



CONVISAGE 2022



RESHAMANDI

Team : Zero Hourlies

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Basic Requiereement s of the requisite yarn

The yarn should have following requisite :

- Natural
- Large TAM
- Fragmented supply chain.

FAVORABLE YARN TO VENTURE INTO

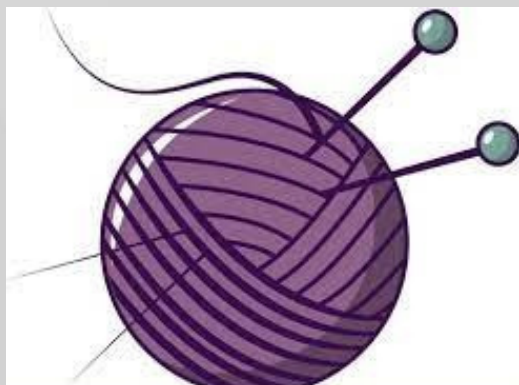
*Based on our research the most favorable
yarn to venture into is :*

WOOL

Note :There were 2 yarns which we focused on during our research:

1. WOOL 2. JUTE .

in the end after comparing their benefits and drawbacks we concluded that wool is the most viable option for the company .



WHY WOOL ?

- **TAM :**

Wool is the most widely used fabric after Cotton and silk



- **RAW MATERIAL AVAILABILITY :**

India has the third largest population of sheep in the world having 65.07 million sheep producing 43.50 million kg of raw wool in 2017-18. Out of this about **85% is carpet grade wool**, 5% apparel grade and remaining 10% coarse grade wool for making rough Kambals etc.

- **DISRUPTED SUPPLY CHAIN :**

Despite having huge turnover of around Rs. 11484.82 Crores . the industry lacks a robust supply chain system and still depend on unreliable middlemen for most of the work .

- **NO COMPETITION**

No company is currently dealing with this market giving first mover advantage.

PROBLEM WITH WOOL

- **HIGH IMPORTS :**

India imports a major chunk of its wool yarn from abroad due to cheap rates and these imports have been on a rise .

SOLUTION!

By improving the supply chain and removing a number of middlemen the prices of wool yarn can be sold competitively .

Most of the Indian wool **(85%), is carpet wool** , so if prices are made competitive , the company can take advantage of the growing demand of the fine quality wool .

- **TRACKING REARER:**

Many sheep reares in states of haryana , rajasthan and some parts of north India are still banjaras (i.e. they keep changing places according to season.)

SOLUTION!

Connecting rearers with the app can solve this problem (*similar to cotton*).

- **DIFFICULT QUALITY CHECK :**

Qality check is difficult for wool .

SOLUTION!

IOT and ML devices can easily solve this problem .

- **LOGISTICAL ISSUES DUE TO DIFFERENT LOCATION OF RAW MATERIAL AND PROCESSING UNIT**

most of the wool is produced in the Southern states while most of the processing units in the north .

SOLUTION!

Starting Procurement from close areas close to industry to maintain margins and then expanding outwards can help build a robust logistical system and bring down cost .

Import of raw wool from Australia, New Zealand and many other countries are as under:

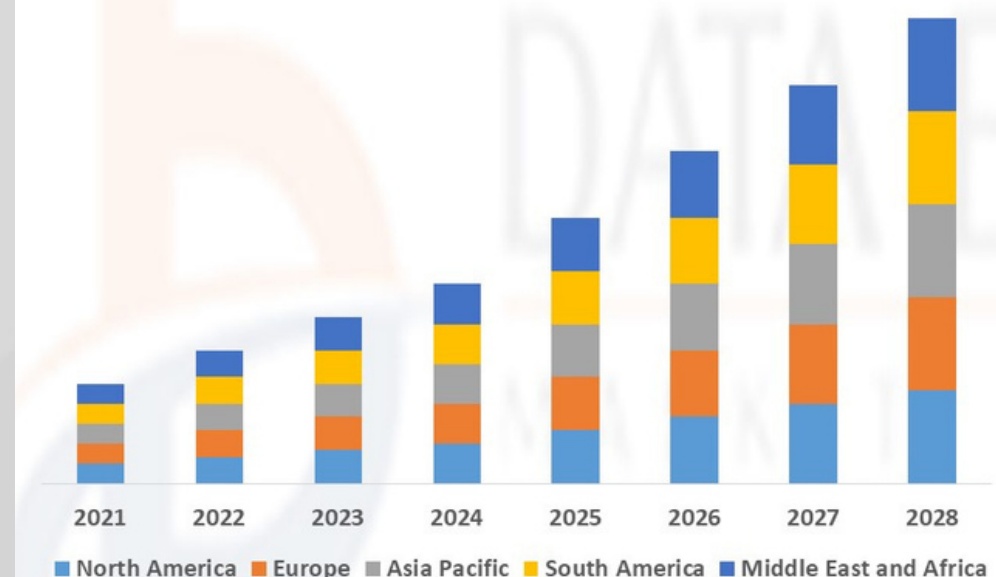
Year	Qty. (in million kgs.)	Value (Rs. in crores)
2010-11	94.77	1434.65
2011-12	76.29	1876.87
2012-13	77.16	1801.90
2013-14	89.60	1967.72
2014-15	96.53	2125.74
2015-16	97.83	2016.12
2016-17	87.15	1894.26
2017-18	79.95	1884.59

(Source: DGCI&S, Calcutta)

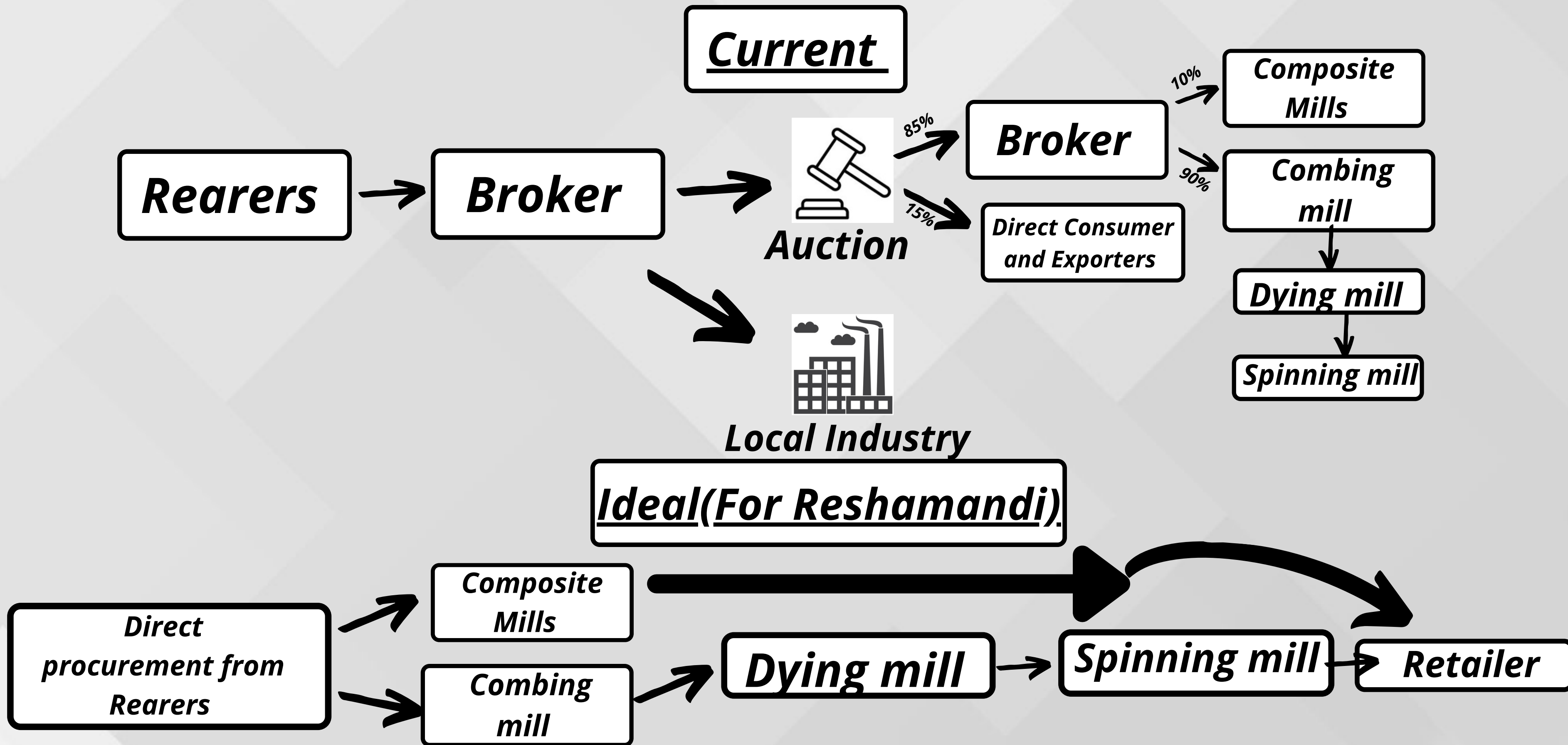
RAW WOOL IMPORTS FROM MAJOR COUNTRIES

SN	Country	Qty. in tones (2017-18)
1	Australia	14079.488
2	China	10513.462
3	New Zealand	9157.914
4	Saudi Arab	4918.388
5	Pakistan	4690.367

Global Carpets and Rugs Market is Expected to Account for USD 160.34 Billion by 2028



SUPPLY CHAIN



MOST FEASIBLE LOCATION

Most of the wool is produced in India in the southern and central states of Rajasthan , Karnataka , Telangana etc ,while most of the processing units are located in the northern and eastern India ***Around 40 per cent of the woollen units are located in Punjab, 27 per cent in Haryana, 10 per cent in Rajasthan, while the rest of the states account for the remaining 23 per cent of the units. The larger units are located in Maharashtra, Punjab, Gujarat and West Bengal..***

Hence most feasible location is a junction location which has good production of wool, close proximity to industry and good quality wool .. and all these conditions are fulfilled by areas of ***UttarPradesh and Rajasthan***. as these states have the highest carpet wool production and are located close to industries of Punjab and Delhi .



Major wool producing States :-

SN	States	Wool Production 2017-18 (Qty. in '000 kg.)
1	Rajasthan	13924.19
2	Jammu & Kashmir	7411
3	Karnataka	4392
4	Telangana	4800
5	Gujarat	2267
6	Himachal Pradesh	1500
7	Maharashtra	1418
8	Uttarakhand	558
9	Uttar Pradesh	1404
10	Andhra Pradesh	793

Source : Animal Husbandry Deptt., Ministry of Agri.

MOST FEASIBLE LOCATION –

- **WESTERN UTTAR PRADESH (DISTT. AMROHA , BULANDSHAHER ,MERRUT , HAPUR , BAGHPAT)**
- **RAJASTHAN**



THANK YOU