

Despite Covid-19 disruption, capacity use of TEI dips to only 46% from 49%

TVC Editorial Team

In his welcome speech, Mr. Vallabh Thumar, Chairman, Textile Machinery Manufacturers' Association (India) at the "61st Annual General Meeting of the Association, said that in the year gone by the global Covid-19 pandemic struck a complete structural disruption around the world throughout 2020-21. "The big churn of the first wave got the entire world to witness; 'too big to fail' economies shatter, numerous un-organized industries purged, unproductive business practices consolidated, training and skill development of the experienced manpower into multitasking roles increased, new R&D and indigenisation efforts of key technologies instituted, collaboration among competitors for survival founded, credit utilisation and resources at hand optimised, and novel business models based on internet incepted. Interestingly, the market bounced back from the 'Zero Production' days to the more than '100% Capacity Utilization' days unheard of in decades post 1st & 2nd pandemic waves. However, the uncertainty remains among the entrepreneurs pertaining to

rising prices of the raw material, vagary of freight and containers' availability, crunch of liquidity and geopolitical tension," Mr. Thumar said.

The TEI has currently an estimated annual installed capacity of Rs.11,000 crore per annum. The total provisional production of textile machinery, parts & accessories during 2020-21 recorded a marginal decrease of 5% viz. Rs.5,093 crore as against Rs.5,355 crore achieved during the previous year. During the fiscal year the capacity utilisation decreased from 49% to 46% as compared to the preceding year. This is despite the fact that there was negligible business during first two quarters of 2020-21. The exports during 2020-21 rose to Rs. 3,307 crores as against Rs. 2,556 crore achieved during 2019-20. On the other hand, the import was reduced to Rs. 8096 crore as against Rs. 9,273 crore during the year.

Mr Thumar disclosed that the total domestic demand for textile machinery during 2020-21 was Rs. 9,118 crores of which supplies from the domestic machinery industry amounted to Rs.1,786 crore, aggregating 20% of the total demand. The bulk of the demand was met

through imports.

Measures for Growth Orientation

The Government of India prepared PANDEMIC Specific strategies and action plans not only for business continuity and sectoral revival but also to improve Ease of Doing Business in the country by releasing notifications/amendments/circulars highlighting measures to improve the business environment in India, Mr Thumar said. Continuing on the momentum of the previous year, the office of the Textile Commissioner coordinated and processed the ATUF Scheme efficiently, barring a few months of complete lockdown. Majority of the cases related to the enlistment of textile machine manufacturers, induction of new machine types in the ATUF scheme and the release of ATUF subsidy were cleared on time.

The association worked closely with Kalam Institute of Health Technology (AMTZ Vishakhapatnam) and Invest India both of whom conducted separate studies on the Indian Textile Engineering Industry (TEI) under the aegis of 'Ministry of Textiles'



during the year. The KIHT was assigned to conduct 'Technology Gap Analysis in the Indian TEI' and suggest measures to enhance the potential of the domestic industry. On the other hand, Invest India published an article on the status of the industry in the post-Covid-19 scenario and started working on an Opportunity Paper covering the Textile Machinery Industry in India. Written in association with TMMA, its aim is to showcase India's strengths in Textile Machinery to both global and domestic players and highlight the opportunities and advantages of investing in the Indian TEI.

Mr Thumar said that besides, a study done by Ernst and Young instituted by National Committee on Textiles and Clothing also covered about the Indian TEI in a chapter. This study was partly funded by the India-ITME Society. This study may also help Indian TEI in working closely

with the textile industry and the MoT on various projects to participate more efficiently in the 'Make in India' campaign.

During the year the association also took initiatives in putting forward proposals for "Incentives for Commercialization of the Indigenously Developed and Acquired Technologies from Overseas", to the Ministry of Textiles and Ministry of Heavy Industry & Public Enterprises. The main purpose was to support the domestic research and development and joint ventures under the 'Make in India' initiative of the Government of India to become commercially competitive not only in the domestic but also in the export markets. Both the ministries may be considering our proposal positively, and the association is quite optimistic of a suitable scheme in the coming fiscal year.

Mr Thumar congratulated Mr. Pratik Bachkaniwala, the incoming Chairman and

his co-Office Bearers, Mr. M. Shankar, Mr. Prashant Mangukia and Mr. Shailesh Wani and wished them a successful tenure. "I would like to sincerely thank the past chairmen of TMMA for all their help and guidance – in particular; Mr. Mehul Trivedi, Mr. R. Rajendran, Mr. Prakash Bhagwati, Mr. Rajnikant Bachkaniwala, and others who helped me during my tenure," he added.

Export and R&D Awards

He said: "It is our normal practice to present Export and R&D Awards at the Annual Session of the Association. In this Session, we are giving 8 Awards for Export Excellence, 3 Awards and 1 Certificate of Appreciation for R&D for the year 2019-20. Besides, we are giving 8 Awards for Export Excellence for 2020-21." He congratulated the award winners for putting in great efforts in the promotion of exports and the development made in textile machinery to win the Awards.