



TS-INDUSTRY WATCH

A Newsletter by Industries & Commerce Department,
Government of Telangana



*Happy
New Year*



Shri K. Chandrashekar Rao
Hon'ble Chief Minister



Shri K T Rama Rao
Hon'ble Industries Minister

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FROM PRINCIPAL SECRETARY'S DESK



Mr. Jayesh Ranjan, IAS

Principal Secretary, ITE&C & Industries Dept.,
Government of Telangana

I wish all a happy new year. We know that MSMEs are the backbone of the Indian economy. Therefore, Telangana Government started a new initiative for support and revival of sick and incipient sick micro and small enterprises in April 2018. Since their inception, TIHCL has supported many revival cases and mentored several other MSEs on the growth path. I would urge the Industries to take maximum benefit of this initiative. Innovation has been one of the most important topics on our Government's agenda. This had led to the formation of Telangana State Innovation Cell (TSIC) under the guidance of Mr Phanindra Sama two years back. In the focus sector, you will find details on various grassroots initiatives taken by the department towards promoting innovation in our State. The Government also organized the second edition of Maker Faire in November this year with over 100 maker exhibits, 40 workshops and over 10,000 attendees. It was very heartening to see such an impressive response from innovators as well as attendees. I wish the innovators all the best in their future endeavours and encourage more people to take up such inspiring projects.

TELANGANA INDUSTRIAL HEALTH CLINIC LTD – THE SAVIOUR OF MSEs

Currently, the economy is abuzz with MSMEs being the saviours. MSMEs are contributing significantly to the economic and social development by fostering entrepreneurship and generating the most substantial employment opportunities at comparatively low capital cost. The flipside of the story is that while many new enterprises in the services sector sprang up, manufacturing start-ups have been hard to come by. "Slowdown" is an opportunity to ensure that no viable manufacturing MSE shuts down as it may be a dampener for new manufacturing units due to sluggish demand. RBI instructions on the revival of MSEs are awash with Banks extreme reluctance. In the State of Telangana, all banks together revived 43 enterprises with an average of Rs.4.5 lakhs per enterprise in five years – 2011-16. A fresh breeze started flowing with Govt. of Telangana starting TIHCL.

TIHCL brought difference by way of

- Dialogue with entrepreneur
- Diagnostics
- Helping entrepreneur to think anew and build a viability plan
- Identifying new markets; new products, new processes
- Improving capacity utilization
- Counselling, Mentoring and Culturing within set timelines
- Coordination and co-lending with the primary lending institutions
- Building a compliance culture
- Digitization of the Micro and Small enterprises

TIHCL Initiatives have resulted in

- 55 put on the road to revival in 18 months
- Employment Restored 1042 Workers,
- Physical Assets valued Rs. 45 Million are reused and,
- Assets valued Rs.130 lakhs prevented from SARFAESI Auction
- 15,000-20,000 families have been uplifted in Happiness Index as industrial production moves up
- Skill up-gradation and Skill development made digital
- Moving to Cluster identification and creation in the process along with partner ALEAP

Revival paves the way of growth and growth is a journey, not a destination. TIHCL helps entrepreneurs realize their dreams. TIHCL products have the potential for broad reach; 1. Margin loan, 2. Critical amount Finance, 3. Stress Asset Finance, 4. Bridge Finance and focus on women with exclusive products 5. Swashakti and 6.WE Loans. For more details on products, please visit website <http://tihcl.telangana.gov.in/>. Online response is given through website.

Entrepreneurs can apply for help through i-Health software, a product developed by Microsoft exclusively for TIHCL, available through the website or at <https://tihcl.org/login>

MSE customer comments



"TIHCL is the 108 for the stressed industries"
– Sri Haritha Industries

"TIHCL has breathed oxygen into my industry and revived it on the path of success"
– Bhargava Industries



"TIHCL has shown me a way to put my industry on the path of revival and I am continuing my journey with them" – Suresh Textiles
"TIHCL team has helped in preventing the sale of my assets and am able to provide employment to 25 women in my industry"
– Akanksha Apparel Exports

EVENTS & SEMINARS

Maker Faire Hyderabad 2019

T-Works and Government of Telangana hosted the second edition of Maker Faire Hyderabad on 10th November 2019 at Hitex Exhibition Center. The event, with over 100 maker exhibits, 40 workshops, 10 installations and 50 sponsors and partners, attracted over 10,000 attendees.

MFH 2019 was a great blend of art, technology, science, music, hands-on learning and saw diverse participation from students, first timers to seasoned makers and hardware start-ups. Attendees across all age groups experienced “hands-on making” by participating in activities of makerspace set up at the event, including workshops, Screen printing, PCB



Soldering, Woodburning, Welding and a lot more. 100 makers across all age groups exhibited their



innovations ranging from smart dustbins to high tech drones to artistic paintings. Children had a great time showcasing their projects and inventions. Attendees truly appreciated the smart solutions and innovations showcased. The attendees got to experience not only the exhibitions but also got a chance to participate in 40+ workshops organized at MFH to experience hands on making.

The event also showcased some of the most interesting art installations made by artists from and outside Hyderabad, including scrap metal music installation, Tree of soul mainly made of automotive parts and LED's, and an intricately welded iron peafowl.



TS-iPASS



Industries and Commerce Dept. organized a celebration event for the completion of 5 years of TS-iPASS portal in Telangana. The event was attended by 1300 people from various depts. and industries. On this occasion excellence awards were also given to the District Collectors, District Industries Promotion Committee(DIPC) and General Manager, District Industries Centre /Convener, DIPC of the respective Districts

Korea Caravan Event



‘Korea Caravan’ is an event organized annually by the embassy of the Republic of Korea in 2-3 selected states with cooperation of the state government to enhance mutual understanding and explore mutually beneficial cooperation in diverse sectors, including promotion of Korean investment and business in state and cultural exchanges. This year a 48-member strong high level delegation, comprising Korean businessmen, diplomats and Taekwondo performers led by the Ambassador of the Republic of Korea to India, visited Hyderabad from 24-26 Sept 2019.

CII Defence Conclave

CII Telangana organised the 3rd Edition of DEFENCE CONCLAVE with the theme “Advantage Telangana: Examining Transformations & Exploring Opportunities” on 4th December 2019.

Delivering his Inaugural address, Mr K T Rama Rao, Hon’ble Minister, Industry & Commerce, IT, E&C and MA&UD, Government of Telangana mentioned that Defence and Aerospace is one of the most critical sectors in Telangana. The conducive ecosystem with the presence of Defence Labs, private players and



Mr Ashok Atluri, Chairman & MD, Zen Technologies Ltd; Mr Rudra Jadeja, CEO, Kalyani Rafael Advanced Systems Pvt. Ltd, Mr D Raju, Chairman, CII Telangana & CEO & MD, Kirby Building Systems & Structures India P Ltd, Mr KT Rama Rao, Hon’ble Minister, Industry & Commerce, IT, E&C and MA&UD, Govt. of Telangana, Mr Raminder Singh Soin, MD, Skyquad Electronics & Appliances P Ltd., Mr Krishna Bodanapu, VC, CII Telangana, MD, Cyient Limited, Mr Subhajt Saha, Director & Head, CII Telangana

1000 plus SMEs in the sector and availability of skilled workforce adds to the advantage of Telangana.

The progressive policies, collaborative efforts between the industry and government make Telangana one of the preferred investment destinations for the OEM’s of the world.

Minister highlighted the need to improve indigenous production capabilities and raise the bar over geopolitical issues and look at a strategic advantage for investments in the Defence & Aerospace Sector. A Defence corridor between Hyderabad and Bangalore would be ideal and would add to the strategic position, he said. Mr K T Rama Rao also stressed the need to reduce dependence on imports.

FICCI Session on “Scope of Indo-Saudi Bilateral Trade in view of new Political Relations”

FICCI organized an Interactive session with His Excellency Saudi Arabia’s Ambassador Saud Al-Sati on 9th Dec at Park Hyatt, Hyderabad. In February, both countries identified 40 opportunities for collaboration and investment across various sectors. The current bilateral trade is approximately \$34 billion and expects to increase further.

The Ambassador said that “We view India as our strategic partner in our mission 2030, as part of

which we seek to create a vibrant economy and a thriving society. Saudi Arabia wants to be part of India’s march to becoming a 5 trillion economy by 2025. Energy cooperation is the key pillar of our strategic partnership. Saudi Arabia is now moving to a more dynamic relationship that will now involve Saudi investment in downstream oil and gas projects in India”, Al-Sati said.

He pointed out that Saudi Aramco and Abu Dhabi National Oil Company have joined hands to develop the West Coast refinery, the \$44 billion, mega refinery and petrochemical facility. Similarly, Saudi Aramco’s recent acquisition of 20 per cent stake in the Reliance Industries’ oil and petrochemical business also reflects the growing energy partnership between the two countries.

While continuing to invest in oil and gas, they are also heavily investing in renewable energy, circular carbon to ensure efficient solutions. The strategic partnership that has been set up will have two mechanisms, one under the foreign ministers of the two countries to oversee political and security cooperation and the other under the Commerce Ministry to aid trade and energy partnerships.

T Muralidharan, Chairman, FICCI Telangana State Council said more than 2 lakh Indians are employed in Saudi Arabia, and their remittances have been a good source of income.



Left to Right: Mr. Muralidharan, Chairperson-FICCI Telangana State Council, H.E. Dr. Saud Al-Sati, Ambassador, Royal Embassy of Saudi Arabia in India, Mr. Murali Krishna Reddy, Co-Chairperson-FICCI Telangana State Council and Ms. Sona Chatwani, Chairperson- FICCI Ladies Organisation(FLO).

EVENTS & SEMINARS

CII MSME Summit

CII organized MSME SUMMIT with the theme 'Enhancing Competitiveness & Integration with Global Network' on 25th October 2019 in Hyderabad.

The key objectives of the Conference were to discuss the issues and challenges faced by MSMEs in accessing funds and create awareness about the opportunities present in international markets and effective models & strategies of financial management.

The Conference discussed the schemes and policies of Govt. of India available for the MSMEs and also challenges of financing for MSMEs and enhancing



Mr Mahesh Desai, Co-Chair, CII National MSME Council & MD, Meera & Ceiko Pumps Pvt Ltd, Mr Suresh Chukkappalli, Honorary Consul General of Republic of Korea, Telangana, Chairman Emeritus – Phoenix Group, Mr Om Prakash Mishra, CGM, SBI, Mr E V Narasimha Reddy, VC& MD, TSIC, Mr D Raju, Chairman, CII Telangana, CEO & MD, Kirby Building Systems & Structures India Pvt Ltd, Mr AVS Reddy, Convenor, CII Telangana MSME & International Linkages Panel & MD, Appidi Technologies Pvt Ltd, Mr Subhajit Saha, Director & Head, CII Telangana

the export potential of MSMEs to International Markets. The technical sessions were addressed by experts from Industry, Banks, Academia, Govt. officials and also by Trade commissioners & representatives from several consulates.

The Conference was attended by over 160 delegates representing Industry, Academia, and Research Institutions.

A CII – EY Report on "Quality Standards in Aerospace & Defence" was released at the Conclave. The Report seeks to highlight the global aerospace and defence standards accepted worldwide and laid out by international organizations and the role such

organizations take up in publishing of standards. The Report also gives an overview of the Indian Certification bodies and the role played by them.

SIDBI outreach program for strengthening MSME ecosystem

SIDBI organised an Outreach programme for strengthening Micro, Small & Medium Enterprises ecosystem on 19th Dec in Hyderabad, in collaboration with DC -MSME, Department of Financial Services – Ministry of Finance and Government of Telangana. The main objective of the Outreach programme was to collaborate with the state government and other stakeholders for taking up activities for benefit of MSMEs and knowledge dissemination on digital platforms.

The programme witnessed huge participation from various stakeholders including senior officials of Govt. of Telangana, Directorate of Industries, District Industries Centres, Reserve Bank of India, Banks, MSME development organisations, Industry Associations and MSMEs. There were Knowledge Sessions on State Government Schemes for MSMEs, PSB Loans in 59 Minutes, Opportunities for MSMEs for listing on Stock Exchange, E- Commerce Platforms / Government e-Marketplace, Schemes of MSME-DI for MSMEs, Interest Subvention Scheme / Udayami Mitra / Swavalamban/ Prayas and other Initiatives of SIDBI.



The programme was chaired by the Chief Guest Shri Jayesh Ranjan, IAS, Principal Secretary, I&C Dept., Shri V. Sathya Kumar, Director, SIDBI, Shri Jaya Kumar, GM, RBI, Shri UNN Maiya, GM, SBI & Convenor, SLBC and Shri Chandra Sekhar, Addl Industrial Advisor, MSME-DI, Director General, NI-MSME & Principal Director, CITD, Shri Ravi Tyagi, CGM, SIDBI and Shri Sanjay Jain, GM, SIDBI

FTCCI Conference on "India's Logistics Sector on the Path of Transformation"

The Federation of Telangana Chambers of Commerce and Industry (FTCCI) jointly with Maritime Gateway, leading logistics magazine and Federation of Indian Chambers of Commerce & Industry (FICCI) with the support of Government of Telangana organized a Conference on "India's Logistics Sector on the Path of Transformation" on 19th September, 2019 at FTCCI Auditorium, Hyderabad.

Sri N. Sivasailam, IAS, Special Secretary (Logistics), Department of Commerce, Ministry of Commerce and Industry, Govt. of India suggested creating industry-backed platforms to help SMEs and MSMEs thrive. He said that without the industry-wide platforms, it will not be possible for any SME or MSME to create electronic systems.



Sri N. Sivasailam, IAS, Special Secretary (Logistics), Ministry of Commerce and Industry, Govt. of India was the Chief Guest, Sri Jayesh Ranjan, IAS, Principal Secretary to Govt., Industries & Commerce, ITE&C, Govt. of Telangana and Sri J.S. Chandrasekhar, IRS., Principal Commissioner, Hyderabad Customs Commissionerate were the Guests of Honour at the occasion. Rupesh Singh, Director Logistics, Govt. of Telangana, Ms. Khyati Naravane, CEO, FTCCI, Sri Karunendra S Jasti, President, FTCCI and Mr. Ramakanth Inani, Senior Vice President, FTCCI were also present

While emphasizing on the importance of logistics in modern world, he enumerated the steps and policy initiatives taken by Government of India to make processes easy and transparent along with ease of doing business. He pointed out that the gains made in manufacturing are lost at border trade where the cost at borders is seven times higher making us one of the costliest countries in movement of goods. He urged the need to shift focus from passenger-only to freight-also approach, especially in the railways logistics.

Moderated panel discussions were held on topics such as Indian Logistics sector and Logistics Scenario in Telangana. The conference was attended by various logistics players from Telangana.

FOCUS SECTOR : INNOVATION

Telangana State Innovation Cell (TSIC)

The Telangana State Innovation Cell (TSIC) was set up in 2017 under the State Innovation Policy with a three-fold mandate: to promote the culture of Innovation and Entrepreneurship in the state, to promote Innovation in Government organizations & to build a culture of Innovation from the school stage.

Initiatives

All India Radio – 1000 Wala: With an objective to make the stories of innovators & start-ups from Telangana reach every household, All India Radio-Hyderabad's 1000 Wala program features stories behind an innovation/start-up through interviews with innovator or founder.

Government Mentor Program (GMP): Government Mentor Program is initiated to enhance the relationship between start-ups and government departments. A Government department is chosen along with problem statements identified by the

department, for which start-ups across India get a chance to pitch a solution. In the first cohort, RHPD Solutions, a start-up based out of the state was chosen by the Police Department for monitoring the traffic signals using google maps.

Intinta Innovator (Innovator in every household) Exhibition: To nurture the culture of innovation beyond tier 1 cities, Intinta Innovator Exhibition, one of its kind exhibitions were organised in all the 33 districts of Telangana on August 15, 2019, with each district collector's ownership, where 220 innovations from various backgrounds have been scouted and exhibited.

TheGoodTalkFactory–TSIC Innovator Speaker Series: The Innovator Speaker Series is one of its kind Storytelling event that aims to convey the journey of rural innovations by the Innovators themselves, sending the message of Innovator in every household.

T-Innovation Utsavam: T-Innovation Utsavam on State Formation Day (June 2, 2019) was a spectacle of 65+ Innovators from different age groups, backgrounds and ranging from student to rural innovators, showcasing their innovations, appreciated and celebrated by the audience.

CII MAN'EXE 2019 Awards: For the first time CII-Telangana at its MAN'EXE event on 18th October, has recognised 10 rural innovators who were awarded by the Hon'ble Minister Sri K.T Rama Rao.

Jagriti Sustainable Enterprise Awards 2019, held in collaboration with CocaCola India on Nov 28, 29 in Mumbai, awarded 6 winners across India, out of which 3 innovators are from Telangana.

3rd India International Innovation Fair: Out of the 100+ innovations across the world exhibited at 3rd India International Innovation Fair (IIIF), 20 innovators from Intinta Innovator exhibition have been chosen to display. Two innovators of these have been awarded under different categories.

INVESTMENTS

Youngone Corporation: South Korean textile major Youngone Corporation has finalized plans to invest over INR 900 Crores in Telangana. The \$1.75 billion turnover company will be acquiring 290 acres of land at Kakatiya Mega Textile Park (KMTP) at Warangal for the facility and is expected to create over 12,000 direct jobs.



The Korean chaebol inked a final agreement with the Telangana govt in the presence of Indian ambassador to Korea, Sri Priya Ranganathan and the Korean ambassador to India Shin Bongkil in Hyderabad on 11th Dec.

The proposed Youngone facility will include eight units in the park, including four garmenting units and one knitting unit, technical textile unit and processing unit each.

Whitegold Spintex Integrated Textile Park: which is being established at Ibrahimpatnam, Rangareddy, inaugurated its first unit set up by Divya Textiles of Surat, Gujarat. The inauguration was done by Shri Jayesh Ranjan, Prl. Secy, Industries & IT and Shri E V Narasimha Reddy, VC&MD, TSIC.

More than 60 textile entrepreneurs from Surat attended the event. Whitegold Spintex Integrated Textile Park is being setup over 130 acres of land at Ibrahimpatnam and will provide developed plots to weaving, knitting and garment units. Divya Textiles has set up 24 rapier looms with electronic jacquard and produces 1200 sarees per day.



DISTRICT INDUSTRIES CENTRES – PROGRESS REPORT

KAMAREDDY

PROFILE: The district derived its name from the ruler of Domakonda Fort Chinna Kamareddy who ruled this area during AD 1600 TO 1640. The primary mineral resources in the district include laterite, ferruginous quartzites, alumina, quartz, feldspar, stone metal, road metal. Other resources comprise milch animals and fisheries. The major crops in the district include paddy, wheat, jowar, maize, green gram, black gram, Bengal gram, sugarcane, vegetables, onion, safflower, sunflower.

PRESENT SCENARIO: Kamareddy's primary source of income is agriculture. There are around 300 textile business centres. Telangana's biggest poultry farms are also in this district. There are four large and medium Industries in the district, with an Investment of Rs.146.55 Cr., employing 589 people. Also, 38 micro and 31 small units have been approved with a total investment of Rs. 3.36 Cr. and Rs.49.11 Cr. respectively. Stone crushers and Poultry have the highest Investment of Rs. 13.91 Cr. followed by Hatchery and Piggery at Rs. 6.17 Cr. The primary industries in the district include bulk drugs (chemical), rice milling, solar power plants, stone crushing, flour mills, engineering and fabrication, spice grinding, steeping and processing of grains, tyres and tube retreading.

POTENTIAL: There is potential for the following industries: modern rice mills, seed processing, vegetable oil, refinery, maize, starch, pickles, cattle feed, poultry feed, spinning mills, plastic products, paper products, stone crushing units, clay bricks, mineral water. There is a good scope for establishment of an industrial park along the national highway very near to Hyderabad, as it is well connected with National Highway and Railway line.

KARIMNAGAR

PROFILE : The district is a major urban agglomeration and fifth largest city in the state. It is situated on the banks of Manair river and serves as a significant educational and health hub for northern districts. It is widely known for Granite and Agro-based industries. The district mineral resources include Granite, Sand, Coal, Limestone and Iron ore. Local produce includes Paddy, Maize, Cotton, Chillies, Mango, Lemon, Pomegranate, Guava, Tomato, Onion, Cauliflower, Turmeric and Ginger. Karimnagar gets a majority of its Irrigation from Sri Ram Sagar Project, Irrigation Tanks and Borewells.

PRESENT SCENARIO: There are 12 Large & Medium scale units existing with an investment of Rs. 3583 Cr. Under TS-iPass act 415 units are approved in Karimnagar, out of which 250 are micro-units, and 165 are small units. The total Investment for micro-units is Rs. 41.5 Cr. and for small units Rs. 218.17 Cr. The total number of employees for micro-units is 1803, and small units are 2330. The primary industries in the district include Food & Agro-based, Coal, Power (NTPC), Cement, Handlooms & Textiles, Poultry, Processing of Marble stone and Engineering works.

POTENTIAL: There is potential for developing the following industries: maize products manufacturing, rice mills, cotton ginning & pressing, cloth processing unit, cotton spinning mill, polyester oriented yarn unit, modern weaving units, cold storage, granite slab cutting & polishing, poultry & meat processing.

ENTREPRENEUR WATCH SPACE



With an increase in population and urbanization, there is limited availability of fresh water supplied by municipal authorities. The remaining population has to often rely on water extracted from underground sources or provided by water tankers. This water contains dissolved impurities and a higher concentration of minerals. When levels of dissolved impurities (TDS), and particularly calcium and magnesium are more elevated than recommended levels, this water is termed as 'hard water'.

Having faced personal difficulties with hard water, Hyderabad-based Uday Nadiwade, and Rajesh Saraf installed water softeners in their respective homes but failed to get the desired results. They found that

the solutions available in the market required high capital investment, consumed a large amount of electricity, wasted a lot of water and came with prohibitive maintenance costs. The engineering duo decided to take the matter in their own hands and began researching and developing a solution for the hard water problem which was better, faster, cheaper than the competition by a significant margin (4X).

After a year of research, rigorous testing and development, the duo launched D'Cal Hard Water Softener in July 2018 as a low-cost and environment-friendly solution to treat hard water. Instead of using the traditional method of removing minerals like calcium and magnesium that make water hard, D'Cal uses food-grade engineered compounds to eliminate the stickiness of calcium ions, ensuring that calcium does not stick to walls, buckets, or taps. Installation of D'Cal is a hassle-free process as it does not require any additional fittings, plumber or electricity.

The user needs to drop the bottle-shaped softener machine into an overhead water tank. Besides being cost-effective, the device is also eco-friendly as

there is no wastage and consumes zero electricity. Developing on their principles of 'Better, Faster and Cheaper', the two friends christened their product 'BEFACH'. The product is for one-time use and doesn't require any maintenance. Each unit of D'cal costs approximately Rs 3,600, as compared to the conventional plants, which cost approximately Rs 30,000. The device is ideal for household tanks with an annual consumption of 3 lakh litres of water and lasts for about 10 to 12 months.

The unit stays at the bottom of the tank and starts floating when the compound in the device is exhausted. "D'cal needs no maintenance, and there is no need for regeneration (like replacing the filter). In conventional hard water treatment solutions, approximately 70% of the water turns soft, and the ions shift to the rest of the water thereby wasting it due to the high content of salts", said Nadiwade.

The Company also received Telangana Government's "Best Innovation award in MSME sector for 2019". The device is available on e-commerce platforms such as Amazon, Flipkart, The Better India, etc. and on D'Cal's website.

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