

Report on

**Socio-Economic status of the entrepreneurs and work force
of Textile and Apparel manufacturing Cluster of
Bhiwandi**

by



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ACKNOWLEDGEMENT

Study of Socio Economic Conditions of the Bhiwandi Powerloom Entrepreneurs and Workforce has been conducted by the National Institute for Small, Medium Enterprises, an organization of the Ministry of MSME, Govt. of India. We have tried to explore the issues concerns for the growth of socio economic conditions of the Powerloom industry in Bhiwandi both with the entrepreneurs and the workers through the intensive field study and interaction with the concerned groups. Major inputs for the study is derived from the interactions with the major associations of the industry, some of the prominent company owners, community leaders and small entrepreneurs were the major source for this study. Co-operation of the individual enterprises, Association members and allowing our team to interact with the workforce by the factory owners has given us the opportunity to know the industry in depth.

In this connection, we would like to thank various associations of Bhiwandi Powerloom Owner Association, Bhiwandi Slik & Art Slik Manufacturers Association, Bhiwandi Powerloom Weavers Association, Bhiwandi Jobber Society, Bhiwandi Modern Loom Owners Association and Bhiwandi textile worker and their executive members who has given full support to inform all the their members to extend the support for this study.

We also express our sincere thanks to all individual entrepreneurs who co-operated this study and allowed us to visit the units and to interact with their workers for the interviews.

Research Team
ni-msme

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1. Executive Summary

The textile industry holds significant status in the India. Textile industry provides one of the most fundamental necessities of the people. It is an independent industry from the basic requirement of raw material to the final product, with huge value-addition of every stage of processing with its contribution of 14% of the total industrial production and it contributes to nearly 30% of the total exports. This industry has the potential of generating a large number of employments to opportunities and stands as second largest employment generator after agriculture. About 35 million people are already engaged with this sector.

Bhiwandi, known for its powerlooms is situated at about 30 kilometers away from Mumbai in Maharashtra state. Bhiwandi is a one of the key textile center of western India. Bhiwandi has approximately 12 lakhs powerlooms, which is 33% of country's total powerlooms. Turnover of this segment is projected to be around Rs. 10,000 Crores annually. With approximately 1.6 lakh customers this industry is spread across 700 sq. km of area. Bhiwandi powerlooms support family of about 20 lakh workers, most of them being migrants from Uttar Pradesh and Bihar. Nearly 20 % of the national production from the powerloom sector is contributed by this township.

It produces 420 lakh meters per day from seven lakh looms ranging from grey, printed fabric, dyed fabric, cotton fabric to various mix of cotton, synthetic, and other fibres. Bhiwandi, which alone contributes nearly 40% of the national production from power loom sector and supports over 20 lakh families, is witnessing a fall in production by 20 % purely for want of labour. Labour is also migrating to other sectors for want of better wages and choose to work in definite timings unlike powerloom sector. All these factors are affecting the performance of the entrepreneurs in getting the expected production failing delivery schedules.

Majority of the powerlooms in Bhiwandi produce grey materials which are used as shirting and dress material later. Cloth produced in Bhiwandi is mainly

consumed by Indian market as it is not up to the mark in the international market. One reason for this is the technology used. Most of the powerlooms in Bhiwandi is absolute and older, as manufacturer over here prefers low priced second hand powerlooms over new looms. Excluding some big players most of the units run in Bhiwandi are small scale units and could not afford to purchase or import high priced machinery.

About 80 per cent of the powerloom units in Bhiwandi carry out work orders for master weavers or merchants, who operate between the unit owners and the market. With the onset of industrial recession, the margins of the textile industry narrowed down and by routing business through master weavers, it further narrowed margins to the entrepreneurs. Industry is also slowly realising the threat of imports. But, for the industry to stand on its feet, it must be freed from the clutches of master weavers. There is a dire need for the revival of schemes suitable to micro, small and medium enterprises.

Socio economic conditions of the workforce involved in the power loom industry is very poor and they are deprived of many the facilities from the employer like PF, overtime, bonus, leaves, housing, insurance, etc and also not aware of any Govt Schemes.

Hence, this study has focused mainly on the Textile and Apparel manufacturing located at Bhiwandi Municipal Corporation area to know the present status of the micro enterprises involved in the production of textile and apparel manufacturing with reference to socio-economic status of the entrepreneurs and work force. Aim of this study to bring out the role of public and private business development service providers, critical bottle necks involved, and inclusive development of minorities in these areas, etc.

1.a Challenges faced by the entrepreneurs of Bhiwandi Powerloom Industry:

As per the interactions with the Associations, owners, service providers and the actors of backward and forward linkages, following are the major challenges observed for the well being of entrepreneurs:

1. Obsolete technology of plain looms
2. Volatility of yarn prices every day
3. Yarn market is under the control of few people in other communities
4. Financial weakness of micro entrepreneurs
5. Getting a finance from banks is very a biggest task for a Powerloom MSME
6. Benefits of TUFS are not being properly utilized by the Bhiwandi Powerloom sector
7. Absence of support from the public and private service providers
8. Dependency on local markets and master weavers only
9. Non availability of skilled labour and labour shortage to the industry
10. Labour absenteeism of 1-3 days after every weekly pay out.
11. Most of the entrepreneurs covered under this study are not fully aware of Govt Schemes and its benefits
12. Absence of financial discipline among the powerloom entrepreneurs
13. Banks are not industry friendly for powerloom sector

1.b Challenges faced by the Workforce of Bhiwandi powerloom Industry:

1. Working on piece rate and not on monthly salary
2. High rate of inflation
3. No proper sanitation for the workers at workplace / living places
4. No proper housing for workers
5. No paid holidays
6. No Provident fund as they are not directly employed on rolls
7. No ESI / Insurance
8. Children are not given proper education
9. Not aware of Government schemes of Insurance,
10. Ignorance of Children education allowance etc

1.c Quick Recommendations To Enhance The Wellbeing Of The Entrepreneurs

1. Educating the entrepreneurs on adopting Technology Upgradation Fund Scheme (TUFS)
2. Facilitation with banks for the better disbursement of loans under TUFS
3. Making use of Group Workshed Scheme to synergize the resources of micro enterprises
4. Formation of Raw Material banking for the cost effective inputs
5. Aggregate to small groups, preferably in to Consortium / SHGs; linking them to the mainstream financial institutions
6. Developing Development Plans for both the workers associations and small entrepreneur associations with a specific focus of social benefits and financial benefits
7. Promoting an independent association for the work force and providing required capacity building through an independent agency with a specific curriculum
8. Establishing Market Resource Center to educate the entrepreneurs on markets and providing marketing linkages
9. Counseling to workers on the work ethics and co-operation for the win-win position of workforce and entrepreneurs
10. Creating awareness on the Govt Schemes to the entrepreneurs for better utilization of schemes
11. Similar awareness to the workforce on Insurance, Children Education etc
12. Promoting group insurance through the aggregated community based organizations
13. Skill upgradation of the weavers on latest technology and also to train the fresher to induct to the industry.
14. Lobbying with the Ministry of Textiles for the revision in schemes which benefits decentralized MSME

1)STUDY BACKGROUND

The idea of the study has emerged keeping in view of the current crisis that prevails in the Bhiwandi textile cluster. Several of the current generation is leaving the profession due to various reasons. Being the second largest supporter of the livelihoods of the millions of populations of India, the Powerloom entrepreneurs and work force are facing several challenges. If the situation prevails, the crisis takes away several lives similar to the dry land agrarian crisis that is prevailing in India. Hence it was decided to undertake a study which understands various challenges faced by the Powerloom workers in this region. The study is expected to bring out specific recommendations so as to improve the situation. The study has been conducted in three clusters of Textile and Apparel manufacturing located at Solapur, Bhiwandi and Bhiwandi cities within, Municipal Corporation areas to know the present status of the micro enterprises involved in the production of textile and apparel manufacturing with reference to socio-economic status of the entrepreneurs and work force. The study would also involve bringing out the role of public and private business development service providers, critical bottle necks involved, and inclusive development of minorities in these areas etc.

2.a. Objective of the study

1. To undertake study in Textile and Apparel manufacturing cluster located at Bhiwandi Municipal Corporation areas.
2. To study the present status of the micro enterprises involved in production of textile and apparel manufacturing.
3. To study the socio-economic status of the entrepreneurs and work force involved in production of textile and apparel manufacturing.
4. To analyze the backward and forward linkages to understand details of business operations of the clusters.

5. To analyze the role of public and private business development service providers.
6. To identify the critical bottle necks that is hindering development of the clusters particularly from the point of view of inclusive development.
7. To analyze the strengths, weaknesses, opportunities and challenges of the clusters.
8. To prepare a cluster specific action plan along with the scheduling of the activities for development of the clusters based on the problem analysis.

2.b Scope of the study

To undertake a study of Textile and Apparel manufacturing located at Bhiwandi Municipal Corporation areas to know the present status of the micro enterprises involved in the production of textile and apparel manufacturing with reference to socio-economic status of the entrepreneurs and work force. The study would also involve bringing out the role of public and private business development service providers, critical bottle necks involved, and inclusive development of minorities in these areas.

2)STUDY METHODOLOGY

The study has been conducted through the local Cluster Development Executive who is trained on the UNIDO Cluster Development Methodology. Field visited to individual units to get full details mentioned in our scope and analyze the forward and backward linkages of the industry. Also met the individual public and private service and supporting institutions to analyze their services and role to suggest strengthen their services to the local industry. Similarly, meeting the stakeholders of the cluster and getting their feedback on the social economic status of the industry and the bottlenecks of the industry growth, present level of support received from the State/ Central Government organizations, pending issues and grievances pending with the concerned authorities

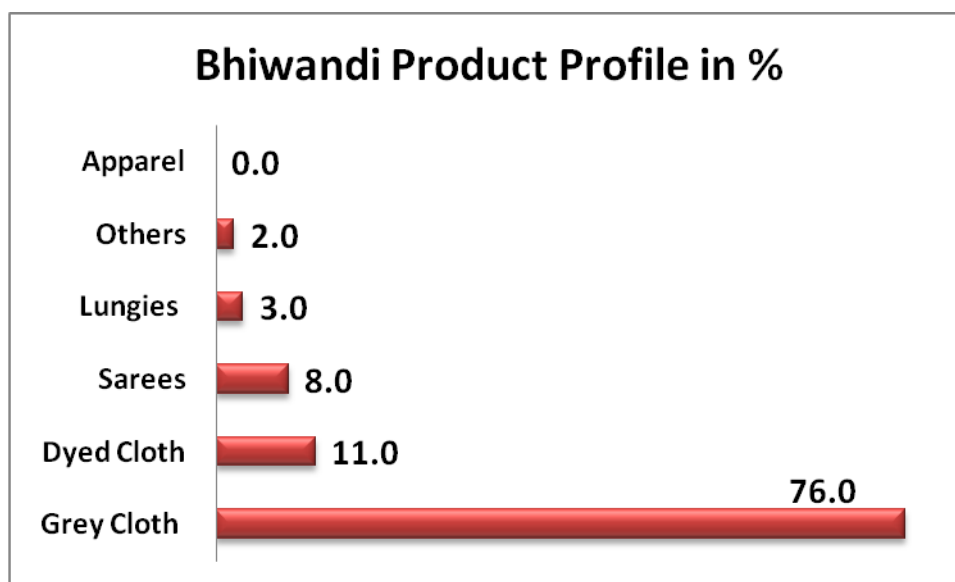
Based on the data and inputs from various meetings, SWOT analysis was prepared and specific action plan also being suggested based on the gap analysis done through our study.

SAMPLING

Entrepreneurs sample size	150	Purposive sampling
Work force sample size	150	Random sampling

4. ANALYSIS AND INTERPRETATION OF RESULTS:

a Present status of the micro enterprises involved in production of Textile and Apparel manufacturing



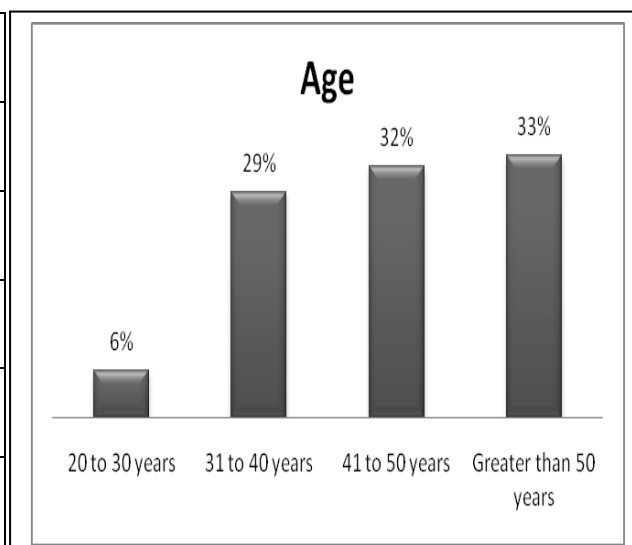
Majority of the powerlooms in Bhiwandi produce grey materials which are used as shirting and dress material later. Other items produced are dyed fabrics of Lungies, Sarees and running fabrics of dyed yarns. All these are these productions are of Powerloom production and there is no activity of Apparel industry in Bhiwandi. Especially the Bhiwandi Powerloom products are not given a value addition of converting them into apparels or any kind of customized garments as they need further pre-processing and dyeing. Some of the Powerloom produce are given a value addition of embroidery and stitching ends, these are either outsourced to women to stitch at their homes. Some units have set up 3-5 machines in-house to cut and stitch the fabrics or mend the ends. So this activity of is considered as making of Made-ups and not as apparel manufacturing.

In absence of Apparel sector in Bhiwandi, our main focus of this study is given on micro enterprises of Powerloom enterprises whose investment is upto 25 lakhs on plant and machinery

b. Interpretation Of The Enterprises

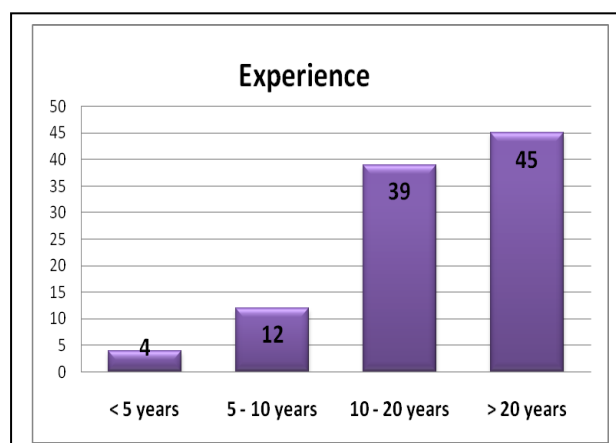
i. Age & Experience Of The Entrepreneurs

Table 1. AGE OF THE ENTREPRENEURS			
Sno	Age category	Number	%
1	20 to 30 years	9	6%
2	31 to 40 years	43	29%
3	41 to 50 years	48	32%
4	Greater than 50 years	50	33%



From the 150 respondents in the cluster, more than 65% of the entrepreneurs are in the age group of above 40 years and above, this indicates that the entrepreneurs in Bhiwandi carry a rich experience and operating in the profession for several years. There are only 29% of entrepreneurs whose age group is between 31 to 40 years. Looking at the entrepreneurs' age between 20 to 30, there are only 6%, which indicates that the new age group and youngsters are not choosing this textile line and the new generation is opting for various other activities.

When compared the age of the entrepreneurs with the experience in the profession (table 2), it gives an interesting observation that there is only 4% of the entrepreneurs who carry an experience of <5 years and 5-10 years are only 12%. This is not a good sign for the growth of the industry. There are about 84% of them who are having more than 10 years of experience in this sector.



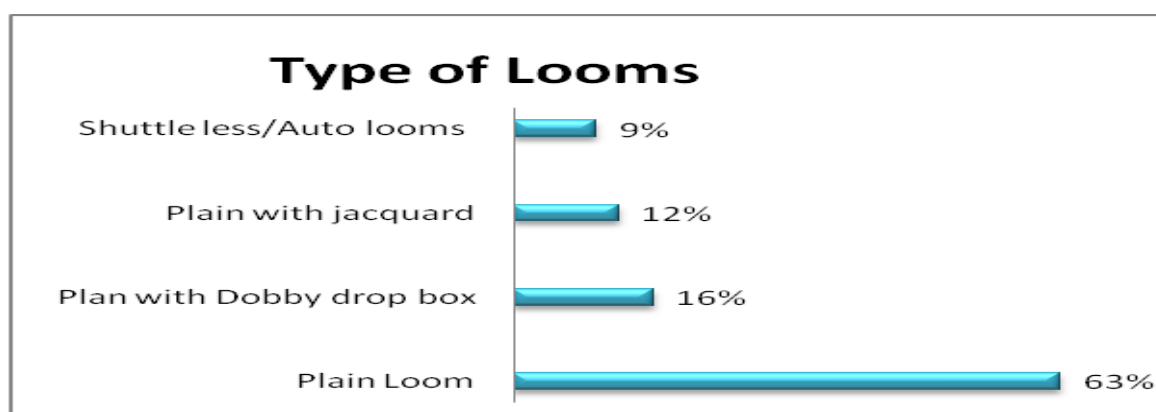
ii. Ownership of the Units in the Cluster

Majority of the units in Bhiwandi cluster which the team had studied, the units are owned by the entrepreneurs. 76% of the units are own units and about 24% of the unit holders are funning their production by hiring the installed looms. The entrepreneurs who are running their businesses on hiring the infrastructure is not sound enough to establish their own firms and on the other way those have give for hire and who are the ultimate owners are unable to run the business due to various reasons. Original owners failed to do the business due to low profit margins and not able to upgrade the looms to the contemporary requirements by their clients like sulzer / rapier automatic looms production.

Sno	Type	Number	%
1	Own unit	114	76%
2	Rented	36	24%
3	Cooperative Society	0	0%
4	Daily wage	0	0%

Very few entrepreneurs have got the access to either the beneficial schemes for starting up of the textile units or for the working capital requirements. An in depth probing is further required to see how the capital requirements are met, what are various debt options, the interest rates, the existing pressure from the informal lending institutions etc to know more about the nature of working capital and related vulnerabilities.

iii. Type of Looms



Over all plain looms % is more and all are age old looms and these looms were purchased from the closed mills of Mumbai as Bhiwandi is in the outskirts of Mumbai. With some additional attachments of drop box or the jacquards they are put to use for producing grey fabrics. In our sample selected and visited, there are about 63% of the looms are only working on grey. Some of the looms are attached with drop box or jacquard is about 28% in the selected sample. Sometimes, these kinds of attachments may cost them about R.25000 to 50000/- per loom depending upon the type of modifications they need.

Type of looms in the cluster			
S.no	Loom type	Numbers	%
1	Plain Loom	94	63%
2	Plan with Dobby drop box	24	16%
3	Plain with jacquard	18	12%
4	Shuttle less/Auto looms	14	9%
		150	100%

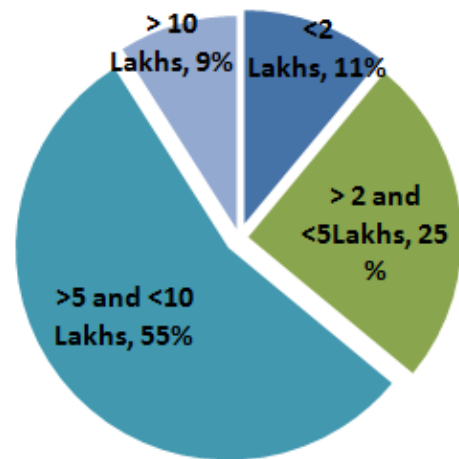
There are only 9% i.e., out of 150 entrepreneurs only 14 member having established the auto looms. In the micro entrepreneurs there are only 72 looms all together working as of now?

Out of 12 lakhs powerlooms in Bhiwandi there are more than 2000 rapier / sulzer looms are working and those are all established by the large scale entrepreneurs with/without the help of TUFs funding. While the micro entrepreneurs are not a position to reap the full benefits of the Govt. Schemes due to their financial weakness and not having any accounts track record or banking transactions.

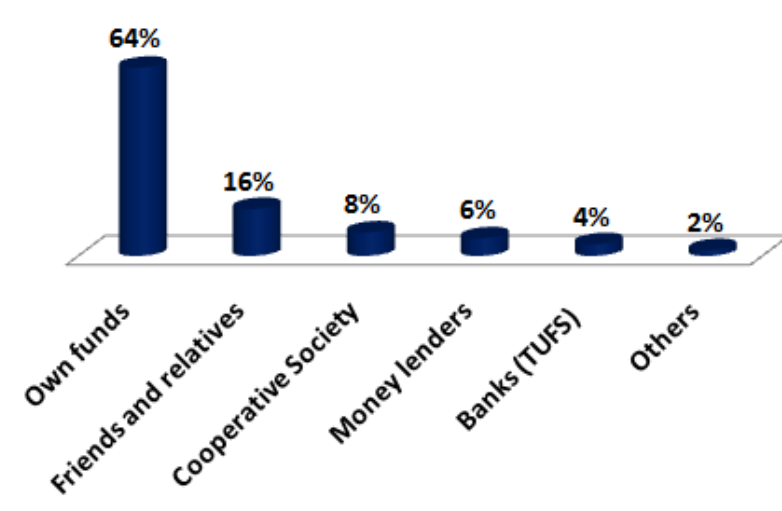
As a result, all the micro entrepreneurs are deprived of these benefits while all others are enjoying the benefits of the schemes. First of all, there is no much awareness about the Govt schemes and those who are aware, they are not financially capable of taking loan and modernize the technology. During our interaction with the micro entrepreneurs, they have expressed that instead of putting our total capital as margin money and taking loan from the bank is not a viable proposition for them as they will not have working capital in hand and also it becomes burden till the loan is fully repaid to bank.

iv. Investments.

An analysis of the number of looms per unit versus the extent of accessibility of the schemes is of paramount importance in the study. Field study reports shows that there are 11% people has the investment of <2 lakhs rupees establishing the looms the in the home premises and doing the activities of conversion to the master weavers. So he will not have the capability of upgrading the technology which is beyond his capacity. The next segment is more than 2lakhs and less than 5 lakhs are about 25% with better financial position having upto 12 looms and they also work for the master weavers. Major segment is about > 5lakhs and less than 10lakhs investment in to looms and installed upto 36 looms capacity. This segment is somewhat in better position and producing good quality of fabrics with the same age old machinery. Only 9% of the units are having investments of more than 10 lakhs and below 25 lakhs. All these 14 units have installed rapier looms and few of them availed the loan under TUFs.



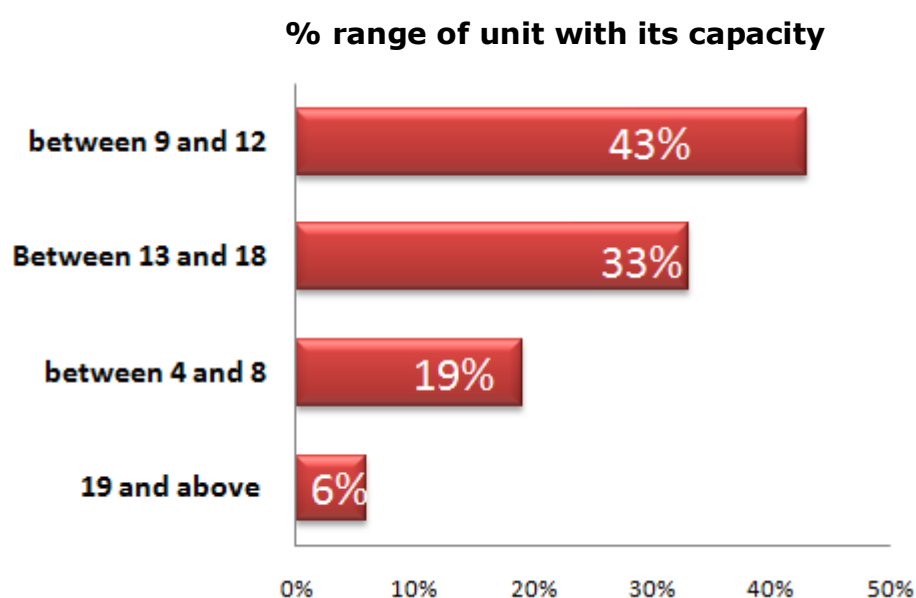
v. Funding



It is evidence from the investment pattern that most of the entrepreneurs are investing from their own funds to the extent of 80% which include finance from the relatives and friends. It shows that they want to do the business with their own money instead of barrowing and paying installments to the banks. Banks contribution is only 4% which is very less in the present financing pattern. It is because many banks do not entertain the small Powerloom entrepreneurs to finance the term loans. Banks look at the past financial records of the applicant and it should be profit making and having a good financial record and transactions with the banks. Co-operative societies also play a vital role in this aspect by extending a term loan to their members and some of the unit holders sometimes take the finance from even the money lenders.

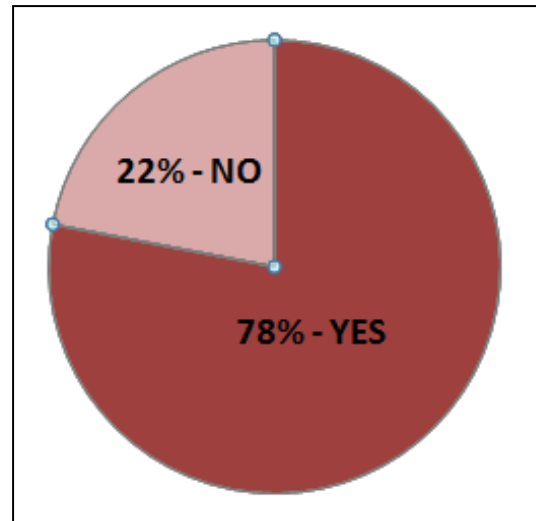
Though there is a great potential for the banks to help the MSMEs of Powerloom sector, the scheme guidelines are very rigid on its eligibility norms. Textiles commission office is also notified the eligible machineries under the TUFS and only those are eligible to get the loan. Industry demand to consider the old looms modernization is not yet considered to include in the TUFS.

The following results shows that there are 76% of the units are having looms between 9 and 18 working and only 19% of units out of 150 are having looms between 4 and 8. Only 6% of units have 19 to 36 looms installed capacity.



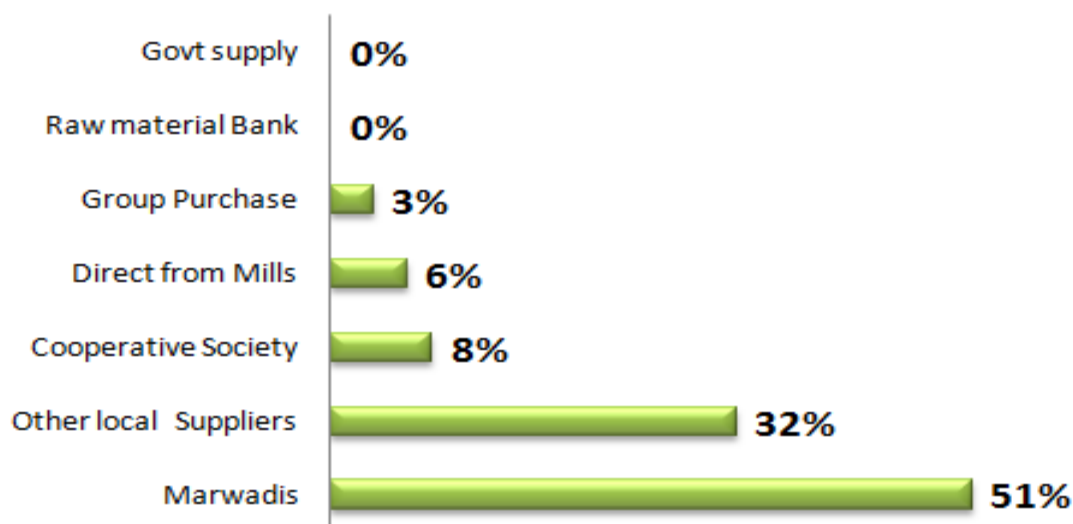
vi. Impact of technology up gradation

Technology upgradation has a positive impact on the industry as per the discussions and responses of the respondents. As per the study, there are about 117 respondents said YES there is a positive impact and about 33 respondents said that there is no impact. The second category of the people is very confident about their ability to produce the quality fabrics equivalent to the auto looms and not further upgradation is required.



But the fact with the first category of people who believes that there is a positive impact and they are not able to put up the money for the technology upgradation. Ability of these entrepreneurs in accessing the support from TUFs has been not enhanced for the past few decades. Though Maharashtra Gov came up with a good scheme, the local entrepreneurs are unable to meet the requirements of the scheme.

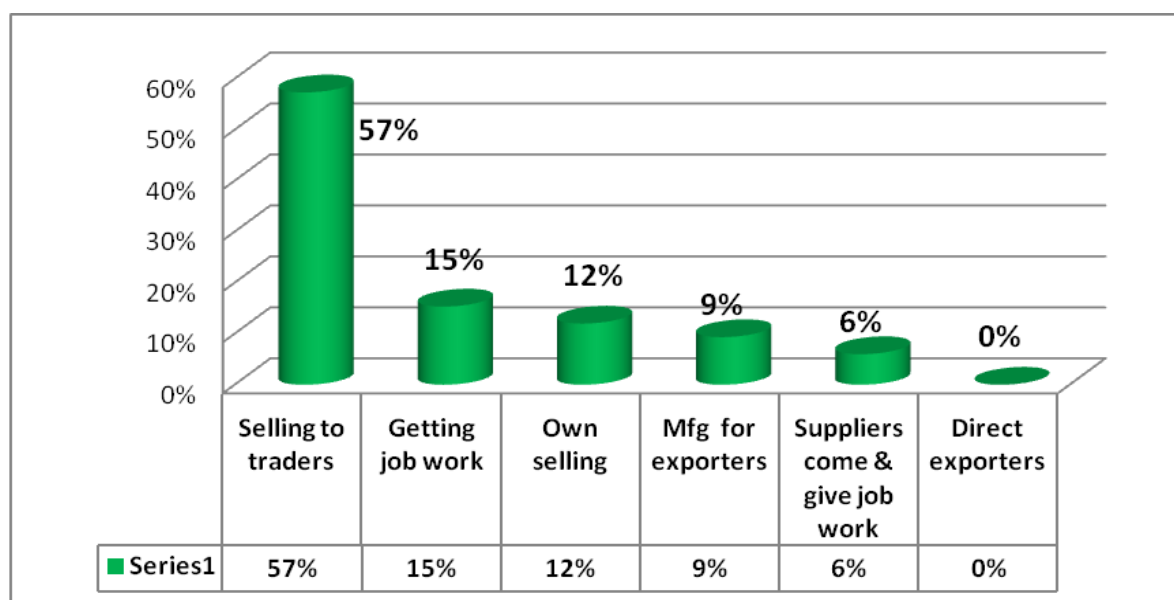
v. Source of Raw Materials:



The findings clearly shows that 51% of the entrepreneurs are making purchase from the local marwadis and about 32% of the powerloom unit holders are purchasing thru the other community local vendors. This shows that 84% of the entrepreneurs are depending on local vendors for the raw materials and other inputs. Only 8% ie. 12 units are working under the co-operative societies and the raw materials are provided by the society. Only 9 units i.e, 6% of the sample size are directly purchasing from the mill. Only 5 units ie., 3% of the study group is making a group purchasing which is an excellent tools for the collective bargaining and also to have a cost advantage.

Hence, there is a dire need for the raw material banking at Bhiwandi is very much essential. It can be organized by the group of entrepreneurs with the Govt funding and manage by their own to cut down the cost of raw materials. Here, Banks should also support the concept of raw material banking and Minority Development Corporation of Maharashtra can also play a vital role in formation of raw material banking for the benefit of community involved in the powerloom weaving and to support their business with the raw material sourcing at cheaper prices.

vi. Marketing Channels:



As seen from the findings that the marketing channels are very weak as about 57% of the sample size selling to the local traders and they are fully dependent on them for the immediate sale of their production and converting them to money. In this process, the local traders are exploiting the micro enterprises in pricing as they need the immediate cash or the counter trade of taking yarn from the same traders in exchange. This is one of the weaknesses of this cluster and intermediaries are playing a key role in controlling the markets of yarn and also the final product pricing. 15 % of the enterprises are fully surviving on doing job work regularly to certain exporters on a regular basis. So they are not bothered about the yarn prices as they are concerned with the conversions cost and labour costing. Only 12% of them are making their own selling of their production either through agents at Mumbai, Ichalkaranji, Jaipur or Ahmedabad. So they are obviously enjoying the price advantage for their direct selling.

About 9% of the units are involved in producing the required quality of grey fabrics for exports. These orders are placed by the exporters with certain requirements and accordingly, these products are made as per specifications. These units are making a deemed exports as their second sale of the products will be directly billed to foreign buyer. These 14 manufacturers are not actually getting the benefits of DEEMED EXPORTS as the units holders are also not aware of benefits for deemed exports. Out of 150 units covered under this study, only 6% of the units get the job from their clients for conversion.

When we look at various marketing support channels, the cluster is deprived of various important marketing support mechanisms. Still the entrepreneurs can reach to the untapped markets like – Mumbai, Ichalkaranji, Surat, Rajasthan and South markets. Strengthening of these marketing channels enhances their income levels in turn their net incomes from the businesses. Hence, a separate marketing strategy needs to be evolved for these units.

Govt can set up the **MARKETING INFORMATION CENTER (MIC)** and provide marketing linkages to other textile centers with the support either Central Government or State Government Departments like Ministry of Textiles /Minority Development Corporation. This MIC will act as marketing exchange to get the pooled demand from various centers and distributing the demand to the MSMEs and acting as a marketing exchange with nominal charges to MIC for survival

vii. Access to Government Schemes

Following are the list of different Government schemes for the benefit of the Powerloom Industry and the copy of the each scheme is given as annexures:

Central Government Schemes:

1. Technology Upgradation Fund Scheme:
 - a. 5% interest subsidy schemes
 - b. 15% capital subsidy schemes
 - c. 20% Margin Money scheme for Powerloom SSI
2. Modified Group Workshed Scheme(MGWS)
3. Revised Group Insurance Scheme for Powerloom workers

Government of Maharashtra Schemes:

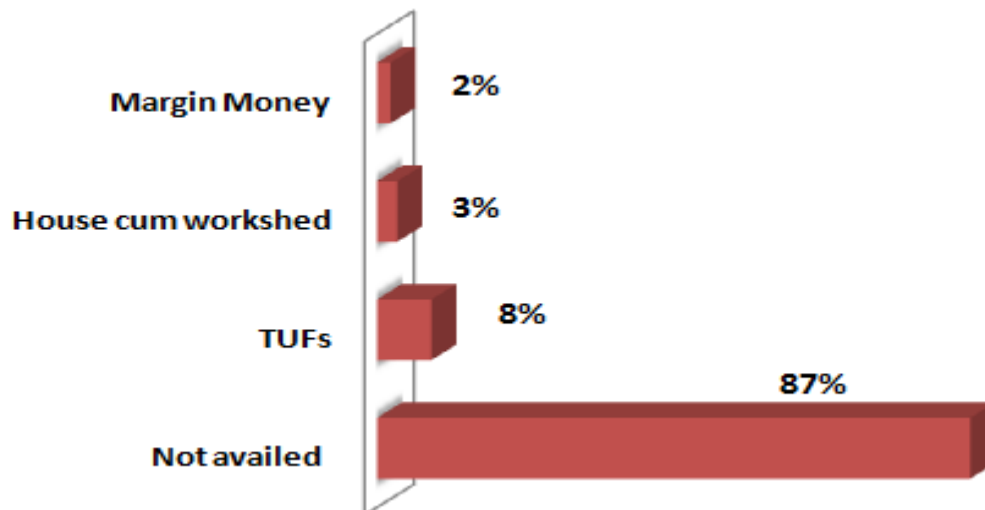
(Under the Textile Policy of the Government of Maharashtra, for the year-2011-2017).

1. Scheme of interest subsidy on long-term loans linked to the centrally sponsored TUF scheme.
2. 10% Capital Subsidy for **modernization of existing Powerloom** unit belonging to Scheduled castes/Tribes and minority communities Under the Textile Policy- 2011-2017. (besides Central subsidy)
 - a. Projects of Scheduled Castes / Tribes / Minorities eligible if more than 80% of the share belongs to the respective categories.
 - b. Provision of own share capital, Government Share Capital and Loan in the ratio of 5:45:50 instead of 10:40:50 will be considered in consultation with the concern Departments.
 - c. Besides the concessions received from other sources, by such units 10% capital subsidy of the capital investment [i.e. 10% of the permissible investment for the purpose of interest subsidy for projects which are approved in TUFS] on machinery will be provided for SC/SC/Minorities.
3. 10% capital subsidy to units in Vidarbha, Marathwada and North Maharashtra.

Unfortunately the awareness among micro entrepreneurs about the Government schemes is very less as they are fully involved in their day to day routine activities. They feel that getting the benefits under any Government schemes are not so easy. Hence, they neglect to focus on the schemes though Government is doing a lot for the welfare of the micro and small entrepreneurs. Hence, bringing awareness of the schemes is to be undertaken by the concerned ministry to the gross level of the beneficiaries with the help of banks who are finally disbursing and recovery authorities.

Two years ago, SASMIRA launched a scheme with SIDBI and Powerloom Development & Export Promotion Council (PDEXCIL) to assist in modernizing 100 units in Bhiwandi. Twenty-eight units were identified, but only seven were approved loans. That means only 7% of the units were approved as eligible units. Either banks are reluctant to give loans to the powerloom units or they demand a huge collaterals.

Viii .Schemes Aailed



From the above tables, it is evidence that about 87% of the entrepreneurs has not availed any Government schemes which are meant for the benefit of the Powerloom industry. Though the Bhiwandi is the one of the major Powerloom production centers, utility of TUFs is to the extent of only 8% by the entrepreneurs covered under this study, which is very less. In order to support the small and medium enterprises to have the structured work sheds

and also to support the seed money for the investments into upgraded technology has shown little impact with its utility by 3% for work shed and 2% to margin money scheme.

Government should take steps to amend the so called TUF Scheme in such a way that it accommodates the requests of Decentralized Powerloom sector to add the machinery required for modernization of old looms. This also should be supported with the subsidy on the similar lines of TUFS under the Ministry of Textiles. Banks should also be advised to accommodate the micro entrepreneurs in extending the required upgradation schemes and also to extend the working capital loans for the survival and also revival of the industry.

ix. Role of Associations

Various associations are existing Bhiwandi Powerloom Sector with special objectives and functioning for the welfare of members and industry as a whole. Most of the entrepreneurs are the members to one or other association and some are associated with multi membership with different associations. Following are the active associations in the Bhiwandi Powerloom Sector:

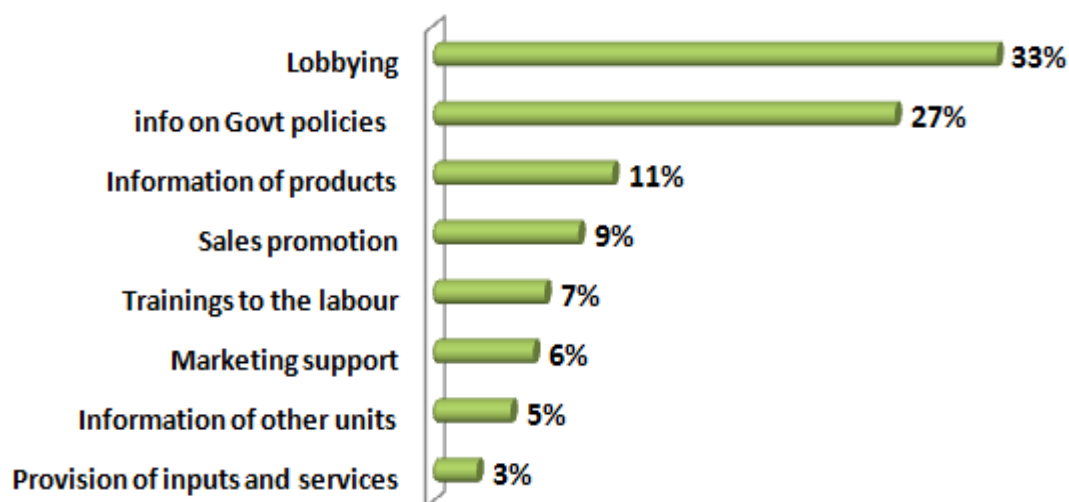
- 1- Bhiwandi Powerloom Owner Association
- 2- Bhiwandi Powerloom Weavers Federation Ltd.
- 3- Bhiwandi Slik & Art Slik Manufacturers association
- 4- Bhiwandi Powerloom Weavers Association
- 5- Bhiwandi Jobber Society
- 6- Bhiwandi Modern Loom Owner Association
- 7- Bhiwandi Textile Worker Union

Most of the members are very long relation with their respective associations and from the findings it shows that more than 70% of the respondents are having associated with the some or other association from 5-20 years. That

means every one is associated with some or other association for various reasons. About 50% of the members do attend the association meetings regularly and about 30% once in a while.

Following are the responses from the participants that how the associations are functioning and its main role. Most of the time of association goes into lobbying of issues with the Government departments for the benefit of the industry it occupies about 33% of association time. Next to that 27% of their time goes in circulating the information on Govt. Policies to its members. Though association do its duty, most of the members do not give attention to that circulars. Sales promotion is about 9% and 7% of the respondents informed that they do help for some trainings and marketing support is negligible. Very less focus on business development of marketing and providing other services like training and sales promotion of the member products etc.,

Association Services



Capacity building of the Associations are very much required as everyone feels that the associations are framed only for the lobbying and to sort out the common issue through the on the platform of association. Associations can also play an active role in promoting the business and to help the members in marketing the Bhiwandi branding. Lot of other business development services can be organised for the benefits of the members which is missing in this cluster.

x. Labour Issues

Availability of skilled labour in the cluster is a good sign for prosperous business in any cluster. Unfortunately, labour force is decreasing year by year from the waving profession. Some of the main reasons are: migrating to various other activities leaving weaving profession.

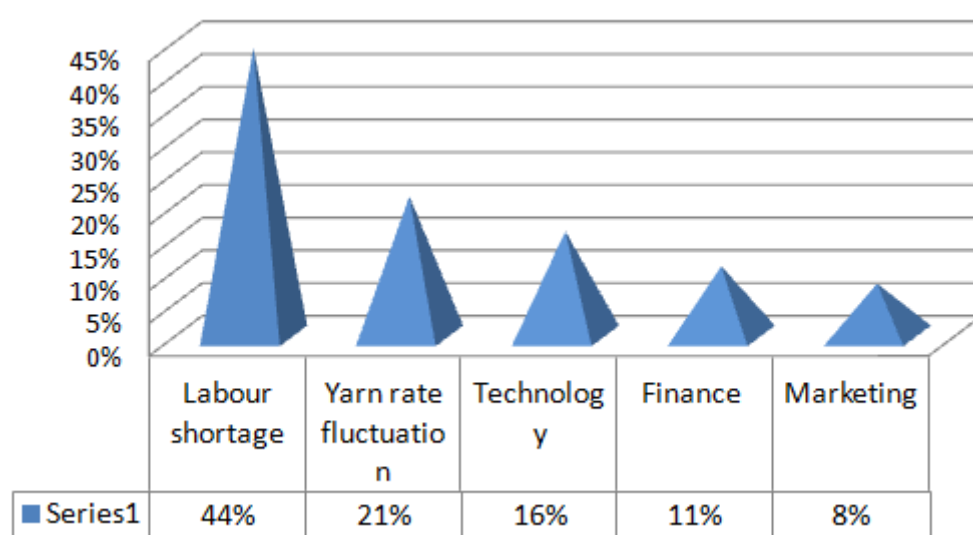
With a cumulative turnover of Rs 20,000 crore, these townships are today staring at an employee shortage as high as 50%, as demand picks up and migrant labourers, who had fled Maharashtra after the Raj Thackeray-led tirade against those from Uttar Pradesh and Bihar, refuse to return.

About 4 lakh skilled workers have left the state, first due to the Maharashtra Navnirman Sena attack and then after global economic crisis that hit textile manufacturing," says Pratap Bogade, secretary of Indian Power Loom Federation. Earlier, estimated workforce stood at 12 lakh.

Young generation is not seen in the profession as next generation is not put into this profession. Above all, the main reason is meager wages and no proper recognition and rewards from the employers. Even the workers who are engaged in the profession are also only trained by co-workers right from assistant level. Slowly over the period of time, with the experience, they become the senior weavers / jobbers without having any knowledge on the loom / loom mechanism. From above findings with 150 entrepreneurs samples, it is clear that there is a labour shortage in the cluster and about 85% of the respondents indicated that there is a decrease in labour during the last 5 years. Whoever is working at present they are under the age of >50 years and their next generation is not brought to this field by the weavers. Hence, it is an alarming situation that associations / Govt. should take it seriously to bring the new blood to the workforce for the survival of the industry.

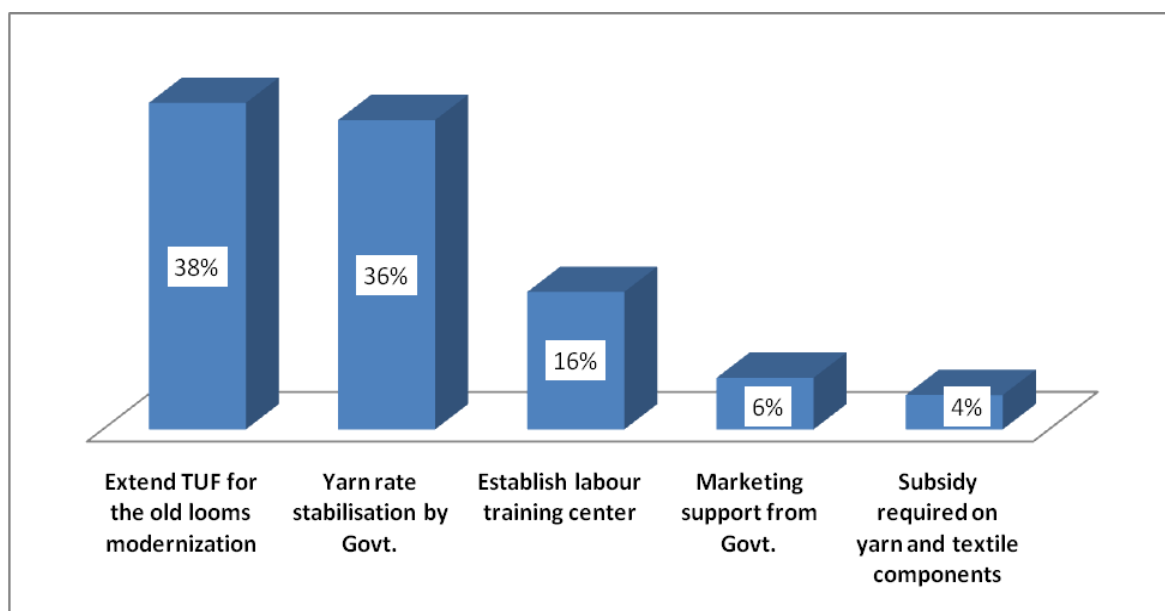
There is a need of skill development programmes for the weavers and also fresh training institutes to give the training on the powerloom weaving and mechanism to attract the youth to powerloom weaving segment. It can be organised through Central / State Govt. Schemes or Minority Development Corporation may also adopt this concept to provide the skilled human resources to strengthen the industry with young as well as to sustain the existing labour with skills

xi. Industry Challenges



Out of 150 entrepreneurs interviewed, 44% of the respondents expressed that they are not getting the required labour and also skilled labour and not able to run the looms in all shifts. Secondly, there is another alarming situation of 21% of the respondents expressed was yarn rate fluctuations which affects the profitability of the enterprises. They are not able to predict the uptrend and the same enhanced inputs cost is not expected while they are selling the products as prices contracts have already been signed / committed. Absolute technology is the cluster's weakness and it is the 3rd highest issue for the powerloom sector which is dominated with the plain looms of more than 50-75 years of vintage. Many enterprises are not able to adopt because of the financial weakness and non co-operation from the banks in financing heir units. 11% of the respondents expressed that finance is another biggest challenge for the small entrepreneurs in expanding their loom capacities with banking support. Though marketing stands as 5th highest concern, it requires a highest priority as they are depending completely on local market. Due to their marketing weakness, profits are squeezed by the middle persons. There is a good scope for them to expand the markets to the Ichalkaranji, Jaipur, Ahmedabad, Mumbai and other textiles centers who source the grey material from Bhiwandi. These are the top 5 issues came up during the study and it needs the attention.

xii. Industry Demands:



Various demands and concerns expressed by the entrepreneurs and the most wanted demand are to extend the TUFs for the **old looms modernization**. 38% of the respondents expressed this concern among the 150 units covered under this study. The second highest issue is to stabilize the yarn rate fluctuation which is affecting the profitability of the units and it is rated by 36% of the respondents. Third top most priority for this cluster acute shortage of labour and availability of skilled labour. Hence, 16% of the respondents demanded that Government should establish the labour training center to educate them on skills and also to train new workers suitable for industry.

Considering the priority for the top 3 issues, marketing was given less priority while it is most sought after for the entrepreneurs as middlemen are enjoying more profits than the industry owners who spend their whole time to make the things. Industry people wants some kind of marketing support from the Govt.,

Last but not least, entrepreneurs also demanded the subsidized inputs like yarn, dyes and Chemicals and also on spare parts of the loom components etc., to meet the competitiveness from the major industry players.

5. ANALYSIS OF BUSINESS OPERATIONS:

a) Business Status

In Bhiwandi, all of micro enterprises were working as sole proprietorship and everyone started with 4-8 looms at the residence and slowly expanded their installation to 16 – 48 looms of age old plain looms in the same locations or nearby in the residential areas. So it is like a cottage industry and house cum workplaces. So most of them are on ownerships and run as individual entity for business. The whole community is of weavers or technicians from the mills sectors which were closed during last 2-3 decades. Slowly they expanded the business and in recent times some have advanced to more organized status and converted their enterprises to Pvt. Ltd Companies.

b) Finance

As indicated in the previous chapters of the report that the businesses were being mostly started with own funds and slowly grown up. No banking institute had yet recognized the potential of the cluster and hadn't come up with any type of scheme for the enterprises to finance the old machinery modernization or adding additional features. This situation is mainly due lack of accounting and no banking relations with the banks. CAs to fulfill the formalities of filing income tax returns on behalf of entrepreneurs with minimum turnover to evade the taxes. But those who had obtained financing for either machinery or working capital needs had been enjoying good pay-back history with banks.

c) Human Resource

Entrepreneurs of Bhiwandi Powerloom sector are very poor in human resource management as the labour is engaged on piece rate. Upper Management tasks were performed mostly by the owners of the companies, who in most cases were not appropriately educated and trained because of limited vision and local supply. Other hierarchy levels were very limited. Production floor

labor was available but, unskilled and irregular and irresponsible for duties. Availability of labour is the biggest challenge for the cluster and our findings also shows that there is a gradual decrease in availability of labour to the industry.

d) Raw Material Procurement

Almost all the entrepreneurs are procuring raw materials from the local traders. The raw material supply is controlled by the Marwari community and the sale purchased prices are determined by them and it runs in the market. Since the micro enterprises do not have capacity to purchase bulk in advance, they procure as and when required. This causes high rate from the local suppliers and rates are also highly fluctuative. Most of the entrepreneurs are giving the materials and procuring the yarn from the same traders. Thus traders are taking more advantage of setting the purchase prices of the finished product and selling inputs at high cost.

e) Availability of Inputs

As Bhiwandi is one of the important Powerloom center and also on the outskirts of Mumbai , spare parts for the plain looms to automatic looms are available locally. Availability of textile related consumer items like pirns, shuttles, reeds, healds and other related materials have made available locally. Many companies have established their offices for the supply of various Powerloom consumer items in the important centres like Bhiwandi, Malegaon and also Solapur, Ichalkaranji etc.,

f) Process Houses

Bhiwandi Powerloom sector is producing various dyed products and the industry is backed with the processing houses established in and around the Bhiwandi to process the yarn for dyeing as some of the units require dyed yarn dyed on the cone dyeing machines. Some fabrics are also goes into processing of bleaching and printing. Bhiwandi has such facility advantage of Mumbai market.

g). Product Sale.

Enterprises located in this region were selling their products directly to the local markets and some are having agents. Some are doing job work and some directly producing for the exporters as per the order requirements. Local selling and purchasing yarn against the sales from the same party is affecting the profit ratio to the enterprises. Details of the Bhiwandi marketing channel are already explained in the previous chapters. Some major firms do participate in International exhibition for buyer-seller meet but small and medium firms can't afford and hence seldom participate in Int'l fairs and exhibition.

h) Social & Regulatory environment

As far as domestic laws of the country were concerned, firms don't face much difficulty in complying with them. Workers are engaged on contract for piece rate are paid weekly for the work done. Hence workers are not on the rolls of company. Of course, companies are following other regulatory compliances of the local administration and state government. Very few examples of a firm being ISO certified could be seen in the cluster and those also engaged in export or a medium/large unit.

6. Role of Public and Private Service Providers:

a) Role of Public Service Providers:

Though Bhiwandi is one of the important prominent centers of power looms sector and contributing a lot from this segment, no public service providers are present in this cluster. Major related public sector service providers like BITRA / NITRA / SASMIRA service are not giving the required contributing to Bhiwandi Powerloom industry as they deserve. This is one of the weakest points of this cluster. Though the trainings and testing's are their core areas, industry fails to get their services effectively. There are private testing laboratories which provide the basic testing services like count of the yarn, colour fastness, cloth analysis etc.

b) Banks:

Bhiwandi has almost all the branches of all commercial banks and some private banks. Medium and large textile entrepreneurs are having good close relations with the banks in utilizing the finances and having regular banking. Micro entrepreneurs are shying away from the banking and not able to utilize the banks for the growth and development.

c) Associations:

There are various associations in Bhiwandi like Bhiwandi Powerloom Weavers Federation Ltd., Bhiwandi Slik & Art Slik Manufacturers association, Bhiwandi powerloom weavers association. Bhiwandi jobber society, Bhiwandi Powerloom Owner Association, Bhiwandi Modern Loom Owner Association, Bhiwandi Cloth Sales Association and Bhiwandi textile worker union

Our Team has got the opportunity to address one of the meetings called by Bhiwandi Textile Workers Union to address the various Government Schemes applicable for workers like insurance, PF, ESI, Children Education fund etc as per the Govt Schemes and also about the group workshed schemes etc. It was well appreciated by everyone that they are not aware of these schemes and they are first time hearing about Children Education benefits and insurance schemes. They also advised us to make it in the record that they should be given skill upgradation training and also to provide certificate which fetch them the better wages and also as qualified and technical worker. Also demanded for the provision of housing for the textile workers who are houseless.



d) Yarn Suppliers:

Bhiwandi being as good as local of Mumbai, almost all the varieties of yarns and counts are available locally for the entrprnuers without out being dependent on outside supplies. Availability of quality raw materials locall is strength of the cluster for inclusive growth.

e) Machinery Part Suppliers

Almost all the machinery manufactures are having their head office or branch offices in Mumbai and every part is available locally. Even the automatic looks like rapier or sulzer or any kind of Chinese looms spare parts are available in Bhiwandi.

f) Chartered Accountants

Financial services are very much required for the industry and especially role of Chartered Accountants play a vital role as facilitators to file the returns and also to make proposals for the bank financing etc., these services are very much available in this cluster and well utilized by the MSMEs.

g) Marketing

Since Bhiwandi being one of the important powerloom centers in India, it has its own branding and standard varieties of plain and grey fabrics, textile industry depends on Bhiwandi production for the domestic as well as for export purpose after giving value addition.

h) Business Development Service providers

Business Development Service Providers play a vital role for the business to grow if their services are effectively utilised by the MSMEs of any cluster. All the services available to the cluster and unfortunate thing is no such BDS services are available by Micro entrepreneurs as they try to solve themselves.

7. SWOT of Powerloom Entrepreneurs at Bhiwandi:

Strengths	Weakness
<ul style="list-style-type: none"> ➤ Traditional business background ➤ Good Technical knowledge ➤ Quality with old plain looms ➤ Capability to produce multi products ➤ Marketing capabilities on their own ➤ Unique creation of designing and excellent colour combinations ➤ State Government own Textile Policy with lot of perks for Powerloom and SC/ST/Minorities 	<ul style="list-style-type: none"> ➤ Shortage of labour ➤ Still running on low technology ➤ More labour dependent ➤ Dependent on local markets ➤ Not able to encash the Govt Schemes ➤ No proper accounting of business ➤ No direct raw material purchases ➤ Banking sector is not supportive ➤ Not able to expand their capacities ➤ Lack of Marketing knowledge
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Use of TUFS for new looms ➤ Skill up gradation to labour on high end technology ➤ Exploring direct export markets ➤ Becoming suppliers to exporters ➤ Formation of co-operatives to get the full support of new textile policy 2011-2017 ➤ Make use of private business development service providers for competitiveness ➤ Establishing raw material banking for collective bargaining and low cost/unit ➤ Formation of consortium for marketing 	<ul style="list-style-type: none"> ➤ Competition from Mill sector ➤ Tough competition from china products ➤ High fluctuation of yarn rates ➤ Pollution control may also ban the dyeing in the individual local units ➤ Shortage of power to the local industry ➤ Hike in power tariff may hit the profits ➤ Allowing exports of cotton may inflate the cotton yarn prices and adversely affect the cotton yarn prices to the Bhiwandi industry

8. Review of Schemes for Decentralized Powerloom Sector

i).Technology Upgradation Fund Scheme:

The Technology Upgradation Fund Scheme (TUFS) was launched on 01.04.1999 for 5 years. It was subsequently extended up to 31.3.2007. The Scheme has been restructured w.e.f. 28.4.2011 and approved upto 31.03.2012. Restructured TUFS has been approved with the enhanced 11th Plan allocation under TUFS from Rs. 8000 crore to Rs. 15404 crore. Following are the different schemes under TUFS

- A) 5% Interest subsidy Scheme under Technology Upgradation Fund Scheme for any textile unit including powerloom unit.
- B) 15% Credit Linked Capital Subsidy under TUFS for any textile unit including Power Loom unit in the SSI sector.
- C) Margin Money Scheme @ 20% TUFS for exclusive small scale powerloom units

ii). Powerloom unit can opt either of the above Schemes and the details are as follows:

- (i) The Scheme mainly provides for reimbursement of 5% (4% in respect new standalone/replacement/modernization of spinning machinery) interest charged by the financial institutions/banks for technology upgradation projects.
- (ii) In addition, the Scheme provides coverage of exchange rate fluctuation not exceeding 5% (4% in respect of spinning machinery) points per annum in respect of foreign currency loans instead of 5% interest support
- (iii) The Scheme provides an additional option to the powerlooms units to avail of 20% Margin Money subsidy in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 500 lakh and ceiling on subsidy Rs.60 lakh.
- (iv) The Scheme provides 15% Margin Money subsidy for SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of Rs. 500 lakh and ceiling on subsidy Rs.45 lakh.

- (v) The Scheme provides 5% interest reimbursement plus 10% capital subsidy for specified processing machinery excluding CETP, garmenting machinery and machinery required in manufacture of technical textiles.
- (vi) The Scheme provides 25% capital subsidy on purchase of the new machinery and equipments for the pre-loom & post-loom operations, handlooms/up-gradation of handlooms and testing & Quality Control equipments, for handloom production units.
- (vii) The Scheme provides Interest subsidy/capital subsidy/Margin Money subsidy only on the basic value of the machineries.\
- (viii) The Scheme provides 5% Interest subsidy or 25% capital subsidy on benchmarked machinery at par with handloom sector.

Budget Allocation and year wise release of funds towards reimbursement of interest/ capital subsidy under the TUFS is as follows:-

Financial Year	Budget Provision	Amount released to Nodal Agencies			Amount released to additional nodal agencies	O/o TXC (20% Capital Subsidy)	Total amount released
		IDBI	SIDBI	IFCI			
1999-00	1.00	0.75	0.23	0.02			1.00
2000-01	70.00	67.84	2.096	0.064			70.00
2001-02	200.00	168.08	30.674	0.14			198.89
2002-03	220.00	172.00	30.00	0.59			202.59
2003-04	250.00	199.00	48.00	1.97		0.09	249.06
2004-05	284.00	220.83	54.244	2.53		6.00	283.61
2005-06	485.00	244.34	67.3	1.86	151.5	20.00	485.00
2006-07	835.00	214.29	62.65	7.98	479.14	59.86	823.92
2007-08	1143.37	274.28	108.63	0	715.40	45.06	1143.37
2008-09	2632.00	635.02	829.01	0	1127.97	32.48	2632.00
2009-10	2890.00	391.13	62.52	2.95	2383.40	46.00	2886.03
2010-11	2786.68	186.38	70.96	0.89	2500.78	25.17	2784.18
2011-12	2980.00	239.71	14.90	0	2208.00	25.69	2488.30
Total	14777.05	3013.65	1381.214	18.994	9566.19	260.35	14247.95

Segment-wise progress of Restructured TUFS as on 29.6.2012 (IN Cr)

Category	No. of Application	Project Cost	Sanctioned Loan amount	Loan under TUFS	CAP for Project Cost	Subsidy for All	CAP for Subsidy Amount	Subsidy claimed	
								No. of Applications	Amount
Spinning	216	7933.22	4326.27	3980.55	12194	820.94	210	115	15.40
Weaving	515	1475.64	1067.02	1032.36	6097	280.46	225	190	18.74
Processing	221	1051.61	685.56	651.31	9849	183.02	424	87	13.76
Garmenting	241	406.90	273.29	243.01	3752	63.62	200	97	8.72
Others	1332	16266.93	9232.52	8388.86	15008	2237.56	799	727	79.13
Total	2525	27134.30	15584.66	14296.09	46900	2585.60	1858	1216	135.75

It may be seen from the segment wise table of claims under TUFS, though there was a provision for 280 cr earmarked for the Powerloom sector, only 18.74 crs were utilized during 2012-12, that too, may be share of major industrial clusters. Bhiwandi powerloom industry could not take the full advantage of the TUFS mainly on the following criteria :

A] Plain looms are not eligible under TUFS. Only TUF compatible machinery as identified / notified in TUF Guide Book by Government of India.

Bhiwandi powerloom industry is highly decentralized and mainly running the plain looms. The investment ranges from 5 lakhs to 25 lakhs to establish 4 looms to 24 / 32 looms as per the make of the looms. Many entrepreneurs have established old plain looms by purchasing from the closed Mumbai Mills/NTC/Bhiwandi composite textile units. They have added jacquard to the looms to produce designed towels and bed sheets. Also added the drop box mechanism to produce check fabrics. With the simple plain looms industry is producing excellent designs, quality products and quantities.

Though establishing an auto looms will enhance their production and profits, small entrepreneurs are not able to invest huge capital for the automatic looms. Investment for the Auto/Shuttle less looms comes to 8 to 15 lakhs depending upon the features and origin of the make. China looms are available right from 4 lakhs. To start a small unit, they need to set up with minimum 4 looms for viability. It costs about 16 lakhs and need working capital. Similarly to establish 4 plain looms it may cost them ONE LAKH investment. Hence, small entrepreneurs of Bhiwandi are not able to avail the benefits of TUFS.

B] Taking a term loan from a Schedule Bank identified by the Nodal Agency is mandatory for availing any incentives under TUFS.

Present Scenario: Most of the small and medium enterprises of the powerloom industry transactions are on cash basis and nor proper accounts are maintained and banking transactions are nominal. Only just to file the

returns, entrepreneurs approach to CA and they file the income tax returns for the nominal amount. In this kind of practice, most of the units does not have the proper accounting and banking relations. Hence, Banks are not favouring to extend the loan to powerloom units in absence of their profitable track record.

But, under the scheme, TUFs are getting eligibility only if the unit is getting eligibility from the banks. This is one of the drawbacks for the Powerloom entrepreneurs to avail the benefits of this scheme as they not able to submit the bankable proposals under this scheme.

C] A minimum 15% of contribution from the entrepreneur is expected.

Some of the entrepreneurs who wish to avail the TUFs has to invest upfront 15% of the project cost. For micro and small entrepreneurs this 15% for the minimum set up of 4 looms would cost about Rs. 4.8 lakhs. (ie. 15% of 32 lakhs each looms costing Rs. 8 lakhs). If the entrepreneur is having about 4.8 lakhs investment, they can establish 16 ordinary plain looms unit with any financing.

With this concept, MSMEs of Bhiwandi Powerloom Industry has neglected scheme and they do not want to have the burden of bank loan.

D]. Only approved list of machinery is eligible under the TUFs Scheme.

iii). Modified Group Workshed Scheme(MGWS)

With a view to improve the working environment and enable powerloom workers to obtain higher productivity, the Central Government has approved a **Group Workshed Scheme**, to provide subsidy for construction of worksheds, limited to 40% of the unit cost of construction subject to a maximum of Rs.120/- per. sq. ft. In order to improve other infrastructure facilities the scheme envisages a link with the Textile Centre Infrastructure Development Scheme (TCIDS), which provides central assistance for improving critical infrastructure in existing or emerging textile centers.

Silent Features for review are:

1] A group of minimum 4 powerloom weavers constituting an Executive agency for implementing Group Workshed Scheme is eligible to avail the benefits.

Real Scenario:

Powerloom weavers do not have the capacity to go for construction of new shed while they are not having funding to set up their looms in their living places itself.

2] Under the said scheme, 40% of the unit cost of construction subject to maximum of Rs.120/- per sq ft. will be given by the Government as subsidy for construction of Worksheds.

Though the subsidy is increased from 25% to 40%, still workers are not able to come forward as they are not financially strong to invest on infrastructure.

3] The maximum subsidy per beneficiary is restricted to Rs.12 lakh. Each group has to install minimum 24 Nos. wider width looms or 48 Nos. shuttleless / automatic looms. The unit should function for a minimum lock-in period of three years

The looms prescribed under these are again need to be complied with the list of approved looms under TUFS . They can't install any plain looms of old ones. Investment for infrastructure and looms are a big burden for weavers community. Banks are also not supporting them for various reasons mentioned earlier.

Under the light of above facts, MSMEs are not able to encash the full benefits of the schemes.

iii). Revised Group Insurance Scheme for Powerloom workers

A Group Insurance Scheme for Powerloom Weavers has been introduced in association with the Life Insurance Corporation of India since July 2003. This Scheme has two components-- Janashri Bima Yojana & Add on GIS for Death. Under Janashri Bima Yojana powerloom workers aged between 18 to 59 years and below the poverty line (BPL) or marginally higher than the BPL are eligible for an insurance coverage of Rs. 50,000 on accidental death / permanent disability; Rs. 25,000 on permanent partial disability; or Rs. 20,000 on natural death / partial disability.

The total annual premium per beneficiary is Rs.330/-, which is shared by

Government of India apart from Social Security Fund of the Government of India as under :-

- GOI contribution - Rs.150/-
- Weaver's contribution - Rs. 80/-
- Contribution from social security fund - Rs.100/-
- Total premium - Rs.330/-

Benefits:

1. During the working age of 18 – 59 years, in the event of natural death of a member, a sum assured of Rs.60,000/- will become payable to the nominee.
2. On death or permanent disability due to accident a sum of Rs.1,50,000/- and partial disability due to accident, a sum of Rs.75,000/- will be paid to the nominee.
3. The scheme is operational on yearly basis and premium paid will cover for one year.
4. Additional benefits like educational grant of Rs.600/- per child per half year for two children of weaver's family, who are studying in class IX to XIIth Std. for maximum period of 4 years under Shiksha Sahayog Yojana.

Real Scenario:

Weavers are not aware of the existence of this scheme for the own benefit and also for the benefit of their children education. This is an excellent scheme and need to disseminate the benefits among workers to make them aware of the benefits.

This Group Insurance Scheme for powerloom workers and small powerloom weavers those having 4 looms are eligible

9. Critical bottleneck that are hindering development of the clusters particularly from the point of view of inclusive development.

Based on the personal interactions with the association members, stakeholders and the individual entrepreneurs of Bhiwandi, following are the major findings of the study.

- Lack of skilled workforce and availability of skilled labour is another major concern of this cluster
- Lack of knowledge in marketing and management skills
- Obsolete Technology is the major bottleneck for the growth of Bhiwandi powerloom sector.
- Dependency of owners only on the textile industry only.
- Traditional products like no product diversification to meet the contemporary requirements
- No marketing information and support for marketing
- Lack of accountability at all levels and also lack of through monitoring and reporting system.
- No product diversification and major focus on Grey fabrics
- Low wage workers, especially with no or little training old machinery which requires heavy breakdown maintenance extending environment costs.
- Lack of knowledge on new production techniques and technology to improve the production and profitability of individual entrepreneurs.
- Ignorance of excellent Central Govt schemes for the inclusive growth of Powerloom industry for the micro enterprises.
- Non utilization of State Government support provided under Textiles Policy 2011-2017 for the benefit of all sectors of textiles and including all the segments of caste wise incentives of 10% additional subsidy.

10. Conclusion

On the basis of the above finding obtained in the study it is concluded that,

- 1) Bhiwandi Powerloom sector is filled with more than 90% older plain looms and contributing to 55% of the grey cloth production by the micro enterprises. They are not able to go for fresh investment on capital goods and advanced technology due to their financial soundness and most of them do not want to opt for loan as they need to pay installments irrespective of their returns.
- 2) Most of the entrepreneurs to the extent of 65%, have invested their own funds without being dependent on loans. Banks' contribution is to the tune of only 10% for the modern units. Hence, banks should also be flexible in extending its loans to MSMEs with some flexible norms. MSMEs' biggest problem is that they are not good at book keeping and banking relations. Hence, they are not able to meet the requirement of bank norms in submitting 3 years profit and other requirements. Only 11% of the respondents have availed the benefits of TUFS out of 150 members.
- 3) Many unit owners don't know about various government policies, schemes of subsidies, seed capital formation etc. and policies regarding development of textile industry. It was observed that efforts are not being made by unit owners for obtaining such information. From the point of view of unit owners, it is very difficult and time consuming procedure of obtaining subsidy for technology up gradation, due to this reason also there is no any response from the unit owners.
- 4) Because of low rate of investments in micro enterprises (upto Rs. 25 lakh) majority of the textile products are in low cost, low value added segment, which will never generate enough economic surplus for continuous investment in technology, practices and research.
- 5) Because of using low cost and inferior quality of machinery and equipment in production process, the productivity is less, which has resulted in high cost of production and less profit margins.
- 6) About 72% of the local entrepreneurs purchase raw materials from the local traders and 57.33% of their products sell to the local traders. Due to cut throat competition, raw material deficit, marketing problems unit owners are not getting the right margins.
- 7) In the entire supply chain, marketing plays a significant role and the same is under the control of local trader and has monopoly in price fixing. There is no

scope found that there is no any collective efforts by unit owners for controlling the malpractices such as hoarding of yarn by some trader. Because of hoarding yarn there is no any control over the price of yarn and therefore unit owners are always facing the problem of price fluctuation.

- 8) Majority of unit owners have no direct contact with their end users to know their needs, like and dislikes. They do not have any knowledge about the needs, like and dislikes of the consumers. Establishing Marketing information to these micro entrepreneurs and linking them with markets by some agency would improve their reach in markets.
- 9) About 78% of the entrepreneurs expressed that the availability of skilled labour is one of the major concern of the industry. As per the data, 83% of the respondents confirmed that there is a decrease of labour during the last 5 years.
- 10) Skill Development programme of weaving, designing, loom mechanism etc to the workers at BTRA with the support of Government Funding and linking them to industry. This would enhance the skills and also earnings to the workers as well as quality production and output to the entrepreneurs.
- 11) Establishing National Powerloom Development Corporation who takes care of yarn supply to the decentralized Powerloom industry on the similar lines of National Handloom Development Corporation, (NHDC) supplies raw materials like yarn, Dyes & Chemicals
- 12) In order to remain competitive the global market and to withstand increasing competition in domestic market it is necessary to ensure the large investment in modernization and expansion. This will be possible only if the Technology up gradation fund scheme (TUFS) is properly utilized.
- 13) Maharastra State Govt is also providing a specifiable package of additional 10% subsidy to SC/ST and Minorities over and above TUFS is an encouraging MSMEs in Powerloom sector.

11. Interpretation of socio-economic status of Workforce

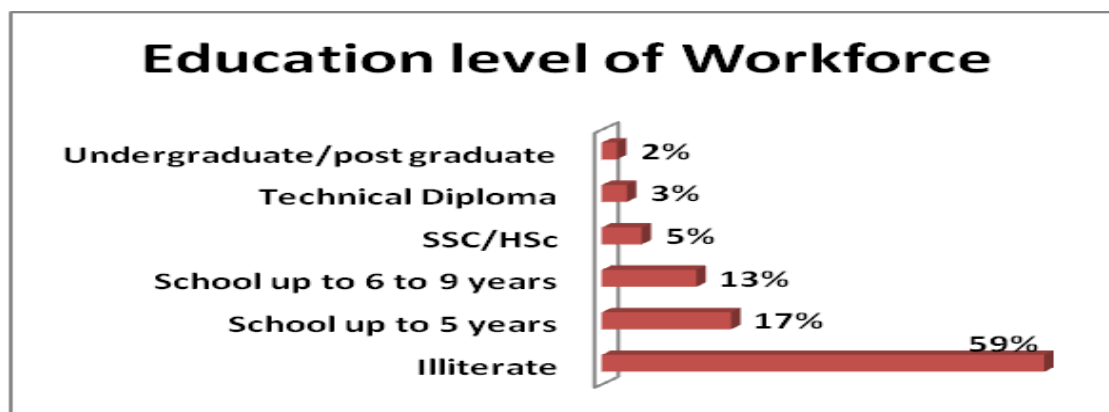
i. Gender:

Gender wise work forces			
Sno	Sex	Numbers	%
1	Male	126	84%
2	Female	24	16%

Interesting factor of Bhiwandi work force are dominated by male with 84 % and female contribution of only 16 % to the Powerloom sector. Total workforce is representing from only one religion of Muslim as the Bhiwandi is dominated with the Muslim community. No other communities are found from the units covered under this survey.

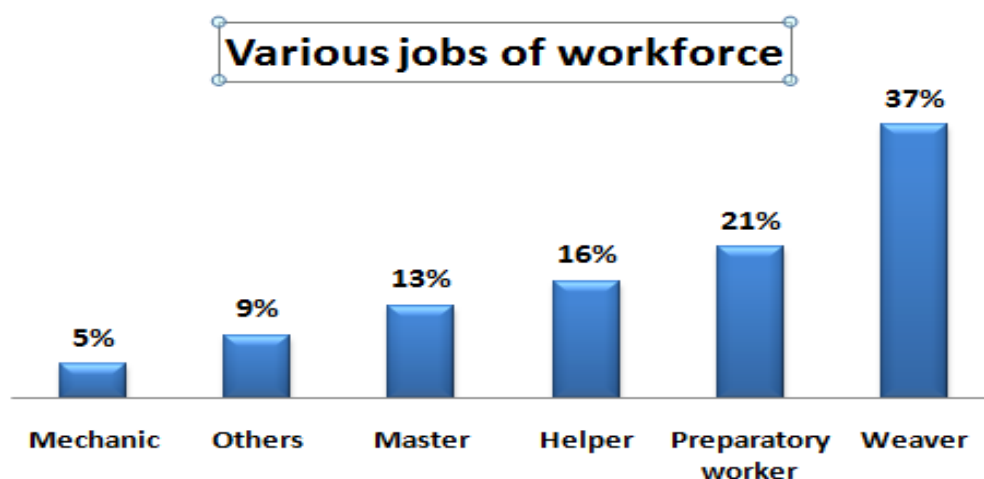
ii. Education

Education level of the workforce is very low. Out of 150 workforce interviewed, 59% of them are illiterate without having any formal education and never saw the school. There are about 30% of them respondents have studied upto 9th standard. Only 5% have passed SSC and only 3% of them are having formal technical education of ITI and working as jobbers and takes care of mechanical fitter activities. 2% of the graduates also working as jobbers in factories



iii. Nature of Jobs:

Bhiwandi Powerloom workforce is performing various functions in the sector. Majority of them 37% are involved directly in weaving activities, 21% in preparatory works, 16% as helpers, 13% as masters contributes direct to weaving. About 14% (Others + mechanics) contributes to maintainance of looms and allied activities. .



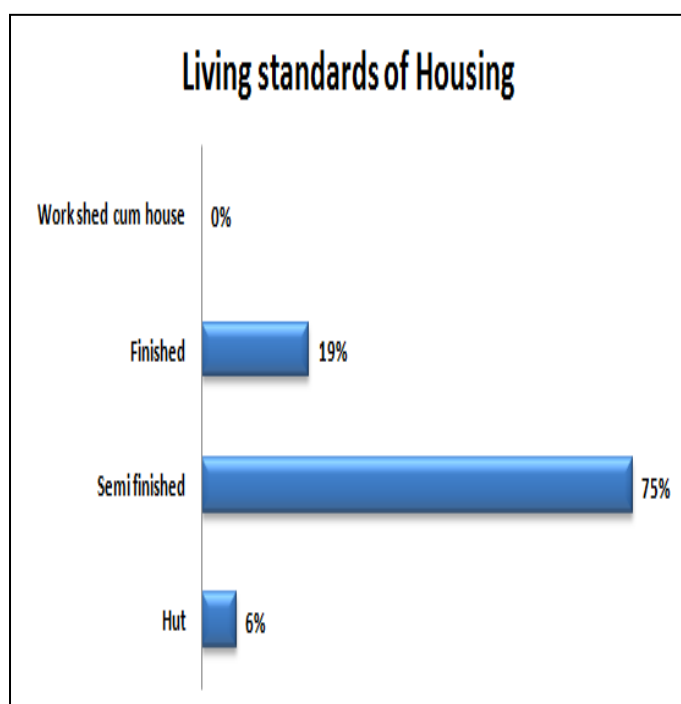
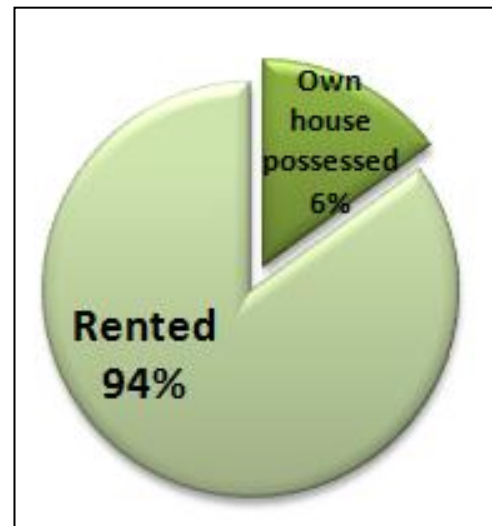
From the above results it shows that 37% of the worker force is contributing to the weaving. As per the interactions with the entrepreneurs and also the personal interactions with the workforce, it was clear that none of them had a formal training for the weaving and they just learned the activity from the helper level and some of them became the jobbers with the experience of more than two to decades. Hence, there is a dire need of the formal training for these workers to enhance their technical skills and also to provide the quality skilled labour to the industry. None of this workforce is fit for the modernized looms as it requires skilled labour to operate the high technology looms.

If these workers are given a formal training on the shuttleless looms / modern looms, they can be easily absorbed by the entrepreneurs to provide the employment on the modern looms. Bhiwandi has Bombay Textile Research Association (BTRA) Service Center who gives the training in **weaving** on modern looms, **loom mechanism**, **designing** etc. which are very much required for weavers.

If the workers are trained with some Govt. funding / Any agency funding, they can be given immediate employment by many firms and also with higher wages because of his skill up gradation with qualification.

iv. Housing

About 94% of the workforce covered under this study is living in rented houses and 1/4th of their income goes toward their house rents. This is one of the major issues expressed by the respondents on housing aspects. Only 6% of them have built their shelter at on their own with most difficulty in the un authorized locations. Employers do not have any provisions or do not provide any housing facilities to the workers. Hence the workforce has to find their own way to live and work.



When we deeply study their living standards and what type of housing they live, 75% of them are living in the semi finished houses and 6% are still living in huts and only 19% are living in finished houses. Though there is a provision of workshed cum house under the Central Government scheme, none of this workforce has availed this facility as they remained as workers and not able to become entrepreneurs. The roads

v. Water Facilities

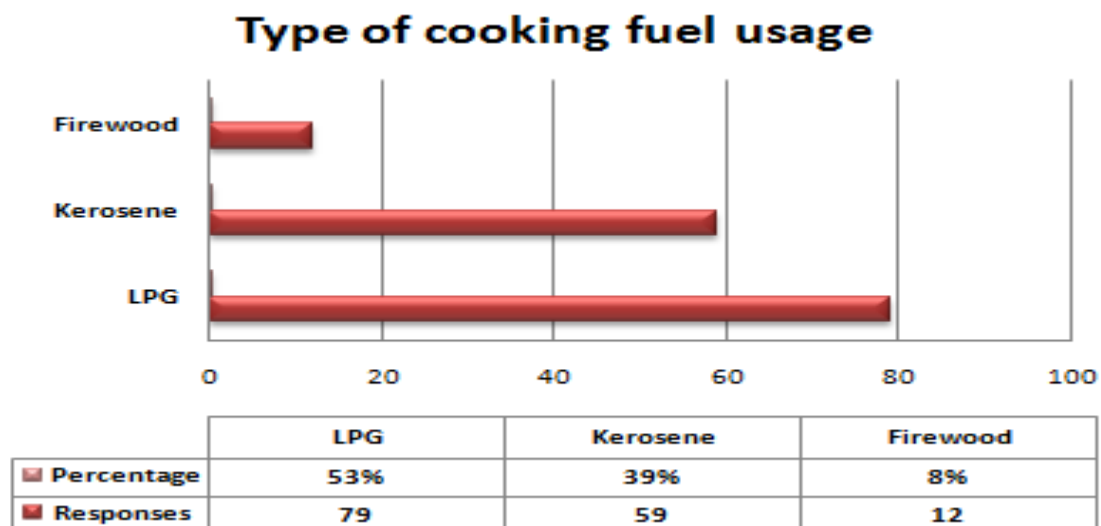
For comfortable living, availability of water is one of the major amenities. Fortunately there is no dearth of water for the Bhiwandi workforce, but they have to fetch the water from various sources. About 81% of the workers get the water from common tap and 16% fetch their

Water facility			
S.no	Type of water source	Numbers	%
1	Common tap	121	81%
2	Hand pump/well/bore well	24	16%
3	tank/pond	00	00%
4	Tap in house	5	3%
		150	100%

water from handpump/ well/ bore well. Only 5% of the workforce gets the water to their house through tap in house who has their own houses. As usual there is a shortage of water for every summer and they have to struggle a lot to get the required water. Ofcourse this is a general problem now-a-days with everywhere.

vi. Cooking Fuel

After water, cooking fuel is also one of the major amenities. From the following data it is evident that only 12% of the respondents has the LPG facilities for the cooking fuel and most of them about 69% of them are using the kerosene which is purchased from the open market. Rest of them 19% of them are still dependent on the firewood for the cooking and some are combination of kerosene and fuel.



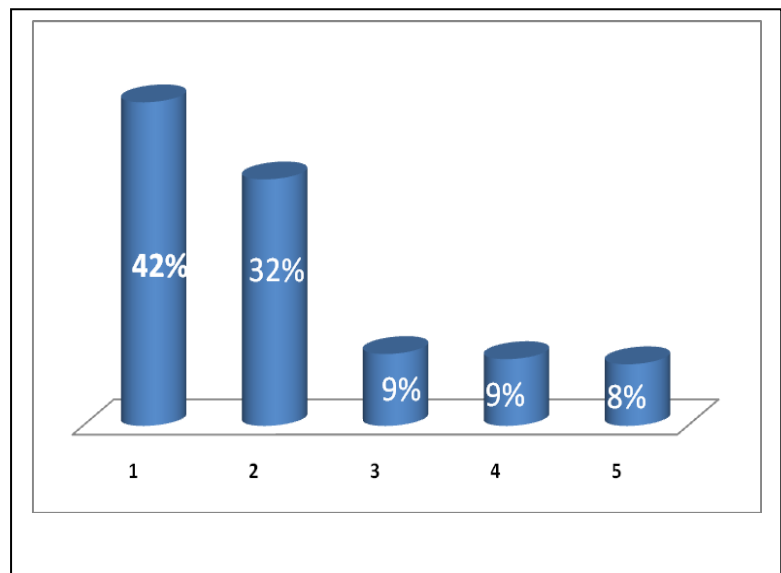
vii. Toilet Facilities

When looked at the overall scenario of the worker families, there is a poor access to health and hygiene in their habitations, living in vulnerable conditions. There is a dire need for the improvement of their sanitation and living conditions. Even today people are not having proper common amenities. About 64% of the respondents still share the common toilets and 4% use open fields. Only 32% of the households has the in-house toilets. So there is a dire need for the improvement of sanitation facilities.

TABLE 33: Toilet facilities			
S.no	Type of toilet used	Numbers	%
1	Private in house	48	32%
2	Open fields	6	4%
3	Common shared	96	64%
		150	100%

viii. Income Earners per family

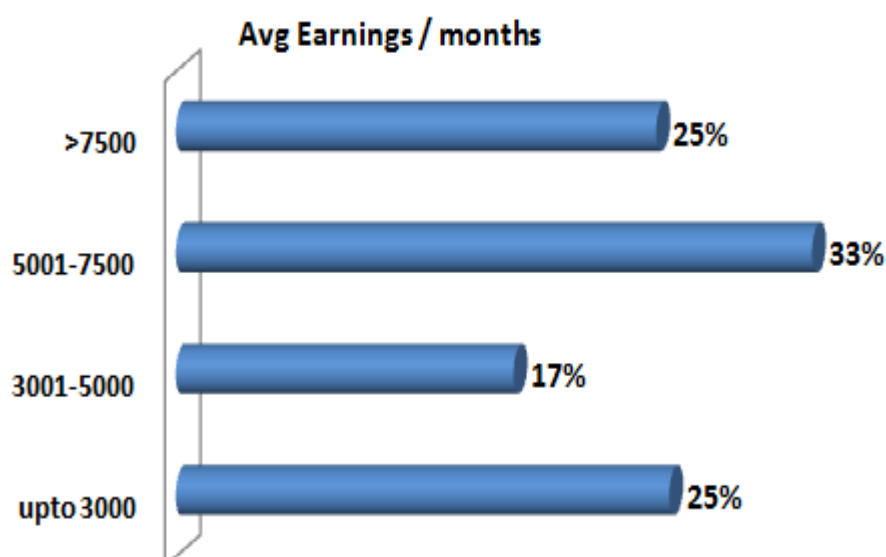
Coming to the point of income earners per family, there are 42% of the respondents who support the family with only one family member earning. In this present scenario, it is very difficult to survive the family and we can imagine the economic status of that family. 32% of them are earning 2 members per



family and 9% are 3 members & 4 member per family. Whose family size is more than 10 are earning 4 to 5 members per family. This workforce is totally dependent only on this profession while next generation is not bringing them to this weaving profession. Hence, this is posing a serious threat of labour shortage in future and losing skills after the present generation.

There is a need to retain and upgrade the skills of the present workforce to improve their earnings. Also bringing next generation of weavers to the industry by providing proper training to youth and organizing the employment linkages with the industry. This can be possible through the skill upgradation programmes being organised by the Ministry of MSME, Ministry of Textiles etc. Other Departments like Minority Developments of State Govts can also play a vital role in providing a new employment generation to youth.

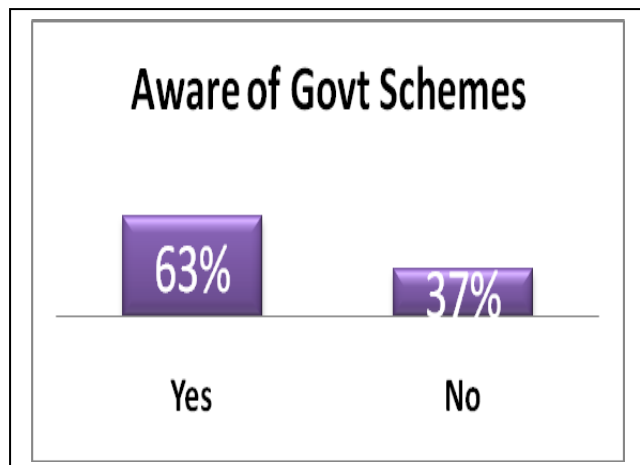
ix. Income Earnings per worker



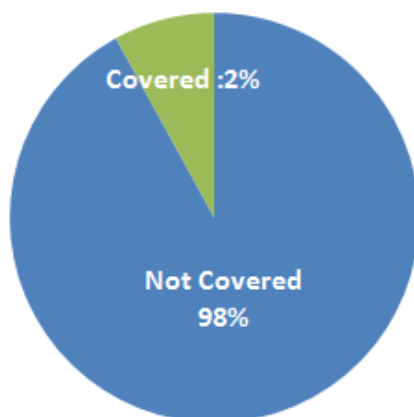
Above data clearly depict that 25% of the workforce are earning upto Rs.3000/- per month which is below average earning of Indian labour now a days. This one of the reason why the labour is migrating to various other activities which fetches more wages with scheduled timings. Where as in Powerloom sector, whatever they weave/ work, they get the wages as per their output. About 17% of the respondents get the wages of Rs.3000-5000/- per month and 33% are earning between Rs.5000 to Rs.7000/- and only 25% of them are earning above 7500/- per month

x. Awareness on Safety and Welfare

Though the Government of India has introduced various welfare schemes for the benefit of workers, the respondents covered under this study is not aware of the schemes like group insurance scheme, educational grant for the workers children covered under insurance scheme.



Following are some of the features of the schemes and findings from the study are as follows:



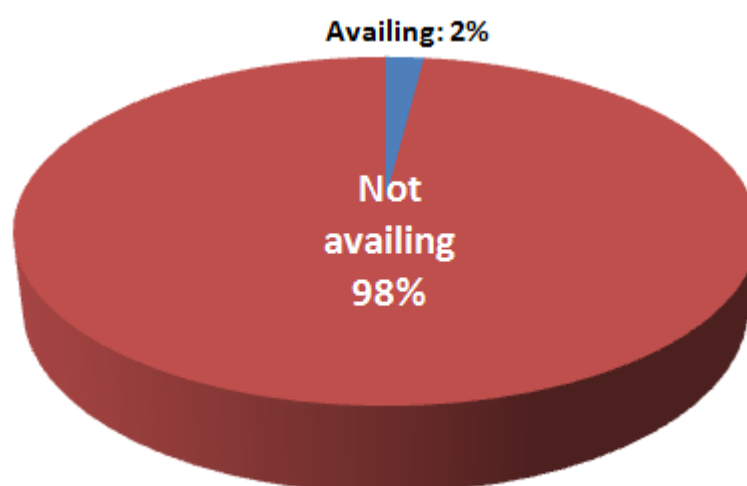
Only 2% of the respondents are covered under the insurance scheme while powerloom workers aged between 18 to 59 years and below the poverty line (BPL) or marginally higher than the BPL are eligible for an insurance coverage of Rs. 50,000 on accidental death / permanent disability; Rs. 25,000 on permanent partial disability; or Rs. 20,000 on natural death / partial disability. Additional benefits like educational grant of Rs.600/- per child per

half year for two children of weaver's family, who are studying in class IX to XIIth Std. for maximum period of 4 years under Shiksha Sahayog Yojana.

It is imperative that either the entrepreneurs or the workers are conscious of various social protection programmes or schemes. Hence it is important to create awareness among the work force particularly the women members of the families on the both the workers as well as the child welfare schemes.

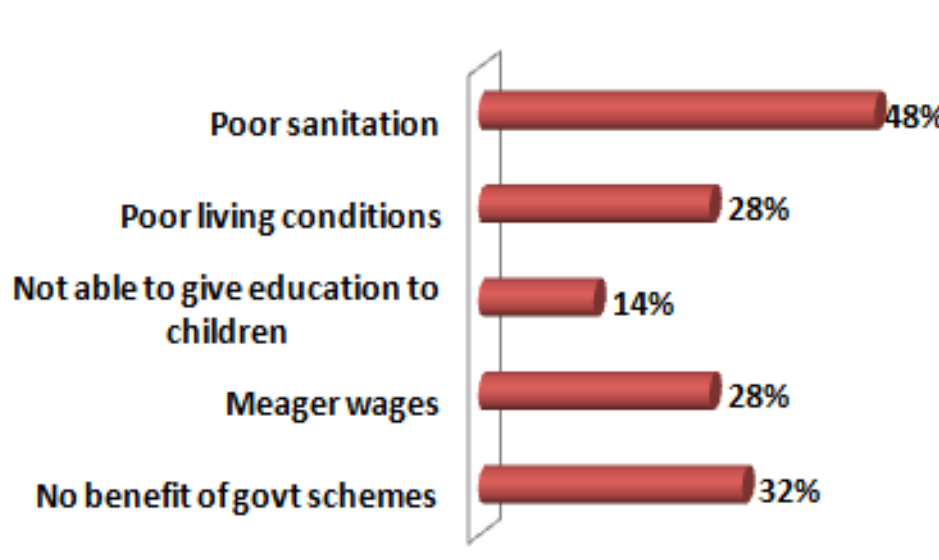
With a view to improve the working environment and enable powerloom workers to obtain higher productivity, the Central Government has approved a Group Workshed Scheme, to provide subsidy for construction of worksheds,

xi. Knowledge of Govt. of schemes:



Various schemes are being framed by both Central and State Government and there is no dissemination of the schemes to the ground level workers. Concerned Govt officials / local associations should take the responsibility to conduct the awareness seminars to give the benefit to the concerned. As a result many of the respondents in the study revealed that they are not aware of the schemes. Even if they are aware, those schemes are far from their reach. Findings of the study are evidence for this.

xii. Major Concerns of workforce:



The above work force in the Bhiwandi cluster expressed the major concern is poor sanitation both at living places as well as at the work places particularly for ladies. Second highest concern is of not getting the benefits of any Government schemes. This is mainly due to the lack of awareness. The second major concern is the meager wages which is because of piece rate wages and not able to lead the comfortable life despite their hard work. Obviously the meager wages reflects to their living conditions and can't provide the education to their children. Adding to this, due to their living in slum areas, there is a problem of poor sanitation.

Hence a special attention to be given to the above issues on immediate priorities. Strategies needs to be worked out, required measures to be taken immediately by the concerned authorities. Local community organizations need to be promoted to handle the major sanitation issues.

xiii. Critical Bottlenecks for the inclusive growth of workforce:

- Working on meager wages as 25% of the workforce is earning upto Rs.3000/- per month only
- More than 94% of the workforce lives in rented houses and 1/4th of their income goes towards housing.
- No skill upgradation through employers workers can't go for trainings on their own.
- Only 2% of the sample are aware of any Government schemes as no one educates the workers on applicable schemes to workers.
- No benefits of paid holidays / bonus as they are on piece rate wages
- About 59% of the workforce are illiterate
- Not able to give the proper education to children
- Poor living conditions prevails among all the workers in the cluster
- Sanitation conditions are very bad, majority of the respondents of the study reports that the sanitation is one of the top most priorities for enhancing their living conditions
- Access to potable water is another important issue.
- No proper facilities for the children at work place
- Most of the workers are alcoholic addicts and they take off on the next day of their weekly pay outs.
- No provident fund facility
- No ESI facility for any health issues
- No crèche / school / Hospital benefits from the employers side
- No unity / association of workers

Under the light of the above facts, the workforce is not loyal to the entrepreneurs or owners of the units as they are not getting any benefits from the company. Hence, if the workers are given proper benefits and facilities, they can deliver good results to the entrepreneurs and be loyal at any point of time.

12. Action plan for the enterprises

Objective	Strategy	Activity	Expected outcomes/outputs	Resource support (expert/financing)
Skill Development Programmes	To train weavers on Auto/Sulzer/ Shuttleless looms and linking to Industry	BTRA/NITRA/ SASMIRA may be used to train with the funding from Minority Development issuing a certificates to trainees	Skilled workforce will be available to industry and also the workers are well placed with good pay	Finance from the Minority Development corporation / Central Govt. Schemes of MSME/ Min of oTextiles
Market Resource Center (MRC)	To provide Marketing linkages to the Micro Enterprises	To establish a MRC to provide information and marketing linkages to local and international markets	This will enable the micro enterprises to get access to new markets and new avenues for the growth.	Finance from the Minority Development corporation / Govt. Schemes
To organize linkages with the govt institutions and banking	Delivery through Co-operatives/ Stakeholders	<ul style="list-style-type: none"> In depth study of each and every scheme against eligibility Interface meetings between associations, govt and Banks 	Enhanced access to services and schemes Enabling environment created Entrepreneurs ability to cope with finance and schemes	NGO, professional organizations support required for Business planning
Restructuring of existing schemes for the benefit of Micro entrepreneurs	Delivery through Associations / Stakeholders	<ul style="list-style-type: none"> In depth interpretation of each scheme and resubmit with proposals which fits eligibility of Micro entrepreneurs 	Enabling schemes to mend according to the need of the micro entrepreneurs and for the benefit of only SMEs & large enterprises.	With the support of BMOs or professional organizations or political influence through local leaders.

To strengthen the existing associations	External mentor support	<ul style="list-style-type: none"> - Training to the leaders - Business planning 	Enhanced capacities of leaders, enhance awareness on govt schemes A clear direction to the association	NGO/ professional organizations
To provide required assistance for organized linkages for water, sanitation and other timely support	Strategically utilize the services of the local bodies/local leaders	Training on Sanitation issues; Legal aid	Enhance sanitation situation in the location Reduced morbidity rate	Govt resources; and NGO assistance
Establishing Raw material Sources	To provide raw materials at the nominal costs by establishing raw material banking	To be operated on co-operative mode by making available of yarn, dyes & chemicals and other accessories and consumables	Increase the profit of the enterprises and easy availability. Rates are under the control stakeholders only	BMOs / Associations / Active Entrepreneurs
Motivational workshop for the workers and entrepreneurs	Educating the workers on ethics and morals	Conduct one day workshop or monthly classes on motivational, values and ethics	Results reflect in work environments and reduce absenteeism and enhanced production	BMOs / Associations / Active Entrepreneurs
Co-operative Consortium / Approach for marketing	Formation of producing companies into consortium for various benefits	8-10 companies may be formed as consortium for raw material purchases, marketing and other inputs	Collective bargaining power, cost effectiveness inputs, quality raw materials available due to collectiveness to purchase in bulk.	Finance from the Minority Development corporation / Govt. Schemes and individual contributions

Housing for Workers	To get the free housing allotments to Powerloom workforce from Municipality / State Govt.	To follow up with Bhiwandi municipality online with Malegaon to get order passed for Powerloom workers under Gruhakul	Powerloom workers are going to get free housing from local municipality authorities.	Local associations / Workers Union, Local community leaders and Politicians
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