How the ₹10,000-crore PPE industry popped up in barely two months

The Government’s appeal to the textile sector seems to have done the trick

India has 15.96 lakh PPE kits and another 2.22 crore are being produced against orders

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M Ramesh

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Thanks to the pandemic, a new market, estimated to be worth at least ₹10,000 crore, has popped up from nowhere.

Starting from barely nothing two months ago, India has now become the world’s second-largest supplier of medical personal protective equipment (PPE), after China. These are products like goggles, face-shields, masks, gloves, coveralls and gowns, head and shoe covers.

In 60-odd days, the industry has grown 56 times, according to a recent report by Invest India, a company set up by the government to facilitate investments. Over 600 companies in India are certified to produce PPE. These include textile biggies such as Arvind, JCT Mills, the Trident Group, Welspun and Shahi Exports. India now manufactures 4.5 lakh pieces of PPE a day, and the country is well-positioned to seize a share of the global market, which is projected to be $60 billion by 2025.

Prompt action

How did the industry gather itself so quickly? Many give credit to the swiftness with which the Centre acted.

Harish Ahuja, Chairman and Managing Director of Shahi Exports, recalls getting a call from the Textiles Secretary in early April. Noting that Shahi Exports’ 58 plants in the country have been lying shut due to the lockdown, the Secretary asked Ahuja if he could take up the manufacture of coveralls — protective gowns made of special, non-woven fabric.

Shahi Exports swung into action. Though only five of its 58 plants needed to be pressed into service and only 750 of its 1.2 lakh employees were used for the purpose, the company now makes 20,000 coveralls a day. It has so far supplied close to nine lakh pieces to Kerala-based HLL Lifecare, the Central government’s agency for medical procurement.

The story is the same across the industry. A nudge from the government, an appeal for helping the country in the time of crisis and a new business opportunity when none else existed, seem to have done the trick. “The textile industry working closely with the Government of India created an entire industry from scratch,” Kulin Lalbhai, Executive Director, Arvind Ltd, told BusinessLine. Arvind makes 15,000 coveralls a day from its plants in Bengaluru, Ahmedabad and Ranchi.

As is always the case, there were challenges. Before the Covid-19 outbreak, the PPE industry in India was very small, and all the raw material was being imported from China. But when the pandemic broke out and imports were not possible, the industry had to quickly develop
a domestic supply chain. “We have been able to work with our suppliers to shift a large part of the supply chain to India,” Lalbhai said.

Ahuja notes that today all the raw materials, with the sole exception of sealing tapes, are available in India, which puts the country at an advantage over the principal competitors, Vietnam and Cambodia.

Of course, it helped that the industry already had the equipment. “Fortunately, we had all the machines needed to produce the coveralls,” Ahuja told BusinessLine. Shahi Exports was also making rain-proof clothing. Likewise, Arvind was also into technical textiles — for which there was a big push in the recent Budget. The company used to make protective clothing for oil and gas, medical and automotive industries. Thus, to ramp up medical PPE was but one step.

Growing market

The Defence Research and Development Organisation lists over 275 companies certified to make medical coveralls (the DRDO has been in the forefront for developing counter-Covid-19 products and been licensing them for free to the industry). Ninety-five manufacturers supply coveralls to HLL Lifecare. Most of them are not as big as Arvind or Shahi. Grassroot Markmen of Delhi was a new entrant. Grassroot, which has just begun production, says it will soon make 3,000 coveralls a day.

Today, India has an inventory of 15.96 lakh PPE kits (of all kinds) and another 2.22 crore kits are being made against firm orders by the industry, according to the Invest India report.

Bengaluru has become a major PPE hub, where half the production happens. The rest of it is spread across the country — Tiruppur, Coimbatore, Chennai, Ahmedabad, Vadodara, Ludhiana, Bhiwandi, Kolkata, Noida and Gurugram.

What happens once the market is saturated? All the manufacturers that BusinessLine spoke to are confident of exports. “Once we have enough for ourselves,” said Lalbhai, “there will be ample opportunities to export.” Likewise, Ashok Naik of Grassroot Markmen sees “huge potential in exports.” The $60-billion market, in which there are just a handful of players, is a veritable blue ocean.

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