

Problems of Power Loom Asamis (Unit Owners) in Andhra Pradesh

KEYWORDS	Decentralized pow	ver loom units, Asamis, Technology and Capital.
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ABSTRACT All industries faces certain problems and power loom sector of India particularly Andhra Pradesh is no different. The decentralized power loom sector is playing an important role in the economy and employment in India. The present study focused on the problems faced by the unit owners or asamis. The problems of the asamis are of their educational status, technology, procurement of raw material, financial sources, labour and electricity etc. Globalization resulted in great competition with advanced countries. Asamis are facing lot of difficulties in shifting from low technology to modern and highly sophisticated technology. Lack of proper education to adopt the latest technology, financial problems for purchasing machinery, procurement of raw material and maintenance of their units are also affecting their production. Labour problems are also resulting in unit closure for many days. Above all this mechanisation requires good quality electricity power and uninterrupted supply. The required data collected from the specific number of Asamis by well designed questionnaires and personal interviews with different organisations and government officers.

Introduction:

The textile industry in our country includes the handlooms, power looms, mill sector and hosiery sector etc. Power loom sector has a predominant position in the Indian textile industry in production and employment. In our country there are approximately 5.24 lakh of power loom units providing employment of 61.72 lakh of people directly. Maharashtra is in top most position and Andhra Pradesh fifth in power loom sector in India. Most of them are suffering from many constraints. In Andhra Pradesh three different kinds of people are involved in the power loom industry. They are Master weaver/Owner, Asami/Jobber and Worker. The master weavers are traders. They may have their own units or get it done the production in other units by paying money. Literally they are middle men. Asami is the owner of the power loom unit. He directly involves in the cloth production. Asamis of small units also participate in weaving they may be called as jobbers/job workers. They own and work in their own units and few of them doing the marketing in villages also. Whereas workers are remunerated on piece rate on peeks count.

The textile industry placed a pivotal role in Indian economy. It is accommodating near about 45 million people in and is the second highest employment provider in the country after agriculture. Its importance is underlined by the fact that it accounts for around 4 per cent of Gross Domestic Product, 14 per cent of industrial production, 9 per cent of excise collections and 18 per cent of employment in industrial sector along with 11per cent of the country's total export earnings. It is one of the largest contributing sectors of India's exports worldwide.

Statement of the Problem:

The asamis are directly involving in the process of cloth production. Due to globalization to compete with the global market they are facing problems with technology, finance, raw material etc.

Objectives of the Study:

The main intention of this study is to identify the unit level problems of Asamis/unit owners and to suggest suitable measures to overcome the problems. However, the following are the basic objectives of the study;

1. To study the influence of literacy and education in management of power looms.

- $2.\,To\,identify\,the\,influence\,of\,technology\,on\,power\,looms.$
- 3. To find out the problems in the procurement of raw material.
- 4. To examine the financial problems like fixed capital and working

capital.

5. To know the various labour problems in functioning of the power looms.

Methodology:

The present research study is based on the data collected from the primary and secondary sources. The primary data is collected from the Asamis of 75 power loom units by a well structured questionnaire from different areas of erstwhile Andhra Pradesh to make an indepth analysis. Systematic tabulation and analysis is made to find the solutions. The personal interviews and discussions with the government officials, Labour Unions, NGOs who are concerned with the power looms industry has been taken from published and unpublished sources like ministry of textiles annual reports, published and unpublished research reports, broachers' and newspapersetc.

Review of Literature:

A research work on socio economic problems of power loom industry in Malegaon is conducted by **B.M. Dolle (1992).** This study identified many socio - economic problems of power loom workers in the power loom industry of Malegaon and also the problems of owners like scarcity of finance, marketing problems, labour problems etc. D.C. Mathur (1993) mentioned that for the good economic results, the management of personal problems is very important in power loom units in his book titled "Personal problems and labour welfarea study of cotton textile industry". Y. N. Rao (1994) had studied all the aspects related to the financial position and modernization of the Indian textile industry. He stated that the government should reduce taxes & duties on the textile industry. IrannaT.Hatti (1996) in his research work, he has explained the economic problems and prospects of cotton power loom industry in Bombay (Mumbai). He emphasized on the importance of decentralized power loom sector in Indian Textile Industry. Ansari Abdul Majid (2007) in his research work, he focused on functioning of management, structure of organization and marketing problems of power loom co-operative societies in Malegaon. He has explained the major problems faced by the power loom co-operative societies in Malegaon and suggested certain measures. SaikhFarukNajir&AsohokS.Pawar (2010) were identified fluctuations in yarn prices, availability of raw material and exploitation by yarn merchants. He identified that the financial problems, labour problems, infrastructure problems, central excise duty etc are the major problems for the decentralized power loom

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sector. D.V.Thaker,Y.J.Pawar&ArifAnjum (2010) were identified the problems of power looms with obsolete technology, nonimplementation of business ethics, traditional method of marketing, lack of trained human resources, high cost of production with poor quality are the main challenges to power loom sector. ArifAnjum (2011) conducted a study on "Analytical study of the functioning and the problems of the power looms industry in Malegaon". He identified finance, working conditions, marketing, shortage of raw material, out dated power looms, unaware of government policies are the main drawbacks of the power loom sector. Mangalam S. C. and G. Suresh (2011) analyzed the utilization of government fund among power loom entrepreneurs. He observed that the healthy competitions have not yet been made and the concerned power loom entrepreneurs have been suffering from the lack of technology and financial assistance. Uttam Paul (2013) of West Bengal identified the illiteracy of workers, little technology looms, low productivity, shortage of finance, tax structure etc. are the main problems of power loom units.

Analysis:

1. Level of Education:

Literacy and education has become an important aspect in maintenance of proper accounting system and efficient management of the industry and obtaining government sponsored benefits to the industry. Among the respondents only 88 per cent are literates. It is observed that the education level is varied widely among the literate respondents. It is found that 5 per cent had the primary level education, 24 per cent with secondary, 36 per cent with intermediate education, 22 per cent are graduates, 08 per cent are post graduates and 5 per cent are with technical education. The graduates and post graduates among the respondents are having efficient business management qualities than the others. They have a clear advantage over the others in many aspects. They are using innovative ideas in marketing their products. They are avoiding the master weavers' involvement for yarn supply and purchasing directly from the market. They are meticulously following the market rates of the raw material, product and saving lot of time and money on this. Seasonal slake period and demand period are studied and accordingly maintaining the production levels. They are utilizing the various government schemes and availing loans facilities from banks efficiently to increase their profits.

Asamis of illiterates and low education are not able to approach the banks for the business purposes. The technically educated asamis are concentrating more on the increasing the efficiency of the power looms. It also observed in the study that educated asamis unit's absenteeism rate and labour turnover rate is less than other units. The low labour turnover and absenteeism indicates the job satisfaction of the workers and owners efficient management.

It can be concluded that the education has no substitution in the performance in power loom industries. Even though intermediate educated asamis are more, their performance is not good when compared with the graduates and post graduates. Various government schemes are availing mostly by graduates and post graduates. The primary educated asamis performance is least in production and competition.

2. Age of Power Looms:

The age of the power loom considered by the year of installation and manufactured year. In some units, different looms were installed in different years. In this study it is found that 24 per cent of power looms having the age of below five years, 32 per cent of looms have 5 to 10 years, 21 per cent of looms have 10 to 15 years and 23 per cent of power looms have the age of more than 15 years. In this Study the average age of the power loom unit was found as 9.63 years. It is also observed that each and every part of the power loom is replaceable with spare parts. Research and development has an important role in technological up gradation of the productive industry. In general the power loom life time is near about 10 years. Above ten years power

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looms maintenance cost, running expenses, repairs, frequent shutdowns, wear and tear of depreciation found more in old looms as compared to younger one. These indirect costs certainly show its influence on total production cost and earnings of the units. The repairs, frequent break downs and other operating expenses are more in old power looms.

The level of technology certainly has its effect on its production costs, quantity of production and quality of output. In the present cut throat competitive period the power looms technology is changing rapidly and its technology up gradation is required to meet the market demand. In the survey it is found various power looms with different levels of technology such as plain looms, semi-automatic looms, automatic looms etc. are being used. The plain looms are functioning with shuttle (Zota) and producing quite poor quality with heavy sound pollution, cloth is not able to compete in the open market. More number of power looms found in this category are concentrating cotton cloth production which is used in stitching petty coats and in daily usage cloth and used in hospitals, mechanical workshops as well as in domestic usage also.

Semi-automatic looms are the partially upgraded technology looms which includes weft stop motion, warp stop motion, cone exert motion attachments. If any break in warp, weft yarn an automatic light glows and indicates the breakage of such yarn thread. After completion of cone yarn the power loom automatically stop itself and shows the need of new cone with cone exert motion device. These attachments improve the cloth quality of power loom production. In this quality of cloth is improved and wastage of yarn and power minimized.

The automatic looms are totally advanced technology power loom units which are found in textile park of Buddenally in Siricilla. In advanced looms reed width is 92 inches which produce double width of cloth panna at a time. The rapier power looms enters in this category. Another advanced and superior technology looms are the air-jet and water-jet looms. China is using more water-jet power looms.

It is observed that the 90 per cent of these power looms are technologically out dated shuttle looms. Many of the respondents failed even to tell their name of their power looms manufactured company just they are running the looms for their survival only. The width of the power loom calculated based on the reed width. There are different size power looms are running in the state of erstwhile Andhra Pradesh ranged between 42 inches and 92 inches reed width. High width looms produce large panna cloth. 42 inches to 46 inches type power looms are producing the short length cloth panna of shirting. 56 inches looms are used for clothing of sarees and shirting. Above 64 inches looms used for the production of suiting cloth. The high reed looms produce large length panna suiting and made two parts of peace. In this study it is observed that the most of the power looms are below 46 inches width which are found as out dated in other areas. In power loom sector automatic and semi-automatic looms of air jet, water jet, rapier power looms are the advanced and technologically updated and its production is 3 to 4 times more than the traditional power looms. It runs with low noise, requires low electricity consumption than the traditional power looms, no breakage of yarn which is found very low number in Andhra Pradesh.

3. Procurement of Raw Material:

It is found that 59 per cent of the respondents expressed that the procurement of raw material is a problematic one and 41 per cent denied it. The main problems they expressed were quality yarn unavailability, delay in supply, orders to long places, local yarn traders artificial scarcity etc. The yarn is the main raw material for weaving of cloth in power loom units. It is observed that the respondents are procuring the required raw material from different sources. The yarn is manufactured in the spinning mills, but the spinning mills are not available in rural and semi – urban areas of

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Andhra Pradesh. The spinning mills are mainly located in Maharastra, Gujarat, and Tamil Nadu etc. The small and marginal power loom units asamis are depending on middle men for their raw material.

It is found that 15 per cent of respondents procuring the raw material from local market, 06 per cent from the spinning mills located in other cities and 79 per cent taking the yarn from the master weavers/owners/ agents. Those who are financially sound able to purchase the raw material directly from the spinning mills. The others are procuring the material from the owners/master weaver/agents. Purchasing of raw material directly from the spinning mills and purchasing from other cities is not possible to a small and marginal asami. Many of the asamis are illiterates and with little education background, they are unable to place the orders for raw material to the spinning mills located in other cities.

The respondents who were somewhat financially sound are also purchasing the raw material from the local markets and producing the grey cloth. The big unit holders are purchasing the raw material from different cities of the country and weaving the cloth in their units. Majority of the respondents are depending on middle man who are called as master weaver for their work orders and raw material. Master Weaver providing work orders and raw material to the unit and the unit holders are returning the finished grey cloth to the master weavers. The master weaver pays the charges for weaving $% \mathcal{A} = \mathcal{A} = \mathcal{A} + \mathcal{A}$ of cloth to the asamis on peek counts rate according to their agreement. Small and marginal unit holders running their power looms with the work orders of the master weavers/agents in semiurban areas. The master weavers/owners are the main middle men and financially sound persons in this sector, they received the bulk work orders from different areas and supplying the grey cloth for further processing units, which are located in other cities. Some of these master weavers have the finishing and dyeing units in other areas and making additions to the grey cloth in their units and sending the same for the marketing.

In local market the cost of the yarn is more and quality is inferior. The average unit holders purchasing the raw material in local market and processing into grey cloth and selling to the mediators on weighing rate basis. Some of these respondents directly involving in marketing field and directly marketing the grey cloth and few are adding colours in local dyeing units and selling their products in the rural markets without any brand name. This category of asamis is observed more in semi urban and rural areas. These people are continuing their profession independently and they are not depending on master weavers for their work orders. When compared with other respondents this group of people found happy in their profession.

The owners who can able to afford financial burden are purchasing the raw material from different cities and doing the weaving activity and selling to the mediators in the local market or in other areas of the country. The asamis who are purchasing the raw material from cities acting as master weaver and asami. This group's financial position is found better than the remaining group of people. In this study many of the respondents expressed that the procurement of raw material is a big hurdle in power loom sector. Many times their units are closed due to the scarcity of raw material.

4. Capital Investment:

The power loom units are running in small cottages and big sheds. In the study it is focused mainly on small and medium power loom units which hardly carrying its existence in the textile industry. The respondents are not in a position to provide their records and not even the exact figures of their invested capital and they are not having the proper accounting system. They provided only the approximate figures of their investment on power loom units. The capital investment includes power loom unit shed value, power looms, spare parts and other assets available in the power loom unit. Cost of the capital is the difference between the assets and liabilities. The additional capital which is brought into the business periodically is

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totally ignored by respondents. It is found in the survey that 12 per cent of respondents invested the capital below five lakhs, 19 per cent invested between Rs. 5 lakhs to 10 lakhs, 43 per cent invested Rs. 10 to 15 lakhs, 16 per cent invested a capital of Rs. 15 to 20 lakhs and 10 per cent invested above Rs. 20 lakhs capital on their power loom units.

The study observed that maximum of respondents invested the capital in between ten to fifteen lakhs. According to the figures given by the respondents it could be concluded that maximum power loom units are suffering with capital scarcity. The mechanization and modernization process could not be possible with this meagre amount of capital and it requires a huge amount. One sophisticated rapier power loom costs near about Rs. 4 to 5 lakhs. The construction of suitable shed is also more expensive. It is observed that the actual capital amount given by the respondents is not in accordance with market rates. It may be due to the ignorance of the respondents or deliberately they are hiding the actual capital amount. However, it can be at least four times more than what they are given.

5. Working Capital Requirement:

Working capital is defined as the surplus of current assets over current liabilities. It is found that the 13 per cent of respondents keeping below Rs. 50000 for their working capital, 57 per cent has Rs. 50000 to 100000, 20 per cent has one lakh to 1.5 lakh, 4 per cent has Rs. 1.5 lakh to 2.0 lakh, another 4 per cent of respondents keeping Rs. 2.0 lakh to 2.5 lakh and only one per cent of the respondents have more than Rs. 2.5 lakh of the working capital. The respondents who are depending on master weavers having less working capital and remaining group are having more working capital.

The current ratio 2:1 is the idle one but it is observed that the 95 per cent of the units are not maintained this standard. It shows the units liquidity position is quite poor. It also observed that the quantity of working capital is proportionately depended on the number of power looms in the units. Another thing is that the respondents who are purchasing the raw material of yarn and weaving the cloth had mentioned the need of more working capital. The local money lenders are encasing this opportunity by financing the funds to units by imposing heavy interest.

6. Source of Funds:

It is found that the 49 per cent of respondents told that the capital and other funds generated from their own sources, 11 per cent borrowed the amount from their friends & relatives, 16 per cent from money lenders, 21 per cent from banks and only 3 per cent from other sources. The rate of interest varied from source to source and the respondents expressed their urgent need is responsible for borrowing the money at higher interest rate. They mentioned the prevailing rate of interest is around from 2 per cent to 5 per cent per month at money lenders. The friends and relatives are also charges similar interest rates like money lenders. The bank rate of interest is quite low but the banks are not honouring in sanction of loans to their power loom units. Even though the respondents had taken the personals loans from banks through gold mortgage, land mortgage and house mortgage etc. The respondents are eagerly waiting for financial aid from the government and easy loan facility from the banks.Actual loan borrowers from the banks, among the respondents is very less.

7. Period of Unit Closure:

The average closure days found as 64 days which is 20 per cent of annual working days. This period of unit closure is due to three categories of problems such as power problems, labour problems and others. The major problem per unit closure is related to labour which represent 53 per cent followed by others and power problems with 30 per cent and 17 per cent respectively. Labour problems like strikes for enhancement of the labour wages are common in power looms units. At present various registered and unregistered labour unions interference reached maximum and frequent bands /strikes calls hampering the power loom sector. The union leaders and labour has to think that if man day is lost it never be gained again. Frequent power cuts, low voltage supply especially in summer causing the closure of the unit. Others includes lack of work orders from the master weavers, heavy stock of finished grey cloth with master weavers, shortage of raw material, market fluctuations etc.

Conclusion & Suggestions:

It is concluded from the study that the asamis are facing problems in procurement of raw material and improving the technology of the power loom units. Due to their low education status their problems are being compounded. Short term and long term financial problems are being faced by asamis. Frequent power cuts and labour problems also causing the non-functioning of the units.

Proper education relating to power looms like maintenance of machine, records etc. must be provided by the government. The old and traditional power looms must be replaced with new and advanced power looms. The government has to install yarn depots in nearby places of the units. The co-operative societies must be encouraged for raw material supply and a separate agency should be incorporated by the government to facilitate long term and short term financial requirements of the power looms. Uninterrupted and quality electric power must be supplied by the government to increase the level of production. A good rapport must be encouraged between asamis and labour.

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