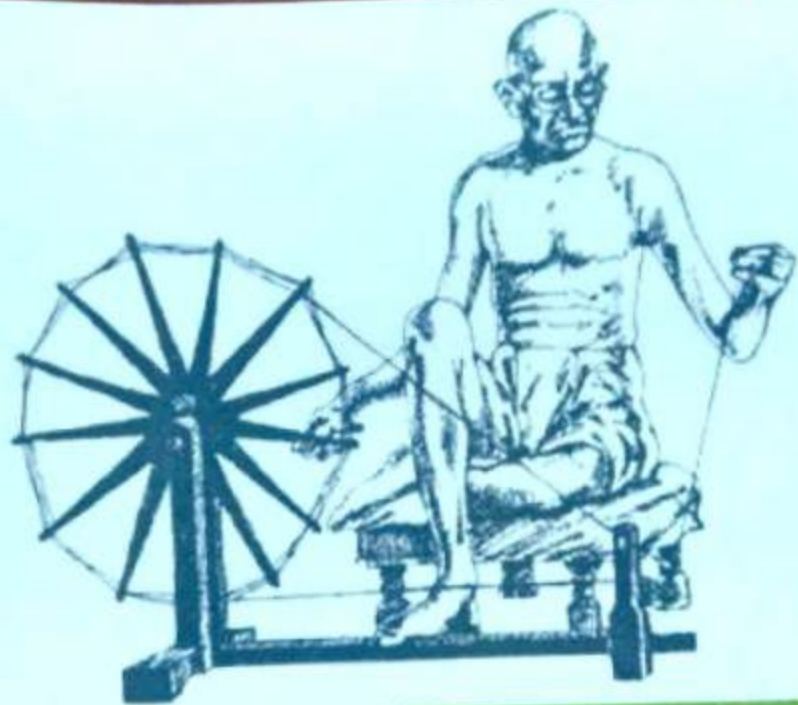


Detailed Project Report
for
Chak Islampur Khadi Cluster
under
**Revamped Scheme of Fund for
Regeneration of Traditional Industries
(SFURTI)**
Revised dt. 11.02.2016



NATIONAL INSTITUTE OF FASHION TECHNOLOGY
NIFT Campus, Plot-3B, Block-LA, Sector III,
Salt Lake City, Kolkata - 700 098

CHAPTER 1: Cluster Profile

1.1 Background

Murshidabad districts is abound with many weavers / artisans of Silk Khadi , Cotton / Muslin Khadi and the organisation *Chandrakanta Lalitmohan Resham Khadi Samity (CLRKS)* along with few associates of the cluster has been identified as Implementing Agencies (IAs) of Scheme of fund for Regeneration of Traditional Industries (SFURTI) for looking after the socio – economic development of the weavers and artisans in the Chak-Islampur Cluster of Murshidabad. National Institute of Fashion Technology (NIFT), Kolkata will work as a Technical Agency (TA) for imparting all necessary based training as per SFURTI guidelines and need of the identified cluster. The objective for implementation of the scheme are:

- To develop clusters of Khadi textiles.
- To make the Khadi industries more competitive with more market driven, productive, profitable and sustained employment for the Khadi weavers/ artisans and rural entrepreneurs.
- To strengthen the local governance systems of industry cluster, with the active participation of the local stakeholders, so that they are able to undertake development initiatives by themselves and
- To build up innovated and traditional skills, improved techniques, advanced processes, market intelligence and new models of public – private partnerships, so as to gradually replicate similar models of cluster – based regenerated traditional industries.

1.2 Regional setting of cluster

The cluster is situated at Chak-Islampur, District: Murshidabad, West Bengal from long past. At present in 260 villages under 70 blocks of 9 districts of Murshidabad, multifarious activities are going on through 20 centre's, sub centre's and Bhanders and about 5000 families are depended directly or indirectly upon these various Khadi societies registered under KVIC. As a part of the Social Work the Samity CLRKS is running three libraries, two children education centres, two charitable homeopath dispensaries and one Crèche Unit. Through its constant and scintillating efforts, weavers

produces upto 600 counts very fine muslin yarn & weaving upto 500 counts which create a great unique achievement in the handloom industry.

1.3 Profile of Implementing Agency

1. Name of the Institution for SFURTI : Chandrakanta Lalitmohan Resham Khadi Samity
Registered Office : Vill.: Chak, P.O.: Islampore
Dist.: Murshidabad, West Bengal
Central Office & Stores : Berhampore, P.O.: Khagra
Dist.: Murshidabad, West Bengal
Telephone No. : [03482] – 251–208, 252-244
Fax : [03482] – 251–208
E-mail : cklmrksamity@rediffmail.com
2. Registration No. & Date : Registered under West Bengal Society Registration Act, bearing Reg. No. 21751/191 dated. 19–07–1954
3. Certified & Aided by : Khadi & Village Industries Commission (KVIC) Ministry of MSME, Govt. of India
4. Khadi Certificate No. : BGL–225 dt. 08–05–1955
5. Category : Major 'A'+
6. No. of Production Centres : 7
7. No. of Sales Bhandars : 9
8. No. of Districts & Blocks : District –9, Blocks – 70
9. No. of Villages Covered : 260
10. No. of Artisans : 2,614
11. Earnings of the Artisans : Rs. 587.09 Lakhs [April to March-2014/15]
12. Year of Commencement of Production & Sales : 1955
13. Activities : – Production & Sales of Cotton Khadi ,
Muslin Khadi & Silk Khadi .
– Provide Employment to Rural Artisans through KVI Programmes.
14. Efforts for Quality Control & Development : – Registered with Silk Mark Organisation.
– Granted Licence for ISO 9001–2008 Quality Management System by BIS, Govt. of India.
– Introduced In House Testing Laboratory under KVI Scheme.

1.4 Evolution of the cluster

The Saha brothers of Chak-Islampur of district Murshidabad, West Bengal, i.e. Chandrakanta and Lalitnohan Saha had business in Silk from long past. They made a contact with respected Gandhiji through many renowned personalities of the country to draw his attention to the importance of silk industry in the economy of country and insisted him to include it into his 'Khadi' program. But, at first Gandhiji was not agreed to include it into Khadi since it was not free from violence. On through investigation and being satisfied that it is free from violence and a good number of rural spinners and weavers were engaged into it he accepted it as a Khadi Industry in 1925.

The Associated members for the cluster are mentioned below :

| Name of the Stakeholders | Status |
|---|-----------------------|
| 1. Chandrakanta Lalit Mohan Resam Khadi Samiti Vill.: Chak, P.O.: Islampore Dist.: Murshidabad, WB | : Implementing Agency |
| 2. Khadi and Village Industries Commission, Kolkata | : Nodal Agency |
| 3. National Institute of Fashion Technology (NIFT), Kolkata | : Technical Agency |
| 4. Jalangi Resham Khadi Udyog Jaykrishnapur, Jalangi, Dist.: Murshidabad, WB | : Associated Member |
| 5. Gandeswari Tapsilli Khadi 'o' Gr.Samity, Chak, Islampur, Dist.: Murshidabad, WB | : Associated Member |
| 6. Doulatabad Silk Khadi Samity, P.O.-Doulatabad Dist.: Murshidabad, WB | : Associated Member |
| 7. Murshidabad Gram Seva Mondal, P.O. Domkal, Dist.: Murshidabad, WB | : Associated Member |
| 8. Madanpur Resham Khadi Gramin Silpa Sansthan P.O. Madanpur, Dist.: Murshidabad, WB | : Associated Member |

1.5 Demography and growth trends

During the last century silk industry of Murshidabad of West Bengal was mainly financed by Mahajans. The farmers, reelers and weavers used to approach the Mahajans

who were in the practice of advancing money to them for purchasing raw materials on the condition that the products must be sold only to the mahajans. The farmers, reelers and weavers of silk still face many problems at the time of selling their produce. The silk merchants advance money to them at their need and they compel them to sell their produce to them at a low rate. The mahajans and middlemen often control the prices of raw materials and finished goods due to lack of organized market in the district. Owing to these difficulties (production, financing and marketing problems), the sericulturists, reelers and weavers of the district often become victims of mahajans and middlemen who deprive them of their selling price or real wages. It is an acute problem of sericulture in the district. Under such circumstances different Silk Co-operative Societies have been formed by the sericulturists / rearers, reelers and weavers of the district to save their interest and to protect themselves from the exploitation of silk merchants and money lenders or mahajans. The different Silk Co-operative Societies are at present financing the beneficiaries in the form of raw materials for rearing, reeling and weaving system of sericulture in the district. The Government and the National Bank for Agriculture and Rural Development (NABARD) have taken initiatives to finance the sericulturists, reelers, weavers and the different silk co-operative societies of the district. The objective of this paper is to discuss the necessity and contribution of the silk co-operative societies to the district of Murshidabad.

The Khadi cluster of the area is more than 60 years and has travelled through many ups and downs keeping their main objective as to generate the employments among the rural artisans on uplifting their social, economic and moral in the spirit of co-operation.

To the rural population of the region, Khadi forms an essential part of their everyday life. In the beauty and excellence of a variety of handloom products produced by succeeding generations of weavers have reflected the creative urge, aesthetic sense and hopes and aspirations of the people. Handlooms, as rich village industries, were originally being practiced in the region as hereditary occupation. Murshidabad Silk Sarees are known for their excellent craftsmanship.

1.6 Socio-economic aspects

It is obvious that the Cluster is having 2500 weaver households who are solely dependent on handloom industry for their socio - economic upliftment. Besides handloom weavers numbering 2500 working on looms other population numbering 5000 are extending

supportive works in firm of suppliers of dyes, cotton yarn, silk yarn, accessories, warping, etc. The idea of reviving Khadi handloom generates from the significant role they are playing in promoting employment, particularly to the jobless weavers. Extinction of village/traditional industries would complete the ruin of the economic balances in village. They form a part of the rural occupational structure and their decline leads to the dislocation of a sizeable number of workers. Khadi play an important role by providing employment opportunities with less amount of capital. Other factors, which weigh in favour of this sector, are its capacity to attract small savings to productive channels, short gestation period, and its adaptability to rural and semi urban environment where infrastructure may not be fully developed. The village and small industries sector has been recognized as an effective tool for providing gainful self-employment opportunities. These industries are also considered an important instrument for promoting rapid industrial growth by providing greater employment opportunities in particular to women and weaker sections of society and for bringing about a reduction in regional disparities and removal of economic backwardness of the rural and undeveloped area.

To remove poverty, the purchasing power of the poor masses will have to be increased first to enable them to fulfil their basic needs. The question of removal of poverty could therefore be identified with the question of providing employment to the underemployed and unemployed.

The basic Socio-economic objectives for setting up of the project are:

- a) Social Objective—To create employment opportunities in the non-farm sector in the rural areas at wages/earnings, which are, at least, comparable to the prevailing levels of wages in the farm sector.
- b) Economic Objective—To produce saleable articles to provide services for which there is effective demand as well as enhancement of income of artisans.
- c) Wider Objective—To support rural development in its widest sense and to improve the quality of life.

1.7 Human development aspects

The Khadi and village industries programme holds great potential for generating gainful employment opportunities for the rural poor, arresting migration of rural unskilled workers to urban areas and for promoting the strategy of sustainable development. It can

also be a viable and effective social safety net to enable the poor to ward off the adverse impacts of structural adjustment and economic reforms on their wellbeing. However, this potential can not be realised without addressing some basic weaknesses with regard to the design and implementation of the programme and without making it fiscally sustainable. Gandhiji stated that the displacement of human labour is an essential characteristic of a machine and a great argument against it, introductions of machines results in employment of a few and unemployment of many, it saves labour and provides leisure, leisure results in wastage of time, and potential cause of demoralisation. The project with its various training programme will recognizes the need for direct action to eradicate poverty by strengthening employment and income-generating opportunities. It will stress on the need to generate remunerative employment compatible with the country's endowments; assign a high priority to professional training and develop an adequate facilitating infrastructure. The training will be in the area of skill development, design development, product development, product diversification and management and entrepreneurial skills.

1.8 Key economic activities in the region

Although no large and medium scale industry is running in the district, traditional industry in tiny & cottage sectors like silk and cotton weaving, have goodwill from long back. Other traditional activities include agricultural related industries like rice and oil-seed milling etc. Cluster for making plastic products, brass and bell metal utensils are also present in the district. Home-crafts like ivory carving, and precious metal working is another important industry in this city. Residents of the city are mostly government employees and there are also agricultural as well as silk traders. The importance of the city increased due to its geographic location and historical importance and the city also earns a good number of tourists, thus making tourism another happening industry and a small business hub. The city has many big shops which now have become the prime shopping destinations. Express Bazaar, situated at the Mohana Bus Stand- the prime junction of the city is one of them. Style Baazar, Manmohini, Sunita, Metro Bazar are some famous shops in the market area of the city. Agriculture is the main source of livelihood for most of the people, and this sector is featured with chronic unemployment and underemployment. It is necessary that avenues of employment in the non-farming occupations have to be provided to tackle the problem. Khadi with its intermediate

technology answer this need very well. The Khadi fulfils the social objective of providing employment and ensure economic development, and help removal of the main obstacle to growth – the vicious circle of poverty.

1.9 Infrastructure - social, physical, financial and production related

Indian economy is gradually moving towards the rural sector and it is here that the KVIC is the only player to systematically forge a climate conducive to rural industrialisation, based on production by masses. A lot is still to be achieved and the benefits of this programme have to reach the rural folks living in the remotest corner of the country – devoid of opportunities. Only working together for achieving the common goal of rural industrialization will make this programme a grand success. The following facilities are available in abundance in the cluster where existing Khadi handloom production is in practice.

- a) Land Area 5.68 Acre
- b) Built up area 3.00 Acre
- c) Machineries (Khadi /V.I.)
- d) Available of tools with the artisans
- e) Well road connectivity
- f) sufficient availability of water
- g) Proper electricity connection

As SFURTI aims all-round development of beneficiary artisans associated with the clusters, the IA and TA will carry out the following activities as per the SFURTI guidelines.

1. Enrolment of Artisans
2. Involving Artisans in Cluster Development
3. Social Security to Artisans
4. Providing Work-Shed to Artisans
5. Working Capital to Artisans and Credit Facilities
6. Enrolment of artisans under Artisan Credit Card Scheme to the bank associated with the Clusters for ease fund flow.
7. Replacement of tools and equipments

The programme will be able to transform the lives of rural masses with a spirit of social, moral and economic independence, a dream set upon by 'Bapuji'- the architect of "Modern India".

CHAPTER 2: Cluster Value Chain Mapping

2.1 Product profile

(A) Following are the variety wise production of Khadi handloom.

1. Cotton Khadi
2. Muslin Khadi
3. Silk Khadi
 - a) Spun Silk
 - b) Reeled Silk

(B) Other piece goods include

1. Saree
2. Scarf
3. Chaddar
4. Towel
5. Gamcha
6. Lungi
7. Dhuti
8. Angavastra

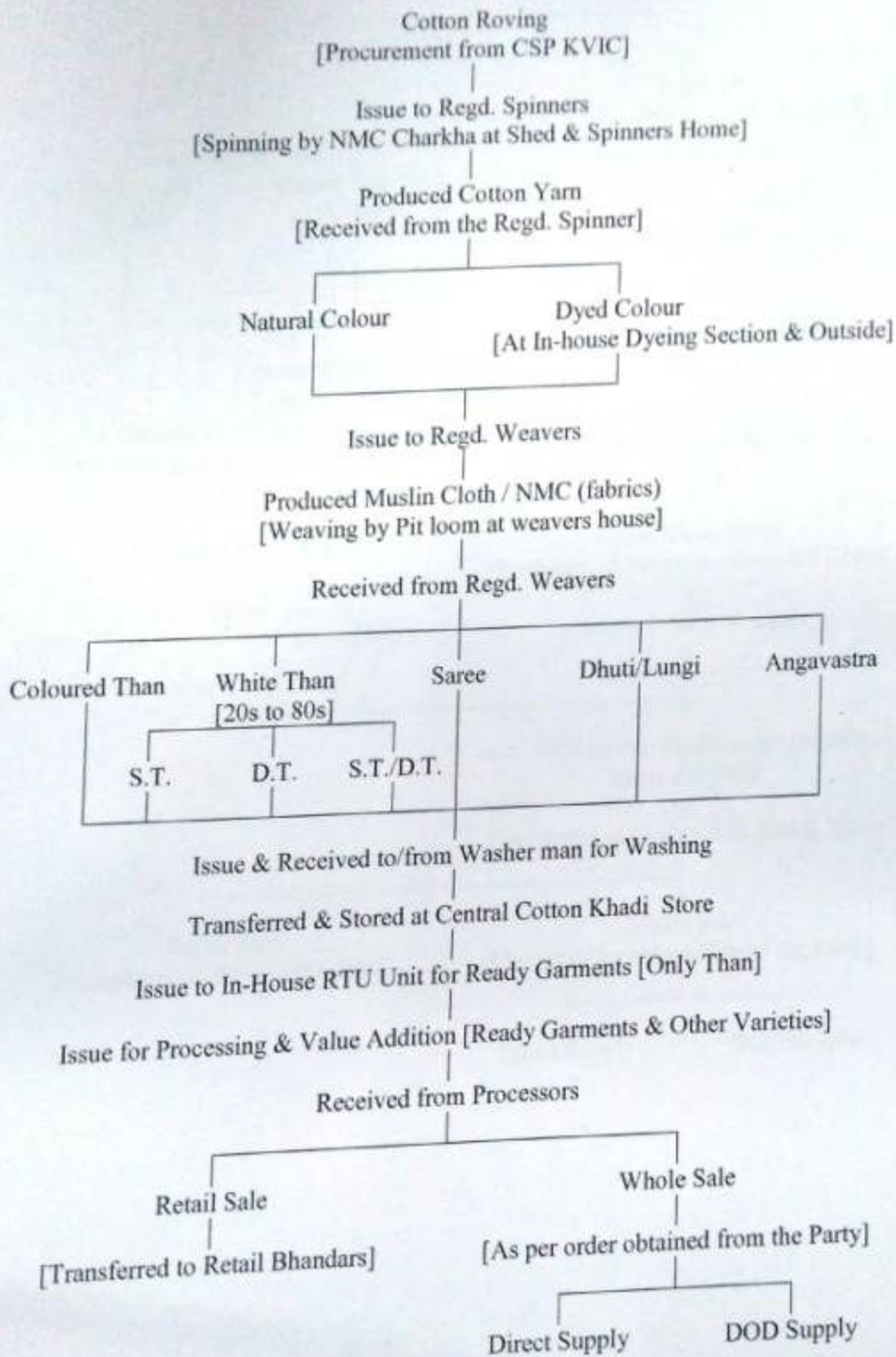
(C) Variety - wise production of yarn

1. Cotton Khadi
2. Muslin Khadi
3. Silk Khadi

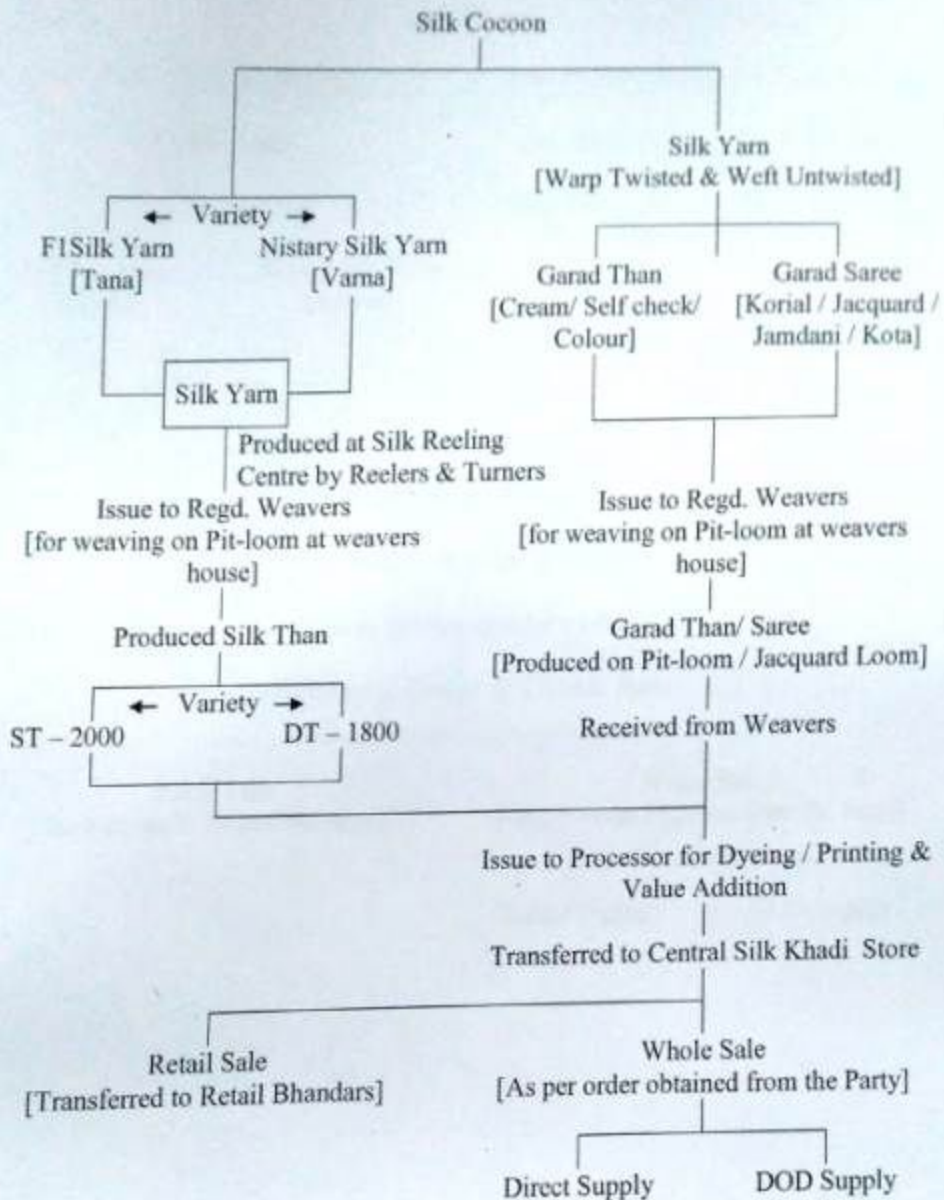
The Cluster offers a diverse range of hand-woven environment friendly products in its stores.

2.2 Production process

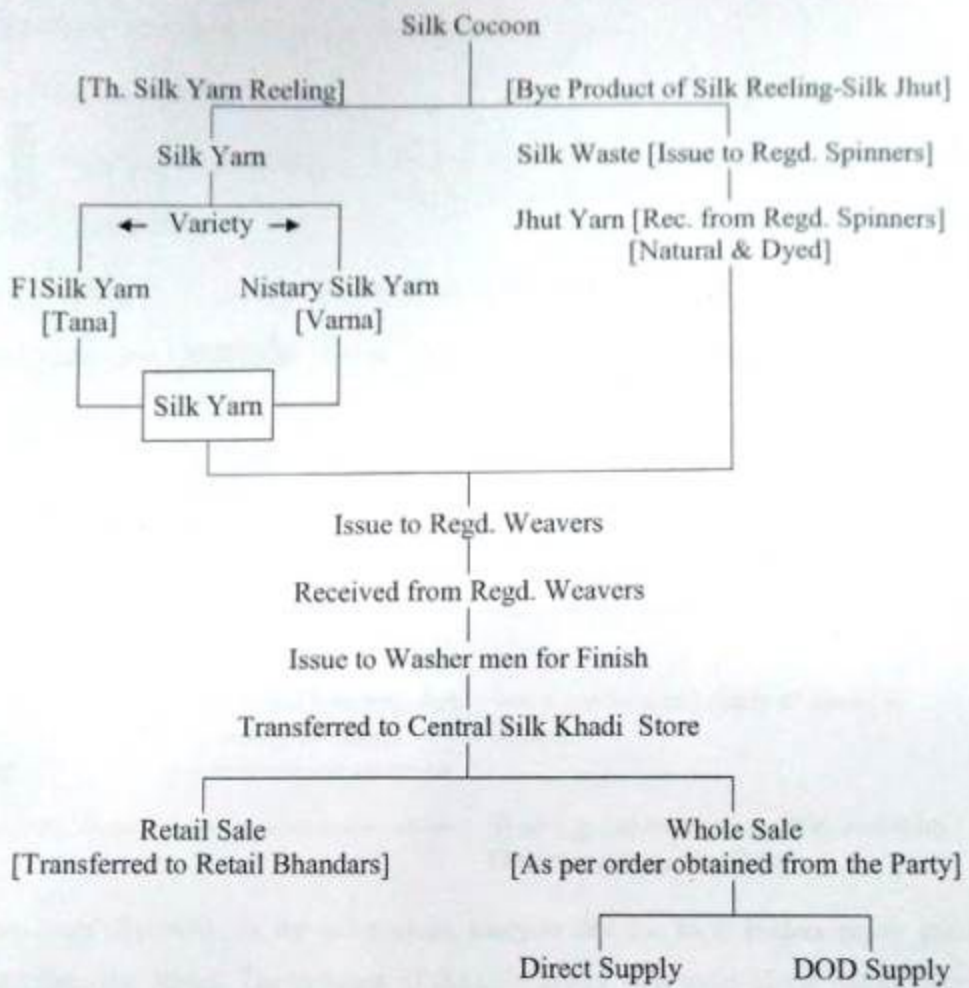
Production Procedure of Cotton Khadi



Production Procedure of Reeled Silk

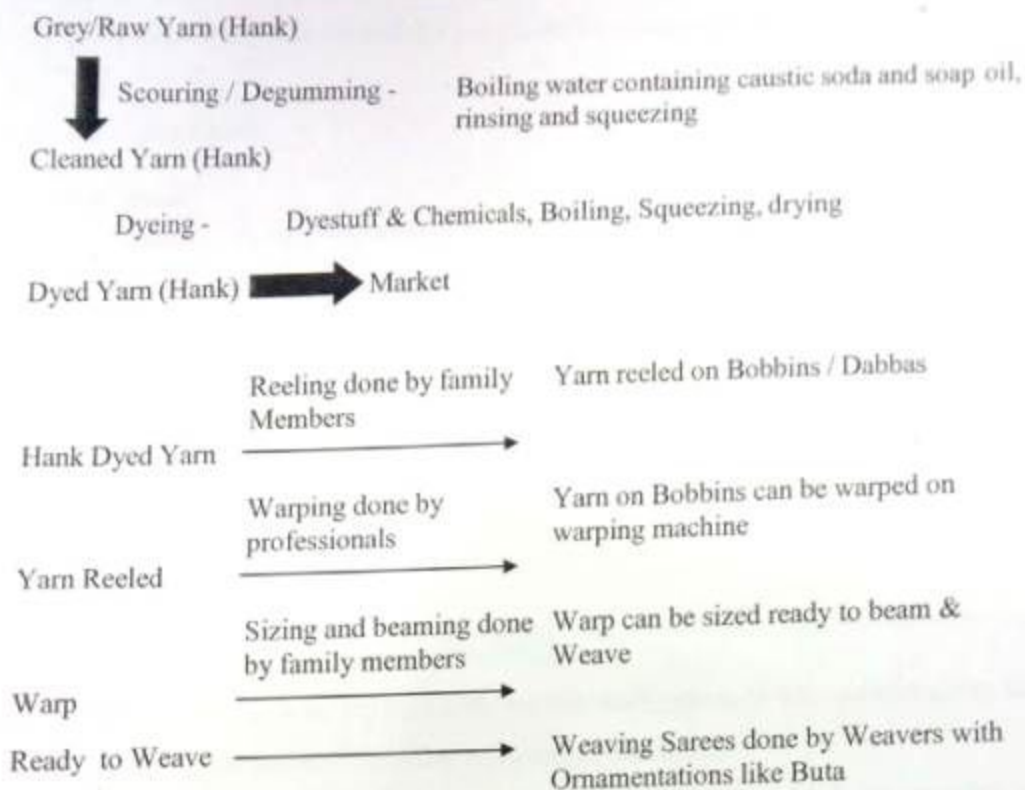


Production Procedure Spun Silk



2.3 Value Chain Analysis

The general value chain of the weaving cluster is as follows:



It has been observed in the value chain analysis that the local traders enjoy greater margin than the others. The linkages of the core actors with most of the public service providers are very weak. With the exception of the weaver service centre and the Handloom and Textiles Department linkages with other service providers have to be strengthened. Since all the support institutions are existing in the cluster there is large scope for intervention in all the major areas such as design development, value addition to product, upgradation of technique, product diversification, establishment of Common Facility Centre, Common marketing facility, Brand Equity etc. With proper intervention in the areas of raw material procurement, design development, process up gradation, modernizing the dye houses, direct marketing and exports through formation of consortia, developing Common Facility Centre, Exposure visits to successful cluster areas, frequent buyer meets, with the help of public and commercial service providers, the cluster can achieve positive growth within stipulated timeframe to make it a self sustained and achieving identity of its own.

But after proper intervention for cost reduction in inputs through bulk purchase, improved pre-processing methods, upgrading the designs for value addition of the product, introduction of direct selling mechanism instead of the trader will help increase in the earning of the weavers and the margins of the entrepreneurs.

Khadi Value Chain

Cotton Bales

- Producer : Farm households
- Process: Farm production
- Market/Marketer: Sliver (or cotton threads on spindles) plants

Sliver

- Producer of Sliver plants
- Process: Cotton bale converted into cotton tapes, used to produce sliver, a loose soft untwisted strand of textile fiber produced by a carding or combing machine
- Market/Marketer: Khadi institutions

Yarn

- Producer :Spinners, mostly poor women
- Process: Sliver is traded by Khadi institutions to spinners who convert sliver into yarn on hand powered spinning equipment (charkas).
- Market/Marketer: Khadi institutions buy back the yarn from the spinners on payment of conversion charges

Fabric

- Producer: Weavers, mostly poor men
- Process: The yarn is traded by Khadi institutions to weavers who weave the fabric on handlooms and sell it back to the Khadi institutions in return for conversion charges
- Market/Marketer: Fabrics are sold as processed cloth, a more refined product than yarn, either directly to the end consumer through Khadi institutions own retail outlets, traded with other Khadi institutions, or through direct sales outlets of KVIC

Garment

- Producer: Tailors working under Khadi Institutions
- Process: The fabrics are processed (e.g., dyed) and converted into garments using mechanized means for preset designs, developed as customized garments, or embellished with value additions, e.g., embroidered by skilled artisans
- Market/Marketer: Khadi institutions owned stores, KVIC owned store

2.4 Cluster map- highlighting backward and forward linkages

Khadi producing institutions would need to be strengthened to become economically viable by developing backward and forward linkages. The cluster development programme would envisage the establishment of backward and forward linkages, setting up of common facility centres and common service network support for satellite cluster units.



To emerge as a major producer of Khadi products, some critical inputs are required, specially of supply chain management and collaboration among various stakeholders along with efficient vertical and horizontal integrations.

KVIC being the single Nodal Agency at the National level, will coordinate with the identified implementing agencies, i.e., KVIBs, DICs and others. KVIC will carry out most of the important tasks envisaged in the forward and backward linkages, including e-tracking, web management, publicity, physical verification of units, organizing EDP training programmes, awareness camps, workshops and exhibitions and therefore will require to utilize major share of the allocation under forward and backward linkages. A better forward and backward linkages will also reduce the migration of unemployed rural youths to urban areas in search of jobs. The government intervention is required to create a policy environment that will ensure a mutually beneficial relationship between the weavers and organized sector. Along with investment in infrastructure, development of extension activities and linkages with weavers are also important areas where government can play influential roles.

Product Linkage

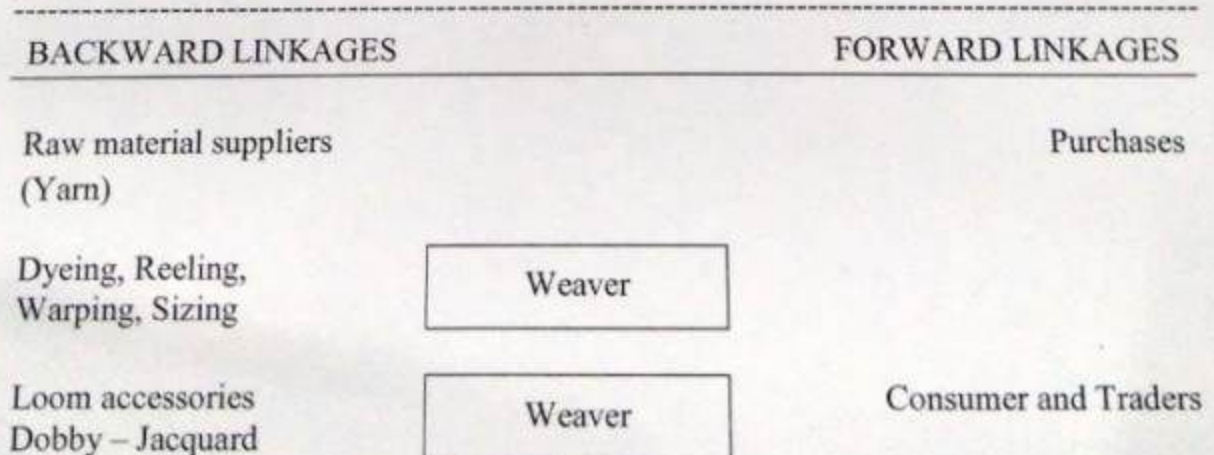
The cluster has road-rail communication which may be considered as the most advantageous position for improvement of marketability of their products. As it situated near to the Kolkata the Societies may enhance the marketability of the product by seeking assistance from the KVIC State emporium and the renowned retail stores of the metropolitan city. For change in design etc., the cluster can take support from NIFT, Kolkata to meet the day-to-day market trend. A tie-up with the Export Promotion Council at Kolkata is essential for getting into the producing export oriented fabrics.

Governmental and Non-Governmental Association

It is obvious that Master Weavers and Cooperative Organisations have not established any training centres for imparting training to weaver in designing, dyeing, sizing, warping but they have been using skills already available and inherited from ancestors. Since there is no agency undertaking such activities, the Master Weavers, Co- operatives other interested weavers may be encouraged for skill upgradation in designing, weaving dyeing etc., by utilizing the services of NIFT, Weaver Service Center based at Kolkata and Berhampore Textile College, Professionals etc. These institutions are equipped with mechanism for extending all assistance in all aspects which can be utilized specially for imparting training in handloom and technology transfer.

Services of reputed Non-Government Organization working in the district can be utilised for imparting several programmes for the welfare of the Weavers Community.

LINKAGES



2.5 Principal stakeholders

| Name of the Stakeholders | Status |
|--|-----------------------|
| 1. Chandrakanta Lalit Mohan Resam Khadi Samiti Vill.: Chak, P.O.: Islampore Dist.:Murshidabad, WB | : Implementing Agency |
| 2. Khadi and Village Industries Commission (KVIC), Kolkata | : Nodal Agency |
| 3. National Institute of Fashion Technology (NIFT), Kolkata | : Technical Agency |
| 4. Jalangi Resham Khadi Udyog Jaykrishnapur,Jalangi, Dist.: Murshidabad, WB | : Associated Member |
| 5. Gandeswari Tapsilli Khadi 'o' Gr.Samity,Chak,Islampur, Dist.: Murshidabad, WB | : Associated Member |
| 6. Doulatabad Silk Khadi Samity, P.O.-Doulatabad Dist.: Murshidabad, WB | : Associated Member |
| 7. Murshidabad Gram Seva Mondal, P.O. Domkal, Dist.: Murshidabad, WB | : Associated Member |
| 8. Madanpur Resham Khadi Gramin Silpa Sansthan P.O. Madanpur, Dist.: Murshidabad, WB | : Associated Member |

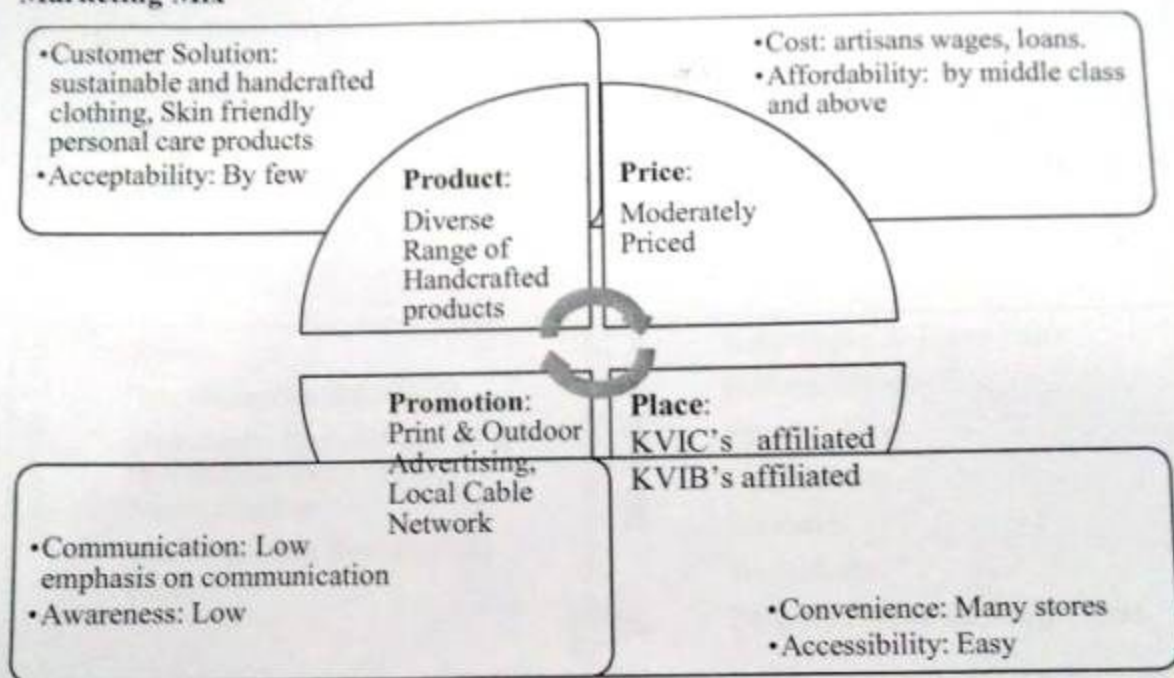
CHAPTER 3: Market Assessment & Demand Analysis

Merchandising and marketing have been recognized as being central to the growth and development of Khadi sector in India. Domestic marketing is important for providing a link between the producer and consumer. The marketing and export promotion scheme is needed to promote the marketing of Khadi in the country and to improve the levels of awareness among Khadi handloom weavers and the general public in the interest of overall development of the Khadi sector. Further assistance and knowledge is required by the agencies for building up, developing and marketing of export – worthy handloom products targeting the international market by way of participation in international exhibitions and buyer– seller meets. Reduce the prices, increase availability, improve the quality / colour durability, innovative design, more varieties, latest fashion and trends, more organized, more advertising, increase awareness, special market survey for handloom products, customization, suitable to weather conditions and reduce intermediaries etc. are needed to improve the satisfaction level of handloom customer. Promotion / advertisement, availability / increase number of outlet, exhibitions, develop new designs, awareness, price to be reduced, proper marketing, more customization of products, link it with brand India, improve the quality, customer friendly services, improve durability, provide machines to weavers, remove middleman from chain and fashion orientation etc. are needed to make handloom more popular. Government should help in opening more outlet, exhibition and trade fair, loans to setup a shop Subsidized the products, relaxation on duties and taxes, improve the marketing strategy, encourage the mechanization, special outlets, implementation of the rules strictly, outlets at village level / Taluk, better technology for weavers at cheaper rates, discount, competitive customer service, compulsory selling of handloom products at all textile outlets, compulsory for school uniform, helps in generating in more designs and Government should see overseas opportunities to make the Khadi sector survive.

At present cluster has its own marketing outlet in the form of show room. Effort should be made to sale each other's products in different places. More focused marketing strategy is required as it has been observed that there is huge back log of previous year's production. Thus, aggressive marketing by participating in exhibitions, fashion shows at various levels should be maximised and also there is a need to initiate and strengthen linkages with the famous outlet chains like Fab India, Central Cottage Industries Corporation (CCIC), Life Style, Desi, Prudent India and New look. Regular buyer-seller

meets should be held to make the producers and buyers understand the need of each other. Capacity building of systems and functionaries: The systems created, such as consortiums, networks federations, associations etc. shall have legal entity, where it does not exist. This would help buyers to work directly with the systems. Similarly, SHGs of artisans are lacking in the capacity to function independently and effectively. SHGs need repeated training and escorting services to perform excel.

Marketing Mix



Price

The KVIC products are moderately priced, which can be affordable by people in the middle class category and above.

| | |
|--------------------|-----------|
| Duppatta | 350-800 |
| Tie | 150-250 |
| Shirts | 250-1000 |
| Kurta | 175-350 |
| Bed Sheet | 450-1500 |
| Saris | |
| ▪ Tassar Silk | 300-350 |
| ▪ Matka Silk | 450-550 |
| ▪ Woolen Khadi | 200-250 |
| ▪ Pure Silk Sari | 850-1250 |
| ▪ Baluchari Sari | 4000-4500 |
| ▪ Kantha Work Sari | 3650-4000 |

Product mix

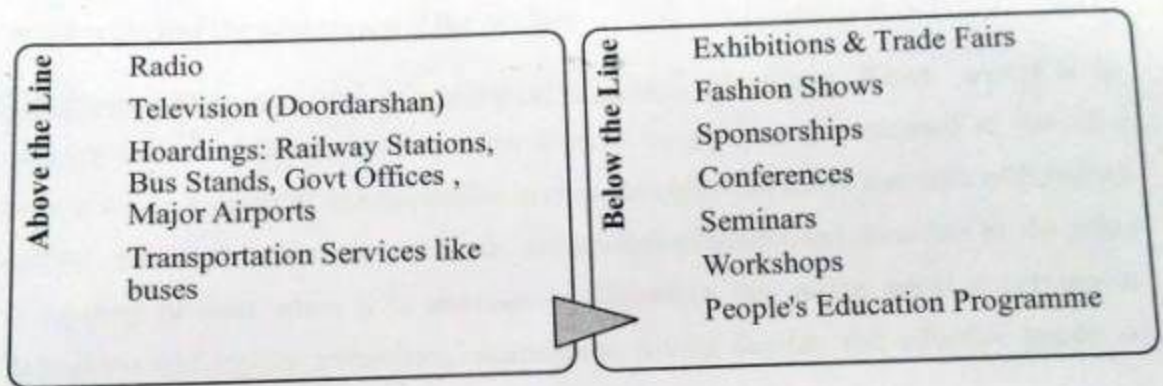
KVIC offers a diverse range of handcrafted products in its stores, which are environment friendly and are made in rural parts of India.

Place

KVIC has got an ultra wide retail presence through retail stores across the country, which are owned by Khadi & Village institutions. Also some of the Khadi products are available in department stores like Big Bazaar.

Promotions

KVIC's communication has been low profile through ATL activities, but they have picked up the pace with BTL activities in recent times.



Customer Profile

Demographics

- Age- 18-65yrs (Indians, foreigners)
- Gender- Male, Female
- Occupation- Students, Professionals, Politicians, Farmers
- Social Class- Middle & Upper Middle Income Group
- Religion- Any
- Education- Schooling, Undergraduates, Postgraduates

Psychographics

- Lifestyle- simple & classy.
- Attitude- motivating, self dependent, nature lovers.
- Activities- spend money on self adornment, like to know about Indian culture
- Values- modern, traditional

Problems in marketing of Khadi based handloom products

Lack of availability of market information: There is no reliable information available regarding the marketing of Khadi products. This creates hurdles at the market end resulting in unsatisfied customers. The weavers are unaware of the market demand and new designs & colours because of the lack of customer feedback. This hampers their creativity and innovation.

Lack of awareness about the product features: Handloom cloth is very soft and good for skin. It is non-allergic synthetic fibres. The use of vegetable dye makes it health friendly. One of the greatest characteristic is its flexibility to adapt according to the customer's choice. It is more preferable because of its fine quality and added embroidery. The customer should be totally aware of these qualities of handloom and should be able to differentiate from the rest. Hence, an awareness has to be generated in the customers mind regarding the advantages of the product.

Insufficient Promotion and Advertisement of Khadi Handloom: Khadi sector is far lagging behind in promotion and advertising of its product as compared to the other textile sector. Generally, the promotion is only through exhibitions and fairs with limited outlets. Hence the customer purchases only when available and switches to the other competing product when it is unavailable. Therefore this sector needs a continuous promotion and regular advertising campaign to have a durable and effective impact of the handloom products on the customer.

Lack of Quality Standardization: The handloom is famous for the production of the finest quality of cloth. It uses the unique selling proposition in many cases like carpets, furnishings and fine designs. But the quality and standardization of the product is not regularly mentioned.



Weighing Machine

Hence a procedure is needed for checking the quality standards of the products like durability, shrinking etc., So that the customer is assured about this. Also the government should take initiative and conduct research on the related issues.

Improper Management of Handloom Logistics: Handloom logistics should be done in a scientific way. There should be precise calculation of stock keeping and cost incurred in maintaining a huge stock. There should not be any blockaded of money and subsequently the interest burden. Generally inefficiency occurs in case of finished products supply.



Glimpse of store room

Due to lack of improper marketing, the huge stock is blocked with marketers. Some of the co-operatives end up in loss because of mismanagement. This can be minimized by introducing bar-coding, logistic tracking and fast information flow. This results in reducing greatly the cost of the end product.

Supply of raw material: It is generally done through co-operatives at subsidized rates. Subsidies and other beneficial schemes from state and central governments are also implemented through co-operatives. As a result majority of the weavers are not benefited. Government has made a provision through hank yarn obligation order. It states that 50 percent of cotton yarn produced in India should be in the form of hank yarn and should be supplied to the handloom sector. However this was never totally implemented. Hence there is a need for strict implementation of rules and regulations in this regard.

Tough Competition: Handloom sector is facing a tough competition from various players in the market. The competition is intensive in both inter sector (from mill, power looms

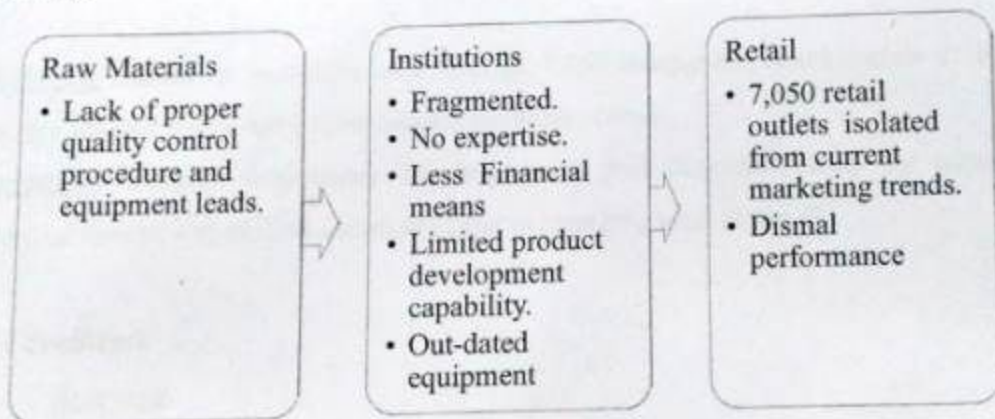
etc.) and intra sector (from foreign countries like China, Bangladesh etc.). This increasing competition is the biggest challenge for the handloom sector.

Issues with KVIC

Khadi is estimated to constitute less than 1% of India's textile market. The textile industry has made tremendous strides with the adoption of modern technology, branding, and savvy marketing. In contrast, Khadi India has been unable to adapt to economic and technological advancements. As a result, the community-based production and marketing model of a product is still revered, is neither able to gain market share nor substantially contribute to rural employment.

Weak Links in the Value Chain

Khadi production and marketing under the KVIC Khadi program are constrained by the following:



Raw Materials: The lack of proper quality control procedure and equipment leads to uneven raw material quality which affects the quality of the final product.



Manual Washing of Yarns



Manual dipping of yarns in dye

Equipment : With out-dated equipment and raw material quality constraints, Khadi production cannot be expanded even if demand grows rapidly.



Paddle Charkha



Spinning of Yarns

Marketing :Khadi is primarily sold through 7,050 dilapidated retail outlets of Khadi institutions that are isolated from current marketing trends.

Institutions :Khadi institutions are fragmented and dispersed, lack the expertise, financial means, and unified vision to adjust to changing market trends.

Key Problems

Branding

- Diverse names & image of retail outlets owned by Khadi institutions
- Less awareness as a brand
- Strong perception of a laidback business run by government.

Marketing

- Inconsistent marketing strategy
- Lack of synergy among advertisements of different stores

Merchandise

- Product strategy not based on consumer preference
- No merchandise planning
- New stock ordered only when shelves starts getting empty
- Improper placement of merchandise within the stores
- Lack of standardization of merchandise designs

Retail Stores

- Poor visual merchandise



Existing Retail Counter- View 1



Existing Retail Counter- View 2

- Untrained staff
- Poor Fixtures
- Unappealing store ambience.

Management

- Functions overlapping.
- Insufficient skills for managing commercial operations
- Obsolete information technology and management information system

Khadi has gained worldwide appreciation as it is hand made, durable, long lasting and organic in nature. The fabric is produced by the masses for the masses. It is associated with Gandhian philosophy as well as makes a fashion statement. Through the medium of Khadi weaving, the weaver expresses art and designing by the spindle and loom. It is widely accepted in the Indian fashion circle. Leading fashion designers now include it in their collection by designing clothes with Khadi material. There is huge demand of it in international market, especially in western countries.

Khadi over the decades has moved from a freedom fighters identity fabric to a fashion garment. Today there is such an increasing demand for Khadi that despite of the thousands of workers involved in spinning and producing Khadi fabric, the demand of the market does not gets fulfilled.

It is being observed that selling of Khadi has up to now been supply oriented which means that institutions first produce the goods and then try to sell it. Hence, their stocks have been piling up, because their products are not being produced according to the demand. It is understood that in achieving the objective of rural employment the production process cannot be controlled by mere linking it to the demand factor, however, one cannot ignore the competitive market economy and the relevance of understanding the demand side aspect of the products.

Also, there has not been much change in the design, colour or type of Khadi readymade produced by the institution since the inception of the Khadi programme. Institutions which are understanding the current market scenario are now making some attempts to make products that are more 'in' with the consumer, but these attempts are few and without any admired support. There has also been no attempt to find out who buys Khadi, who is going to be the target consumer, what is the requirement and preferences of the target consumer etc. This is because the product range is so vast that it covers products from dusters to 3 piece suits. It is imperative for Khadi to rationalize its product range from 5000 to a manageable number so that the objective of Khadi i.e. production of saleable products is achieved. The decline in sales and increase in stock is also attributed to the fact that government agencies have stopped placing orders with the institutions, which earlier used to rely heavily on government buying to dispose of its product. Also, after having visited some of the sales bhandars, we felt that better maintenance and presentation of the shops would help in selling Khadi. And better trained sales people with incentive based salaries would only help the cause.

CHAPTER 4: Need Gap Analysis

The third census of Handlooms was conducted in 2010 by NCAER (National Council of Applied Economic Research) clearly indicates that the handloom industry of India is not in a very healthy state. The key indicators are alarmingly challenging for sustainability of the sector. Inevitability of the challenges with the changing life styles is a big question mark! Revival back to its originality is in the critical stage, with the changing value system and perception in the modern society. With the obvious change of mind set from traditional to modernity is becoming so evident that the handloom is likely to become a museum piece of craft of the history in the near future. Decline rate of 7% per year in number of weavers, during the past years is a clear indication of the sun-setting trend of the sector. In the positive side, the census shows a rise in the number of handloom households, from 25 lakhs in the second census to 27.8 lakhs; an increase of about 11%. Of the total handloom households, 87 % are rural and 13 % are urban. However, in totality there is a gap and this gap will create more demand and attract more selective and passionate weavers to enjoy the genuine fruit of the looms. This situation will bring the change by itself to the handloom sector to get revolutionized. Some critical aspects of handloom sector from the point of its sustainability in relation to the current status and 5 M's (Men, Machine, Material, Market and Money)

Manpower perspective:

Out of total adult weavers and other supporting manpower, 49% are of the age group of 18 to 35 years, 26% are of 36 to 45 years, 21% are of 46 to 60 years and 4% are of 60 years and above. This phenomenon is likely to be a big challenge unless the handloom sector attracts more young generation in to this trade. By nature of employment, average earning of the weavers per month is far below the wages as per minimum wage act for a skilled worker. The quality of life of a handloom weaver is therefore far below, compared to an un-skilled, semi-skilled or skilled worker of an Institution.

Machinery perspective:

There is not much technology induction in the Khadi sector, due to the limited research and inherent scope. The traditional techniques are still most popular, resulting in the existing constraints remained un-resolved. This applies to pre-loom, on loom as well as the post-loom stage. As a result, hand weaving remains labour-intensive, low productive etc. as ever.

Material perspective:

Raw material used in the Khadi sector varies subject to quality, product, availability, place, region, market demand, price, tradition, proximity to yarn market etc.

Market perspective:

Khadi handloom products enjoys a special market segment for the inherent beauty in its products. Sheer love for hand-woven products, the philosophy, the economic arguments, the social impact, tradition, sentiments, exclusivity, minimum order quantity etc. are some of the attractive elements that will make Khadi sustainable, without much doubt.

Direct market linkage with the developed communication media will boost the market potential further. The biggest threats in the market place are the power loom products and the cheap imports, which are inevitable in the open market policy across the world.

Money perspective:

The weavers are generally not cash rich. Their earnings per month is not encouraging in today's scenario. Minimum earning of a weaver has to match at least the minimum wage of a skilled or semi-skilled worker if not more. They do not get the value for money for their effort. This jeopardizes the money in terms of earning against the real effort.

Proposed approach for sustainability of the Khadi sector:

- Use of high-valued raw material to match the input value of material and high cost of production in handloom and produce only value added products.
- Product diversification and product development to maximize the value addition
- Adaptation of Fair-trade practices
- Sensitize Khadi handloom weaving as a modern professions
- Motivate youngsters towards handloom sector.
- Incentive schemes towards handloom research.

India is considered to be the world's best handloom hub and this will continue to be so in the future. Handloom sector has high potential to grow further with focused approach while matching with the modern aspects of livelihood. Weavers are gifted with craftsmanship, they deserve higher place in the society. Hand woven products are vibrant; it is made with the yarns potent with tenacity, strength, passion and dignity. Fabrics so produced carry special values and hence should not be deprived of its value for money and with such belief handloom will remain sustainable as ever.

SWOT Analysis

SWOT Analysis is a comparison of strength, weakness, opportunity and threat. The purpose is to identify the strategies that will create a firm's specific business model with best design, fit or match company's resources and capabilities to the demands of the environment in which it operates. It makes the organisation aware of the threats and opportunities in the external environment and the strength and weakness in the internal environment of the organization.

The SWOT Analysis of CLRKS and its associates organisation are as follows:

Strength

1. Skilled Labours.

The organisation of the present association of Khadi units for SFURTI has players which are of 61 years old. The service experience of persons in such organisation are more than 20 years in their respective field.

2. Adequate resources.

They have sufficient space for setting up additional machines and equipments as required under the project and also has essential departmental setup for dyeing, spinning and weaving.

3. Quality raw material

Good quality raw material available.

4. Steady Market

There is a very good and steady market for the Khadi products.

5. Good maintenance system.

They have repair facility of charkas

6. Flexibility

There is flexibility in production volumes and product designs.

7. Quickness.

There is quick decision making.

8. Efficient employer – employee relationship.

There is an efficient and healthy relationship between employers and employees.

Weakness

1. Lack of artisans

The company lacks the service of adequate number of artisans. This creates difficulties in loading and unloading of materials.

2. Low wage.

It creates dissatisfaction among workers and hence it reflects in productivity.

3. Old machineries and equipments

The charkas and looms are very old it create delays in production and affect quality.

4. Lack of fund

The company lacks adequate funds further expansion.

5. Lacks of adequate promotional activities

Khadi village industries do not provide adequate promotional activities.

6. Some other weakness include technological obsolescence, in efficient management and marketing inability.

Opportunities

1. Skilled and experienced spinners and weavers.
2. Growing demand of its products.
3. Demand for readymade Khadi products of new designs and quality.
4. Judicious purchase of materials,
5. Out sourcing by large units.
6. Overseas market.
7. Expansion and Modernization of all units / high investment.

Threats

1. Price variation

As per prices of raw material changes in accordance of the season, there is a chance of less demand of the product.

2. Government policies

Sometimes affect the working of the industry.

3. Competition

There is a high competition taking place in the field of cottage industry. They complete with other cottage industry and handloom industry in West Bengal.

CHAPTER 5: Profile of the Implementing Agency

- 1) Type of the cluster: Khadi
- 2) Name of the cluster: Chak Islampore Khadi Cluster
- 3) Location of the Cluster:
 - a) Name of the District : Murshidabad
 - b) Name of the Block : Berhampore, Raninagar-1&2, Domkal, Murshidabad-Jiaganj, Bharatpur-1
- 4) Area to be covered by the cluster: 100 Villages
- 5) Whether the following has been covered for the Artisans:
 - a) Bank Passbook : Yes
 - b) Identity card : Mostly covered
 - c) Health Insurance : No
 - d) Janshree Bima Yojana : Yes
 - e) Pension coverage : Coverage by AWFT
 - f) Educational benefits to the children of Artisans : Yes
- 6) Whether the cluster is existent / functional? - Existing
- 7) If so, Give details: There are many traditional artisans and most of them are involved in Khadi industry.
- 8) Present Activities of the cluster (In case of Khadi Institution):
 - Spinning Activities : Existing
 - Weaving activities : Existing
 - Processing Activities : Existing
 - Products, etc. : Existing
- 9) Activities proposed for implementation during 12th Five year plan:
Cotton, Muslin, Silk spinning, weaving, processing, warping and Making charkhas and looms, value addition scheme etc.
- 10) Details of Implementing Agency :
 - a) Complete postal Address : 1, A.C.Road by lane-3, P.O.Khagra District .Murshidabad. Pin code. 742103.
Telephone: 03481-251208.
Fax : 03482-251208
E-Mail: cklmrksamity@rediffmail.com
 - b) Affiliated to KVIC/KVIB: Affiliated with KVIC, Certificate No. BGL-225 dt.08.05.1955
Renewed up to 31st March 2016

c) Details of Management Committee Members:

| | Name | Designation | Contact no. e-mail ID |
|-------|----------------------|------------------|--|
| i) | Nityananda Chowdhury | Secretary | 9434015344 nityananda.chowdhury@gmail.com |
| ii) | Kanchanlal Mukherjee | Chairman | 9434164260 cklmrksamity@rediffmail.com |
| iii) | Loharam Roy | Vice Chairman | 9434010597 |
| iv) | Dr.Ramprasad Pal | Treasurer | 03482-270265 cklmrksamity@rediffmail.com |
| v) | Karik Chandra Ghosh | Asstt.Secy | 8116477698 |
| vi) | Kanchan Ranoo | Asstt. Treasurer | 9474646425 |
| vii) | Jyotsha saha | Spinner Member | |
| viii) | Hena Sarkar | Spinner Member | |
| ix) | Hemanta Nandi | Weaver Member | |
| x) | Samir Nath | Worker Member | 9733073064 |
| xi) | Swapan Rakshit | Worker Member | 9474323102 |
| xii) | Dr. Goutam Saha | Member | |
| | [since deceased] | | |

d) Bank A/c details:

- i) Name of the Bank :Bank of Baroda
- ii) A/c no. 00450500000002

e) Amount of ISEC availed during last three years i.e.,

2011-12 –Rs.150.00 lakhs,
2012-13-Rs.150.00 lakhs and
2013-14-Rs.150.00 lakhs.

11) Fund position of IA: (As on 31st March 2014)

- a) Fixed Assets: 516.30 lakhs
- b) Current Assets :2,524.75 lakhs
- c) Current liabilities: 789.00 lakhs
- d) Financial Status (showing Profit/Loss for the last three years)

| Sr. | Year | Profit/loss | (Rs. in Lakhs) |
|-----|---------|-------------|----------------|
| 1. | 2011-12 | Profit | Rs. 83.62 |
| 2. | 2012-13 | Profit | Rs. 90.76 |
| 3. | 2013-14 | Profit | Rs. 95.74 |

e) Experience in KVI or similar other programme: 60 years

f) Category of the institution (if certified under Khadi): A+