

Textile industry in india



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Report: The Textile Industry In India Arrived Mills Prepared for: Industrial Economics Prepared by: Trivia. Pate school: FUSE- 3 Application Number:

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Indian textile Industry has lately been developing in India has contributed a lot towards the economic growth in terms of generating employment, GAP, economic development etc. Also in the recent times the Indian Textile in Gujarat is booming and there are new mills coming up.

This establishes the aim of my report to analysis the top player Arrived mill which is initiated in Gujarat, Mohammedan with the help of secondary data provide by the official sites of the company and other sources. To have a further focus and to narrow it down I have studied the denim sector of Arrived mills. An introduction provides with the overall scenario about the textile industry in India and how has it helped in the advancement of the Indian economy. This report further investigates the role of textile industry in Gujarat and than further talks about Arrived Mills which is the top player in this Industry.

It contributes around 15 percent of manufacturing value addition that accounts to around one- third earning from gross export and this industry also employs millions of people. Also this industry comes next after the agriculture sector. Textile industry provides the people which satisfy their basic needs which maintains economic growth and also improves the quality of life for the common man. This industry is self- sufficient they have their own production starting from raw materials to the delivering the finished goods.

This industry contributes a lot to the Indian economy. Manufacturing and exports plays an important role in the Indian Textile Industry. India gains around 27 percent of its total foreign exchange by textile exports. The Textile Industry in India is divided into various sectors few of them includes: 0 Silk Textiles 0 Woolen Textiles 0 Readmes Garments 0 Cotton Textiles 0 Hand-crafted Textiles 0 Jute and Coir In the Textile industry there are about 11228 textile mills which has a strong spinning capacity of 29 millions spindles which accounts to be very high.

Yarn is usually produced in the mills, whereas fabrics are usually produced in both handloom and powerloom. When we talk about the textile industry in India, cotton has always been dominant in this market where around 65 percent of raw materials is consumed to make cotton. The yearly output of cotton production is very high which comes down to around 12.8 billion meters. The Textile Industry has highly providing employment to millions, which includes the growers of Jute and cotton, weavers which includes weavers who are involved in both organizing and household sectors which are widely spread across the country.

The Indian Textile Industry is very accountable in the global context. It ranks second in the world after China in the production of basics and cotton yarn. India also ranks fifth in producing synthetic fabrics. 3. 1 Major players In India in the textile industry 1) Wellness India Ltd : their business area is in that of home textiles, terry towels ND bath robes 2) Verandah Group: their business operates in Yarn making , sewing of fabric threads and making of acrylic fabric.) Look Industries Ltd: business area is in home textiles, woven and knitted apparel fabric, making of garments and polyester yarn 4)

Raymond Ltd: this company's business operates in Worsted suiting, tailored clothing, denim making, shirting, woolen outer wear 5) Arrived Mills Ltd: expertise in the Spinning sector, weaving, processing and garment production that includes production of khakis, denims, knitwear and shirts.) Bombay Dyeing ; Manufacturing Company Ltd: has production of variety of teems which includes towels, Bed linen, fabric for suits, shirts, dresses, furnishings and saris in cotton and polyester blends 7) Garden Silk Mills Ltd : operates in Dying sector and printing of fabrics 8) Nonfatal Industries Ltd: their company operates in Shirting, poplin's, making of bottom wear fabrics and voile's 9) TIC Lifestyle : TIC operates in the Lifestyle market 10) Reliance Industry Ltd. : operates in making of Fabric and formal menswear 3. About the textile firms The Indian Textile Industry is major comprised of small-scale firms, these firms performs non- integrated spinning, weaving, finishing. It is the government who has promoted small scale operating firms, labor intensive work these operations discrimination the large-scale firms. One of the major examples will be that of composite mills these are large-scale mills that does spinning, finishing, weaving and are major role in textile production in many countries. Whereas in India there is only 3 percent generation of output from these mills.

Majority of the mills, which are operating in India, are usually owned by public sector. 3. 3 Potter's five force analysis Bargaining power of customers

* There are many countries that are into the textile industry. Lately the textile industry is expecting to grow by the year 2015. India is going to become a low cost supplier, which will be followed by other neighboring countries. * The customers will not only invest in one country but will invest

in several low cost producing countries because they don't want to risk their money by investing in just one country.

The customer has the power to shift that consumption from one country to other. Bargaining power of suppliers India has high bargaining power when it comes to the production of cotton. India is rated as the third largest cotton producer in India. India has a cost advantage as the cotton is locally grown and the cost of production becomes cheaper. Other countries like Pakistan and China have lower supply of locally grown market. India also has an advantage in terms of labor cost. It is low than compared to the other developed countries like U.

S. And China. Threat of New Entrants * The threat is that of the smaller players who are penetrating the domestic markets as they cannot enter the global markets. They supply in excess by making the pricing scenario weak in the industry. Small players have successfully done so in denim which includes Arrived mills, * Home textiles, which includes Wellness and Look and branded apparels like that of Raymond. This is a threat to the large players in the industry in order to remain in the market they need to gain a significant part in the global market.

Threat of substitutes Indian's export sector is facing threat of substitution from neighboring countries like Bangladesh and Pakistan where their cost of production is cheaper than that of India. This has already started showing the effect; players like Arrived mills has beginning to feel the change as many global buyers have start to shift for other substitutes. Competitive rivalry * The geographical location of India can cause hindering in the global

trading cuisines. Due to the location problems India is detached and lacks behind from major markets than compared to few international competitors like China, Turkey and Mexico. These are closely located to the global market, which includes Japan, United States and Europe. Due to the distance problem India has high cost of transporting I. E. Shipping and is more time consuming. 4. Textile industry in Gujarat The textile industry of Gujarat has contributed in a great way to the industrialization of the state. Gujarat has a high scale cotton production when it comes to the textile industry. It contributes around 33% of cotton production in the country. Gujarat has such high scale of cotton production due to the high levels of availability of black soil which is needed for cultivation of cotton.

The state also contributes around 35 percent woven fabrics, which again comes from the organized sector of the Indian textile industry. Mohammedan and Sugar are the two major cities when it comes to manufacturing. These two cities together produce 50 percent of textiles in Gujarat. Sugar is the largest production house for man - made fabrics and contributes around 45 percent of silk production in India. The textile industry of Gujarat contributes around 25 % to the states gross domestic product.

Gujarat also plays a major role in exporting and it contributes around 20 percent of exports in India. In the early sass Gujarat textile Industry went through drastic change as few manufacturing companies like Arrived Mills, Modern Denim and Soma Textile started with manufacturing of denims which bought a revolution in Gujarat by making it Indian's ' land of denim'.

Guajarati textile industry has been so successfully due to several reasons

and one of the most important is that it has successfully stored its cold unique culture and tradition.

There was a fall in the textile industry in Gujarat where the cotton production has gone were low. After Mood took over he changed certain polices and than there was an increase in the cotton production in the state. In 2001 there was production of 23 lacks bales and after few years the production increased drastically to 1 core 23 lack bales. Gujarat is also a leading producer in Denim. In the past few years the production capacity in Gujarat has grown specially after Arrived mills came in the picture. The total number of denim mills in Gujarat has drastically increased.

Initially Arrived Mills was the only denim producer in Gujarat UT now there are quite a few producers that has a share in the denim market that includes Arrive Denim Mill, Blue Blends Denim, Sandal Denim, Sashimi Denim Mill, Modern Denim, Soma Denim, Andean Denim and Keg's denim. As per now we have around 20 mills operating in India and from which 7 mills are in Gujarat. Combining these mills they have a capacity of producing 600 million meters of denim in a time span of a year. And from all of these Arrived mills has the highest denim production that accounts to approximately 110 meters production per annum. . Arrived mills In 1931, Arrived Mills Ltd was the leading company of the Labial Group, which was allude at IIS\$ 500 million. It met its objective with the help of imported state-of-the- art machinery that manufactured luxurious, fine, delicate fabrics. The company was one of Indian's earliest during Indian's industrialization phase to not only have several full- fledged facilities like spinning, weaving, dyeing, bleaching,

finishing and memorizing but also 52, 560 ring spindles, 2552 doubling spindles and 1122 looms.

In the mid sass's there was a crisis faced by the Indian textile industry as the power loom sector was whipping out enormous quantities of low-cost fabrics, which resulted in many large, complex mills losing their markets. Even though the company was at its pinnacle of profitability during this period, it took pre-emptive measures to counter the threat from the power loom sector by intensifying its concentration on the international markets. The company entered the export market for two segments, denim for ease ; fashion wear and best quality fabric for cotton shirting and trousers.

The company had become the third largest producer of denim in the world by 1991. The company holds a host of portfolios of international and domestic brands like Lee, Wrangler, Arrow, Flying Machine, Newport, Ruff ; Tuff, etc. Thus focusing n becoming Indian's largest branded apparel company. Apart from that the company has also whittled out an aggressive strategy to grow its current tasks by establishing a world class clothing manufacturing facilities and offering a one-stop shop, proposing complete garment package to its international and domestic customers.

The below graph describes the Equity of Arrived mills. 5. 1 Timeline 1931-1980 : Arrived Mills Limited is promoted backstairs, Normative and Chainman Labial. During this time period Arrived Acquires the position of leadership in the Textile Industry. 1980-1991 : this was the time span when they nitrated the denim market by being the first Indian company to enter Denim. They

also changed the focus of the business by making it global. 1993-1997 : Arrived launch Arrow which is a U. S based brand in India.

They set up their largest facility for shirting and knitting in Senate 2005-2007: during the year 2005 Arrived ranked in the top 3 players in the Industry. They started offering packages of garment to different brands via one- stop shop service on an international level. 2010 : Arrived store was labeled as the best fabric selling store in India and also provided customers with best tailoring solutions. . 2 Products and brands One of the topmost producers of textile in India, Arrived Mills Ltd. Is extant in both the fabrics and garments sectors of the textile industry value chain.

Under fabrics they produce denim, shirting, khakis, knitwear and voile's. More than 60 percent of the company's turnover is contributed to denim. It is present in both the domestic and international markets for formal and casual clothing, in the garment section. The company is dominating the domestic ready-to-wear garments segments. It has not only launched but has been successful in establishing its own brands as well international one, Arrow for formals and casuals, Lee for Swears, Wrangler for Swears and Tommy Hillier for fashion (under license from the respective companies).