

CHAPTER - V

OBSERVATIONS, CONCLUSIONS AND SUGGESTIONS.

5.1 Observations.

5.2 Conclusions.

5.3 Suggestions.

CHAPTER - V

5.1 OBSERVATIONS :

- 1) In India, Maharashtra ranks first in the powerloom industry. Ichalkaranji is one of the three foremost textile centres in Maharashtra, the other two being Bhivandi and Malegaon. Ichalkaranji hums with 50,000 powerlooms, 130 sizings, 4 spinning mills, 15 processors, yarn and cloth market and number of widening, dyeing and printing units. ✓
- 2) The textile industry at Ichalkaranji grew up inspite of a number of unfavourable conditions. ✓
- 3) Cotton cloth production is the prominent feature of this textile industry which produces mainly dhoty, cambric and cloth of other qualities too, though on a small scale. ✓
- 4) Textile industry in Ichalkaranji runs in three shifts, six days a week totalling upto 25 days in a month and 300 days in a year. (Friday is weekly holiday.) ✓
- 5) The Powerloom industry produces in three shifts 75 metres of cloth on an average. The textile industry at Ichalkaranji, however, requires yarn to the tune of 4.800 kgs. per day on an average, these figures of production and requirement of yarn per day help us to ✓

calculate annual production and requirement of yarn.

6) The textile industry uses roughly 40% of medium, 40% of higher-medium and fine and 20% of superfine quality of yarn. Generally, coarse yarn is not used.

7) The three local spinning mills have total spindlage of 2,05,461. However, these fulfil 10.4% of total requirements of yarn, whereas the remaining 89.6% of yarn is procured from outside yarn supplying centres. // <

8) There is a continuous growth in the number of powerlooms in this textile centre, and the requirement of yarn has also been increasing accordingly. ✓

9) A new spinning mill generally, starts its actual production after a period of three years from the date of its registration, provided it has completed all formalities prior to embarking on production. ✓

10) The production of superfine quality yarn is small in quantity, in comparison with medium and higher medium-fine quality yarn. There is no production of yarn below 24<sup>s</sup> and above 100<sup>s</sup> count in local spinning mills. Ofcourse, yarn below 24<sup>s</sup> quality is not in demand in the local market.

11) Local spinning mills supply their yarn to non-members in addition to the members through auction and as per demand booked. Before 84-85 there was quota system. These spinning mills have also been exporting yarn to foreign markets. ✓

12) The rates of warp and combed yarn are a little higher than weft and carded yarn respectively, on account of their superiority.

13) 80% of imported yarn comes from south-India, especially from Coimbatore in Tamil Nadu.

14) The demand for yarn is constant.

15) Yarn may be purchased from yarn traders in cash; or on credit, by issuing post-dated cheque.

16) The member of a local spinning mill generally tends to obtain his yarn requirement from the open market where he procures it on convenient terms. He turns to his spinning mill only in case of exigencies such as shortage of yarn, its improper quality and high rates of yarn in the open market.

17) No scientific study so far, has been made to gauge the depth and intensities of the problems in the powerloom industry - with a particular reference to the conditions prevailing at Ichalkaranji yarn market.

What next?

18) As things stand to-day, local spinning mills are unable to fulfil the yarn requirements of their members.

19) There have been a number of complaints regarding the quality of yarn obtained from the private yarn traders, who

procure the yarn from outside yarn supplying centres.

20) The rates of yarn are fluctuating to the tune of Rs. 5 to 35. The factors responsible for the fluctuation are - Unsteady and irregular supply of yarn from the outside trading centres, artificial shortage by yarn traders and unsystematic distribution channel on the part of some of the spinning mills. | very wide

21) The yarn trading transaction and exacting of amount is carried through the agent.

22) Sometimes, the shortage or inadequacy of yarn supply is due to strikes, lock-outs, power-cut, transport and natural calamities and artificial shortage. (Roughly %)

23) In addition to the four existing spinning mills at Ichalkaranji; three more spinning mills have been registered. Their progress however, is not yet in sight, on account of technical grounds and paucity of funds.

24) Almost all powerloom weavers are in the clutches of yarn traders and master weavers. The weavers are being exploited mercilessly in various ways. The prices of yarn have been controlled and dictated by the yarn traders in a monopolistic manner. The yarn market has always been the sellers - oriented market. //

25) The yarn purchaser finds difficulties in the procurement of yarn on account of the absence of adequate credit facilities, and convenient terms and conditions. As such, the yarn trader tends to exploit the helpless yarn purchaser.

26) The general impression in the academic circle is that the co-operative section is mismanaged. However, this view does not hold water in respect of spinning mills at Ichalkaranji; which have shown upward trend of growth, qualitatively and quantitatively.

27) The rapid growth of the sector during the past three decades has helped to achieve many socio-economic goals of our planning. With this growth the rural areas are marching towards industrialisation. ✓

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5.2 CONCLUSIONS :

- 1) The growth of the powerloom industry has been extremely haphazard and lopsided.
- 2) Lacking the sense of moral and social obligations, the yarn traders and master weavers tend to make immoderate profits at the cost of poor yarn purchasers.
- 3) Depot sale system is not favourable for the yarn purchaser.
- 4) Unlike Kerosine, sugar and tobacco, there is no government's control over the distribution of yarn.
- 5) Lot of malpractices concerning stock, supply, distribution and rate of yarn have been in operation in the yarn trade. Most of the yarn supplied by the yarn traders is of improper quality and count, which affects the weavers' output and ultimately reduces the earnings of weavers.
- 6) Powerloom owners are in need of immediate relief from exploitation by master weavers and yarn traders.
- 7) For self-reliance and fulfilment of the yarn requirements this decentralised sector would need spindles to be installed a fresh.
- 8) Weavers and government has chalked out a programme of establishing a co-operative spinning mills. But these schemes have not progressed beyond the 9,88,569 documentary stage.

- 9) There is a need of making a pool of all the yarn produced in the country and then distribute it according to requirements of all sectors.
- 10) The distribution channel is purposefully lengthened by yarn traders in order to make undue profits.
- 11) Powerlooms have transformed small and insignificant villages into busy commercial centres.
- 12) In Ichalkaranji there is urgent need to establish a research-cum-developpment centre.
- 13) The members of spinning mills will refuse to lift their quota of yarn from the mills as soon as the market prices become marginally less than the prices predetermined by the local spinning mills.

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5.3 SUGGESTIONS :

- 1) The textile industry should strike a balance between co-operative spinning mills and the power looms.
- 2) The textile industry of Ichalkaranji should also use non-cotton yarn to some extent, alongwith the cotton yarn.
- 3) Soot-bazaar should be made yarn-consumer oriented.
- 4) Conventions should be arranged with a view to discussing the problems in powerloom textile industry.
- 5) A plan for self-reliance and self-propogating economy in the powerloom industry need to be drawn immediately and executed meticulously.
- 6) The yarn must be procured from the spinning units on levy basis.
- 7) The yarn, collected on the levy basis, should proportionately distributed to the actual users through yarn-banks run by the government co-operative societies and powerloom weavers' associations.
- 8) Powerloom Weavers' co-operative societies and associations should be given financial assistance by N.C.D.C. for establishing spinning mills.
- 9) The malpractice of lengthening the distribution channel can be checked by stipulating to the yarn traders to obtain a licence and sell the yarn only to the actual users.

In the meanwhile, all the open sale of yarn must be banned and as it is one of the most essential commodities a ration card system should be introduced for the distribution of yarn.

- 10) In order to check the tendency of stock-piling the financial assistance to the private yarn traders from the banks must be drastically cut down and all banks should be made to follow such measures strictly.
- 11) The spinning mills should be asked to make specific mention of yarn count, weight and quality etc. on the individual package.
- 12) Adequate arrangements should be made by the government to inspect the procedures with a view to checking malpractices, and legal action be taken against the defaulters.
- 13) In order to bring about necessary improvements, the government should take following measures :
  - a) fixing the standard prices of yarn.
  - b) Providing credits to the powerloom owners on easy terms.
  - c) Controlling the soot-bazaar etc.
- 14) Outside spinning mills depot sale system should be controlled by the state government.
- 15) While making a purchase, count of yarn should be thoroughly examined. Examining facilities are available

at Deccan Research Centre. Government also should establish such research centres.

- 16) At individual level, dishonest yarn traders should be ostracized.
- 17) The weavers should install small spinning wheels of the capacity of 32 or so spindles, as manufactured by Shirodkar Education Society, Malvan, in order to meet their yarn requirements on small scale<sup>1</sup>.

I will feel amply rewarded if my endeavours in the direction of pin pointing the problems of procurement of yarn to powerloom industries in Ichalkaranji meet with the favourable response from the Government, the entrepreneurs, spinning mills, yarn purchasing weavers and their associations.

I know that this humble endeavour neither purports to be a final word on the topic, nor does it fall short of its objectives.

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1. Daily Kisan - Ichalkaranji : 9th November, 85.