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# मंत्रालय तय करेगा कपड़ा उद्योग का भविष्य

## टैक्सटाइल उद्योग के रक्षाकवच के रूप में जेडएलडी की उम्मीद बंधी, पाली के तीन प्रस्ताव समेत प्रदेश से आठ प्रस्ताव भिजवाए गए

**पाली.** अब प्रदेश के कपड़ा उद्योग का भविष्य काफी हद तक टैक्सटाइल मंत्रालय पर आश्रित होकर रह गया है। पाली समेत अन्य शहरों के कपड़ा उद्योग की प्रदूषण समस्या को दूर करने के लिए गेंद केन्द्र सरकार के पाले में डाली गई है। प्रदेश से ऐसे आठ प्रस्ताव भिजवाए गए हैं। इनको स्वीकृति मिलती है तो करोड़ों रुपए की सहायता से प्रदूषण की समस्या काफी हद तक दूर हो सकेगी। केन्द्र सरकार के टैक्सटाइल मंत्रालय की इंटीग्रेटेड प्रोसेसिंग डवलपमेंट स्कीम (आईपीडीएस) के तहत प्रदेश के टैक्सटाइल उद्योग की दशा बदल सकती है। अकेले पाली से तीन प्रस्ताव मंत्रालय को भेजे गए हैं। इसके अतिरिक्त करीब पांच अन्य प्रस्ताव प्रदेश के अलग-अलग शहरों से भिजवाए गए हैं। ये प्रस्ताव उद्योग विभाग के जरिए केन्द्र सरकार को भेजे गए हैं। इन प्रस्तावों को मंत्रालय अपने स्तर पर कंसल्टेंट कंपनियों को देगी। ये कंपनियां प्रत्येक प्रदेश और जिला स्तर पर संबंधित उद्योग, इनके निकलने वाले प्रदूषित पानी, ट्रीटमेंट प्रक्रिया का आकलन करेगी। इस आकलन के बाद सभी आठों ट्रीटमेंट प्रस्तावों की अलग से डीपीआर बनेगी।

**इस प्रकार मिलेगी राहत :** इसके तहत प्रदूषित पानी को स्वच्छ करने के लिए जीरो लिक्विड डिस्चार्ज प्रणाली का प्लांट स्थापित किया जाएगा। इसके कुल खर्च की 50 प्रतिशत राशि केन्द्र सरकार वहन करेगी, जबकि 25 प्रतिशत राशि राज्य सरकार देगी। शेष 25 प्रतिशत राशि उद्यमी संगठनों को वहन करनी होगी। कुल लागत का 10 प्रतिशत बैंक लोन के जरिए भी मिल सकता है। इस प्रकार उद्यमियों को स्वयं की ओर से 15 प्रतिशत का सहयोग ही देना होगा।

### पाली का गणित

पाली से सीईटीपी की ओर से निर्माणाधीन प्लांट संख्या 5 और 6 का प्रस्ताव भिजवाया गया है। दोनों प्लांट के लिए 12-12 एमएलडी पानी ट्रीट करने का प्रस्ताव लिया गया है। प्रत्येक 12 एमएलडी पानी ट्रीट करने के लिए डीपीआर तैयार की गई है, जिसमें 119 करोड़ का खर्चा रखा गया है। एक प्लांट के लिए उद्यमियों पर प्रत्यक्ष भार 15 से 18 करोड़ का पड़ेगा। दोनों प्लांट के लिए यही कुल भार 30 करोड़ से 36 करोड़ के बीच में होगा।

**यहां भी उम्मीद की आस :** प्रदेश के कपड़ा उद्योग की सबसे बड़ी प्रदूषण समस्या से निजात के लिए ये पहल उपयोगी साबित हो सकती है। पाली से कुल तीन प्रस्ताव भिजवाए गए हैं। इसमें सीईटीपी प्लांट संख्या 5, प्लांट संख्या 6 और निजी टैक्सटाइल जोन के प्रस्ताव शामिल है। इसके अतिरिक्त बालोतरा, सांगानेर, भिवाड़ी सहित दो अन्य कपड़ा शहरों के प्रस्ताव भिजवाए गए हैं।

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# Textile industry may cross $350 b turnover by 2025: CII

**COIMBATORE, PTI:** The textile industry has the potential to cross a turnover of $350 billion by 2025, if it diversifies to new product categories like Man-Made Fibres (MMF), Confederation of Indian Textile Industry Chairman Prem Malik said on Friday.

Though the government has set a too ambitious revenue target of $650 billion by 2025, it was quite practical to achieve $350 billion in ten years, Malik said at the inauguration of Texfair, an International textile Machinery, Spares and AccessoriesExpo, which began here.

Stating that the industry generated an annual revenue of around $100 billion at present with exports alone contributing nearly $60 billion, he said in contrast, the domestic market of China alone was pegged at $300 billion.

"All MMFs taken together have a share of around 30 per cent in our fibre consumption against nearly 70 per cent in global markets," Malik said.

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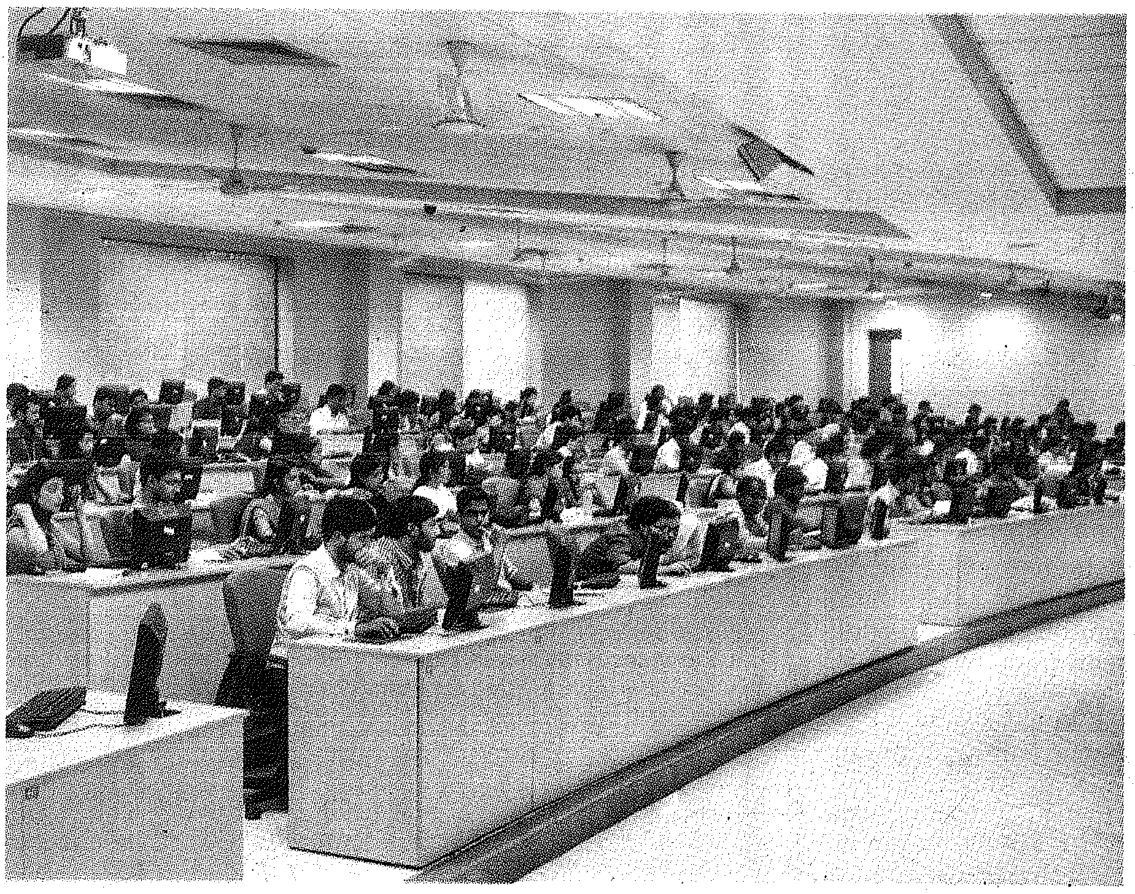
# The right way to skill India?

## It's time industry leaders stop complaining about the increasing skills gap but contribute by training, knowledge-sharing and inspiring

VP RAJINI REDDY



Various studies have revealed that the skill gap across industries is growing by leaps and bounds. If we look at some statistics, the expected shortfall in 2022 will be 103 million in the infrastructure industry, 35 million in auto and auto components, 26.2 million in textile and clothing, 33 million in building and construction, 17.7 million in transport and logistics, 17.3 million in organised retail, 14 million in real estate services, 12.7 million in healthcare, 9.3 million in food processing, and 5.8 million in education and skill development services.

These are whopping numbers, but this also means that job opportunities are increasing on a rapid scale. However, who is going to fill these positions? Are we skilled enough to reduce this gap between available skills and industry demand. The answer is a highly disappointing 'no'.

Much has been talked about how our education system is not able to produce the workforce required by the industry. The theoretical knowledge and studying to complete the course with sufficient marks is just not what the demand is actually about. The demand is for people with the technical know-how who have the passion to learn and are armed with excellent soft skills.

According to the National Skill Development Corporation (NSDC), a public-private partnership tasked with funding and directing private skilling programmes, approximately 12.8 million people will join the job market every year. But then, in 2012-13, the NSDC met just 16.5% of its skilling target, which brings us to the point that not only is the NSDC required to gear up to increase its efforts but also new avenues need to open up towards the direction of bridging the skill gap.

Industry-led education is the answer to this alarming situation. It has become vitally important to enhance the Indian talent pool to maximise the industry's potential and enable the sector to further catalyse the country's economic growth rate.

The fact that our educational system needs to change to bring in more industry exposure is well known. To encourage industry-led education, all educational institutions need to focus on conducting workshops and guest lectures by reputed industry experts to expose students to industry needs, support industry internships and projects, and make soft skills and value-based training a part of curriculum.

Today, job seekers and employers need to work together, be it through online platforms or through educational and training institutions. Undoubtedly, fresh graduates need to go through training to fit the bill. A lot of companies have very effective training programmes; companies such as Goldman Sachs, Infosys, HCL, etc, are known for their training programmes. Training needs to include not only the technical know-how but also softer aspects of professionalism, be these interpersonal skills, communication skills or effective know-how of computer, mobile technology and social media platforms.

The boom in the online learning sector is another resource that is increasingly being channelised towards this direction. Graduates fresh out of college can now choose the plethora of courses available online which could give them that finishing touch before they land that big job.

Making pre-vocational courses available at the high school and at the college level is also of great significance in mitigating the skill gap. At the same time, students choosing these courses need to be incentivised which will motivate the students to go for such courses. The incentives could be in any form—credits, internal grades, vertical academic mobility, etc.

A CII report on Tamil Nadu had estimated that, this year, the incremental skilled manpower requirement of the state will be 130-150 lakh, mainly in the manufacturing, textile, automotive, retail, IT, electronics and banking and financial services sectors. There are over 38,500 industrial units in the state. Nearly 72 industrial training institutes run by the government across the state provide various mechanical, electrical and computer-aided courses to individuals. Experts highlight that though there is much demand for skilled labour in the state, there are not many who meet the requirements. As is clear that city/state has a particular selection of sector which is more prominent than others; for instance, automobile, IT and electronics in Chennai, or aerospace, aviation and IT in Bangalore. So it will be best to skill a near-shore requirement and make it a centre for excellence in that area.

Individual-level attitudinal and mindset-level change needs to happen to ensure a global-level transformation. As Socrates so rightly said, "The secret to change is to focus all of your energy not on fighting the old, but on building the new." So, it's time that the industry leaders stop complaining about the skill gap but contribute heavily by training, knowledge sharing and, above all, inspiring.

*The author is director, Swarnabhoomi Academic Institutions*

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# Gujarat: The land of unlimited opportunities

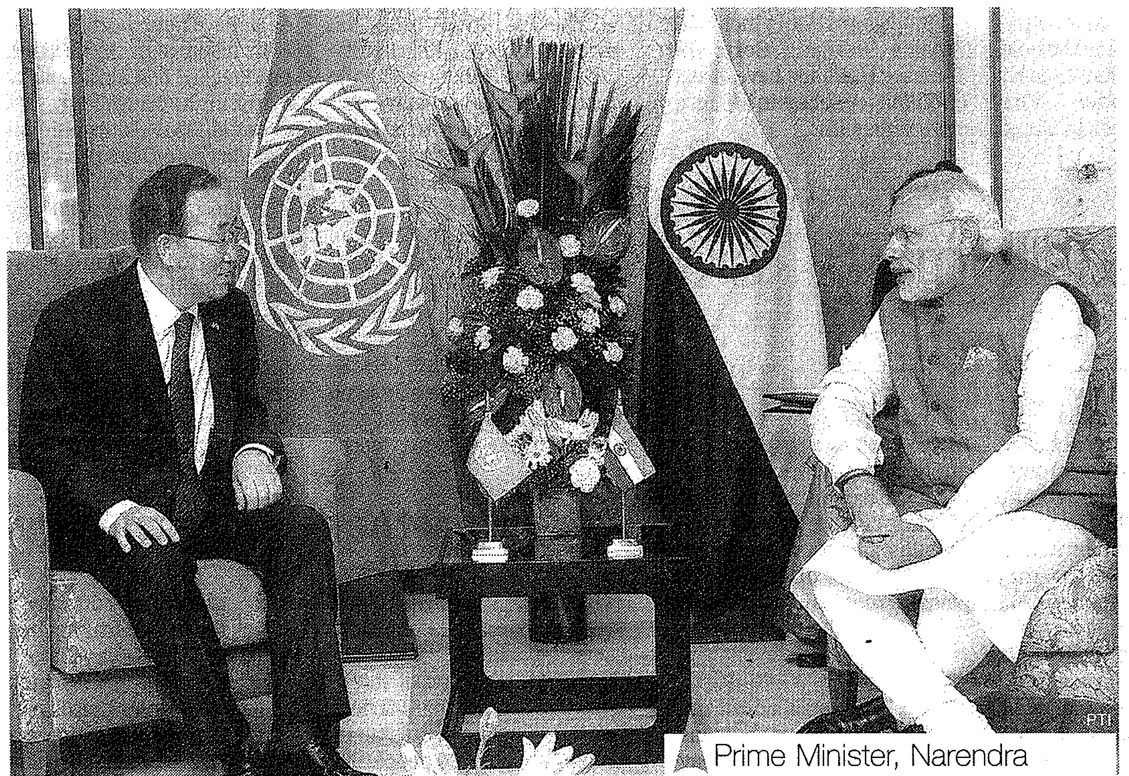
One may often find himself wondering where to start if the industrial opportunities in Gujarat have to be listed. An investor considering investment in the state will see that it is a wonderland for investing in sectors, such as textiles and apparels, auto and ceramics, agro and food processing, chemicals and petrochemicals, pharmaceuticals, biotechnology, IT, and gas and oil.

There are as many as 55 Special Economic Zones (SEZs) in Gujarat, covering an area of approximately 27,125 hectares. Gujarat has three operational SEZs, covering an area of 506 hectares, which are Kandla SEZ, SUR SEZ, Surat Apparel Park. There are seven Notified and Operational SEZs, covering an area of 9,810 hectares, 15 Notified SEZ are present, covering an area of 6,114 hectares, 22 formally approved SEZ in Gujarat, covering area of 7,702 hectares, eight In-principle approved covering an area of 2,993 hectares. These SEZs are involved in several sectors such as, Biotechnology, Power, Handicraft/Artisan, Gems & Jewellery and Port based multiproduct. There are 15 IT/ITes, 10 Multi-Product, 9 Engineering, four Textiles & Apparels, four Chemical, four Pharmaceuticals, one Port Based and eight other SEZs in Gujarat.

Gujarat is a thriving industrial state and hotbed for investments. Gujarat accounts for 15.14 per cent (USD 114.52 billion) of the total investments in India, the highest amongst all states. With 6 per cent of India's geographical area, the State is home to 41 ports and handles around 25 per cent of the country's sea-cargo. Gujarat contributes significantly to India's economy across key sectors including production of Soda Ash, Diamond Processing, Salt, Petroleum products, Chemicals and Pharmaceuticals. Gujarat witnessed the Gross State Domestic Product (GSDP) of 10.2 per cent for the year (2002-07) and a target GSDP of 11.2 per cent is envisaged till 2007-12: highest in India. Gujarat is leader in various industrial sectors, Chemicals, Petrochemicals, Drugs & Pharmaceuticals, Dairy, Cement &Ceramics, Textiles, Engineering and Gems & Jewellery.

Let us take a look at some of the prominent industries of Gujarat where investments can be made for future growth.

> Gujarat, one of India's most progressive states with a positive development quotient has always capitalized on its strength to leverage strategic opportunities



Prime Minister, Narendra Modi with UN Secretary General, Ban Ki Moon during the Vibrant Gujarat Global Summit 2015 in Gandhinagar, Gujarat on Sunday.

**Textiles:** Gujarat is the largest producer (33 per cent) of cotton in the country with production of 93 lakh bales in 2012-13 and exports 60 per cent of cotton in the country. About half of the country's art silk fabric is produced in Surat. The state is largest producer of denim in India (65 per cent). It has the highest number of medium and large textile processing houses (over 600). It contributes to over one-fourth of the country's technical textile output and is the largest manufacturer of man-made and filament fabric. Gujarat is a leader in textile sector with home to 1,560 medium and largest textile units and having 18 textile-related product clusters. Gujarat envisions to attract at least 2,000 new units with an investment worth USD 1600 million (INR10,000 crore) by introducing technical textile mission. Gujarat's textile market is estimated to be around USD 25 billion by 2017.

> **Gujarat contributes 16 per cent of India's total industrial production. The state with a consistent double digit growth rate also boasts of highly skilled multilingual workforce**

**Pharma:** Gujarat, an established manufacturing base - for bulk drugs and formulations, is poised to capture global opportunities to become a Global Pharmaceuticals Hub. The turnover of Gujarat Pharmaceutical industry was worth USD 7.8 billion in 2013-14. About 40 per cent of machinery for Pharma sector manufactured by Gujarat, 70 per cent of cardiac stents & 50 per cent of intraocular lenses manufactured in Gujarat. It is the only manufacturer of a digestive enzyme, Pink Papain, in the world. About 58 per cent of orthopedic implants manufactured in Gujarat and it is also the only manufacturer of ranitidine hydrochloride in the country. Gujarat contributes 40 per cent to India's total pharmaceutical production. Pharma exports from the state in 2013 stood at USD 2.83 billion ( 28 per cent of India's pharma export). The sector provides employment to around 75,000 people.

**Renewable Energy:** Gujarat contributes - 15 percent to India's renewable energy basket. It has the highest solar generation potential in India of around 69,000 MW (Installed capacity: 889 MW as on 31-03-2014). The state has Asia's first and the largest solar park with a capacity of 590 MW at Charanka (274 MW commissioned till May, 2014). The "Solar Park" also has capacity to generate 100MW of Wind Power making it the World's biggest solar-wind hybrid park. The Government of India has declared Gandhinagar as a "Model Solar City" (5MW Gandhinagar Grid connected Solar rooftop project). Gujarat has initiated the world's first canal-based solar power project in Mehsana district. The state has the second largest wind power plant installed capacity 3352 MW as on 31-03-2014 in India. Gujarat has a gross potential of 10,000 MW of wind power generation. The state is also home to India's first and Asia's biggest power plant based on biomass gasification and its long coastline has a potential of tidal based power-project of 200 MW to 300 MW capacity

**Automobiles:** An emerging automobile cluster is in the state of Gujarat is Sanand in Mehsana district with manufacturing facility of Tata Nano at Sanand. Tata Nano has brought about a new revolution in the country's small car segment. Sanand is part of the Delhi-Mumbai Industrial Corridor (DMIC), a multi-billion-dollar mega-infrastructure project. Accessibility to the northern and western domestic markets gives it a lead over Chennai, ensuring cars can be delivered faster and cheaper to the markets. Proximity to ports ensures that auto companies can target the export markets as well, giving it an edge over its land-locked rivals. The turning point for Gujarat came with the withdrawal of Tata's much-hyped Nano project from West Bengal. While a number of states vied to fill the vacuum, it was Sanand in Gujarat which bagged the prized project. An exceedingly proactive government facilitated the land acquisition for the project in all of three days and the plant became operational in less than 18 months. This efficiency and speed of government functioning overrode the state's relative lack of automotive supplier base, unleashing a barrage of subsequent investments, with Maruti Suzuki and Ford following suit.

While the above are prominent investment opportunities in Gujarat, one cannot ignore sectors like healthcare, sustainable development, ports and ship building, tourism, agri and food processing, services, road transport, etc, which are the focus sectors for the Seventh Vibrant Gujarat.

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# Chiripal Group: Weaving Success

**Nandan Denim has reported robust financial performance in the ongoing financial year due to better margins, especially in export market. An even better performance is expected in future as the company is expanding its capacity with an investment of Rs.612 crore**

Ahmedabad based multi-faceted business conglomerate Chiripal Group was founded in 1972 by Vedprakash Chiripal. Other promoters of the group are Jaiprakash Chiripal, Jyotiprasad Chiripal, Brijmohan Chiripal, Deepak Chiripal and Vishal Chiripal. Mentioned below are the major companies that form part of the group.

### Nandan Denim Limited

NDL is one of the largest integrated Ahmedabad-based textile player engaged in the business of spinning and denim weaving.

Its story is a successful one. It has reported strong growth of 20.9 per cent in revenue at Rs.276.94 crore for the quarter ended September 30, 2014 as against Rs.229.02 crore in the corresponding quarter of the previous year. NDL reported EBIDTA growth of 23.2 per cent year on year and 9.1 per cent quarter on quarter at Rs.43.97 crore in Q2 FY15. Profit after tax grew 44.8 per cent to Rs.11.95 crore for the quarter ended September 30, 2014 as against Rs.8.26 crore in the same quarter of the previous year. NDL reported a healthy EBIDTA and PAT margin in Q2 FY15 at 15.88 per cent and 4.32 per cent, respectively.

The company is listed on the BSE and NSE stock exchanges. During H1 FY15, NDL reported strong growth in revenue by 24.5 per cent to Rs.540.63 crore, EBIDTA grew by 21.7 per cent to Rs.84.25 crore and PAT grew by 31.9 per cent to Rs.23.43 crore. The growth in revenue is on account of higher penetration in the export market, revenue generation from Shirting segment and better scale of operations on account of expanded denim capacity with comfortable sale realizations.

For Nandan Denim, export constitutes 12 per cent-15 per cent of the revenue and going forward, the company is aiming to increase its footprint in the export market. During H1 of FY15, NDL recorded export sales of Rs.88 crore. In January 2014, NDL forayed and diversified into yarn dyed shirting facility by installing 10MMPA and during H1 FY15 recorded the revenue of Rs.60 crore.

The long-term and short-term bank facilities of Nandan Denim were upgraded to 'A-/A2+' with a Stable Outlook from 'BBB+/A2' in September 2014. Excited over growth prospects from both domestic and export markets, Nandan Denim is undergoing capacity expansion plan of Rs.612 crore. The capacity expansion program largely constitutes expanding the denim fabric weaving capacity and backward integration by way of expanding the yarn spinning capacity. Backward integration through spinning capacity expansion will help the company improve its operating flexibility and margins.

The company continues to focus upon strengthening the market share in domestic and global markets.

### Chiripal Poly Films Limited

CPFL is one of the leading manufacturers of BOPP films. Within a very short span, the company has doubled its capacity to 77,550 TPA by installing second BOPP line, a 5 layer state of art plant of German Technology with a capacity of 40,000 TPA. It further spread its wings by installing two world class plasma treated Metalliser of 2,850 mm, with a capacity of 20,000 TPA. In this short tenure, it has established an excellent quality standard not only within the domestic market, but also in the global packaging sphere. The company has an aggressive plan of venturing into manufacturing Polyester Films having installed capacity of 40,000 TPA by December 2015. The company is estimated to experience higher growth rate in future..

### Vishal Fabrics Limited

Listed on the BSE-SME Platform, the company is engaged in the business of dyeing, printing and processing of fabrics of its own and also on job work basis. The company procures mainly Grey Fabric and dyes, prints and finishes the same as per the client's requirements. The processing unit of the company is based in Narol, Ahmedabad, Gujarat. The plant has the capacity to print, dye and process wide range of fabrics i.e. cotton, polyester, viscose and man-made & blended fabrics suitable for men, women, home furnishing and many other applications.

### CIL Nova Petrochemicals Limited

Listed on BSE & NSE, the company is engaged in the business of selling, marketing, producing, manufacturing of polyester chips, partially oriented yarn, fully drawn yarn and allied products.

### Shanti Educational Initiatives Limited

The textile house has also diversified into the field of education. Education related initiatives of the group are :-

- Shanti Juniors operates a total of 150 schools all over India of which 35 schools are in Ahmedabad and 75 schools across Gujarat.
- Shanti Asiatic School has its campuses in Bhopal, Kheda, Surat, Jaipur, Kalol and Vastral.
- Shanti Business School provides a variety of programmes such as PGDM (Post Graduate Diploma in Management), PGDMC, BBA (Bachelor in Business Administration), MBA (Masters in Business Administration) along with evening programmes. It is AICTE affiliated.
- It has recently launched Hopskotch, an early childhood education centre offering education services to children in the age group of 2-6.

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# Cotton glut may deal farmers hard knock

**HT SPECIAL**

**Zia Haq and Gaurav Choudhury**
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**INDIA LIKELY TO SEE A HUGE DROP IN EXPORTS AS CHINA PLANS TO CUT IMPORTS BY HALF. PRICES ALREADY DOWN 14% FROM LAST YEAR**

**NEW DELHI:** India is likely to face a cotton glut this year. The surplus, however, will be of little comfort to suicide-prone and highly indebted farmers, who stare at a sharp drop in earnings -- prices are already down 14% compared with last year.

The crisis has to do with a slowdown in China, which is forecast to slash by half the amount of cotton it will import this year, most of it from India.

"Exports could see a remarkable fall. Although prices currently show some improvement on a month-on-month basis, average prices of cotton are already about 14% lower than a year ago," said VN Saroja, CEO of Agriwatch, a commodities firm.

The United States department of agriculture (USDA), in a global report, said it expected up to 47% fall in Indian cotton exports.

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» **THE DEBT SPIRAL, P9**

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# Cotton glut may deal farmers hard knock

The glut is expected despite a projected drop in India's output due to a bad monsoon. A partial drought could result in a crop of about 40.2 million bales (of 170 kg each) in 2014-15, lower than the previous year's 40.7 million bales, according to the Cotton Association of India. Even Gujarat, a major producer with better irrigation facilities, could see a dip in output.

Without sufficient exports, a domestic market with too much supply could push prices below profitable levels. Since cotton farmers mostly depend on loans to meet costs, lower profits could aggravate the crisis in suicide-prone cotton belts such as Maharashtra's Vidarbha region.

Moreover, this year's minimum support price is unlikely to cover export costs. So traders will look to offset it by paying farmers less.

Battling a slowdown in its textile sector, China is likely to slash imports by half this year, scaring major producers such as the US, Brazil and Uzbekistan. But these countries are less dependent on China than India, which exports heavily to the Communist neighbour since it started a programme to build a national cotton reserve.

To make it easier for traders to tap alternative markets, the government has relaxed rules by temporarily doing away with the need for exporters to register with the Directorate General of Foreign Trade.

A newer problem could be looming for growers. Indian lint – considered to be of high quality – is mostly handpicked. But, importers now prefer machine-harvested fibre due to changing standards. "As a result, India will struggle to maintain its share in shrinking Chinese imports," the USDA said.

Though genetically modified BT cotton has helped India become the world's second biggest cotton producer, suicide among debt-ridden cotton farmers is often seen as a hidden "agrarian crisis".

The government could come under pressure if the situation worsens in the vulnerable cotton-growing areas. The agriculture ministry last month sent a team to probe the farm crisis in Maharashtra, where persistent dry conditions from this summer's drought are said to have pushed up the number of suicides.

The western state recorded 204 farmer suicides in 2014, deaths that are directly attributable to "agrarian causes", such as financial losses from farming or crop failures.

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# Simpler process needed to avail duty sops: Texprocil

OUR BUREAU
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The Cotton Textiles Export Promotion Council (Texprocil) has urged the Centre to reduce the level of value-addition and simplify the process to get duty concessions under the Advance Licensing Scheme.

Urging the Centre to cut the value-addition to 5 per cent from 15 per cent, the Council said the need for high-level value-addition is discouraging exporters from using the scheme.

Introduced in 1976 with the objective of providing basic inputs at a competitive price, the scheme allows exporters to reclaim duty if they manage to add value of 15 per cent to the imported raw material.

Exporters usually provide a bank guarantee worth the value of import duty and get to reclaim it once they export the finished product.

## Time frame

RK Dalmia, Chairman, Texprocil, said the Central Board of Direct Taxes should issue a circular to ensure that the Customs Department strictly adheres to the time frame of 30 days stipulated in the Foreign Trade Policy to cancel the bank guarantee and legal undertaking after the export is completed. The Council has suggested that the Department should release the bank guarantee or legal undertaking based on the Export Obligation Discharge Certificate issued by the Regional offices of the DGFT.

The Customs verification procedure, if required, should be restricted only to confirm whether shipping bills are genuine instead of re-opening all details of the shipment, it said.

## Raw material use

Currently, said Dalmia, exporters operating under the scheme face problems claiming concessions as it is becoming increasingly difficult to make authorities understand that imported raw material is used in the exported item and to show the quantum of value-addition.

If these issues are addressed, the Advance Authorisation Scheme will go a long way to achieve 'ease of doing business' and make raw materials available at a competitive price, supporting the 'Make in India' programme, said Dalmia.