRAB GLOBAL OPPORTUNITIES IN THE FUTURE!!!





Let us work on... Our weaknesses... Waste & Pollution!!!

By Avinash Mayekar, MD & CEO, Suvin Advisors Pvt. Ltd.



Textile Industry is most polluting industry and extensively criticised for creating tremendous amount of waste including hazardous waste. We, textile industrialists, are well known for creating a lot of waste, be it in solid form like by-products, or in liquid form created by use of tremendous amount of process water, with hazardous and toxic dyes & chemicals, used for colouring textile yarns & fabrics and even in gaseous form released by the boiler chimneys. We are also responsible for noise pollution due to high speed machinery in weaving and ring spinning departments. All said and done, we are creators of a lot of waste & creating noise pollution. If at all this is our biggest weakness, I feel, time has come to introspect ourselves. Let us see if we can convert this in to our side, as our possible strength to spin profits.

All management philosophers always recommend an individual to encash on strengths. However, I feel, in case of textile industry, we need to work on our weaknesses to be converted into our strengths. As all of us are aware, the key strengths of Indian Textile & Apparel industry are:

- * Reputation as a key textile player in Cotton textiles
- * Market share in Spinning sector

And our weaknesses are:

- * Most polluting industry
- * Low value addition

If we closely analyse our strengths and weaknesses then we can easily understand that our key strengths have created our major weaknesses.

As far as Indian textile industry is concerned, our biggest strength is Cotton Spinning, where we are enjoying the two digit market share in the globe. Frankly speaking today this strength of ours, is no longer serving as our biggest strength. In fact, we should have converted these spun yarns into value added fabrics & garments. Wherein we would have encashed good amount of profits and increased our market share in many folds. However, we are not quite successful in this venture. More importantly, point to be noted that spinning segment is highly capital intensive. Hence, heavy capital cost is invested in this industry & we are able to spin just negligible profits as Spinning is at lower end of the textile value addition. So while thinking of playing with our strength, we may become the largest yarn producers in the world, but even after that, we would be earning

very less profits, after putting huge capital cost for lowest returns on investment.

So let us change the strategy, and convert our weaknesses to improve our standing in the international market. Our most known weakness of course is "most polluting industry." Let us work with the issue of textile waste created & become reputed global players producing value added products out of this waste.

Let us start with the solid waste right from the fibre stage. In case of India, cotton fibre has almost 70% share. And cotton textile industry is highly prone to waste generation. The fibre waste created during Ginning process is mostly cotton seeds, seed coats & immature fibres with a lot of vegetative trash. During conversion of fibres to carded cotton yarns, we tend to produce a lot of waste, it ranges from minimum 10% & it can go as high as 15- 20% depending on quality of yarn we are producing. Whereas in case of combed cotton yarns, further waste in form of "comber noil" is taken out which is minimum 12% & can go up to even 22% depending upon quality of mixing and end use. So, overall, we are producing 12 - 35% waste in the Spinning process itself. This is a very serious issue as a lot of cost is wasted in generating waste.

This situation needs to be seriously analyzed. Is this particular waste a real waste? or it is added as a bad practice or are we creating it for producing low quality yarns. This solid waste generated must be our area of concern in case of Spinning. During further processes of Spinning, Twisting/Doubling & Weaving preparatory, there are many yarn breakages (hard waste) in the form of broken threads & fabric trimmings i.e. cut selvages of fabric waste even once the finished fabric is converted to garments, a lot of trimmings are getting added to the fabric waste.

All these solid wastes can have different type of end uses. If the waste is from ginning you can use it to make low quality soft mattress called as "godhadi" used mainly in rural areas or this waste can be used as fillers in pillows, seat covers, cushions etc. Solid waste from seed coats is used in boilers as a fuel as cotton waste is having a very good calorific value. Similarly, carded waste coming from flat strips has a better realization, even waste from blowroom droppings have similar use like that of ginning. At the same time there is a certain recovery of good fibers that can be converted into coarse yarns used for book binding or coarse count yarns up to 14's Ne for low quality applications.

When it comes to comber waste it is already being reutilized. Comber noil is better known as raw material for open end yarns for spinning counts up to 30s Ne and having better fiber length.

Continued on Page 47

Let us work on... Our weaknesses...

Continued from Page No. 47

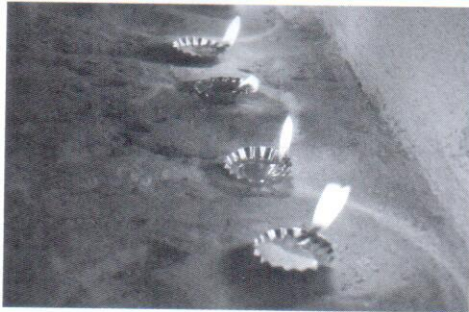
waste into best possible products having numerous end product applications. This way we will not only get rid of waste that is generated but will also encash on great amount of profits by converting wastes into the value added products.

Moreover, inherent properties of our raw material cotton has inbuilt higher waste percentage embedded in fibre form or at times, it is added during process of cotton crop cultivation or ginning, which must be eliminated. However the other waste can be converted into best possible products like wall coverings, roof

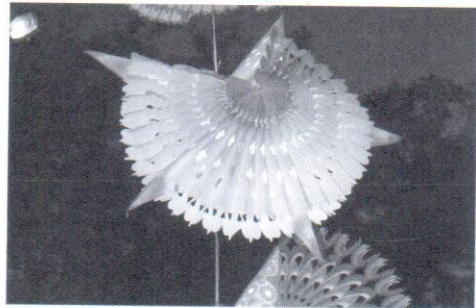
insulation, insulation material for cars, pipes as well as for sandwich panel & many other in-demand products by the growing population of India who are willing to put in the extra cash as long as the value addition in product is providing the needed comforts. Thus rather selling of waste or dumping it in landfills lets create various products & reap higher profits.

This Diwali let us not only just clean our homes... but create business plans to clean textiles waste!!!

Let us convert waste... in to best products & reap profits... and carve out a better tomorrow!!!



**TECOYA TREND
WISHES ALL
ITS READERS
AND
ADVERTISERS
A HAPPY DIWALI AND
A PROSPEROUS
NEW YEAR**



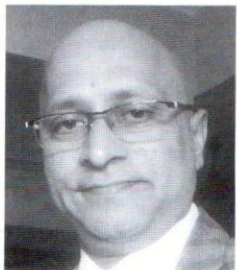


Happy Diwali



Yes... The opportunity is lost!!!

By Avinash Mayekar, MD & CEO, Suvin Advisors Pvt. Ltd.



It is always said that opportunity never knocks the door twice... and in real factual condition; we have lost a golden opportunity to become a prominent textile player after China only because of our conservative approach. Since 2012, entire world was looking at us, as a major player in global textile industry and we could not come out with flying colours as far as new

investment projects are concerned with very few exceptions like Sintex, Trident, Welspun etc.

Frankly speaking, there was a great potential gap in between China and India, due to the fact that there is no other country which can take a bigger pie from China's market share, for the reason that China has reached to its saturation level and is showing its more inclination towards higher profitable industries than textiles. Moreover, in order to avoid monopolistic situation, entire world wanted an option with reasonable size and creditable market size which was possible only by India with the inherent capabilities like:

- * Golden historical background
- * Strategic location
- * Abundant resources
- * Well established supply chain
- * Highly skilled man power
- * Proven marketing channels

But, in recent years, neither we could get established ourselves as an option to China nor did we carried out value addition to our existing resources. I think, even there were no concrete efforts from government side to guide the industry in effective manner. We were having following options to expand our textile portfolio:-

- * Value addition of existing resources from fibre to garments
- * Export markets by increasing our presence in the global market with supply of quality standard goods & with committed deliveries which always in a question mark
- * Technical Textiles as India is one of the leading developing countries
- * Innovative products for domestic consumptions as well as for global markets

The recent policy of government indicates more focus on apparels however the major link that is missing is the complete value addition. We cannot have only yarn and then directly shift to end product apparels. We need to have strong presence in complete process right from raw material availability (which we are luckily blessed with). We are also having very strong presence

in the various types of yarns like cotton, manmade & other natural yarns. But in case of fabrics we are very much at a basic level. We need to focus and convert the entire yarn manufactured into fabric and then to this fabric must be processed and there after converted into apparels.

All said and done, for many years we have found that fabric production is not that cost effective and our processing industry is having negligible presence. The major reason for the absence of textile processing industry is no readiness by the industry to follow the stringent environmental pollution norms. However, we must understand that the processing industry needs to be developed in a structured manner with all legal compliances and then only we can have our footprints in the global map. The phenomenon which I have observed many years is that many units are having a very casual approach "Chalta hai". Thus many units despite having very good fabric manufacturing plant have not gone ahead with fabric processing because of non-availability of best technology with proper infrastructure having all compliances.

In case of fabric finishing the most important aspect is having better technology. This technology will facilitate cost effective advantage over other countries due to higher productivity and better quality of dyeing & printing solutions. We are not able to go for renowned technologies mainly because of high capital costs and we are struggling with Indian technology to be at global quality standards.

Similarly, in case of fabric manufacturing i.e. weaving, all though we are having very good weaving hubs that are developed recently like Ichalkaranji near Kolhapur in Maharashtra, having most of the shuttleless looms, we are not that recognized on global level as most of the units are operating on job work. When one is doing job work, it cannot have innovation, creativity & skill sets to showcase into global markets.

In case of organised sector, things are not that aggressive mainly because of the collapse of financial systems starting from demonetization drive to GST regime and followed by various financial scams exposed currently in India giving negative impact to the textile industry. Textile industry is one of the low profit making industries with highest capital costs. This is the major reason why textile corporates despite having willingness to expand have not done so, as their project reports were not approved by the banks. In fact, textile was in the red category of various bank having least priority sector.

Actually the biggest problem which we are facing as a country is to understand what we should do & for past so many

Continued on Page 53



Happy Diwali



Yes... The opportunity is lost!!!

Continued from Page 51

years we are not able to understand this. e.g.

- * What our capabilities are?
- * What we should do as a country?
- * What are our strengths in the international market?
- * How we should utilize our merits for the benefits of the country?
- * What should be our road map to increase our market share?

I think, things have not happened as they should have happened, textile is over looked as a whole. Most of the textile players themselves are not that happy being in textiles. Also the sector is ignored by the government and not given the appropriate attention that the sector desired to be given. Being one of the oldest industries, generating huge direct employments and major foreign currency generator. In Textile ministry, even ministers kept on changing, which has resulted in inconsistency. Other than the apparel policy, there was no other good scheme which was announced that has boosted this sector. The TUFs scheme kept on changing names but the actual benefits were not given to the industry. Thus despite having great capabilities the industry as a whole could not perform to the best of its abilities.

However, the time has yet not gone, but we have of course lost the opportunity that was right at our door step.

Conclusion:

So first and foremost the country should have its own textile policy derived by a good International consulting firm in collaboration with an Indian firm. The Indian counterpart will know the roots of all the problems & international firm will provide the knowledge & experience how to solve these problems and road map of where to go. Next step will be to en-cash our capabilities & find out what the world wants from us. So it is important to strike a balance in between the demands and our capabilities. We should chalk out target markets with strategic alliances with other countries. We should have our milestones for 5, 10, 15 & 20 years. We should visualize our immediate goals which can be achieved

in 2020 but after that we should have plan for 2030 and 2040 for better clarity.

All the time in my past 30 years of my experience, I have seen most of the times we talk about immediate past, we speak about lobbies like ginning lobbies, spinning lobbies, handloom lobbies, power loom lobbies and many such lobbies. We should think of country as a whole what will benefit to our entire country. What should be our marketing plan? What should be our product basket for domestic and international market? Which strategic tie-up will benefit us? How to bring international buyers?

Creating India as a brand, using "make in India" as branding tool we must understand what the world is demanding for? We need to execute these plans and monitored by specialists. As it is said, we Indians are great planners but bad executors. We can change this perspective and become good executor of our plans. Accountability is most important. We must chalk out how new investments will take place? For new investments how can the government help the investors? There must be no policies for the lobbies. No particular policy for ginning, handlooms etc. The policy should be for a country as a whole. So everybody who is going to invest will get certain part out of it, on the benefits offered to the country. Hence basically there should be a merit system. If the country is getting some benefits, in return the investor should get the benefits in proportion to the percentage of benefits to the country and so forth. The policy should be framed by meeting investors across the country to understand their problems and expectations. There has to be representation from each segment from ginning to garments and even retailers, various mills from different geographical area, micro to large size projects.

I am sure we have all inherent capabilities to mark our presence with distinction and can catch up with time to build a very strong brand image with a larger pie in global market.

So though the bus is missed we can catch the flight and reach our destination!!!

Let us carve out... a better India !!!





Let us accept ... We are “Followers” and not Leaders!!!

By Avinash Mayekar, MD & CEO, Suvin Advisors



Recently, I remembered one of the international conferences which I attended in Hong Kong where I came across an European who was asking me “Do you know why Indians are not that much innovative in approach??? Tell me new innovative products you have invented for the global market?” I was not having any answer to this particular question, so I just requested him to reply and he said “You people do not take sufficient break from your life like going on holidays for a larger time span. Those who take larger holidays, especially people from (Japan, Italy, etc.) who get much better relaxation period throughout their life. Usually these people spend almost two months out of their own country and that’s why they come across new things.”

I just felt that whatever he was saying made sense because usually in a week’s time, we forget things which are bothering us from the recent past. If at all we get relaxed for two weeks, then we just come out of whatever is our daily routine and become a bit fresh or become ready to take new challenges. This is what most of us do. Whereas, if we think of vacation for a month or so then not only we just forget things which have happened in past, but we also start thinking for new ideas. If at all we take holidays for two months, then we don’t just think of immediate future but also think of guidelines for innovative concepts and how to create something new. I don’t know whether it is true or false but yes, recently we Indians are not that much innovative but we have started developing habit of following things. We are good followers.

We follow our gods, we follow our culture, some follow western culture, Ayurveda, yoga, Bollywood stars, Cricketers, etc. If you see the period of our old ancient times, people used to take break from their day to day life and do “char dhamyatra”, Himalayan pradakshina, visit 12 jyotirlingas etc. One can easily find out during those periods, Indians were innovative, have seen concept of Pushpak Viman before Right Brothers innovated aeroplane, Zero ‘0’ by Aryabhatta, etc.

Hence, it is proven track record that though in past Indians were innovative, recently we have forgotten innovations and started being good followers. How textile industry can be an exception to this. Maybe if at all we do analysis of what has happened in textile industry, we will see that initially during British era, we were having composite mills and these composite mills used to produce very good quality fabric which used to go to various International Markets. And this fabric was having very good name and fame. Our history is very good and we can say that it was a golden era for the Indian textile industry.

However, after the strike which happened in 1982, things started moving in a totally different direction and textile became non profitable business maybe because of the rising power bills, increasing wages and also that we were not having good infrastructure in our country at that time to take care of logistics cost. Hence, most of the mills were located very near to the ports in Mumbai and Gujarat. Then Indian textile manufacturers were also having issues as far as quality parameters were concerned because the machinery which was installed in 1950’s by British started proving to be less feasible after 30 years.

Thereafter, it was in early 1990’s when Indians started thinking of putting up things in right perspective. We started looking for exporting yarn through quota system imposed by developed countries. It resulted into mushroom growth all over India. Each and every businessman was putting up a spinning plant having capacity of 25,000 spindles, to be precise 25,208 spindles because Lakshmi Rieter (At that time there was a collaboration of Rieter and Lakshmi) and they used to produce the ring frames having 1,008 spindles, so people used to just put 25 machines which was techno economically viable size during that period. There also we were good followers. Each and every person was thinking of the same combination that is Rieter, Switzerland preparatory machines (Blow room, cards combing machines and drawframes) and Speed frame & Ring frame from LMW that was made in Lakshmi Rieter plant of India and winding machines either from Schlaforst or Murata. Even the machinery layouts were also the same. Product-mix used to be almost the same.

The above example of Spinning units proves that if at all there is a successful business then we just copy that particular business module and implement the same. There would be at least 20-25 manufacturers, other investors who would be copying the model as it is, which is called as herd mentality. We cannot be successful on long term by opting herd mentality is what we should understand. This had happened till almost 2000. For almost 10 – 15 years, things were only limited to putting up spinning units & their expansions modernization projects. This has resulted into another issue for Indian textile industry that we were supplying the basic raw material “cotton yarn” to the global market which was highest capital intensive and lowest profitable business module. This business changed our mentality of supplying just whatever we produce and get profits which were given by developed countries. We started believing that we are just job workers for the global textile industry.

Almost from 2000, people started exploring investments in other areas like weaving mills but just for few looms on a very

Continued on Page 49



Let us accept ... We are “Followers” and not Leaders!!!

Continued from Page 47

small scale. In India, from 2005 onwards almost no big textile investments have happened. Entire globe is still thinking that India would be a major player in textiles because by this time we proved ourselves as far as spinning is concerned. But the other verticals of the value chain (Knitting, Weaving, Processing and Finishing) was missing as far as technology development is concerned. Very few projects had come during that particular period and again the issue was that we were exporting yarn, we were almost good leaders in yarn manufacturing as far as cotton yarn is concerned. The main cause was we were having very good quality and abundant availability of cotton that has resulted in proving ourselves as good yarn manufacturer.

We wanted to give more value addition to our products so people started diversifying into value added yarns. But again the issue of major value addition which happens in weaving, finishing and garmenting was not happening and people started thinking that they should now go for other end uses. In and around 2010, people started moving for value addition by putting up garmenting units either by using our own fabric or by importing fabric from other countries and business was more lucrative by importing fabric from other countries like China. This also drive growth for more shuttle less looms in India by replacing shuttle looms. Major weaving units started developing in India. And the growth was also quite rapid and I would say that again it was our skill of “following herd mentality” that has resulted into this particular growth. One more issue was that most of them were not manufacturing the fabric for their own sake but they were doing job work. Most of the big textile names which were established long back started understanding that inspite of having our own manufacturing set up it is better that we keep our brand and get it manufactured with the decentralized weaving sector. And that’s why weaving sectors like Bhiwandi, Malegaon, Panipat, Ichalkaranji, etc. started developing. In fact, another good example of we are good followers is that “Ichalkaranji model” by itself which has now become one of the largest weaving hub mainly having very good and small sized shuttle less looms but doing job work and earning nominal profits at the mercy of other business houses.

One more point that needs to be addressed is that we can adopt collaborative approach. We are having so many states and districts, still we come together as “An India” and can celebrate culture, cricket matches and other activities, then why not business? For example in Maharashtra, we have co-operative mills which are only for yarn and most of them are not doing well. Hardly 10 or 15 are doing good business. Why we cannot take entire yarn of all these co-operative mills and convert that into

good fabric and have our own finishing lines for processed fabric and thereafter coming out with their own brand which will help co-operative sector and also can help largely in employment generation. Similarly we can think of developing large textile hubs for textile products like Shirt city, Denim city, Silk city, Technical textile hubs, Sports city, etc. We need to develop various models to encourage each and every State with the resources and merits of that particular city.

We need to understand how to come out with the phenomena of “following” and coming out with something “innovative”. If we think otherwise, which are major units and textile plants who have come up with innovative ideas then you will find very few maybe countable on finger tips.

There are groups who have come out with really good business philosophies, good innovative ideas, good techniques and most of them are doing quite well even in the international market, the reason being that always there is an advantage if the competition is less. We should think differently as far as our strategic decisions are concerned. And everybody should understand that what are my strengths, how I can encash on my strengths, which are the markets I should go for, how I can add value to my business module? etc. For that you need to have a different mindset and business approach. There are various types of strategies which can be adopted by using reputed consulting firms.

The strategy usually we prefer is that understanding our own SWOT analysis, believing in our strengths and then mapping our strengths with the market gaps. These market gaps should be derived by doing intense study of International market as well as domestic market. I believe that if at all we need to adopt a certain strategy then our aim for our business plan for next 10 years should be ready. Our master plan should be neatly designed and defined and then entire roadmap can be carved out based on our resources and potential. And I think, now time has come again that Indian textile industry should become innovative. The new generation getting higher education in US and other foreign countries are coming back and really they want to do something which is different. To name a few, there are sectors which can be thought of which are not been explored completely yet like Technical Textiles. India being developing country, we have very good potential for using technical textiles in various aspects. Technical Textiles has almost 12 segments and many innovative products can be thought of.

Now time has come to understand what type of fibers we should have, Cotton cultivation is grooming a lot and it is expected that we can almost double the yield. Other fibres are getting

Continued on Page 55



Mfg. Excellence: Key to Penetrate Untapped Mkts

Continued from Page 53

textile value chain can save manufacturing cost significantly thereby making their exports price competitive in the export markets. Spinning, weaving and processing industries can save up to 20% of its overheads while garment industry has potential to save up to 50% of its overheads by productivity improvement.

Keeping pace with the requirements of buyers in export markets and responsiveness to it can also help exporters to have better competitiveness. This can be done by first understanding the demand pattern through market intelligence and then executing orders with superior product quality, innovative design, customization and finally admirable after sales service. Exporters should keep on improving their operations by taking a vigilant approach towards productivity improvement, product development and skill up-gradation. Further to it, Indian Central as well as State Governments are also providing various incentives which can help exporters to cope up with the high tariff incidences in few markets.

Future projections of China vacating space in the global T&A trade will add to the existing export opportunities in the untapped markets. India has already missed one opportunity in 2005 when quotas was phased out to other competing nations like Bangladesh and Vietnam. This time, Indian exporters should take proactive approach by first targeting low hanging fruits in the existing markets where India already has a competitive advantage and simultaneously scale up their capacities, service levels and product diversity to grab bigger share in global T&A market.

Let us accept ... We are “Followers”

Continued from Page 49

developed across value chain by Grasim and Reliance. So innovative products need to be launched looking at market demands.

At the same time we need to do our own R & D which is totally lacking in our country. We need to assess ourselves by developing newer products and create our product portfolio. Our Indian textile ministry has not done a good mapping of its own industry since 1995.

We need to understand how we can do our own analysis of our industry. Then the entrepreneurs should understand that they need to have their own vision and mission statement, own business module without following someone else.

While doing this they need to keep in mind that entire world is their market and not just the area or city which they are located in. But yes, they should definitely look for whatever advantages of that particular location.

Mapping of our existing resources within country or outside needs to be explored. If other countries having small resources can excel in their business or can do very good contribution to global economy of Textile Industry then why not India???

Yes we are slow learners and at same time we are followers then why not follow the innovative ideas and come out with our own business model which will give rise to growth for our entire country???

Let us begin for a new thing this Diwali...

Let us carve out... A better tomorrow!!!

Bt cotton should be selectively and judiciously grown

Continued from Page 34

R. The Indian cotton institutions including cotton associations must take up many proactive steps to converge various activities in making cotton use wider, sounder, more economic and more profitable.

S. The total economics of cotton chain needs to be utilized. The unginned cotton is 66% cotton seed and 34% is cotton lint. Though we have somewhat explored the researches on the 34% of cotton lint for use and application, we have not applied ourself sufficiently and efficiently in the use of the 67%.

T. We must therefore simultaneously commission the study application and focus in the backward integration of cotton chain.

U. In essence if we utilize total economics of cotton which is essentially the total economics of cotton chain, the farmers' income will double, the cotton industry will become empowered

and profitable and for make India and job creation, this industry is the foremost potential industry for our policy makers to tap and utilize.

V. Somehow or the other we have to learn also to take the low hanging fruits which is primarily in textile. Textile is already the second largest industry after agriculture and has an ability to double itself all around. The value chain can give multiple results to the nation.

TT: What is your long term outlook of Indian cotton? Can India reach the level of 1000 kgs. Per hectare?

Mr. SURESH KOTAK: Certainly it is not difficult, possible and obtainable with the sound technology mission for which some blue print is already on the way and the measures can definitely bring the required revolution.

TECOYA TREND

Phone: 66978535 Fax: 022-28793022 Email: tecoya@vsnl.com

VOL. XLVII No. 148

MUMBAI, WEDNESDAY, JULY 19, 2017

PRICE: Rs. 5.00

Invest in GST Regime!!!

By Avinash Mayekar, MD & CEO, Suvin Advisors

GST... GST... GST...

Anywhere and everywhere & in each corner of textile Industry from textile mills, textile traders to textile suppliers "GST" is the talk of the hour. Recently it's the only buzz that's been heard in the Indian Manufacturing sector across all industries. There are reports & synopsis presented on GST. Experts are trying to explain this new GST concept in best way possible. There are also articles

published on GST & its impacts both positive & as well as negative. People are talking about the burdens that manufacturers and consumers will have to face due to higher GST rates on certain commodities. All round GST is being analyzed day in & day out. Such situation is bound to happen as a tax reform is something that will create chaos & people need expert's opinion to understand the situation & remodel their structure.

So basically GST as clarified by Government is a one-time taxation system that further splits up into various slabs. This taxation system is ultimately going to be beneficial as it has eliminated all other taxes & duties that we used to pay before 30th of June. In GST regime, all types of manufacturers producing anything & everything will all be

weighed systematically & they will come under one roof. All these manufacturers will now work in a structured format. Earlier there were some loop holes in the system which facilitated mal-practices due to which large amount of unorganized sector prevailed.

With this GST regime everybody will procure, manufacture & sell only through a defined system. All the services from the vendors will also be considered under the surveillance of GST reform. Thus in this system each & every commodity will be under the scanner creating a transparent module that will facilitate more business opportunities in a structured format.

While focusing on Textile Industry, it is observed that there is a gap in understanding GST, given the fact that there were very

late reactions by most of the industry associations related to the changes & impacts of the GST. Some of those issues are related to various fibres for example in case of cotton textile related activities there is a common GST of 5% till fabric level & at garment level there are two different slabs whereas in case of synthetic fibres there is an issue as the GST on synthetic yarn is higher than the GST on fabric. This difference will create an accumulation of GST credits for which till date there is no solution. However I am positive that government will address this issue & provide a solution at the earliest.

All said and done, the Government is quite confident and firm on the implementation of GST. They have clearly indicated that GST must be implied & it's already being

executed from 1st July 2017 onwards. Any corrections or alterations then after will be incorporated & executed as & when it is approved.

If we analyze the growth of manufacturing hub in India, Since 2012, entire world is eyeing on India as a major contributor for global economy. Whereas Indian investors are only eagerly waiting & holding on their new business ventures with the hope of getting better reforms from Government. Though in early 2015 all reforms & government initiative were introduced to boost the manufacturing sector & things just started taking pace there was again a pause due to demonetization as an excuse. This slowdown was further dragged on by the announcement of GST as various entrepreneurs had little idea on whereabouts & impacts of GST. Though GST is functional

now, the current scenario has not changed much as manufacturers are only focusing on restructuring their system & every investment is sidelined.

But now it's time to rise as GST regime is very much into place, all the rates & exceptions are announced & the reform of Indian taxation has begun. The Central has clarified its system which is to be accepted & implemented with a positive

Continued on Page 3

For all your requirement in Specialty Fibers, Tops and Filaments Yarn for Worsted / Cotton Spinning in all Lusters from Japan, Korea, Taiwan & South East, Europe and USA.
Contact:
Eve Fabrics Pvt. Ltd.
ckmody@evfabrics.com

For all your requirement in Specialty Fibers, Tops & Filaments Yarn for Worsted / cotton spinning/ Construction in PVA (Water Soluble) Japan, China
Contact:
Eve Fabrics Pvt. Ltd.
ckmody@evfabrics.com

TECOYA TREND, WEDNESDAY, JULY 19, 2017, PAGE 3.

Dear Readers,

Kindly note tprices quoted in Tecoya Trend are pre-GST ones. We are slowly moving to the quotations of Post GST Prices and will keep you updated in the respective price section when we start quoting Post GST prices. - Editor

KEN ENTERPRISES

Ichalkaranji

| Quality | Weave | Composition | Ex-Mill Rate/Meter |
|-------------------------------|-----------|------------------|--------------------|
| 100s x 100s / 227 x 150 - 63" | 4/1 Satin | 100% Cotton | 142.50 |
| 100s x 100s / 92 x 88 - 63" | 1/1 Plain | 100% Cotton | 62.50 |
| 80s x 80s / 170 x 120 - 63" | 1/1 Plain | 100% Cotton | 92.00 |
| 80s x 80s / 92 x 88 - 63" | 1/1 Plain | 100% Cotton | 53.50 |
| 70s x 90s / 92 x 104 - 63" | 1/1 Plain | 100% Cotton | 63.50 |
| 60s x 60s / 92 x 88 - 63" | 1/1 Plain | 100% Cotton | 51.00 |
| 60s x 60s / 92 x 88 - 67" | 1/1 Plain | 100% Micro-Modal | 77.25 |

TEXTILE WORLD

MUMBAI

Invest in GST Regime

Continued from Page 1 Col 6

mindset. There is no going back now, GST isn't just a concept anymore, but is the hard core reality.

CONCLUSION:

It's now time for Indian Entrepreneur's to kick start new business ventures. Avail various benefits that the country is offering to the manufacturing sector & spin higher profits. The platform is all set for manufacturers as the GST reform is in action & all other policies are also launched. The state governments like Maharashtra, Gujarat, Andhra Pradesh and Jharkhand have come out with economical investment propositions.

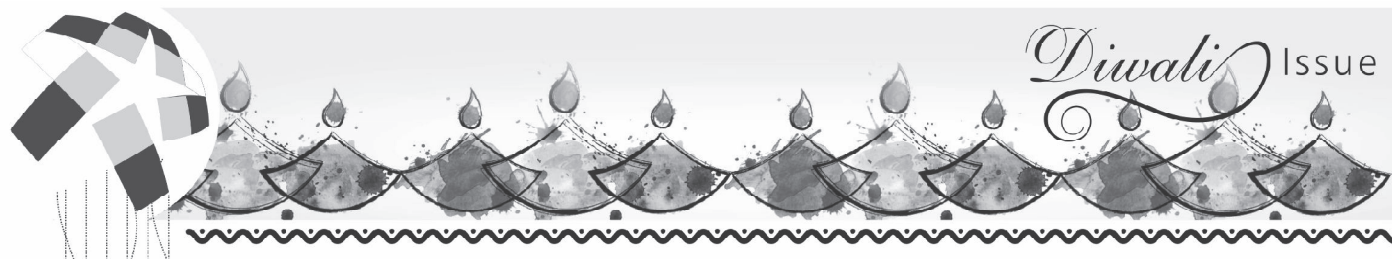
It's now or never for the investors & they must understand the current situation & encash upon these opportunities. As far as business houses focusing on export market is concerned there are clear cut guidelines of GST. Also procuring raw materials from different parts of the country will not have multiple taxes & then transforming into value added products will now be much easier.

Hence, time has come that each & every investor starts investing in carrying out techno economic feasibility report which will assist them to analysis their project viability. We all know it takes a year or 2 for execution of any project so it's now time to take actions & invest immediately. If we Indians do not take advantage of the situation, then there are foreign investors who are just on the border and waiting to invest in a big way in Indian economy and take advantage of Make in India, Skill India and many other new initiatives of Indian Government.

We, at Suvin, has expertise to help you to guide you in all possible ways from Strategy building, Market study, Techno Economic Feasibility to actual implementation of the project... Time has come to act and reap profits... Come on let us collaborate...

And Let us carve out... Even a better tomorrow!!!

(The views, opinions and observations expressed in this article are the author's own and do not necessarily reflect those of Tecoya Trend)



Reap profits without risks

By Avinash Mayekar, MD & CEO, Suvin Advisors



INTRODUCTION

I have deliberately chosen to write on this topic because I know it is enough to grab attention of you readers. Sorry, but sometimes such smart moves help. In the international market, every businessman first invests into market research and feasibility study as it is most important stage before investing into any business. This helps him to understand the market potential as well as key risk areas. But when it comes to India, I am sorry to say, but most of us have herd mentality. We have habit of doing something which is been done by someone and getting data which is easily available through various “known” sources like machinery suppliers, websites etc.

However, one should understand nothing is free and for in-depth information one needs to study the market & market risks. May be efficient consulting firms would be in much better position to identify the business risks ahead.

It is said that “There are risks in every business and the risk must be borne”. So practically speaking there wouldn’t be any successful business if there are no risks at all. People who dared to take that risk at right time are the most successful people. Every businessman should take that risk but obviously it should be a calculative & not otherwise...

GLOBAL SCENARIO – OPPORTUNITY FOR INDIA

As per indication given by industry experts, China is shifting its focus from textile industry to other value added industrial products. This gives a great opportunity to India because India is the only potential single country who is capable of taking up the share from China.

Indian entrepreneurs have a golden opportunity to position themselves in global markets now. They should take all the efforts to grab that market share in overseas market as we are aware that China’s share in world trade in multi folds of that of India. India’s total value for textiles is just 18% that of China, whereas value for Clothing of India is merely 9% of China.

With the current market forecast, if China’s trade goes down by merely 5%, we will have opportunity to increase our textile trade by almost 30% and clothing trade by 50%.

CHANGING GLOBAL TRENDS

Global Warming is the major issue today and will be more prominent in coming years. There will be at least 3 to 5 Degree Celsius rise in world’s overall temperature. This will have a great impact on our clothing styles. We will have no other option but to opt for nature friendly textiles produced by using natural fibres. So, cotton apparels are forecasted to have a great demand in

coming future.

Apart from apparels, if we see current market trends in global textile industry, there is a huge market potential for other cotton related products and we have not yet explored them properly. It is very important to understand the way things are happening in developed countries.

It is essential to understand new technologies to convert cotton into various end products which are not even thought of. This would be opening new horizon for Indian textile industry.

Most of the technical textiles, which are currently being produced by using fibres like polyester, polypropylene etc., if we succeed replacing these applications with nature friendly fibres then huge markets will get open for us. Entire globe will be looking at us as major supplier for such products.

Already some of the national brands of feminine hygiene products and baby diapers are advertising on USP of “cotton rich” products. If we succeed in manufacturing these products with similar properties using other fibres or industrial waste then there would be huge industry revolution. We can use our industrial waste and add much more value to it.

COTTON- MAJOR STRENGTH OF INDIA

Cotton was and is our major strength for more than 100 years of rich experience and we have culture of processing cotton. Moreover, it is abundantly available in India and we are known in the international market for various cotton based conventional products.

We have major share in global trend for cotton yarns. What I have seen, especially in case of technical textiles that globally people are not much aware how to process cotton. Cotton, if bleached has excellent characteristics and can be extensively used in medical textiles and other technical textiles.

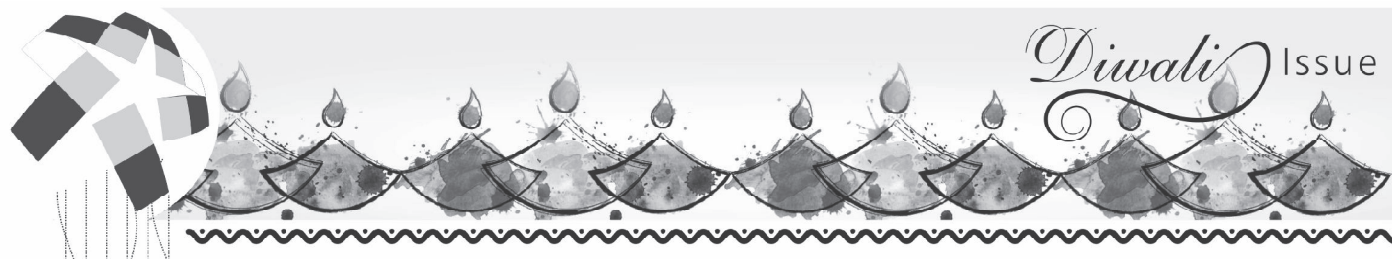
That’s why; we need to explore cotton as a raw material for most of the technical textiles. By using technologies such as spunlace or hydro-entanglement technology we can convert cotton fibres into various forms of cotton fabric or non-woven web for various types of applications.

ROLE OF GOVERNMENT

We need to really understand what we have done till date. Since 2012, entire world is expecting that India will take bigger leap as far as all manufacturing industries are concerned and especially in the textile industry.

But it did not happen and all of us are responsible including Government of India. We are just saying that things are not happening, but nobody is taking that initiative to make it happen. Most of the Industrialists are making their business plan based

Continued on Page 43



Reap profits without risks

Continued from Page 42

on various government subsidies like TUFs scheme, interest subsidy, capital subsidy, power subsidy & other concessions given by the respective State Governments.

From government point of view, they may clarify their stand on subsidies instead of lingering decisions on TUFs subsidies, blackout period, interest subsidies & efficient disbursement of the funds etc. This would result into bringing clarity in the thought process of entrepreneurs & may result into effective growth of the industry.

I don't know why our Prime Minister who has announced 'Make in India drive' is not taking any initiative or rather is 'totally avoiding' textile industry. There was neither any provision in budget nor any inclination to improve textile value chain.

On one side major retailers who want to come to India and on other side farmers growing cotton who are committing suicide. We are not at all promoting our major crop "cotton" and major commodities out of manmade fibres. We are not taking care of the entire textile industry as far as the complete value chain is concerned. There is no policy framework to take care of interest of various stakeholders of this huge industry and promote sectors effectively to grab global opportunities since past two decades.

On the other hand, textile industry (which has presence in India since ancient times) is being ignored by our Prime Minister. This may be because he may not get any political mileage. But, he has to understand entire value chain starting from the farmers to retailers, each and everyone is playing major role here. Textile industry is been major contributor to foreign exchange earning to the country and employing 45 million of population. Employment generation is the major agenda of our prime minister, but still I don't understand why he is ignoring textile industry from budget and other financial supports. Lack of Government support can be the major reason why investments are not happening in the textile sector, the way it is expected.

There are certain problems faced by cotton industry such as cotton farmers are growing cotton crop in very small fields that's why they cannot increase yield of the cotton. At the same time, there are many other issues related to identification of right type of seeds and fertilizers and techniques to be used to improve the yield.

So, according to me area which needs more focus is cotton growing system. As our current cotton growing methods are not allowing our farmers to reap profits. We need to educate them to grow cotton in most profitable manner. There would be huge scope of improvement in entire cotton growing methods. These methods will definitely help in improving our cotton production tremendously. Though our cotton production is growing every year, there are problems which we are facing with the quality of

cotton.

Farmer is the starting point of textile value chain but profit realization to the farmer is miniscule or even negative. This is in turn affecting the overall quality of cotton. If proper measures are taken to reach profit benefits to the farmers, they will also inspire to produce good quality of cotton and can cultivate cotton in larger area by replacing it with other crops. We need agriculturist to guide them technically.

MAN MADE INDUSTRY

Though, there is tremendous opportunity in manmade fibre industry, India seems to be lagging. We are not able to offer competitive prices over other countries so; 'price control' is major issue to look at it. We need to grow our share to global manmade industry, which will support our textile value chain further. It is important to study the price gap between India & other countries & factors affecting the price to have better control over it.

GREENTEXTILES

Environment is going to play a major role in the global textile industry. Entire policy framework and certification process would evolve around eco-friendly norms. If we concentrate on these terminologies and start adopting them in totality, we would be "first movers" in this direction.

We need to understand "social impact" and should avoid case studies which have happened in past and resulted into closure of textile industries due to environment protection norms. Green textiles would open up many new avenues for new entrepreneurs.

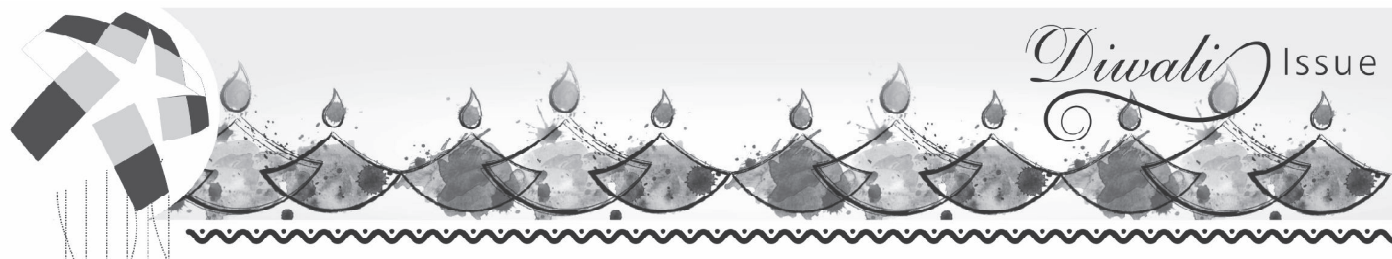
CONCLUSION

Indian textile entrepreneurs need to take calculative risks. We should focus on our strengths such as experience of producing cotton based products and consolidate our position in the global market as a "Value added supplier" and not a 'Commodity supplier.' Entire value chain by using cotton can play an important role in brand building and give a good value for money to farmers who are otherwise going on wrong tracks.

Government of India need to understand importance of textile industry and should come out with a proper country strategy to take care of all stake holders and guide the entire industry to follow a proper road map. 'Make in India' drive is best suitable for textile industry, however, need to have focused approach and financial package to be given to implement this drive. A large scale of employment generation is possible through entire value chain of textile industry. Hence, we cannot afford to ignore this industry at all from giving financial assistance.

Technical textiles are growing with rapid pace in India and new entrepreneurs can adopt various techniques and strategies to enter into this sector. The profit margins are quite appealing in this business however, innovation and market penetration plays

Continued on Page 47



FDI in India: Problems and Prospects

Continued from Page 45

order to attract large scale investments, acquire global scale and bring the India at par with other competing countries, there is an immediate need to review the labor laws to make them investor and labor friendly. The Government has recently announced converting of 44 labour laws into four simplified codes. The codes will relate to will relate to industrial relations, wages, social security and safety. Till that happens following measures should be taken on immediate basis:

- * Permitting working of women employees in night shifts for textile and apparel industry
- * Consideration of fixed term employment for textile and apparel industry given the industry's seasonal nature
- * Enhancement of working hours and relaxation in various clauses such as overtime and quarterly cap, for the textile and apparel industry
- * Liberalizing procedures for lay-offs and exit policy

MARKET ACCESS ARRANGEMENTS

Several large textile and apparel exporting nations like Bangladesh, Vietnam, Turkey, Cambodia, Pakistan, etc. have duty advantage in the US and/or EU markets. These countries enjoy duty advantage ranging from 10% to as high as 32%, depending on product and market. This has given them competitive advantage over India in achieving high exports growth rate.

In August 2015, Vietnam finalized trade agreement with EU and in October 2015, TPP negotiations concluded. Both agreements will provide Vietnam with immense advantage in EU and USA, respectively.

As on date, India has 15 free trade agreements in force with multilateral and bilateral trade agreements with the countries / regions of Africa, Afghanistan, Asia Pacific, ASEAN, Bhutan, Chile, Mercosur, Nepal, Japan, South Korea, Malaysia, SAFTA, Singapore and Sri Lanka. Unfortunately, among all these partner nations, except Japan there is no major importer of textile and apparel.

India's EPA with South Korea and Japan have met with modest success while the others do not hold much potential for

textile and apparel trade. It is important that Indian government work towards fast finalization of trade agreement with traditional markets of EU & USA and emerging markets of Turkey, China, etc.

GOVERNMENT SUPPORT

Indian Government has initiated various schemes viz. Scheme for Integrated Textile Parks (SITP), Revised Restructured Technological Upgradation Fund Scheme (RRTUFS), Integrated Skill Development Scheme (ISDS), etc. to support the sector. In addition, various states such as Gujarat, Maharashtra, Rajasthan, Karnataka, etc. have also developed textile sector specific policies to promote investments. These schemes provide various benefits to Indian textile manufacturers.

DOMESTIC MARKET

With population of 1.3 billion, India offers an attractive domestic market. India is one of the largest consumer markets and the consumption is likely to increase. The factors such as the growing middle class, rapid urbanization and improved access to credit are set to the boost demand.

India's strength lies in lucrative domestic market, extensive raw material base, competitive labour cost and presence across levels of manufacturing value chain (from fibre to finished goods). In line with Prime Ministers vision of 'Make in India' various steps have been taken by the Government to attract foreign investments in India.

If all the challenges discussed above are gradually addressed and we focus on textile and apparel sector as priority sector, the foreign investment will flow in the sector.

For FDI in T&A sector, While all other parameters can be gradually addressed, but India has to focus majorly on 02 major factors, FTA with US and EU to counter TPP and FTA's that other competitors already have with EU.

Indian government has to go all out to invite FDI from targeted countries like, China, Korea, Japan, Taiwan and Turkey in T&A industry and Technical textiles from EU and US. We have to make companies aware of the initiatives being taken for ease of doing business and incentives being offered by center and states to attract investment in T&A sector.

Reap profits without risks

Continued from Page 43

very important role. By proper market research and techno commercial feasibility one can encash new opportunities in this sector. We need to replace conventional products by competitive new products which can scale up profit margins and provide a path way to enter into this business area.

India has ability to take much higher share in textile trade

however, new entrepreneurs need to understand newer markets and start investing in a bid way, to make a dent in global textile industry.

Risks, if not taken at right time with proper homework and action plan, business cannot be generation...

***Let us carve out ...
better tomorrow!!!***



Unwanted 'Textiles' in wardrobe of our PM

By Avinash Mayekar, MD & CEO, Suvin Advisors



When our Prime Minister was talking on various issues fluently from Madison Square and appealing entire world "come... make in India" I was just wondering why he has to appeal globally when we Indians are not even responding within country. We, industrialists are just silent on our golden industry which has all it's credibility to be a super power in the world?

Then I realized; it must be because of all of us, the Indian textile experts, who are yet to understand what we are and what we should do. We are yet to come out of 'wait and watch' situation. Now, Japanese, Chinese and US have already announced their plans to invest Billions of US \$ in India. It is really a shameful affair for all of us not to act till there is urgency.

I was just thinking on various stake holders how they would be looking at our industry. Just thinking on recent situation and their mind set in my words.

INVESTOR'S MINDSET:

Profitability, sustainability, growth...

If I have to invest in an industry I need to have profit margins which are much higher and I can service the debts more easily. It should not be a risky business and should have sustainability. I should be able to put up my unit immediately and it should start functioning as soon as possible.

Situation:

When I am thinking of putting up a textile plant I need to have textile experience otherwise financial institutions do not encourage. Raw material availability and price fluctuations are tremendous. Logistics and other parameters are not that lucrative and easily appealing to mind.

If I have to go for complete integrated unit, I need to have land parcel in industrial area with CETP. There are hardly few industrial areas with CETP in entire India. Moreover, in other places a big queue is there for pollution clearance certification. First of all the Government people are not aware about what the policy is and if they know they do not have willingness to give it for obvious reasons. Even if, I opt for industrial area developed by Government authorities, I have to submit "n" number of application forms and documents.

My entire will power will go in vain in spite of utilizing all the resources for this purpose. Though appointing technical consultants is the right solution, there are very few organized consulting firms willing to take care of liaisoning with Government authorities for known reasons. They help on technical front.

I would rather like to concentrate on my business related activities such as marketing, production, people and procurement

than all other such issues and hassles created by the environment. In that case why to invest in textiles? I would rather search for some other industry.

FINANCIAL INSTITUTIONS

Affordability, Assurance...

As a matter of fact, we need to invest in all the industries where we can get back our money as fast as possible. Textile industry has a good existence for more than 100 years and it is one of the highest foreign exchange earners. India has a very good textile culture.

Situation:

If I am a banker and I am thinking of giving term loan to a textile unit, I end up over-viewing the history which tells me that many of the textile players have not paid back the term loans in time. The business environment is not that conducive and has ups and downs. The success of textile business depends on various factors and return on investment is too slow. All the financial ratios like IRR, DSCR are just on the border line and if I carry out sensitivity analysis, it gets badly affected. The industry has a complex and vast spread of products and variables and there can be several factors which can affect the performance of textile industry like labour, raw material, machine related issues.

I would rather fund to some other industry by which account handling would be much smoother.

TECHNICAL CONSULTANTS

Recognition, Sustainability, Assurance...

If I am running a consulting firm, I am very much enthusiastic about the situation and I would employ experts for each and every discipline of Marketing, Spinning, Weaving, Processing, Technical textiles so that any project comes in I would have a process expert who can give solution to all the requirements of the clients. In addition to this I would have a common team to give services like Architectural, Structural and utility designing so that my customer gets "one stop solution"

Situation:

If I keep focusing on textile business only, as a consultant, I am the first party to whom the client has to negotiate with and pay. So he uses all his negotiating skills to reduce the fees and increase the scope of work. He starts asking for as much as possible things free of cost so that there is a "winning" situation only for him.

Most of the textile entrepreneurs treat paying to consultant as expenses and not as an investment. They keep on changing their plans every now and then as per information received to them from various sources, expecting deliverables to be changed at their will. They put all the costs like travelling expenses and

Continued on Page 56



Unwanted 'Textiles' in wardrobe of our PM

Continued from Page 55

even sometimes duties and taxes "inclusive" in the fees.

When I summarize the situation as a financial analyst, I find giving consultancy only to textile industry may not be a feasible option: it needs to be supplemented by other profitable industrial business models, mainly because of the attitude of not to pay in time.

WORKERS

Value for money, comfort, stability...

If I am a worker I would like to work in a clean environment and get paid nicely by doing a white collar job. Also the job should be on permanent basis and my salary should increase every year substantially.

Situation:

When I think of job in textile industry, first of all there is no guarantee of permanent jobs. Usually in the beginning of my career the employer appoints me on 'badali system', it means, I get job only to fill the absenteeism. Similarly, I have to be in good books of the timekeeper to get job daily and to become a regular employee after working for 240 days as a badali worker. Moreover, due to high temperature and humid atmosphere, it is troublesome to adjust with working conditions. The environment in the textile plant is much dirty with a lot of dirt, dust, floating fibres which are continuously liberated and are harmful to my health. The diseases like Tuberculosis and Asthma are bound to be a retirement gift for me.

Hence, I would like to opt for any other engineering manufacturing unit than a textile plant, where the atmospheric conditions would be cleaner and favourable to me along with much better wage structure and retirement benefits offered by those industries due to higher profitability.

GOVERNMENT BODIES

Sustainability, Growth...

If I am working in a Government organization I would strive to work out policy framework by which the industry will get a good support and a lot of benefits can be given which would in turn facilitate to growth of the economy and accomplishments of various targets and goals.

Situation:

A very good Government policies and attractive schemes are given to Textile industry e.g. Interest subsidy and capital subsidy under TUFs, Textile Parks and other Industrial Policies. However, a lot of benefits have been taken by a certain group of people or even by certain politicians especially in case of Textile Parks. The real benefits of the schemes could not be achieved for these schemes. If I have to frame a policy framework, I would rather safeguard the interest of the Government and ask for much stringent policy network from legal and financial perspective so

that I would give these benefits only to real players from the industry.

PRIME MINISTER

Job creation, forex, value addition...

If I were Prime Minister of India, I would have seen at the textile industry as my major focus area to create jobs and earn foreign currency. Textile industry would be my first priority to make India campaign as we are already having several years of existence and recognition.

I would have understood the industry by appointing a consortium of effective consulting firms who have strong knowledge base of textile industry and those have presence in domestic and international markets. They would study SWOT analysis of the industry and come out with a vision and mission document for the textile industry of India. I would make policies transparent and user friendly for the industry to help it take a major share in the international market.

Situation:

As a Prime Minister, when I start looking at Indian textile industry, I see a lot of sectors lobbying for themselves and promoting their own associations. Ginning industry has its own issues to face problems created on price hike by cotton growers associations of farmers and compensate it by adding contaminations. The spinners receive this contaminated cotton and add humidity, water and steam to sell heavier yarn. Weavers add waste yarn instead of right quality yarn to compensate loss of weight, processors use darker shades/prints to sell rejected fabric, garment producers use rejected cut pieces for different designs and retailers come out with 'seconds' sale. Thus the entire value chain has all expertise to compensate value loss by other false practice. No one thinks of value addition.

On the other hand, reputed brands are using pressure tactics to minimize price and earn more profits. And the negative pressure created goes back up to the cotton farmers who end up in making suicides. Whereas in case of synthetic industry the fibre producers are determining the price up to the finished garments.

As a Prime Minister I need to first clean my wardrobe. I need to create "BEST FROM INDIA" brand which would be more trust worthy. All stake holders of my country need to work with a common goal to produce the best quality and wipe out image of "dirty linen" created by traditional textile players. If I create the best quality, I would get the best brand value and I would be in a position to give best price to all my stake holders. My farmers would start producing best quality clean cotton and they would get attractive price so that they would start increasing the yield by using best practices of cultivation.

All farmers can come together to improve cultivation

Continued on Page 71

Unwanted 'Textiles' in wardrobe of our PM

Continued from Page 56

methods and varieties of cotton crop by using better cotton seeds. They will start converting cotton seeds to produce oil and other value added products to generate more money and reduce wastages.

Once farmers start getting money, they themselves would increase cultivation area, they would opt for automatic cotton picking techniques and ginneries would work effectively to remove the impurities and get paid on quality and grade of cotton. Spinners can produce quality yarn by using best practices to get better price based on quality produced. Similar effect goes up in further value addition with prints, designs, dyes and chemicals, styles,

etc.

Let us understand that the consumer doesn't mind paying more to a better product and hence my industry should focus on this value addition.

I need to create skill development programs by which all stake holders would understand the importance of value addition and will create a pull to increase profit margins throughout the value chain.

This Diwali, as a Prime Minister of India, I need to clean my wardrobe. I need to clean my wardrobe with better textiles!!!

Come on... let us make it... better India...

Let us carve out better tomorrow!!!

