

# India

## The world's largest democracy summits economic stardom

As major economies worldwide wrestle with sluggish growth, India has taken up the mantle of global economic leadership. Underlined by low-cost production, government incentives, and Prime Minister Narendra Modi's ambition to transform the country into a USD 5 trillion economy by 2025, India is now a keystone in the global business community's diversification beyond China - known as the 'China-plus-one' strategy. The government's Productive Linked Incentive (PLI) schemes and 'Made in India' initiative have reaped record-breaking foreign investment figures. Since Modi debuted 'Made in India' back in September 2014, India's annual FDI inflows have almost doubled and reached a record-breaking USD 83.57 billion in FY21-22, according to the country's Ministry of Commerce & Industry, with the computer software and hardware industry the top beneficiary.

"I foresee that India will march ahead phenomenally in this decade, which is hailed as the tech-age of humanity... In the field of IT, India has become a force to reckon with globally," said Modi in a speech commemorating 75 years since India's independence. Bloomberg Economics predicts India's GDP growth to gradually peak at about 8.5% early next decade, spurred by corporate tax cuts, manufacturing incentives, and the privatisation of public assets. But even at 6.5%, India's economy will be worth USD 10 trillion



Narendra Modi  
Prime Minister of India

by 2035, according to the Centre for Economics and Business Research (CEBR). Hence, as Modi declared in his 2023 Global Business Summit speech, "India's growth is the world's growth."

Modi is not alone in recognising India's global leadership, as the country assumed the G20 presidency in December 2022 and is set to host the 18th G20 summit in New Delhi later this year with the motto Vasudhaiva Kutumbakam - 'The World Is One Family.' The G20 represents about 85% of the world's GDP and more than

75% of global trade. But, more importantly, the summit represents an unprecedented opportunity for India to promote its agenda for collective prosperity: green development, inclusive and resilient growth, technological transformation and digital literacy, modern multilateral institutions, and women-led development. Ultimately, India is expected to use the G20 spotlight to exhibit its soft power and capacity to accommodate global diversification beyond China.

India's G20 presidency also reflects the historic transformation that Modi's government has successfully ushered in. Between 2005-21, the number of people living in poverty in India dropped by a staggering 415 million, according to the United Nations Development Programme, and more than 1 billion Indian adults have enrolled in the country's ground-breaking biometric digital ID system, with several hundred million opening a bank account for the first time and accessing Modi's welfare measures. So, whilst India will soon overtake China as the world's most populous country, according to United Nations figures, sheer size will not be its sole victory. "Above all, India's population is also growing in terms of income level, which has transformed it into a country where there's a massive population now able to spend like never before. Where there is that power, there is demand - the market has never been bigger," says HFCL's managing director, Mahendra Nahata.

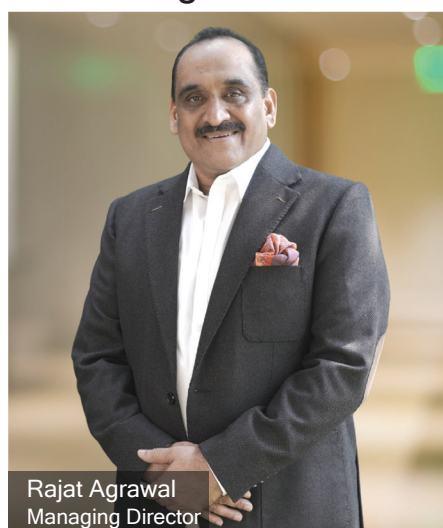
## Gravita India - Taking the lead in India's global recycling effort

India will be the second-fastest growing economy in the G20 in FY22-23, according to the OECD, and continues to be a magnet for international investment and trade. With policy initiatives like the 'Make in India' campaign and India's recent trade agreements, the country aims to further integrate with global supply chains and build on its continuously improving external position.

As other emerging economies strive for rapid industrialization, the key themes for businesses in the coming decade will include advocating the importance of sustainability, stressing the urgent need to tackle the challenges of climate change, enhanced awareness of the circular economy, and investment in the advancement of recycling technology. The focus of world governments on ESG places the recycling industry in an envious and exciting position.

Gravita India Limited is an Indian-listed multinational company and is one of the leading players in the recycling industry globally. Gravita operates 14 eco-conscious, state-of-the-art manufacturing facilities and has a well-diversified and global customer base spanning over 50 countries, supported by a procurement network spread across the globe comprising 1,400-plus touchpoints and over 2,500 forward-looking employees.

Gravita was incorporated in 1992 and set up its first lead recycling plant in Jaipur, India. Gravita has since achieved a steep growth trajectory, especially in Africa, where it operates five manufacturing facilities and 24 scrap collection yards that recycle Lead, Aluminum, Plastic, and Rubber. Besides Africa, the group has manufacturing



Rajat Agrawal  
Managing Director

presence in India, Sri Lanka and Nicaragua. "We took India global - 70% of our business is transacted overseas. We're highly experienced in working in diverse territories, regulatory environments, and different industries. Today, the Group is well-diversified in terms of geography and business verticals. While our recycling businesses continue to grow rapidly, we are experiencing strong tailwinds in our turnkey solutions business, given the interest in recycling and the circular

economy from around the world," says Gravita India's managing director, Rajat Agrawal.

Gravita is on an ambitious expansion spree and plans to enter the lucrative rubber, paper, steel, lithium & lithium-ion battery recycling. "Our core competency is providing turnkey solutions and consultancy for the recycling industry and as the market matures for recycling, we seek strategic partners to enhance our recycling DNA," says Agrawal.

A one-stop recycling solutions provider, Gravita's emphasis on corporate governance and sustainability-focused culture make it the ideal global recycling partner. Half of Gravita's Board of Directors are independent, whilst the company is leveraging its core R&D strengths to execute a bold ESG plan. Gravita tracks the environmental impact of its operations and is extensively invested in energy conservation, exploring alternative sources of energy, and reducing its carbon footprint.

Gravita is listed on India's biggest stock exchanges, the BSE and the NSE, and continues to grow rapidly. In 2021-22, Gravita registered a five-year revenue CAGR of 26%, and PAT CAGR of 34%, and the company boasts over a decade of sustained dividend payouts.

As India scales up its environmental effort, companies like Gravita are at the forefront of the circular economy and enjoy overwhelming government support. "Our government is listening to us and understands the significance of our industry - it's a real sweet spot for us, given the government's emphasis on ESG," says Agrawal.



# THE DR. DEEPAK KUMAR SETH GROUP

## CONNECTING THE WORLD- STITCH BY STITCH

From packing his first order of 6000 shirts in a garage to styling and clothing the world, Dr. Deepak Kumar Seth has had a fascinating journey as a self-made entrepreneur. Dr. Seth started in garments in 1976 when he was only 26 years old and is regarded as a pioneer of apparel manufacturing in India.

Today Dr. Seth is the founder and Group Chairman of four renowned apparel manufacturing, sourcing, and training groups operating in over 20 countries: PDS, Pearl Global Industries, Lerros Moden, and Pearl Academy of Fashions. All these companies are operated autonomously with their respective independent Boards of Directors and professional management teams.

Early on, Dr. Seth identified the potential of the Far East region to be a major hub for the global garment industry and established business units to provide 'one-stop' manufacturing and sourcing solutions to best-in-class retailer and brands across the globe.

### Making a mark in manufacturing

In 1987, Dr. Seth founded Pearl Global Industries (PGIL), a ready-to-wear business supplying leading apparel retailers worldwide. Today, PGIL operates a global network of more than 20 manufacturing facilities in India, Bangladesh, Vietnam, and Indonesia, specialising in high-quality bulk output, employing 32,000, and generating annual revenues in excess of USD 400 million.

Under the leadership of PGIL's vice-chairman, Pulkit Seth, the company is pursuing its next phase of growth, leveraging its multinational presence to scale up and react faster than its global peers whilst mitigating its risk exposure. PGIL has recently added nearshore manufacturing and additional production capabilities in the USA to its portfolio, continuing to fulfil Dr. Seth's vision for it to be the preferred global apparel manufacturing company.

PGIL's diversified product offering and talented team of 75 designers across the USA, the UK, and Spain ensures on-trend collections and a product available for rapid delivery in multiple time zones. The company's factories in India specialize in woven and knit products for womenswear, menswear, and childrenswear, whilst those in Bangladesh specialize in sustainably washed and processed denim pants knitted tops. In Vietnam the company manufactures outdoor, athleticwear and swimwear. In Indonesia, it focuses on women's tops, dresses and outerwear.

As a testament to PGIL's exceptional customer service, 4 out of 5 of its top customer relationships are older than a decade and even more. "The beauty of our business is its entrepreneur model - our success has enabled us to attract the best talent from across the world, including from our competition and our associates in the market," says Dr. Seth. Currently, PGIL is open to partnering with processing businesses - whether in the form of joint ventures or backward integration for processing, weaving, knitting and spinning - that can add value to its supply chain.

Technology and sustainability forms an integral part of the seamless manufacturing process at PGIL. Protecting environment, recycling all forms of wastes and to minimize carbon footprint is getting increased mindshare in all its daily decisions and activities. It is working diligently to ensure each of its produced garments have traceability information embedded. PGIL continues to upgrade with various automation, digitization, and de-skilling the factory operations, thus ensuring that they are scalable. Thus ensuring it meets the demand and timeline requirements. PGIL's skilled workforce comprises industrial engineers, factory associates, compliance personnel, designer, and product developers along with management and analytic teams. They are working on updated technologies of 3D software like Clo, Browzwear, Optitex, eDesigner, believes in the concepts of industry 4.0 in its factories which are well integrated with the SAP ERP system. Each of its wash product developments are design to achieve low EIM (Environment Impact) score using much lesser water and chemicals.

PGIL is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE) and has won numerous accolades from industry councils. Recently, PGIL won the Most Preferred Workplace 2022-23 by Marksmen Daily and India Today and The Best Organisation for Women 2022 by Economic Times.

### An Innovative Asset-Light Sourcing Model

Founded in 1999 in Hong Kong, PDS has emerged as an asset-light global sourcing platform for over 200



Pulkit Seth Vice-Chairman of PGIL, Dr. Deepak Kumar Seth Group Chairman, Pallak Seth Vice-Chairman of PDS Ltd.

of the world's leading brands and retailers, including Ralph Lauren, Kohl's and Primark. Helmed by Dr. Seth as Chairman and Pallak Seth as Vice-Chairman, PDS offers world-renowned product development, sourcing, manufacturing, and distribution, synergising best-in-class talent to bring better collaboration across its global apparel supply chain platform.

PDS operates a vast global network covering over 50 offices and 22 countries, with over 3,500 employees and approximately 7,600 factory associates worldwide. Much of PDS' recent success is due to how well it has embraced emerging market trends within the global fashion industry, which it owes to its experienced entrepreneurs, steady growth in new retail clients, and expanded product range. In the past 12 months, PDS reported consolidated revenues of USD 1.3 billion, an increase by 2X in the last five years. PDS has been listed on the BSE and the NSE since 2014 and aspires to reach USD 2.5 billion in revenue in the next 4-5 years.

An intrinsically asset-light business, PDS is a plug-and-play platform comprising a league of entrepreneurs who run their businesses on the platform. As collaborators, individuals aspiring to start their entrepreneurial journey have become integral to PDS' unique business, leveraging the PDS brand name and shared resources. Together, both parties meet their goal of providing innovative fashion solutions to global customers and partners in the most ethical and trusted way. In 2022-23, PDS' India and Sri Lanka subsidiary Norlanka was certified as a 'Great Place To Work,' exemplifying the company's people-first approach and values of trust, transparency, inclusivity, and respect.

PDS has a network of 600+ compliant vendor manufacturing facilities worldwide and product

development teams across the USA, the UK, Germany, and Hong Kong, amongst other customer locations. PDS employs a research team of over 150 designers to ensure all products align with the latest trends in fashion and apparel, as well as experts in merchandising, procurement, and quality control to deliver 100% compliance across the entire value chain.

Brands and retailers are increasingly focusing on their core business to drive earnings and are opting to outsource to meet their sourcing needs. Pallak Seth spotted this opportunity and crafted 'Sourcing as a Service' - a bespoke service offering to large brands and retailers exploring outsourcing options exclusive to pre-agreed territories. This customised sourcing solution is operational with marquee customers like Hanes Brands in the USA, George at Asda in the UK and s.Oliver in Germany to name a few.

Besides sourcing from its partner factories, the company has three manufacturing facilities - two in Bangladesh and one in Sri Lanka. In January 2022, PDS installed a state-of-the-art Washing Plant in one of its Bangladeshi factories, further enhancing its sustainable profile, funded by the Netherlands-based Good Fashion Fund.

Sustainability and circularity lie at the core of PDS in nurturing scalable innovations and shaping the industry's future. Through its venture investment division - PDS Venture Tech - PDS makes early-stage investments, either directly or via collaborations, to foster the development of agile solutions for the future. Investing in opportunities that are in sync with its focus areas helps future-proof its enterprise and create value for the long-term. Some of these partners include True Global and Apex Black in the UK and Yellow Octopus in Poland.

### Building Lerros Moden

Lerros, incorporated in Germany in 1983, designs, manufactures and distributes a range of men's casual clothing and accessories in the mid-price segment under the name LERROS. Apart from the core market in Germany, LERROS distributes to almost all major European countries, including over 1,000 shops and department stores.

### Pearl Academy of Fashions (PAF) & Creative Arts Education Society (CAES)

Dr. Seth founded PAF in 1993 to promote professional education in fashion design. PAF is a leading educational institute in India, spread across 4 campuses with approximately 5,000 students training for employment in the apparel industry. CAES was formed to impart quality education to young children and established a school named Little Pearl.

### Giving back and building a self-reliant Community.

From the outset, Dr. Seth has instilled a strong CSR culture within the businesses he has created. Now, with his two sons managing PGIL and PDS, his time is spent running the various charitable organisations he set up, including Arpan - which offers free tuition to underprivileged children in India and Bangladesh between 7-12 years - and Meena Seth Clinic - which gives free medical aid and healthcare to those in need. "I've got a school where, when it's empty in the afternoon, we use the classrooms to provide free education for kids from poorer communities. I'm also supporting retirement homes, leprosy initiatives, and some cancer foundations," says Dr. Seth.



# Sutlej Textiles & Industries

India's leading manufacturer of value-added and speciality spun yarns

According to the World Bank's latest projections, India's economy will grow by 6.1% in 2023 and 6.8% in 2024, owing to robust private consumption, high domestic demand, and continued government fiscal support. Moreover, highlighting the global importance of secure supply chains, Deloitte attributes a healthy rise in FDI in H1 FY22 which will lead to increase in confidence amongst international investors to invest in India, stating that India "presents huge potential and opportunities as an export hub and investment destination."

India is one of the world's largest producers of cotton, textiles, and apparel, with its textile industry accounting for approximately 2% of its GDP and 4% of the global textile trade. India's exports of textiles and apparel are expected to reach USD 100B in the next five years at a CAGR of 11%, according to the national agency Invest India. And with government initiatives like "Make in India" promoting investment and boosting employment generation - such as through the seven textile Mega Parks planned in greenfield and brownfield sites - the industry is set to double in size by 2025-26.

A family-owned business stretching back to 1934, Sutlej Textiles & Industries Limited is one of the largest manufacturers of spun-dyed yarn in Asia and India's leading manufacturer of value-added and specialty yarns. Sutlej operates five production units and acts as a one-stop textile solutions provider in their product segment for a global customer base spanning 65 countries, including the USA, the UK, Italy, Portugal, South Africa, and Bangladesh.

"My grandfather built the modern foundations for Sutlej's growth, setting up a production unit which today has become the largest dyed yarn-spinning plant in India at a single location. In total, since I joined Sutlej in 1995, we have grown our capacity to over 420,000 spindles from 80,000," says Sutlej Textiles & Industries' Chairman and K. K. BIRLA GROUP's co-chairman, Mr. Chandra Shekhar Nopany. Going forward, Sutlej's long-term focus on product development and manufacturing efficiency, coupled with its renewed financial discipline and massive debt reduction, has positioned it ideally to take advantage of the world's growing demand for Indian textile products.

As a testament to its financial solidity, Sutlej has recently undertaken setting up of a new production unit housing 90,000 spindles - increasing its production capacity by 20% - which the company estimates will lead to top-line growth of 25-30% in the next few years. The majority of Sutlej's textile production comprises cotton melange yarns and dyed man-made fibre yarns, but the company is also a strong player in the USA's home furnishing textiles market, where it hopes to extend its philosophy of growing the market for niche products as opposed to merely addressing existing demand.

Sutlej's upholstery and curtain fabrics are benchmarked to international quality standards and are the hallmark of consistency and value.



Chandra Shekhar Nopany  
Chairman

With a combination of in-house designs and artworks sourced from reputed furnishing design studios from fashion centres around the world, its premium propositions for consumers hold a prominent position in the domestic market and commands a strong export call too.

Sutlej launched its range of Home Décor products with a premium, superior design proposition to the consumer. Sutlej launched "Nesterra" as a premium home furnishings brand in the upholstery and drapery segment and is the company's first ever brand extension focusing on a consumer-first approach that draws inspiration from nature's abode. Nesterra believes in bringing to life aesthetic living spaces brimming with nature, colour and personality.

More recently, in 2017, Sutlej acquired American Silk Mills (ASM), established in 1896 and based in Plains, Pennsylvania, reaffirming its enviable access to USA's home furnishing market - estimated to be worth USD 202B in 2024, according to Statista. Sutlej launched its own brand, ASM Loft, in the USA to supply premium upholstery and curtain fabrics using state-of-the-art design software and European manufacturing equipment. Today, Sutlej employs

a design team in India and the USA, working in synergy with customers and developing designs in collaboration with European studios to provide contemporary styles at competitive prices. "India is advantageously placed at the moment: able to deliver the product at the right time, of a good quality, and at an attractive cost," says Mr. Chandra Shekhar Nopany.

Sutlej is open to greenfield ventures and strategic investments, joint ventures, and partnerships to deepen its presence in international markets and foster its global identity. Although traditionally focused on the USA and Europe - mainly the UK - Sutlej boasts an exceptional track record of working with customers and developing products with partners in Latin America and Africa. Sutlej's ability to rapidly source high-quality products at competitive prices constitutes a unique value proposition. Still, for Mr. Chandra Shekhar Nopany, Sutlej's most valuable asset lies in its end-to-end approach and focus on people. "We understand that you have to work together with your buyers. We interact with our customers and clients in 'the old-fashioned way' with an endeavor to meet their present needs and also to understand and fulfill their needs through our product and service offering. We have our own design rooms, send them samples, and showcase at textile fairs. Meeting in person is essential in this industry because you have to feel the textiles," says Mr. Chandra Shekhar Nopany.

As India's textile industry continues to flourish, Sutlej's belief in transparency-based corporate governance, professional management, and strong community values makes it the ideal industry ambassador. Sutlej aims to build lasting social capital in every community it works with - through social welfare initiatives and infrastructure investments touching the lives of the local communities it operates in. Equally, Sutlej is the perfect match for international companies looking to greenify their value chains and meet the global sustainability challenge. Sutlej uses eco friendly dyes and pigments, sustainable fibres including organic cotton, and major quantity of the polyester fibre used for spinning in all its factories comes from its own Green Fibre manufacturing facility which makes polyester fibre by recycling about 2.5 Bn PET bottles annually.



Textiles and Industries Limited

# Vardhman Group - A Vertically-Integrated Textile Champion

Eight years after the launch of the high-profile Make In India programme, India's merchandise trade crossed the \$1trn mark in 21-22, with exports reaching \$409bn i.e. 30% up compared from 2019-20.

The textile industry accounts for more than 10% of India's exports, playing a central role in the country's growth story.

Vardhman Group, as the largest vertically-integrated textile manufacturer in the country, is at the heart of this thriving sector's success, exporting to 75 countries.

"We are currently a \$1.2bn company, and our next target is to be \$2bn by 2030," says Shri Paul Oswal, chairman and managing director of Vardhman Group, which is based in Ludhiana, Punjab. "We have the largest capacity in the country, and well-established relationships with many other global brands in the US and Europe, with a diversified portfolio of customers. We are the preferred supplier of fabric to Bangladesh and Sri Lanka as well as Indian garment manufacturers."

Currently, Vardhman exports around 50% of its yarn production, 30-35% of fabric, and 20-25% of garment output.

It leverages a wide range of competitive advantages, including its fully-integrated value chain with facilities across India, that allow it remarkable agility to adapt to change and freedom to customise to its clients' needs. Its integration means the company can also deliver consistency and reliability, as well as



Shri Paul Oswal  
Chairman & Managing Director

traceability and sustainability - particularly important as ESG demands grow. Indeed, the company's commercial success is founded on strong values that its partners recognise.

"Our main selling point is very consistent quality," says Oswal. "The best quality we can offer. We are also a partner that can be trusted - goodwill is more important to us than money."

In 2016, American & Efird, one of the world's leading textile companies, took a majority stake in Vardhman, affirming the latter's position as a business of global stature with the values and outlook to attract top investors. Vardhman continues to be open to partnerships, including those that will bring knowledge and technology, including R&D capacity; it already works with technology partners from around the world, including Japan.

"In 1960's, my vision was to set up professional corporate house. However, it was difficult to get

qualified professionals in Ludhiana and the culture of Ludhiana was also not aligned as most of the small & medium business were run by the family who virtually took all the decisions with very little delegation. To improve professional culture, we had two options; either to go to Delhi or to initiate the process of development of people in Ludhiana and create a partnership in the society at large. We opted for the latter. We can proudly say today that professionalism in Ludhiana has grown and no. of big houses have sprung up manned by high sounding professionals.

In mid 80s, Punjab faced a political situation which scared people to come to Ludhiana for jobs and for those who were already working there belonging to outside Ludhiana were under tremendous pressure. It posed formidable challenge to us as that time as no. of organizations shifted their Corporate Office to Delhi. We deliberated and resolved that this is a temporary situation. We like to tide over through our internal process of developing people who have roots in Punjab and, therefore, we developed Vardhman Training & Development Centre (VTDC). At the same time, the group evolved strategy for the geographical dispersal for our activities in the states like Madhya Pradesh & Himachal Pradesh and today the % of revenue which comes from these two states is much higher than the Punjab. Accordingly, VTDC facility is now being used for training of employees for the entire group.



Vardhman

# HFCL

## Setting international benchmarks for next-gen digital networks

India has quickly become the preferred 'China-plus-one' investment destination and will drive a fifth of the world's economic expansion this decade, according to Morgan Stanley, which highlighted it as one of only three countries capable of generating over USD 400 billion in annual output growth.

India is home to the world's second-largest mobile market, with a subscriber base of 1.17 billion as of August 2022, according to the government agency Invest India. And with a PLI Scheme for design-led manufacturing and networking products worth INR 12,195 crore, India's government has made 4G expansion and 5G rollout key to transforming the country into a developed nation.

Incorporated in 1987, HFCL is India's leading manufacturer and supplier of fiber optic cables, operating several state-of-the-art production facilities and exporting to more than 30 countries worldwide.

HFCL has delivered multiple large-scale, end-to-end network solutions projects across various sectors, including a secure military communication network spanning 300-plus locations for India's defence forces worth USD 1 billion. HFCL is currently implementing Dhaka Metro's communications system, having completed Mauritius Metro's communication system.



Mahendra Nahata  
Managing Director

In line with 5G rollouts globally, HFCL has been investing in building a 5G products portfolio, leveraging its strong R&D capabilities and partnerships with global tech leaders. The company has in-house R&D Centres in India

to innovate cutting-edge technology products and solutions. HFCL's capabilities go beyond premium quality Optical Fiber and Optical Fiber Cables to state-of-the-art telecom products including 5G RAN Products, 5G Transport Products, World's First Open-Source Wi-Fi 7 Access Points, Unlicensed Band Radios, Switches, Routers and Software Defined Radios.

"We are working with customers across the Europe including France, Germany, the UK, and Poland. Besides Europe, we also work with customers in Australia, the Middle East, Oman, and Dubai. HFCL generates nearly 21% of its revenue from international exports, and the company aims to increase this to 70% in the next three years, backed by a strong financial performance in FY22", said Mr. Mahendra Nahata, Managing Director, HFCL.

"India is deploying 5G at the fastest pace in the world which opens multiple opportunities for companies like ours. This is why it is the most opportune time to introduce next-generation products and solutions across multiple areas of expertise. We are confident that our world-class innovations will further aid and accelerate 5G adoption and network upgrade both in India and globally", added Mr. Nahata.

