

# Mobile phones now a sign-on incentive for workers

MAYANK MISHRA

Ludhiana, 1 September

An executive with the human resource department of Vardhman Textiles makes frequent trips to Bihar, Jharkhand and Odisha to hire workers for its seven factories in Punjab. He interacts with non-governmental organisations, meets village *pradhans* and sometimes tries to reach out to workers directly. This approach has taken care of at least 25 per cent of the company's incremental worker requirement in the past few years.

Another 25 per cent of the requirement is met by a workers' referral programme started a couple of years ago. The company has asked its existing workers to bring in people they know. A worker receives a bonus of ₹500 for every person hired anywhere in the state.

These are two of the many initiatives by industrial units in and around Ludhiana to get around an acute labour shortage, following a sharp drop in migration from Bihar, Uttar Pradesh, Jharkhand and Odisha.

Vardhman Textiles, an integrated player with interests in fibre, yarn, fabric and garments, has 26,000 employees nationwide. The company employs nearly 10,000 workers in Punjab and needs at least 1,500-2,000 workers every year to take care of attrition and expansion.

According to industry estimates, the annual incremental requirement of workers in the city is 50,000-100,000, depending on the business environment. Senior

## WORKING TO ATTRACT WORKERS

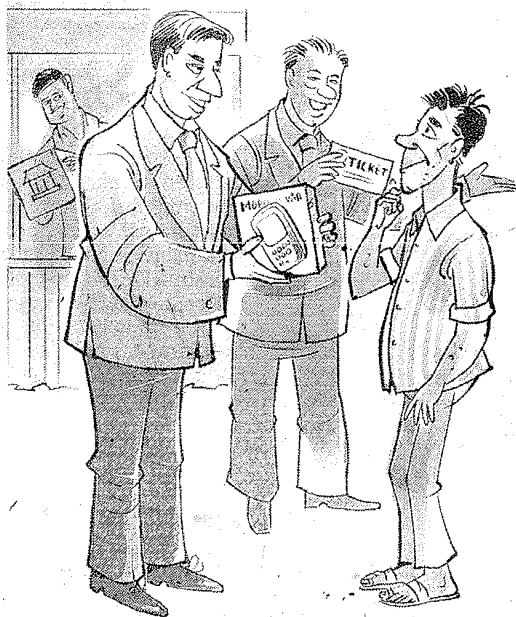


ILLUSTRATION: AJAY MOHANTY

executives of many of the 10,000 such industrial units say most of them have suffered in the past five to six years because of the labour shortage. "I won't say that migrant workers have stopped coming. But the rate has dropped considerably,"

says Sandeep Jain, executive director of Monte Carlo Fashions.

The drop in migration is largely due to the rural employment guarantee scheme launched a few years ago. Executives also say that increasing economic activities in

- Companies sending representatives to Bihar, UP, Jharkhand and Odisha to persuade workers to join them
- Workers being offered freebies such as train tickets and mobile phones
- Some companies planning to start training centres in other states to attract workers
- They have introduced referral programmes
- Workers being given subsidised accommodation
- Paucity of workers in certain months have forced companies to hire women from rural Punjab and Himachal Pradesh

eastern states have rendered migration to industrial locations such as Ludhiana less lucrative.

"The attrition rate among workers has gone up considerably. Workers are also keen on skill enhancement training. It is a welcome development. Also, there is a tendency, even among those who were reluctant earlier, to explore opportunities abroad," says D L Sharma, director, Vardhman Textiles.

Having seen their expansion plans being put on hold, these companies are now coming out with new ways to hire and retain workers. Monte Carlo Fashions, for instance, has started providing accommodation to 50 per cent of its skilled workers and is set to accommodate more. Vardhman Textiles has built a hostel for women inside the campus and offers accommodation to male workers in nearby locations. It also runs buses to villages to bring workers to factories on time.

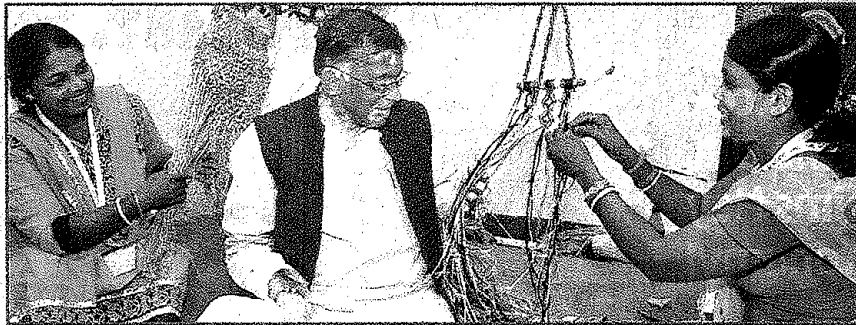
"When workers stop coming to work, you have to persuade them. And, you have to offer certain incentives," says S K Rai of Hero Cycles.

Despite these measures, there are months when companies suffer from large-scale absenteeism. Managers of many companies say migrant workers leave for *chhath*, a popular festival in Bihar and parts of Uttar Pradesh celebrated mostly in November, and again in the months immediately preceding the kharif sowing season in April-June.

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## **Mobilephones...**

To fill this gap, the companies have started hiring young women from rural Punjab and Himachal Pradesh. "Short-term requirements are met by hiring women. But we still need migrant labour as women, though equally competent, prefer not to work at night. And there are still some jobs that only men can do," says an executive with a large company. Migrant workers are still key to operations in this industrial city of Punjab. Some companies are exploring options like starting training centres in Patna and Ranchi in partnership with local NGOs. "What we intend to do is offer a month's training to workers free. And depending on their progress, we will relocate them to our industrial units," says an executive with yet another company. All this comes at a considerable cost. Most companies have seen wages doubling in the last five years. But it is still better than running at low capacity. "Automation is possibly an answer and some companies have gone for it. But you still need a large number of workers, especially in the kind of units that are operational around this area," observes Rai.



**MoS for Textiles SK Gangwar with SHG women at Rajarhat near Kolkata**

# Common facility centres for jute handicrafts units launched

Set up in Bengal, Assam, Bihar; to provide financial aid to women SHGs

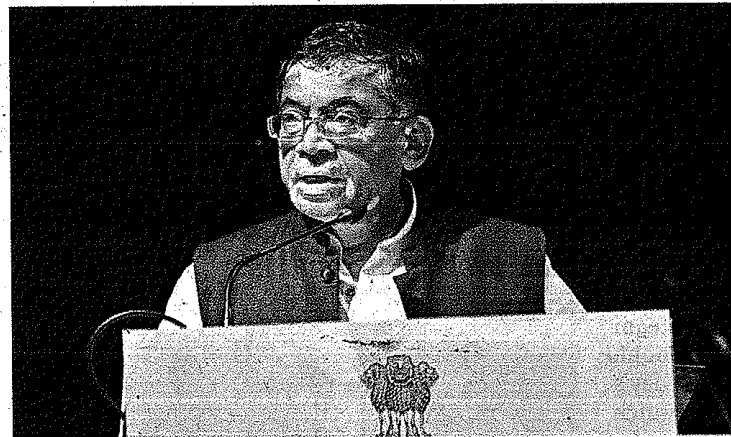
## OUR BUREAU

Kolkata, September 1

The Union Ministry of Textiles on Tuesday launched five common facility centres for small jute handicrafts units in West Bengal, Assam and Bihar. Union Minister of State for Textiles, Santosh Kumar Gangwar, said three such centres have been set up in West Bengal and one each in Assam and Bihar.

The centres will run under a ministry-designed ₹10-crore scheme, which involves financial aid, training, inputs and marketing assistance to women-driven self-help groups.

Under the first phase of the scheme in West Bengal, the initiative will support several tiny SHGs. The groups have been clus-



Santosh Kumar Gangwar, Union Minister of State for Textiles (Independent Charge), at Rajarhat, Kolkata on Tuesday ASHOK CHAKRABARTY

tered in three districts at block levels, formed under the National Rural Livelihood Mission.

## Net connectivity

Each cluster will have one internet-connected centre. Necessary assistance, including training and designing, will be delivered through the centres. The Ministry's initiative has also been link-

ed to the National Institute of Design.

The centres aim to install facilities for dyeing and bleaching, CAD and CAM equipment, lamination tools, handlooms, power looms, sewing and embroidery machines for design prototype and sample development.

Sanjay Panda, Textiles Secretary, said jute exporting firms

could adopt some of the clusters.

Meanwhile, Gangwar said his ministry was looking for wider use of new jute items such as geo-textiles in railway and highway projects. In a ₹27-crore road project in the North-East, geo-textiles were being introduced.

The Ministry is also trying to find buyers for a technology, developed by IIT Kharagpur, that produces jute fibre-based diapers and gender hygiene products.

## New building

The Minister also laid foundation stone for a ₹70-crore nine-storied building in Kolkata. The building, to be constructed by National Buildings Construction Corporation Ltd, will house the office of the Jute Commissioner, the National Jute Manufacturers Corporation, the Jute Corporation of India and the National Jute Board. The building is expected to be completed in the next two years.



# Tribals spin their way out of poverty

AGENCE FRANCE-PRESSE

Banka, September 1

Pointing to a television in her recently built mud and brick home, villager Munia Murmu proudly shows off her new-found wealth, thanks to hundreds of squirming green silkworms.

Like thousands of other tribal villagers in India, Murmu lives in extreme poverty, and until recently could not afford enough food for her and her family.

But the 40-year-old decided to join others in her community rearing wild silkworms in the native forests of her home state of eastern Bihar.

Along with dozens of other women, Murmu nurtures the worms which produce silk threads which are in high demand in India, Europe and the US for use in saris and other garments and home furnishings.

The mother of two also sells silkworm eggs to other rearers in this remote corner of India. During the breeding season, which lasts three months of the year, Murmu earns



**Sericulture success** A tribal silkworm rearer sweeps behind strings of cocoons with clinging moths, in the Banka district of Bihar AFP

₹50,000 (\$770) – a relative fortune.

“I used to live in a tiny house with no toilet, no fans, nothing. Then I started keeping the silkworms and I haven’t looked back since,” a beaming Murmu told AFP, pulling a shiny laptop out of a huge metal trunk.

Members of tribal communities have long reared silkworms in the dense forests of Bihar and neighbouring Jharkhand states to make tasar, a copper-coloured silk coveted for its

unique texture. But production has hiked in recent years, thanks to the adoption of modern techniques, attracting new farmers like Murmu and handing them a way out of poverty.

Local NGO Pradan has helped train the farmers in several ways, including how to use microscopes to examine and discount diseased moths.

“We have (also) helped the farmers plant arjuna trees on the wastelands here. These trees serve as hosts to the moths,” said

Pradan’s Shamshad Alam.

India is the world’s second largest producer of all types of silk, including tasar, after China, and is its largest consumer.

The thriving industry in Bihar supplements the tribal communities’ traditional rice farming in a region which lacks irrigation and is at the mercy of poor monsoon rains. In a delicate procedure, other members of Murmu’s community extract the silk thread from cocoons spun by the worms by boiling them to make them softer and collection easier.

It normally takes between 250 and 700 cocoons to make one saree.

Bhola Tudu, a silkworm rearer, said profits have increased thanks largely to a regular supply of healthy eggs from a cooperative set up by community members in their village.

“We do the microscopic examination of the eggs ourselves,” said Tudu, as he sprayed disinfectant on leaves where the fluorescent green worms were feeding.

## 'Rise in cotton value-added products good for industry'

Texprocil chief at the Council's 61st annual general meeting

### OUR BUREAU

Mumbai, September 1

The steady growth in export of cotton fabrics and made-ups is expected to help the industry even as the cotton textile shipments remain sluggish, said RK Dalmia, Chairman, Texprocil.

Speaking at the 61st annual general meeting of the Cotton Textiles Export Promotion Council (Texprocil), Dalmia said though the overall exports of cotton textiles declined by 0.1 per cent last fiscal, it was heartening to note that exports of cotton fabrics and made-ups registered 11 per cent and five per cent growth to \$2.44 billion and \$5.05 billion, respectively.

"This augurs well for the industry as higher export of value added products in the long run will lead to greater employment and higher level of investments," he said.

**The government has to extend export concession for few more years given the country's infrastructural drawback, taxes on exports and high cost of inputs.**

The emergence of mega trade agreements by the US and the European Union among themselves and other key trading partners such as Korea, Vietnam and Japan pose fresh challenges for India, he said.

"It would be in the best interest of India to take an integrated approach rather than ad-hoc decision while negotiating new free trade agreements or re-negotiating old ones," he said.

### Export concession

Dalmia said the government has to extend export concession for few more years given the country's infrastructural drawback, un-rebated taxes on exports, high cost of inputs and preferential benefits of competitors.

Being one of the largest new job creators and employers, the textile and clothing industry is poised to gain government benefits based on employment generated.

Urging the Government ensure that the industry gets all raw material at par or below international prices, Dalmia said the technology upgradation fund should be reactivated and include cotton yarn in the Merchandise Export from India (MEI) Scheme besides including dyed, printed fabrics and made-ups in sops provided for export to various markets especially the Sub-Saharan African countries.

## Clothing makers to pitch for GST's 'Merit List'

**OUR BUREAU**

Mumbai, September 1

The Clothing Manufacturers Association of India has appointed Pricewaterhouse Cooper and Wazir Advisors to prepare the industry's representation to Ministry of Textiles for including readymade garments in the 'Merit List' under Goods and Services Tax.

The readymade garment industry is expected to attract 20-24 per cent GST which is expected to be introduced from next year.

The readymade garment industry has recovered ₹400 crore from defaulters in the last seven months. Following widespread default by traders, the Association had recently set up a payment default committee to help its members recover about ₹1,500 crore from defaulters.

Rajesh Masand, Chairman, Payment Default Committee, said the panel has managed to settle 35 per cent of the payment disputes in the last seven months and plans to open a new office at Dadar in Mumbai with facility to register complaints.

"The committee is planning to launch a mobile app in six months to provide real time credentials of retailers, distributors, agents and manufacturers in the domestic garment industry," he said speaking at the Conciliation and Arbitration Sub-Committee of CMAI meeting.

## शिल्पंगन प्रदर्शनी 4 तक

नई दिल्ली। भगवान दास रोड स्थित आगा खान हॉल में 4 सितंबर तक राजस्थानी हस्तशिल्प उत्पादों की प्रदर्शनी शिल्पंगन 2015 का आयोजन किया जा रहा है। फेडरेशन ऑफ इंडियन चैंबर्स ऑफ कॉमर्स एंड इंडस्ट्री (फिक्की) और राजस्थान सरकार की रूरल नॉन-फार्म डेवलपमेंट एजेंसी (रूडा) के संयुक्त तत्वावधान में आयोजित इस प्रदर्शनी का मकसद हस्तशिल्प कारीगरों की आय बढ़ाने के साथ उन्हें बढ़ावा देना है। प्रदर्शनी में खुदरा और थोक खरीदारों की शिरकत से हस्तशिल्पियों को काफी लाभ मिलने की उम्मीद जताई जा रही है।



## MARK TO MARKET

VATSALA KAMAT



We welcome your comments at [marktomarket@livemint.com](mailto:marktomarket@livemint.com)

# Spinning a doleful yarn

**B**lame it on increased capacity at spinning mills or faltering demand for cotton yarn in global and domestic markets. Alarm bells are ringing with unsold inventory of yarn rising and some mills cutting production.

On the one hand, domestic consumption has been subdued—April, May and June together saw a 7% year-on-year

(y-o-y) growth, not something to cheer about. On the other hand, the global markets are getting more competitive.

India's yarn exports number by itself looks comfortable.

Industry analysts say that yarn exports in August were 26% higher y-o-y and for the period between April and August, were 7% higher than a year ago. But the situation is more compli-

cated when viewed against several variables that have a bearing on world trade. For instance, last year, yarn mills added capacity in anticipation of good prospects on home ground, following a pickup in demand for textiles. Also, China decided to import more yarn than cotton as conversion costs were increasing in the country. The high hopes raised then have been dashed.

June figures indicate a yarn stock of 157 million kg, which is relatively high. What's more worrisome is that stocks have been at these levels since last October. Will they slowly hit the last peak levels of around 200 million kg seen in 2011? This would be detrimental to domestic mills.

Further, the last time this hap-

pened, the high unsold inventory of yarn was due to government action to disallow exports for some time; but now, it's due to the market forces, mirroring a tough environment.

Much has been written on China's slowdown, and its impact on world trade and commodity prices. In cotton yarn, too, Chinese imports have come down. According to a report by Edelweiss Research, trade flows have seen a shift among nations during the 2014-15 season. Brazil and Uzbekistan actually increased exports of cotton to China during the period. Shipments from the US fell only modestly. The most glaring fall was from India.

And this is not all. There's stiff competition among countries

vying for exports. Until now, India leads in yarn exports into China. But Vietnam's meteoric rise to become the second largest exporter to China could be a threat to India. Of the top nations exporting yarn to China, Pakistan's exports rose 1.5 times from January 2012 till June 2015; those of India rose 3.5 times, while those of Vietnam catapulted by 6.3 times. Meanwhile, the gap in the quantities exported by these countries is narrowing, too. From China's perspective, Vietnam has been a preferred supplier in the recent past. Huge capacities have been added in the country to ramp up yarn production.

Another hurdle for Indian mills is that competing nations across the globe have cut yarn

prices. Their currency depreciation against the dollar has made the game more challenging. For instance, the Edelweiss report analyses that Turkish export prices have declined by 33%, whereas those of India have fallen by 16%.

Some yarn producers say that domestic prices appear more remunerative, but the demand is not showing signs of any big uptrend, in spite of the fast approaching festive season.

The only silver lining is that there is no contraction in yarn exports yet. Only the pace of growth is lower. Things would improve only if demand on at least one of the two fronts—domestic or exports—improves to justify the higher spindleage in the country.



कोलकाता में मंगलवार को राजरहाट में प्रटसन भवन के उद्घाटन के बाद स्वयं सहायता समूह की महिलाओं के साथ केंद्रीय कपड़ा राज्य मंत्री संतोष गंगवार।

# Massive damage to cotton crop feared in Punjab

## Pest attack has left an impact in neighbouring Haryana too

**CHANDIGARH, PTI:** A whitefly pest attack has caused "massive" damage to the cotton crop both in Punjab and Haryana with farmers fearing considerable yield loss to the Kharif crop.

With both states asking growers to take remedial steps to prevent the damage,

whitefly infestation has come as major blow to farmers at a time when they had already faced huge financial loss when the wheat crop got damaged due to inclement weather conditions early this year.

In Punjab, whitefly attack on cotton even assumed political overtones as the Opposition—the Congress sought a

CBI probe into the purchase of "spurious" insecticides for the crop, leading to heavy loss to growers.

"As per initial reports, about 20-25 per cent of cotton crop is under the grip of whitefly attack in the state (Punjab). As a result of which, there will be a big yield loss to the crop," Tota Singh, Punjab Agriculture Minister said here on Tuesday.

The total area under cotton cultivation in Punjab is about 4.5 lakh hectares with crop

being grown in Bathinda, Abohar (Fazilka), Muktsar, Ferozepur and Mansa.

"Maximum impact of whitefly attack is seen in Abohar, Fazilka and Muktsar districts," the minister said, adding surveys have been launched to assess the damage to cotton due to whitefly attack.

In some areas, the attack is so severe that farmers were forced to uproot their crops.

"About 6,000 acres of area have witnessed 100 per cent

loss because of whitefly attack," said Singh.

State Agriculture Commissioner B S Sishu said the widespread attack of whitefly was last witnessed way back in 1977 when cotton yields in the state saw a heavy damage.

### Haryana suffers too

In Haryana, the situation is no better. An official of the Haryana agriculture department more than 80 per cent of 5.8 lakh hectares of area have witnessed pest attacks in

12 districts including, Sirsa and Hisar.

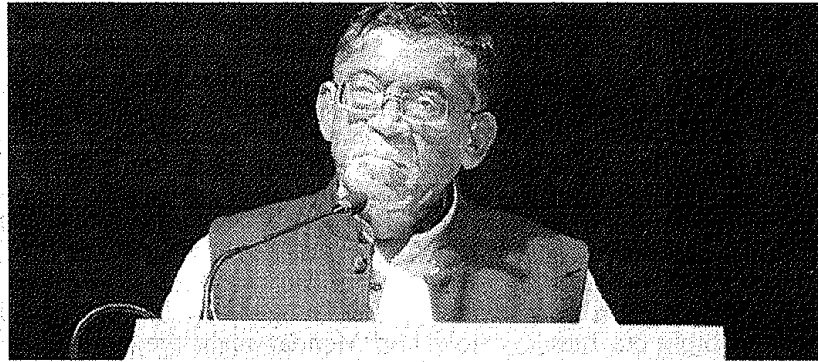
As per initial reports, up to 25 per cent loss was feared in 4.47 lakh hectares of cotton area due to widespread attack of whitefly.

### Risk factor

Farm experts have advised growers that the crop sown late is at a greater risk for whitefly attack while high temperature and scanty rainfall situations aggravate the severity.



The Minister of State for Textiles (Independent Charge), Santosh Kumar Gangwar addressing at the foundation stone laying ceremony of the "Patsan Bhavan", at Rajarhat, New Town, Kolkata on September 01, 2015.



# Cotton crop faces 'massive' pest attack in Punjab, Haryana

**Chandigarh, Sep 1:** A whitefly pest attack has caused "massive" damage to cotton crop both in Punjab and Haryana with farmers fearing considerable yield loss to the Kharif crop.

With both states asking growers to take remedial steps to prevent damage, whitefly infestation has come as major blow to farmers at a time when they had already faced huge financial loss when wheat crop got damage due to inclement weather conditions early this year.

In Punjab, whitefly attack on cotton crop even assumed political overtones as opposition Congress has sought CBI probe into the purchase of "spurious" insecticides for the cotton crop, leading to heavy loss to growers.

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Total area under cotton in Punjab is about 4.50 lakh hectares with crop being grown in Bathinda, Abohar (Fazilka), Muktsar, Ferozepur and Mansa.

"Maximum impact of whitefly attack is seen in Abohar, Fazilka and Muktsar districts," the minister said adding that surveys have been launched to assess the damage to cotton crop due to whitefly.

In some areas, attack of whitefly was so severe that



Total area under cotton in Punjab is about 4.50 lakh hectares

farmers were forced to uproot their crop.

"At about 6,000 acres of area have witnessed 100% loss because of whitefly attack," said the state agriculture minister.

Punjab agriculture commissioner B S Sidhu said the widespread attack of whitefly was last witnessed way back in the year 1977 when heavy crop damage was seen on cotton in the state.

In Haryana, the situation is no better. An official of Haryana Agriculture department said that more than 80 per cent of 5.80 lakh hectares of area have witnessed pest attack in 12 districts including Sirsa, Hisar of the state.

As per initial reports, up to 25% loss was feared at 4.47 lakh hectares of cotton area due to widespread attack of whitefly.

PTI



## Exports of cotton fabrics rise 11%

Mumbai, Sep 1: Exports of cotton fabrics and made-ups have registered a growth of 11% and 5%, respectively, in 2014-15 fiscal.

While exports of cotton fabrics clocked \$2.44 billion, made-ups mobilised \$5.05 billion during the period. "Even though the overall exports of cotton textiles declined 0.1% compared to FY2014, the heartening fact is that exports of cotton fabrics and made-ups registered growth of 11% and 5% with exports reaching a level of \$2.44 billion and \$5.05 billion, re-

spectively," Cotton Textiles Export Promotion Council chairman R K Dalmia said.

The higher exports augurs well for the industry as exports of value added products in the long run would lead to greater employment and higher level of investments, he said.

Dalmia also stated that the mega trade agreements being promoted by the US and the European Union among themselves, and key trading partners like Korea, Vietnam and Japan, pose fresh challenges to countries like India. *PTI*

# Have sought relief for cotton growers: CM

TRIBUNE NEWS SERVICE

GURDASPUR, SEPTEMBER 1

Chief Minister Parkash Singh Badal has said he has sought compensation for cotton growers who have suffered losses due to white-fly attack from the Centre.

He claimed that he had secured a bailout package for sugarcane growers and mills. Speaking on the sidelines of a sports and cultural festival organised by Gurdaspur MLA GS Babbehali at his native village, the Chief Minister claimed he was confident that the state would get a "handsome compensation from the Centre" for cotton growers of Malwa region. Likewise, the centre was also taking measures to help the state in resolving the impending cane crisis.

On his meeting with the PM, Badal said Narendra Modi had assured him that he would resolve all issues concerning Punjab on a priority.



A farmer uproots his damaged cotton crop at Shergarh village in Muktsar district. TRIBUNE PHOTO