

KISHCO

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CORPORATE BROCHURE



Fabric of society

In a fascinating insight into the flow of discarded garments from the West into the free ports of western India, and their subsequent return in different guises to Europe and the US, executive director Nohar Nath explains to John O'Hanlon how Kishco Group manages the complex net of supply, processing and demand

Kishco Group is a long-established family business, having been founded in 1938 by Mr KG Nariman and his father. Back in those days it was a manufacturing company, making high-quality suiting fabric as well as metal goods. Over the years and the generations, the family abandoned manufacturing and focused its attention and expertise on trading raw materials, eventually establishing itself as a niche player importing and exporting textiles, fibre and yarn and selling it to customers all over the world. Today the group is run by KG Nariman's daughter Mrs Minoo Nath, managing director, who looks after the financial and administrative aspects of the business; and her son, Nohar Nath, who takes care of sales and marketing.



consumer waste—mainly discarded clothing—and industrial waste from every point along the manufacturing value chain. It all has a value and can be used to manufacture other products.”

The business of sorting consumer waste moved from the developed world to Asia and North Africa as this labour-intensive activity became unviable. One of its largest centres is now the Kandla Special Economic Zone in Gujarat, 600 kilometres to the north of Kishco’s Mumbai base and to which unimaginable quantities of waste clothing is brought from Europe, the US and elsewhere. “We have a number of graders in Kandla who sort the material. We re-grade it into a number of categories—some new or good condition clothing can be sold in third world countries; some of it is used for fibre manufacture, and we make blankets or carpets out of it.”

Kishco gravitated towards recycling as its experience grew and as the new textile business became more and more competitive. It has been given a fair wind by the growing need for corporations around the world to improve their green credentials and to be able to report eco-friendly policies in their annual reports. Though legislation and regulation is rudimentary at present, consumers already like to see that the clothes they buy contain a percentage of recycled material: when targets and regulations governing this come through, as they inevitably will over the next decade, Kishco will be in just the right place, Nath believes.

An important product line would be industrial wipes, or wipers as they are called in India. Large quantities of cloths are used for cleaning anything from machinery in a factory to windows, floors, trains or ships’ engines. They are high volume, relatively low cost, but quite high spec products with regard to size, absorbency and other things the customer may need. “By buying recycled wipers the customer benefits twice—the cost is less and their reputation is enhanced. Our customers range from the smallest workshop to the largest corporation. For example, Walmart and Home Depot in the US use our product and put it on their shelves, while at the other extreme we sell to a lot of one-man units.”

Until 10 or 15 years ago, Nath continues, while there was a thriving market for cotton and wool clothing waste it was not economical to recycle petroleum-based fibres like polyester and nylon.

“Natural fibres are still easier to recycle and yield more value but the technology has changed and we are able to handle oil-based fibres using modern machinery. We are constantly doing R&D work to see what different materials we can recycle and following that up with testing and market research.” As the price of oil escalates, the advantage of recycled over new fibre is irrefutable.

While around half of Kishco’s direct customers are based in India, a growing number are in third world countries that are developing their own textile industries. Nath singles out Tanzania and Malawi in East Africa, and Senegal and Ghana in West Africa. “Tanzania is pretty much the hub for the textile recycling business in East Africa. The Chinese were and still are involved, but they mainly stick to new textiles.”

Nevertheless, the Chinese product does compete with Kishco’s: such is their production efficiency

that they can often offer a new product at a cost that competes with the recycled item. If cost were the only factor, that might be a problem, Nath admits: “But many of our clients around the world actually prefer recycled to new product. The new product is rock bottom quality and the recycled as often as not contains better quality materials.”

Kishco is planning to stick to its core business for the foreseeable future, and focus more and more on recycling. Recycling is a bandwagon, Nath concedes, and more people are jumping onto it; but demand will grow as long as the world population keeps increasing and there is no danger of the flow of raw material decreasing from the profligate West. “We do believe there will be subsidies in the pipeline for companies that do recycling. Hopefully we might get some of those in India too; we will definitely benefit if and when that happens.” www.kishcogroup.com

Kishco Group trades in every kind of textile product category, whether natural fibre like cotton and wool or synthetic, polymer-based fabrics and blends. It can be regarded as a portal to the entire Indian textile industry in all its diversity, exporting anything from yarn to finished clothing, plain fabric in rolls, to value-added weaves like satin, denim, shirting and the like, any of which can be printed however the customer wants.

However none of this primary work is done by Kishco itself these days. The staff consists of just 20 specialist managers, logistics experts, purchasing and sales people who maintain a unique network of contacts in the industry, not just across India but right across the globe. It is pre-eminently a textile industry supply chain player, whose strengths lie in its knowledge of the global market and its ability to leverage the strengths of India as the hub of this network.

Fundamentally the business imports raw materials, has them processed, and re-exports them in the form of product. The key thing is the raw material though, which is largely recycled waste. “The world generates a massive amount of textile waste,” explains Nohar Nath. “There are two sources,

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