

Awareness Seminar for Development of Database of Leather Sector

3rd November 2016, New Delhi



Shri Puran Dawar, Regional Chairman – North, CLE welcoming Shri P. Dasgupta, Deputy Secretary, DIPP

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India entrusted an assignment to National Productivity Council (NPC) for evaluation of Indian Leather Development Programme (ILDPP) being implemented under the 12th Plan period and to appraise the effectiveness of existing sub-schemes of ILDP. In this connection, the Council for Leather Exports with the support of National Productivity Council (NPC) organized an awareness seminar for development of database of leather sector held on 3rd November 2016 at Taj Mansingh Hotel, New Delhi.

Shri Sanjay Kumar, Regional Director – North, CLE welcomed all and the distinguished guests. He thanked Shri P. Dasgupta, Deputy Secretary, DIPP for his constant support to leather industry and mapping of leather industry through NPC.

Shri Puran Dawar, Regional Chairman – North, CLE welcomed Shri P. Dasgupta, Deputy Secretary, DIPP by presenting a bouquet and memento.



Shri Sanjay Kumar, Regional Director – North, CLE welcoming the distinguished guests and the members from the leather fraternity



Shri Puran Dawar, Regional Chairman – North, CLE welcoming Shri P. Dasgupta, Deputy Secretary, DIPP



Shri Puran Dawar, Regional Chairman – North, CLE welcomed the distinguished gathering, Shri P. Dasgupta, Deputy Secretary, DIPP, Shri M.J. Parvez, Director (Environment), NPC, Shri Sanjay Kumar, Regional Director – North, CLE, members of NPC and members of the leather industry. He thanked Shri P. Dasgupta for his constant support for development of leather industry. He conveyed that CLE organises such awareness seminars to help the industry members to get aware of what is beneficial for the growth of their industry. Leather industry has a high potential for growth and employment. Government of India is always supportive to the leather industry which in turn helps the leather industry to grow and develop their industry. The Prime Minister of India has identified the leather sector as focus sector under Make in India programme. He conveyed his gratitude to DIPP for implementing ILDP under 12th year plan which included the Integrated Development of Leather Sector (IDLS) which has been the most successful scheme under ILDP.

He once again welcomed all and ensured NPC that there will be full cooperation from industry. Concluding his speech, Shri Dawar invited all for “Meet at Agra 2016” scheduled to be held from 12th – 14th November 2016.



Shri Puran Dawar, Regional Chairman – North, CLE addressing the august gathering



Shri Puran Dawar, Regional Chairman – North, CLE delivering his speech

Shri Dawar added that the DIPP has entrusted NPC the task of collecting database for evaluation of ILDP Programme. This is important as without database no industry can progress. The industry has to provide the right data to NPC which will help them to further evalu-

ate ILDP Programme. He expressed his pleasure to be a part of this seminar. He briefed about NPC established by Ministry of Industry, Government of India, 1958. NPC is a national level organization to promote productivity culture in India. It is an autonomous, multipartite, non-profit organization aiming towards development, dissemination and application of knowledge and experience in productivity, for promoting consciousness and improvement in productivity with the objective of strengthening the performance and competitiveness of the economy as well as of improving the working conditions and quality of life. He conveyed that through this survey of collecting database from the leather industry, the NPC wants to derive an outcome on which changes are required in the schemes, eliminate the schemes which are not beneficial, new schemes if required, etc. so that maximum output is reached to the industry. NPC will help in monitoring, reviewing and implementing the identified strategies. He assured the

industry members that the database they will provide to NPC will be kept confidential. Shri Pervez concluded by stating that there is tremendous potential for growth of the leather sector and therefore appropriate measures need to be taken in order to enhance the productivity of the leather industry.



Shri M.J. Pervez, Director (Environment), NPC interacting with the members of the leather industry

Thereafter, Dr. Harsh Thukral, Deputy Director, NPC and Dr. Shukla Pal, Deputy Director, NPC presented a powerpoint presentation on Development of Database for leather and leather product manufacturing units in India and evaluation of ILDP – sub schemes.

Dr. Harsh Thukral conveyed that good database is important feature for manufacturing sector for providing good schemes to the industry. Dr. Shukla Pal briefed on the background of what is available with the Government of India and the basic information and statistics that are required by the Government of India to promote the leather sector in India like present employment status, foreign direct investment, domestic turnover, ratio of women to men in the entire industry, etc. Dr. Harsh Thukral conveyed that there are two objectives of this study:

1. Database development of all organized / unorganised leather cluster in India.
2. Evaluation/ appraisal of (ILDP) and its sub-scheme being implemented under the 12th Plan period and need for further continuation.

Dr. Shukla Pal requested the industry members to read the questionnaire so that the queries related to it can be solved and suggestions from the members can

be included. The key elements of the database questionnaire are:

- Scale of Operation : [1] Micro; [2] Small; [3] Medium; [4] Large
- Total Investment till date in Plant and Machinery
- Total Sales per annum
- Products manufactured
- Average Production capacity: in 2011-12, in 2015-2016
- Plant utilization
- Average Manpower deployed & Direct/Indirect Employment being provided
- Name of Technology/Machinery deployed
- Future requirements in terms of technology upgradation, capital fund requirement, etc.

She further informed the constraints that NPC is facing in the leather sector:

- ☐ Lack of awareness among industries
- ☐ Possible apprehension about misuse of information provided by industries
- ☐ Short time period to cover all the industries through door- to- door survey
- ☐ Non availability of list of Unregistered units
- ☐ Ready data availability with industries
- ☐ Diversion of attention from business/production



Dr. Shukla Pal, Deputy Director, NPC and Dr. Harsh Thukral, Deputy Director, NPC presenting a powerpoint presentation



view of the audience

Dr. Harsh Thukral requested the participants to be messengers of the project. There is a need to encourage fabricators/fellow units/vendors of leather product components to participate in the survey. He further requested the participants to fill the performa by 10.11.2016 and provide list of fabricators of all the industries with contact details/phone numbers/emails. He further added that suggestions are needed from the members of the leather industry in order to strengthen ILDP.

Col A.K. Chawla (Retd), Member, CLE from M/s. V&M conveyed that firstly, the questionnaire is oversimplified resulting in the destruction of providing actual database. Secondly, exact figures of direct employment can be provided but figures of indirect employment cannot be provided by any company. Thirdly, there is problem of gender ratio. He conveyed that skill development is an easy task but there is a need to formulate a scheme where we have skill development in our own factories and there is no need for the person to get trained somewhere else.



Col A.K. Chawla (Retd), Member, CLE from M/s. V&M raising his queries related to the questionnaire

Shri M.J. Pervez replied that firstly NPC needs correct data from the industry and then only they can move ahead once the database is ready and analysis has been done.



Shri Motilal Sethi, COA Member, CLE from M/s. Saroj International Leathers Pvt. Ltd. raising his concern on how to mobilize more people for collecting data

Shri Motilal Sethi, COA Member, CLE from M/s. Saroj International Leathers Pvt. Ltd. raised his concern regarding the advantages or the convincing points provided by NPC which will help the members of the indus-

try to mobilize people for collecting data. Dr. Shukla Pal replied that units are not aware of the schemes of ILDP due to which they don't take benefits. Therefore, awareness is to be made among them and inclusion of more units in this scheme is our first motive.

Shri Manoj Tuli, Member, CLE from M/s. P&G Enterprises Pvt. Ltd. conveyed that fabricators are indirectly employed and thus it is difficult especially for the garment sector to give confirm data of these indirect employees. Dr. Harsh Shukla informed that these indirect employees are the one who are giving maximum employment so they should avail the benefits available to them and should not be left out. Mr. Manoj Tuli suggested that some concrete step should be taken so that fabricators come forward themselves and give their details. To this Dr. Harsh Shukla clarified that only data of indirect employees are needed and it is not necessary to provide the details of the fabricators.



Shri Manoj Tuli, Member, CLE from M/s. P&G Enterprises Pvt. Ltd. questioning on how to provide the figures and details of fabricators needed for the survey

Shri Vikash Gupta, Special Invitee, CLE from M/s. Ranvik Exports Pvt. Ltd. suggested NPC to visit some sectors of fabricators and get data from them to which Dr. Harsh Shukla replied that door-to-door survey is difficult because the time is too short and the data has to be provided to DIPP on urgent basis in order to take further steps. Therefore, the industry has to participate in this survey to get the indicative figures of employees from the unorganized sector.



Shri Vikash Gupta, Special Invitee, CLE from M/s. Ranvik Exports Pvt. Ltd. giving suggestions to NPC

Ms. Sanam Siddiqui, an advocate who handled cases

of fraud or non-payment by the international buyers interacted with member exporters and conveyed that international cases are easy to handle because of Indian laws. According to Indian Law, if the goods are sold to third party then either the goods should be returned or that party is liable to pay for the goods. She added that she have dealt with many cases where clients keep the goods and later don't return because the quality is not good which is illegal. Quality control claims need to be proven. The clients have to prove that quality claims are bonafied.



A view of the participants

Shri Sunil Harjai, COA Member, CLE from M/s. Sidharth Exports raised his concern as to why these fraud cases only happen with the Indian exporters to which Ms. Sanam replied that this happens because there is no such strict and stringent payment terms in India like China or Vietnam. Moreover, the detail contract is not signed between the Indian exporters and international buyer resulting in cheating by the buyer. International buyers cannot keep both goods and money. Shri S. A. Siddiqui, COA Member, CLE from M/s. Evergreen International Ltd raised a query that whether an international buyer can be called in Indian court if he is involved in cheating the Indian exporter. Ms. Sanam informed that buyer can be called in Indian court subject to jurisdiction. If goods are produced in India then the jurisdiction of goods is in India. Case for such fraud cases can be filed only in India and Indian laws support us fully in such matters. Shri Motilal Sethi, COA Member, CLE from M/s. Saroj International Leathers Pvt. Ltd. requested Ms. Sanam to send a draft of the contract that they can get sign with the international buyer so that they do not face any fraud cases. Shri P. Dasgupta suggested CLE to draft a contract and assured the industry members that there will be full support of Ministry for such fraud cases.

Ms. Sanam concluded by requesting the members of the leather industry not to drop such cases as it helps the international clients to fraud more Indian exporters. Legal remedies should be understood and followed by the Indian exporters to fight with such fraud cases with the international buyers. Shri Sanjay Kumar thanked Ms. Sanam for sharing such valuable information with the exporters of the leather industry.



Ms. Sanam Siddiqui explaining the members of the leather industry about the legal remedies available to them in case of fraud by the international buyers



A view of the audience

Shri P. Dasgupta, Deputy Secretary, DIPP addressed the gathering and appreciated CLE to organize such seminar as this provides a good platform to collect database and create awareness among the industry members about the schemes and benefits available to them, what further steps to be taken for development of leather industry, etc.



Shri P. Dasgupta, Deputy Secretary, DIPP addressing the participants

Shri Dasgupta conveyed that simple figures are needed for collecting the database and no personal details are required of the fabricators. In this survey, only organized sector can help us and give the indicative figures of the employees in unorganized sector. There is absolute absence of primary data. Thus, some basic data needs to be provided as only statistical data will not help us. The questionnaire is designed in such a manner that takes less time to be filled and which can be understood by everyone. Real survey needs to be done in order to modify schemes that are not benefitting the industry. The data is required from each and every unit because ILDP scheme is for each unit. He informed about Pradhan Mantri Kaushal Vikas Yojna (PMKVY) which is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE).

The objective of this Skill Certification Scheme is to enable a large number of Indian youth to take-up industry relevant skill training that will help them in securing a better livelihood. Under this scheme, the training centres have to show the actual number to whom they are giving training in their premises and then only the fund is allocated to them based on their figures. Leather Sector Skill Council can act as nodal agency who will coordinate with industry, education and training providers and Government in ensuring capacity building for availability of trained and skilled manpower across industry segments. The Council can also help in increasing the awareness and attractiveness of the leather sector for prospective employees to attract talent. Leather is identified as a focus sector under Make in India Programme and thus development and growth of this sector is important. He requested the members of the leather industry to give suggestions to NPC and help NPC to collect data. The next schemes for ILDP will be based on the feedback provided by the leather industry to NPC. He thanked all for such gathering and sharing their valuable time.



Shri P. Dasgupta, Deputy Secretary, DIPP interacting with the members of the leather industry

Meeting concluded with a formal vote of thanks presented by Shri Sanjay Kumar, Regional Director – North, CLE.



Shri Sanjay Kumar, Regional Director – North, CLE presenting a formal vote of thanks

