

# Footwear & Fashion Matters



LEATHER  
SECTOR  
SKILL  
COUNCIL



October 2018

## Newsletter from LSSC



Our Hon'ble Prime Minister, Shri Narendra Modi's initiatives in skill development to leverage the demographic dividend can be realized more impactfully if we look at recent global trends in leather industry. The churn in global trade resulting in higher duties for Chinese products and a strong dollar presents a great opportunity for Indian manufacturers. India can increase global market share provided we improve our productivity by filling in the skill gaps along with efficient planning and competitive pricing.

Many features of Industry 4.0 such as Automation, Robotics, IOT are fast transforming the nature of work, productivity and outcomes. To cope with this phenomenon, the industry has to proactively bring in latest technology and adopt smart manufacturing practices by evaluating the opportunity to be a global player.

They should also adopt lean principles of production with lesser working capital. Workforce management with continuous re-skilling of the employees to perform higher skilled jobs on an automated line is another critical focus area. Recently, the government and industry experts are of the view that the Shop Floor Supervisors are very important as they handle sizeable shop floor workers under them. We need to train them appropriately by developing Qualification Packs and orient them to industry's best practices.



**Shri. Habib Hussain, Chairman**  
Leather Sector Skill Council (LSSC)



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**Shri. Mukhtarul Amin, Chairman**  
Council for Leather Exports (CLE)



As you all know, the global trade scenario has witnessed rapid changes in the recent months. From a multilateral trade system under WTO era, we have seen emergence of strong trade blocks focusing on bilateral trade agreements.

India is negotiating major trade agreements namely RCEP (involving ASEAN, China, Korea, Japan, Australia and New Zealand) and Eurasian Economic Union (comprising Russia, Kazakhstan, Kyrgyzstan, Belarus and Armenia). Besides, we hope that the Trade and Investment Agreement with European Union will be finalized soon. These trade agreements will open-up new vistas for Indian leather and footwear industry.

The rising trade tensions between USA and China and the levy of additional 10% import duty by USA on certain leather goods exported from China w.e.f. Sept. 24, 2018 has opened a window of opportunities for India, including enhancing our market share in USA and attracting Chinese investments into India for manufacturing. At this juncture, there is a need to enhance our price competitiveness through lowering of interest rates on export credits so as to capitalize on the favourable trade scenario and enhance our production and exports. ”



The Federation of Indian Export Organisations (FIEO) organized an Open House Meet with Dr. Anup Wadhawan, IAS, Secretary, Department of Commerce in Chennai on October 22, 2018. Various issues concerning Foreign Trade Policy, GST etc., were raised in this meeting. I had the opportunity to represent CLE in this Open House Meet and take-up issues concerning the industry.

While thanking the Government for implementing the IFLADP scheme for the leather and footwear sector, I highlighted the decline in exports from the leather industry due to global trade scenario and competition and request for consideration of three major issues namely a) implementation of Scheme of Rebate of State Levies (ROSL) and Embedded / Blocked Input Tax Credit under GST for Leather and Footwear Sector and also charges incurred on certification and testing etc., b) Removal of animal quarantine clearance for import of finished and crust leathers into India as no such quarantine certificate is asked in 50 countries to which India is exporting finished leather and c) request to enhance duty free entitlement for leather garments from 3% to 5% of FOB value of exports in the previous year, as such enhancement has already been done for other leather products and footwear in Union Budget 2017-18.

I hope that consideration of the above requests will help in enhancing our price competitiveness and in achieving the envisaged annual export growth of 8% to 9% per annum. ”



**Shri P R Aqeel Ahmed, Vice-Chairman**  
Council for Leather Exports (CLE)



**Shri Ramesh Kumar, IAS**  
CEO, Leather Sector Skill Council (LSSC)



LSSC has been given the mandate of accelerating apprenticeship adoption in the leather industry. Apprenticeship is the best way for the youth to enter the industry through work-integrated training. It is also a win-win strategy for the company to engage apprentices and groom them as per their job requirements. Earlier apprenticeship was under the purview of DGT and RDAT and now, with National Apprenticeship Promotion Scheme (NAPS), the onus is shifted to the industry to fill the skill gaps by hiring and nurturing young people.

Apprenticeships are also encouraged by Department of Industrial Policy and Promotion (DIPP), the line department for leather sector working with Ministry of Skill Development and Entrepreneurship (MSDE) to ensure capacity addition, identifying new markets, looking into environmental issues, providing financial assistance for procuring new machines and implementing HRD schemes for training, Training of Trainers and Training of Assessors.

Apprenticeships can become the game changer for the industry through its adoption across lines - shop floor, middle level, supervisors and product designers. All of them will get first hand experience in the factory. Particularly, students from the renowned academic institutions like FDDI and NIFT, will get a chance to appreciate their job roles and get absorbed in footwear and fashion industry. Besides connecting education with work, apprenticeships can show the youth industry best practices through which we can garner their intellectual abilities for improving our outcomes. ”

## Interview with Shri. Nari Kalwani, Chairman and Managing Director, Asian Leather, Kolkata; Regional Chairman (Eastern Region), FIEO



*Asian Leather was founded by Shri Nari Kalwani in 1992 and since then it has evolved into a company producing international quality leather handbags, wallets, purses and other small leather goods for international brands of Europe, UK and Latin America. As a “Government of India recognized Star Export House”, Asian Leather is a professionally-managed and customer-focused fully compliant organization. Asian Leather has also been a winner of several national and international awards throughout its history for its excellence in export performance. In this interview Shri. Nari Kalwani shares the story of how the company is marching ahead, keeping pace with technology and trends in the global leather industry.*

### Meeting global standards to create more jobs as an export house

Global brands prefer to work with ethical and dedicated factories with a long record of compliances. If Indian exporters are ready to meet their criteria, getting large quantity of regular export orders is not a problem and to execute the orders, trained manpower will be required and in this way more jobs can be created in India. Our factory is compliant with international human rights, labour, social & ethical norms and possesses all the certifications from the international accredited agencies. The company has often led the way in introducing compliance and manufacturing best practices within the Indian leather goods industry and our long association with some of the most selective customers is a testimony to our commitment.

### Technology adoption and skill upgradation

Changing technologies in leather industry has immensely impacted in the area of pattern making, embellishment fitting, pattern cutting, auto cutting, reverse cutting resulting substantial increase in productivity and subsequent demand for new skills and knowledge.

Appropriate skill development and training ensures better quality, greater productivity and timely delivery of shipment which is first and foremost condition of any importer. Hence, quality and quantity output from a skilled and trained employee is the basic prerequisite to run the production successfully. Apart from in-house training, our employees are also deputed to various training programmes conducted by technical institutions on need base, where they are imparted training for re-skilling and up-skilling to work in different areas of operation in the shop floor.



Curriculum should be updated frequently since new job roles are coming up every year with every new machine we introduce. We need talent for these roles and of course the traditional roles will continue. Hence, there should be focus on both job roles; some products will always require manual skills, particularly in the case of skills that are getting lost due to lack of hereditary learning and sustaining them by creating interest in youth.

**Kunal Kalwani, Director, Asian Leather**

## Hiring and retaining skilled workforce

As per our HR philosophy, right worker has to be matched with the right job. On the basis of appraisal, the good performers are promoted to the next higher levels in respective areas of operation giving suitable regular annual increment to retain the talent. We normally hire skilled workforce for shop floor by advertising in leading newspapers.

Sometimes we also recruit from industry related institutions. Previously we had tried to recruit some candidates through the ITIs and engage them as apprentices but due to curricular issues the experience was not encouraging. Moreover, very few of them could continue in this industry since they wanted to pursue short term gains from other fields.

## Advice to young entrepreneurs

Leather goods business can be started with a very low investment, but you have to understand the product very well, in terms of quality, delivery and pricing. When you do your best and keep the customers happy, you will continue to get many opportunities. You can also avail various support schemes of Government if your business has completed 3 years. Through this, you can purchase new machinery within the limit of Rs. 5 crores, provided you obtain necessary certificates, approvals and follow the process prescribed by the government. Remember, more machines will help in creating more jobs!

It is better to concentrate on one core idea; it's not wise to do too many things. It is important to love the trade and identify the area you like the most, e.g leather products. Then, understand the trade and industry by experiencing the factory and undergoing training. If you want to focus on export, then understand the international market, travel to those countries.

Industry has a bright future provided you put your heart and soul and money and do the right job, do the right thing at the right time.

Here are some important points that you must keep in mind:

- Total commitment to trade and industry
- Perseverance even in adverse conditions
- Develop exposure to produce quality goods by investing time and resource on worker welfare
- Ethical management and taking the entire team along
- Dedicated team focused on satisfying customer requirements
- Simplification of processes to improve turnaround
- Open communication with the clients about their requirements

Leather is a pan-India industry with different specializations and numerous offerings to worldwide customers. Skill development initiatives should have more industry engagement with different segments to facilitate learning from each other, like a bag maker should learn from a shoe maker. Right from entry level to top management, this industry has many career options in domestic and international markets and you get to explore many countries and serve many customers.

**Karan Kalwani, Director,  
Asian Leather**

## Open House Meet with Commerce Secretary



*Dr. Anup Wadhawan, IAS, Secretary, Dept. of Commerce addressing the participants*

Dr. Anup Wadhawan, IAS, Secretary, Dept. of Commerce held the Open House Meet in Chennai on 22nd October 2018 under the aegis of FIEO. Shri P. R. Aqeel Ahmed, Vice Chairman, CLE, discussed the following issues pertaining to the leather industry:

- Implementation of Rebate of State Levies (ROSL) scheme and Embedded / Blocked Input Tax Credit under GST for Leather and Footwear sector and also charges incurred on certification and testing etc
- Removal of animal quarantine clearance for import of finished and crust leathers into India
- Enhancing duty free entitlement for leather garments from 3% to 5% of FOB value of exports in the previous year for import of notified inputs

## Launch of RPL - Type IV, Best-in-Class Employer scheme at TATA International Ltd

*Tata International Ltd is a leading global player in the area of finished leather and leather products with an environment-friendly production facility at Sriperumbudur, Chennai, Tamil Nadu. LSSC launched RPL-Type IV, Best-in-Class Employer Scheme at their premises on 24th July 2018 in the presence of Mr.R. Ramesh Kumar, CEO - LSSC, along with Mr. Atul Nagrath, Head - Footwear, Ms. Geethapriya, Head-HR and Mr.P. Jaganathan from Tata International Ltd. Let us know how this scheme can benefit the industry to recognize their employees by certifying their knowledge and skills and show a path towards career improvement by providing a co-branded certificate.*



Shri R. Ramesh Kumar, addressing during the launch of RPL Scheme

### RPL-Type IV, Best-in-Class Employer Scheme formalizes informal learning

Since many employees in the leather industry have come from the informal sector, mostly by learning the required skills on their own, they do not have a formal proof of their competencies. The absence of certification for skills acquired through informal channels such as family members, master craftsmen and on-the-job learning has blocked many opportunities for the workforce to improve their career prospects. With the launch of RPL-Type IV, Best-in-Class Employer Scheme, these employees can get recognised as per NSQF levels and get access to better employment, and make use of the certificate to apply for educational courses and create a path for progression.

### An employer-driven scheme to accelerate skill development as per industry demand

"RPL with Best-in-Class Employers (BICE)" has been introduced to enhance the industry acceptability of RPL certification and extend the outreach of the scheme directly to reputed employers/ industries across sectors. This is a new type of RPL category envisaged under PMKVY 2016 – 2020 to ensure certification of skills available in the organized sector with best in class employers. This will help achieve certification at scale while ensuring its economy and quality of certification since it is conducted at the employers' premises. Following are the key features of the scheme:

- A reward of Rs. 500 for certified candidates through Direct Benefit Transfer
- Accidental insurance to all the certified candidates for 3

years as per PMKVY guidelines

- Co - branded certification with the logos of the company and LSSC
- Tab - based online assessments

LSSC in collaboration with the top employers, shall help to enhance credibility of certification and help to promote mobility of the workforce across the sector. Industry will also benefit from their workforce being certified under National Skill Qualification Framework (NSQF).



Lighting of the lamp by Mr. Atul Nagrath, Head - Footwear, Ms. Geethapriya, Head-HR and Mr.P. Jaganathan from Tata International Ltd.

### Role of Leather SSC

LSSC starts with project preparation and submits the details to NSDC. This is followed by:

- Onboarding and sensitization of employers, along with identification of job roles and targets for certification
- Orientation of the 'Employer Assessors' regarding NSQF and assessment criteria of the concerned job roles
- Certification of employees and upload on the SDMS for distribution to the concerned employees



## A Report on the LSSC Governing Council (GC) Meeting held on 4th August 2018

*LSSC conducted its Governing Council meeting on 4<sup>th</sup> August 2018 at Chennai. The meeting was chaired by Shri Habib Hussain, Chairman, Leather Sector Skill Council and 26 members from Governing Council and Industry attended the meeting.*



*Shri Habib Hussain, Chairman-LSSC addressing the Governing Council*

The Chairman welcomed the members and presented the agenda for the meeting and the backdrop in which the skill development initiatives are undertaken by the Government of India. He reiterated the need to fill the skill gap for improving productivity and quality in the leather industry. He touched upon developments in the evolving skills ecosystem and how leather industry is privileged to be a board member of NSDC. He also spoke about the PMKVY scheme and how it is being carefully monitored through a dashboard to ensure desired outcomes in training and placement of youth. He encouraged the members to interact with the industry and institutions like FDDI to set training standards. He clarified that the LSSC would be working closely with organizations to create a set of norms and productivity standards along with the existing 52 Qualification Packs, 10 National Occupational Standards (NOS) and volumes of training materials.

After the approval of the minutes of the previous meeting held on 20th March 2018, Mr. Ramesh Kumar IAS, explained that Ministry of Skill Development wants a platform which will be headed by the industry itself, hence LSSC will play an important role in coordinating for skilling to facilitate capacity building. He explained that RPL is very important because it is aligned with the industry requirements and helps employees understand their knowledge and skill levels.

His address was followed by a presentation by Mr. Rajesh Rathnam that mentioned the shift in focus from target-driven training to demand-driven training and updated the members on current programs.

### Updates on Training and RPL

- Completion of RPL for 13000 candidates with the help of 20 training partners and 632 trainers trained by Master Trainers
- Training of 300 candidates at Kanpur as a part of Special Project
- Under PMKVY Short term training for 4800 candidates have been conducted in 4 Job Roles.

- The first best-in-class RPL4 Program was conducted at Tata International for 2000 candidates.
- Proposal to set up an academy exclusively for supervisors in Batanagar by LSSC
- LSSC would be the national body responsible for training, monitoring and certification of IFLADP scheme. It involves certifying 1.15 lakh trainees. FDDI, CFTI and Webcon will be conducting the training.

### Apprenticeship and NAPS

Mr Rathnam explained that the Apprenticeship Act has been amended to create National Apprenticeship Promotion Scheme (NAPS). The implementation of NAPS is being coordinated by NSDC and SSC with the CEOs of SSCs being appointed as Joint Apprenticeship Advisors. The scheme is backed by monetary incentives to the employer, the apprentice and the Basic Training Provider. LSSC has conducted workshops in Agra and Noida and plans to do the same in Mumbai and Kanpur. The process of engaging an apprentice is simplified for ease of participation from the industry and the entire procedure is completed through the online portal on apprenticeships.

### Training of Supervisors and Line Managers

A committee was formed with Dr. Swarna Kanth, Principal Scientist from CLRI to develop a supervisor level training program since manager and supervisor level training was identified as a key area of skill development. The Qualification Packs developed for these role has been approved by NSDC. The program comprises core occupational standards for supervision skills, technical skills, health, safety and compliance. At the end of the training the supervisors would improve delivery management, waste reduction, compliance commitments etc. The eligibility would be 3 years of experience without any formal education barriers.

Towards the end of the meeting, Mr. Habib Hussain presented the audited financial statements to the council members which were unanimously approved. The Director's Report for 2017-2018 was presented and approved.



*A view of the Governing Council members attending the meeting.*

## Industry Voice



“ We have about 500 - 600 employees in our company. We make riding boots and fashion goods. The biggest challenge we face is getting skilled manpower. We have to provide training as we don't always find trained people. Our existing staff trains new people. We also make them enrol in FDDI courses. I believe in the South Indian states training is better as it is more technology-driven. It will be good if we can get similar training here develop competent manpower for our companies. ”

**Abhishek Mishra, Quality Head, Le Mak Exports Pvt. Ltd. Agra**



“ We are a startup and we are planning for online stores and exports. Our main focus is on women's footwear with competitive pricing. We find it difficult to get skilled people in our field so we train them ourselves. There is a lot of attrition too as there is no unity among the leather companies and we feel there should be certain rules formulated to control this. I would like to tell the youth to come into this industry since there is lot of scope and take risks in life. ”

**Shiva Gupta, Director, S. G. World, Agra**



“ Skill development is the need of the nation. We employ skilled workers to ensure quality. We are in this leather field for more than 15 years with a production capacity of 600 to 700 pairs per day. As we export we are more particular regarding the quality and timely delivery in all our commitments which can be achieved only through motivated and dedicated workforce. This can be ensured through good training programs. We have also employed stitchers who had been trained under PMKVY ”

**A Kandasamy, Managing Partner, Smatu Footwear, Chennai, Tamilnadu**



“ We are into men's leather footwear and we have 1000 employees. I have 15 years of industry experience. For training, we depend on CFTI and we also conduct on the job training on our premises. The main challenge is to train the local people who have not worked in the footwear industry. If they get trained in Marking, Skiving and other skills, it would be beneficial. Otherwise it takes 5 to 6 months to train them. Design training is done at our R&D center and execution level training is offered in cutting, skiving, printing, upper making and packing. It would be good if we get to train them from college level. ”

**Bipin Kumar Gupta, Sr. Manager Compliance, Karam Udyog, Agra**



“ The PMKVY course was useful in more way than one. It helped in training our workforce from the perspective of production and output. It helped them realise the importance of value addition to the product by optimum utilisation of the resources provided to them be viz material, time, equipment and tools. The practical training coupled with classroom sessions were complementing each other. Recognition of skills and subsequent training will enhance the ownership of the work undertaken. It also helps to establish in affirmative way that quality of work is of utmost importance and skilling in a professional way is the only way to achieve it. ”

**Satish Burde, General Manager, Namaste Exports Limited**



“ Saddlery is a hand-crafted item and we depend on hand-stitching skills. People are rare to find with these skills, since they have other employment options. We conduct training for 6 months with the help of supervisors and other qualified persons. We also conduct training program with the help of LSSC and take learners' feedback to understand the difficulties. We collaborate with UNIDO to conduct workshops on health and safety of tannery workers. Besides, our training also includes modules on machine maintenance with focus on quality outcomes. ”

**Amir Awsaf, Management Representative, Kings International, Unnao**



“ We get trained workers for job work, since the industry has been here for long, we can get them from FDDI which is close to Unnao. Cutting and closing skills are in great demand in our area. We don't get any help from the government. We make uppers and cater the the market demand. In Unnao, 70% people are in the leather industry, and we use contractors to get the workers. People from FDDI come and train, if needed. ”

**Prashant Pandey, Director, A. M. Enterprises, Unnao**

## Winners of IndiaSkills 2018 will participate in WorldSkills 2019, to be held in Kazan, Russia



IndiaSkills 2018 competitions recently concluded at Delhi with a grand finale held on 6th October 2018. This is India's largest skills event aimed at encouraging youth to explore different traditional and modern trades. It also prepared them to perform on the global stage at WorldSkills 2019 at Kazan, Russia. A total of 45 gold, 47 silver and 43 bronze medals were won at the competitions. Maharashtra leads medals tally followed by Odisha, Delhi, Karnataka and Chandigarh. Top two winners will be further trained followed by squad selections to represent India at the 45th WorldSkills Competition at Kazan, Russia in 2019

With more than 50,000 registrations for the IndiaSkills 2018; 500 competitions were held across 3 months at the district and state level. Going by the rules of the WorldSkills International competition, each skill category has three winners of the Gold, Silver and Bronze medals. A new addition has been the Medallion of Excellence that was awarded to competitors who have scored more than 700 marks.

An interesting feature of IndiaSkills 2018 has been the introduction of four new skills. Referred to as Demo Skills, these categories are Hotel Receptionist, Cyber Security, Cloud Computing and Water Technology, skills that have been included with an eye for preparing the youth in future-ready professions. Abilympics or the 'Olympics of Abilities' for candidates with disabilities (PwDs) was also a novel addition that has seen overwhelming response from participants.

IndiaSkills saw a huge support from corporate India, with Ola awarding a cash prize of Rs. 20,000 to the Gold Medalist in the Autobody Repair and Automobile Technology category. Axalta Coating Systems gave away a cash prize of Rs.25,000 for Sustainable Practice Award in Car Painting. The event also saw Paytm awarding insurance up to Rs. 1 lakh to all Gold and Silver medalists for IndiaSkills trades.



### Contact us

Reach us for any suggestions and feedback, Print our complete address with phone and email

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