

*Draft*  
A DIAGNOSTIC STUDY  
of  
THE HANDLOOM WEAVING CLUSTER OF GWALIOR  
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Conducted & Prepared by

Entrepreneurship Development Institute of India

Under

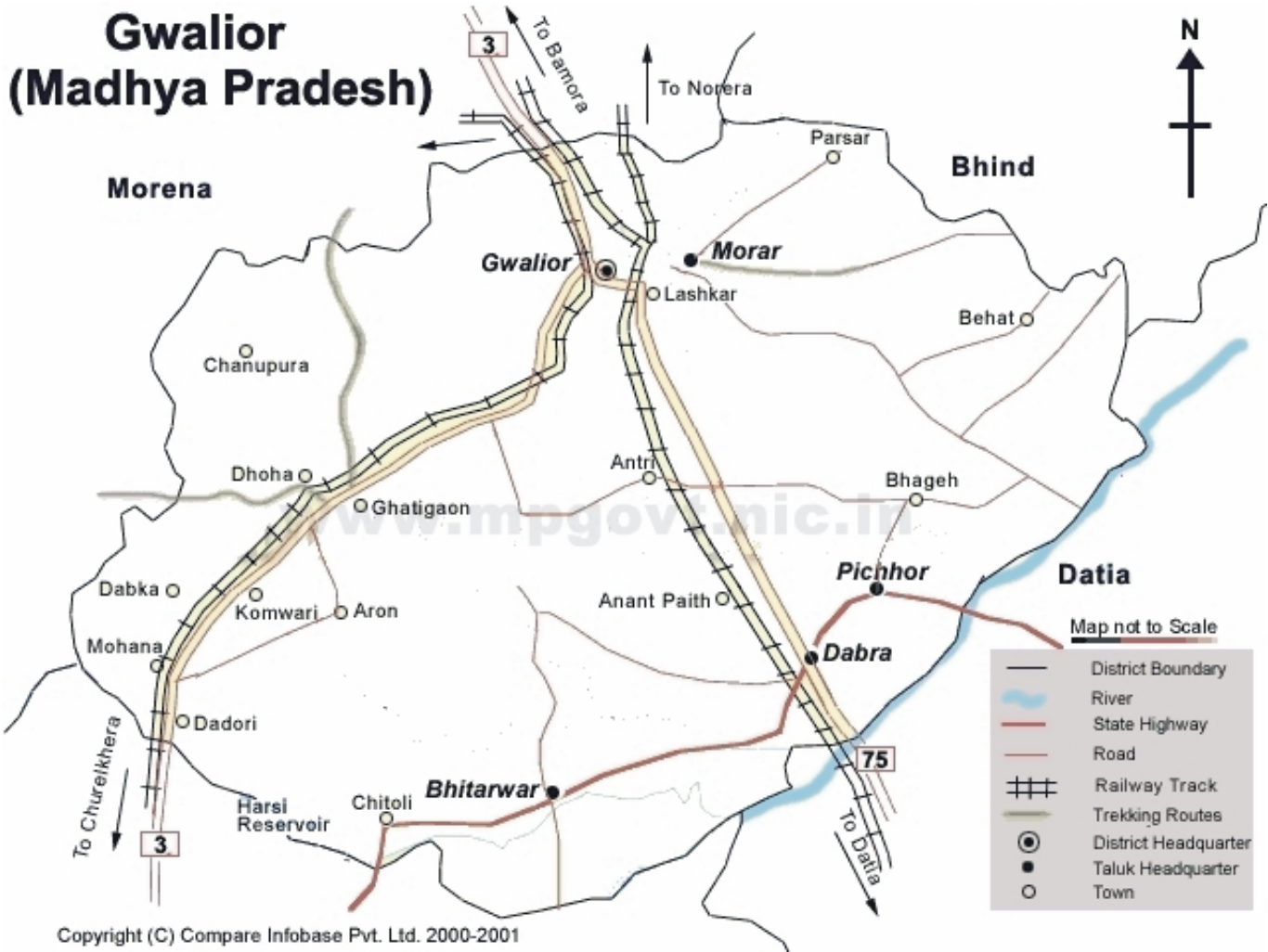
INTEGRATED HANDLOOM CLUSTER DEVELOPMENT PROGRAMME

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## Map of Gwalior



Source: [http:// www.mpgovt.nic.in/district/gwalior/map](http://www.mpgovt.nic.in/district/gwalior/map)

## **Executive Summary**

Gwalior is an historical place of Madhya Pradesh. It is well connected with all the major cities of India by Road, Train and also with Air. The Gwalior Trade Fair takes place every year in the month of December-January. The Tomars, Marwahs and Marathas ruled the Gwalior city.

There are mainly two types of activities in handloom sector in Gwalior

1. Carpet, Sofa set covers, Bike seat covers, Floor mats, Doormats manufactured from the wastage/Salvage of Dornier Power looms popularly known as Dornier Dari/ Fur Carpet.
2. Cotton Cloth, polyester Cloth, Bandage Cloth, Woolen items manufactured mainly for Govt. Supply.

Around 600-650 looms are engaged in producing these products.

Although no Documentary evidence is available for the historical evolution of Dornier carpet but discussion with existing manufacturers, Traders, Raw material suppliers, Buyers reveals that it was started only 25 years back by some cloth merchants who brought weavers from Ranipur and raw material which is the waste fabric of power looms.

The core cluster actor consists of Traders, Master weavers, weavers, warpers and Yarn supplier. The weavers engaged in Dornier carpet weaving are getting employment for 200-250 days and earning wages Rs.75-90/- per day and in other category of govt. supply they are getting Rs.100-120/-per day but for 100-120 days in a year.

The main raw material is Waste from the Power Looms especially Dornier & Rapier types. 60% of the total business right from input procurement to out put sale is controlled by a single master weaver. As far as analysis of grey cloth making is concerned the raw material is supplied by MP Handloom & Handicraft Development Corporation through NHDC to cooperative societies and takes the finished grey cloth from them at the price fixed by Govt. of M.P. in nut shell this segment is dependent entirely

upon Govt. supply and hence the weavers are getting employment for 100-120 days as against the 200-250 days for the weavers engaged in dornier carpet weaving.

If business operations have been analyzed, the biggest problem that the Master weaver/weaver is facing is availability of good quality Raw material, since Power mills are in the process of replacing Dornier/rapiet looms with high speed looms. As most of the master weavers do not have the ready cash to buy the raw material they will take credit from local traders who sells at exorbitant price. Due to lack of market knowledge and brand name, most of the core actors are selling their produce to nearby states in different cities to wholesalers/retailers at very low margin with 2 to 3 months credit, which is leading most of them in to a debt trap.

The linkages of the core actors with most of the Public service providers are very weak. The linkage with BDS & Commercial service providers is virtually nil in the cluster.

The value chain analysis shows that cost of the production may be reduced by pooling the raw material requirement and procuring the same in group/consortia to have optimal size

In the First year's action plan main thrust has been given to reduction in cost of production, formation of groups/consortia for optimal Quality up gradation & design development, through interventions like collective purchases, skill up gradation trainings etc. for dornier carpet segment and in other segment main thrust will be on product diversification so that existing infrastructure may be effectively utilised. Once these parameters have been taken care off, the strategies for direct marketing to outside traders and exports will be made by conducting buyer-seller meets, exposure visits to other clusters, participation in fairs and exhibitions.

With proper interventions in the areas of raw material procurement, design development, process up-gradation, dying & coloring, direct marketing & Exports through formation of consortia, developing common facility centers to facilitate product diversification, exposure visits, frequent buyer-seller meets, with the help of Public & Commercial service providers, Gwalior Cluster can achieve positive growth within stipulated four years to make it, self sustained and achieving identity of its own.

## Introduction

**G**walior is an historical place of Madhya Pradesh. It is surrounded by District Morena in the North, District Shivpuri in the south, District Bhind in the East and District Datia in the west. The District is having two sub-divisions, namely, Gwalior & Dabra. There are three tehsils, namely, Gwalior, Dabra & Bhitwar and four Development Blocks namely, Ghatigaon (Barai), Morar, Dabra & Bhitwar. It is well connected with all the major cities of India by Road, Train and also with Air. The Gwalior is blessed with Classical Music Maestro Miya Tansen. In memory of him, three days Tansen Samaroh program take place every year and the Classical music stars participate in this programme and entertain the people of Gwalior with their outstanding performance. Also the Gwalior Trade Fair takes place every year in the month of December-January. The Tomars, Marwahs and Marathas ruled the Gwalior city.

## Gwalior at a Glance

Area	5214 Sq Km
Population	1629881
Male	882258
Female	747623
Literacy Rate	
Male	80.83 %
Female	56.76 %
Per Capita Income	13456

## Industrial Scenario

Handlooms constitute a timeless facet of the rich cultural heritage of India. As an economic activity, the handloom sector occupies a place second only to agriculture in providing livelihood to the people. The element of art and craft present in Indian handlooms makes it a potential sector for the upper segments of market domestic as well as global. However, the sector is beset with manifold problems such as obsolete technologies, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing link, overall stagnation of production and sales and, above all, competition from power loom and mill sectors. As a result of effective Government intervention through financial assistance and implementation of various developmental and welfare schemes, the handloom sector, to some extent, has been able to tide over these disadvantages. Therefore, the production of handloom fabrics has gone up to 4629 million sq.meters up to December 2005 (Provisional) from 500 million sq. meters in the early fifties. The sector accounts for 13% of the total cloth produced in the country (excluding clothes made of wool, silk and hand spun yarn). Handloom forms a precious part of the generational legacy and exemplifies the 60 richness and diversity of our country and the artistry of the weavers. Tradition of weaving by hand is a part of the country's cultural ethos. Handloom is unparalleled in its flexibility and versatility, permitting experimentation and encouraging innovation. Innovative weavers with their skillful blending of myths, faiths, symbols and imagery provide their fabric an appealing dynamism. The strength of Handloom lies in introducing innovative design, which cannot be replicated by the Power loom Sector.

### What ails handlooms?

Handloom weavers are facing severe livelihood crisis because of government policies, globalisation and changing socio-economic conditions. The national and state governments do have several schemes pertaining to production inputs, market support and development, meant to safeguard the interests of the weaving community. Ineffective implementation of the schemes and the changed context of textile industry -- increasing competition from the power loom and mill sectors -- have been largely responsible for the crisis in the handlooms.

Lack of information to weavers regarding various policies and schemes is no less a significant cause for the dwindling fortunes of the weaver community. Even government departments and implementing agencies related to handloom suffer from inadequate information and data resulting in a widening gap between policy formulation and implementation. The formal education system (including research institutes) has not included teaching and imparting skills for this profession into its fold. As a result, any innovation and change has been left to the weaving families. In the recent decades, due to lack of information and fast paced changes, practices in handloom sector became static and apparently redundant.

#### Recent trends

With the onset of economic liberalisation in 1991 and consequent changes in policy, the weaving industry as a whole, now faces a severe crisis. Since 1998, subsidies have started to decrease and by the end of the year 2000, purchases by Government corporations have also fallen, in the case of **Gwalior** with the closure of state Textile Corporation Purchase of Fur carpet stopped. In other segment mainly polyester cloth is being purchased by Govt. agencies that too in declining mode. Traders and Master Weavers have been making larger gains on account of the production of Dornier/Fur Carpet and other items.

#### The future

With the introduction of contemporary design inputs, strategic market positioning, the gearing-up of the institutional infrastructure and the support to BDS providers, the **Gwalior** cluster with its unique product (**Fur** products) can withstand global competition by becoming competitive on account of the tremendous potential it has.

The existing infrastructure of looms and weavers engaged in the production of Polyester cloth, cotton cloth etc. could be utilised effectively for the production of diversified products.

Present Status of Gwalior Handloom Cluster

Item	Dornier/Fur Carpet	Other handloom items Polyester, Cotton, Woolen, etc.
<b>Handloom entrepreneurs</b>	<ul style="list-style-type: none"> <li>• Traders: 4 (employing from 100 to 150 weavers)</li> <li>• Master Weavers: 32</li> <li>• Small weavers: 350</li> </ul>	<ul style="list-style-type: none"> <li>• Traders: Govt. Agency</li> <li>• Active Coop societies: 18</li> <li>• Active Small Units: 15</li> <li>• Small weavers: 300</li> </ul>
<b>Estimated Output</b>	<b>75 lakh Sq.ft., value 5.25 crores</b>	<b>2.50 lakh metres, value 1.30 crores</b>
<b>Export</b>	Indirect approx. <b>5%</b>	<b>Nil</b>
<b>Wages/Working days</b>	Rs.75-80/- working days 200-250	Rs.100-120/- working days 100-120
<b>Input suppliers</b>		
<ul style="list-style-type: none"> <li>• Raw material</li> <li>• Machinery</li> </ul>	<p>Four</p> <p>Loom &amp; parts suppliers: 4</p>	<p>Govt. Agency (MPHSVN)</p> <p>Loom &amp; parts suppliers: 4</p>
<b>Modes of marketing</b>	<ul style="list-style-type: none"> <li>• Network of local traders: 4</li> <li>• Government corporations: NIL</li> </ul>	<ul style="list-style-type: none"> <li>• Network of local traders: NIL</li> <li>• Government corporations: 100%</li> </ul>
<b>Competition</b>	Mirzapur cotton daris	No outside competition

## **Historical Evolution**

Although no Documentary evidence is available for the historical evolution of Dornier carpet some important points with regard to its evolution are mentioned under which are based on discussion with existing manufacturers, Traders, Raw material suppliers, Buyers etc.

**1977-78** Owner of Raymond Exclusive Showroom at Gwalior Mr.S.S.Laddha and another leading cloth merchant Mr. Mundra established looms and bring weavers from Ranipur (U.P.) and started weaving Sofa set covers of size 20 Sq. ft. and Divan/Bed covers of size 4'x 6' by using waste fabric cutting/salvage produced during weaving in dornier power looms existed at Raymonds mill. Raw material was available at throwaway price at that time. Quality of the product was very good since it was made with superior quality yarn fabric.

**1980-81** Central India Machine Manufacturing company (CIMMCO), Birla Group company in technical collaboration with Dornier, Loom manufacturing company of Germany replaced all looms with Dornier looms in JIYAJEE COTTON MILL (J.C.Mill) and GWALIOR RAYON AND SILK MILLS (GRASIM) This replacement made the raw material available at Gwalior itself.

**1981-82** Due to availability of Raw material locally and Purchase by Madhya Pradesh State Textiles Corporation production of dornier/Fur carpet increased rapidly.

**1985-86** Closure of J.C. Mills created shortage of Raw material for the production. Leading Traders tied up with different mills producing this kind of wastage across the India and got hold of Raw material available in the country. Quality started deteriorating due to Unhealthy competition in the market.

**Present (2006)** More than 30-35 master weavers and 300 Weavers are engaged in producing and marketing of Dornier/Fur Carpet products.

## Analysis Of Business Operations

### Products and Nature of production activity

There are mainly two types of activities in handloom sector in Gwalior

3. Carpet, Sofa set covers, Bike seat covers, Floor mats, Doormats manufactured from the wastage/Salvage of Dornier Power looms popularly known as Dornier Dari/ Fur Carpet.
4. Cotton Cloth, polyester Cloth, Bandage Cloth, Woolen items manufactured mainly for Govt. Supply.

#### Dornier Carpet

- Around 300-400 working Looms manufacturing items from Dornier waste (Sofa cover, Bike seat cover, Floor/Door mats, Aasan etc.)
- Total Production in a year is nearly 0.75 lakh meters amounting Rs.5.25 Cr.
- On an average one weaver can weave 100-120 sq. ft. in one shift and get wages Rs.75/-to 90/- @ Rs.0.75 per sq.ft. Skilled weaver can weave up to 160 sq.ft.
- These products are being marketed in M.P. and 7-8 other states. Less than 5% is exported indirectly to nearby countries.
- Due to low price and durable in quality. It has good future potential.

#### **Cotton, polyester, Woolen items**

- As per the record of Distt. Handloom office Govt. of M.P.

Looms						
S.no.	Total No.		In Co-op sector		Small units & other	
	Total	Working	Total	Working	Total	Working
1	2011	1369	821	216	1190	1153

-	Registered Co-op societies	29
-	Working Co-op societies	18
-	Registered small units	39
-	Working small units	15

- As per rule Co-op societies should have 20 looms and small units should have minimum 5 looms
- As against Govt. record of 1369 working looms 300-350 looms are working through co-op societies and Regd. Small units.
- Products being manufactured under this segment are cotton dari, Medical bed sheets, Basta Cloth, Polyester cloth, surgical gauge, bandage etc. maximum production is of polyester cloth.
- No unique product is being manufactured. 100% manufacturing is done for Govt. supplies through M.P. handloom and handicraft Development Corporation, M.P. state weavers' co-op societies federation (Roopmati) etc.
- Since these units are 100% dependent on Govt. supplies orders are not enough for such units to run regularly hence weavers are not getting work throughout the year. Working days are hardly 100-120 days for weavers.
- Turnover of this sector is around Rs.1-1.50 crore.

**Total no. of working looms in Gwalior are 600-650 manufacturing Dornier/Fur carpet & Polyester cloth, cotton Bed sheets/Daris, woolen items etc.**

#### Raw material

Raw material for Dornier Carpet is in the form of waste produced by the dornier type power looms and is procured by the Traders/master weavers from the mills across the country. 60-70% of raw material demand is met only by one Trader cum master weaver who has good Business linkage with 10-12 reputed mills like Raymond, Digjam, Reid & Taylor, S.kumar etc from where he purchases all the waste produced.

Since other category such as Production of Polyester Cloth, Cotton Cloth, Bandage Cloth etc.depends completely upon govt. supply. Raw material/ Yarn is procured by State Govt. agency Madhya Pradesh handloom and handicraft development Corporation through NHDC sells it to the weavers' societies/Registered small units and buy from them woven cloth after adding wages and profit margin as per the Govt. Norms

#### Finance

Some of the Cooperative societies engaged in the production are in a debt trap as the rate of interest/penal interest makes the amount multiple. they are defaulters in local District central cooperative Banks mainly due to credit sales to Madhya Pradesh Handloom Weavers Cooperative Federation

#### Quality

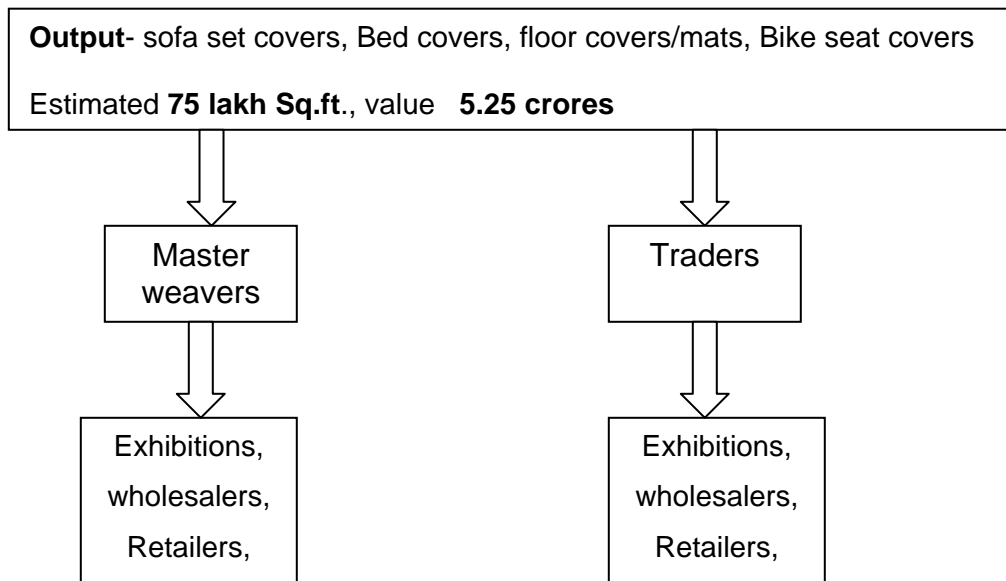
The quality of Dornier/Fur carpet product is deteriorating day by day. Earlier when State Textile Corporation used to purchase these products each square foot of product was weighing around 200gms due to competition in the market and closure of corporation now weight per sq.foot comes down to 100-125 gms. Since Raw material is a salvage/wastage produced during weaving and procured from various mills hence quality is not consistent and varies from mill to mill. Traders/master

weavers themselves use good quality Raw material for the production and poor quality material sold to other master weavers

In other segment of Govt. supply, Govt. agency Madhya Pradesh handloom and handicraft development Corporation procures Yarn through NHDC and supply to the weavers societies/small Registered units for the production and buy the produced material at the price fixed by Govt. of Madhya Pradesh, Quality of product is tested before it is accepted by the corporation. hence minimum quality standard is maintained. Maximum production in this sector is of Polyester cloth.

## Marketing

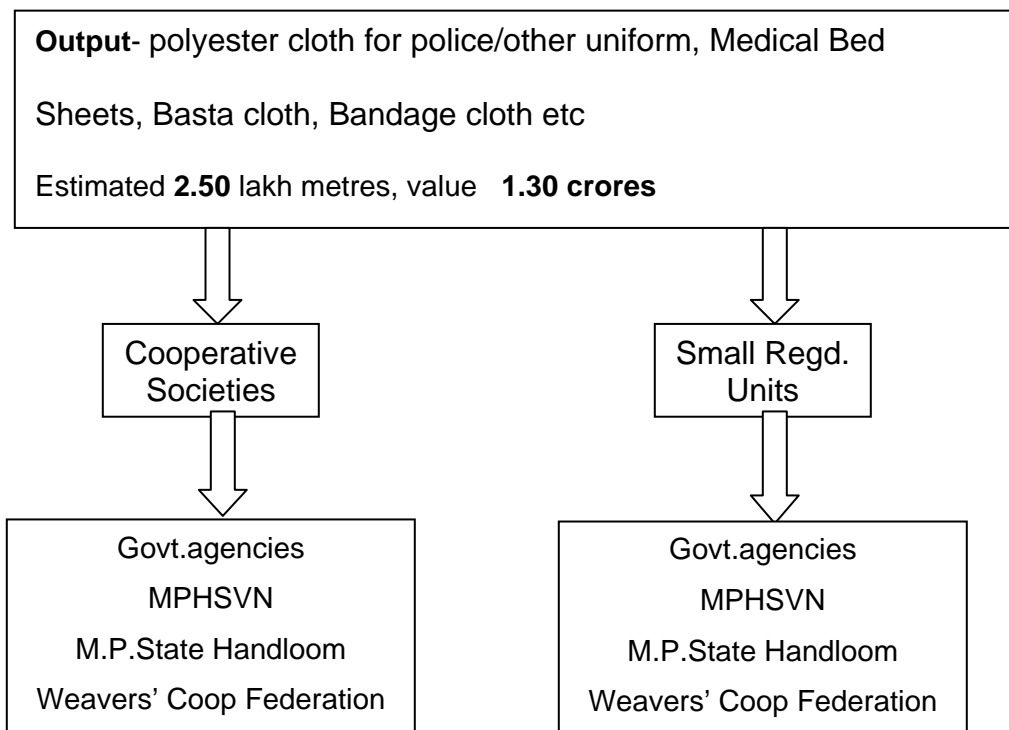
### Dornier Carpets



- Sometimes the small weaver is also found to be selling directly to the trader. This kind of selling is generally on poor economic terms for the weavers and could also be distress selling.
- Sofa set covers, Bed covers, floor covers/mats, Bike seat covers made from the Dornier waste are the item made in and around Gwalior and is marketed through retailer and wholesalers in different parts of India.

- There is little product diversification. Until recently Sofa covers and bed covers were produced but now a day there is a good demand for products like bike seat covers, doormats, aasan etc.and weavers started producing such items.
- Bed covers as floor covers and doormats are being in small quantity exported indirectly to Gulf countries and Japan.
- In the market this product is compared with Mirzapur Daris made up of cotton.
- In comparison to Mirzapur Daris it is comparatively cheaper and durable.mirzapur Daris are sold @ Rs.10/- per sq.ft. While more attractive Dornier carpets are sold at around Rs. 6-8/- per sq.ft. Expected life of Dornier carpet is 10 years.

Polyester cloth, cotton cloth, woolen cloth items etc



The role of government, the expositions and direct selling may be estimated as below

The purchases by the Government Agency- M.P. H.S.V.N

<b>Year/ Items</b>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Yarn Sale (Rs.in lacs)	5.98	24.82	79.56	15.62	105.74	53.02	43.29
Polyester (m)	5266.85	36105.40	240925	22215	306349	114314	98474
Gouge (m)	5641	13951	188	-	-	-	-
Bandage (m)	887	438	2247	-	-	-	-
Blanket (m)	635	-	66	-	-	-	-
Bed Sheet (no.)	689	503	1654	8501	5050	400	2017
Curtain (m)	44.40	-	-	-	-	-	-
Blazer (m)	-	-	225	-	-	-	-
Basta (m)	-	-	1500	-	-	-	-
Woolen Shawl (no.)	-	-	-	-	-	3287	72
<b>No. of looms</b>	<b>72</b>	<b>105</b>	<b>130</b>	<b>62</b>	<b>180</b>	-	-
Wages (Rs.in lacs)	10.46	11.30	39.24	17.25	55.32	32.04	19.61
<b>Total Production (Rs.in lacs)</b>	<b>10.46</b>	<b>32.37</b>	<b>127.83</b>	<b>19.33</b>	<b>158.49</b>	<b>72.29</b>	<b>58.38</b>

- As evident from above table maximum share is of polyester cloth every year though quantity is on decreasing trend for past two years.
- Weavers cooperative societies/small units are entirely dependant upon Govt. supply orders hence their working days are according to size of the order. Normally orders are sufficient for running their units for 3-4 months only.

## Core Cluster Actors

The core cluster actor consists of Traders, Master weavers, weavers, warpers and Yarn supplier

### The Trader and The Master weaver

The Trader and Master weaver are the same category earlier most of them were engaged in weaving occupation but now they undertake the responsibility of taking orders and getting them executed.

They own looms and also get weaving done on contractual basis. Hence directly as well as indirectly they control on an anything from 5-10 looms to about 40-50 looms. They supply the weaver with the raw material; they pay for the warping and other pre weaving charges incurred by the weaver and the weaving charges.

### The weaver

The small weaver belonging to the Muslim and the Hindu community (Koris) largely lives at a subsistence level. Most of weavers are not getting the work regularly so they have to depend on other means of livelihood also when they are off the weaving work.

Only very small percentages have been able to provide a good living standard to their families, comprising of education and the necessary consumables.

- The weavers are from various communities including Muslims and Hindus (Koris).
- Master weavers establish looms either at their homes or some other places and weavers used to come and do the weaving work on contractual basis..
- Women are mainly confined to the house, although there are some examples of women going for work mainly for pre weaving activities.
- Absence of social security particularly amongst the average and poor weavers makes them indebted to the upper income groups such as the master weavers and traders.
- The looms are the old pit looms situated in dimly lighted sheds.

### Ancillary workers

Pre weaving and post weaving activities are done by the semi skilled/unskilled manpower.

### The Raw material/Yarn dealers

There are 4-5 raw material suppliers for Dornier carpets who procure waste fabric cuttings from

different mills across the country. Most of the raw material suppliers are performing the role of master weavers also and supplying the raw material to other master weavers. They are an affluent class and also possess a proactive attitude. One trader is holding 60-70% share of the total business of yarn supply and total production

For other category of producing different items for Govt. supply Yarn is supplied by Madhya Pradesh handloom and handicraft development Corporation popularly known as MPHSVN who procure yarn through NHDC. Major Raw material required is for making Polyester cloth that is 2/30 P.V. Yarn. Other are 2<sup>s</sup> 10<sup>s</sup>, 20<sup>s</sup>(color & Bleach) 2/20<sup>s</sup>, 2/40<sup>s</sup>(color & Bleach), 2/60<sup>s</sup>, 2/100<sup>s</sup>

### Equipment Suppliers

Weaving of Dornier carpet is done on pit looms and for other fabric like Polyester, Cotton etc. on frame looms with Dobby and Fly Shuttle.

One loom costs between Rs.2,000-3,000 for simple Pit looms and Rs.5,000-8000 for frame looms. Appliances are made locally and local expertise exists for conversion of pit looms into metal frame looms. Dobby machines are purchased from Varanasi.

Details of the cluster actors directly involved in the handloom-weaving Cluster

Item	Dornier Carpet	Other handloom items
Handloom entrepreneurs	<ul style="list-style-type: none"> <li>Traders: 4 (employing from 100 to 150 weavers)</li> <li>Master Weavers: 32</li> <li>Small weavers: 350</li> </ul>	<ul style="list-style-type: none"> <li>Traders: Govt. Agency</li> <li>Master Weavers: 25</li> <li>Small weavers: 300</li> </ul>
<b>Specialized job workers</b>	Not Required	Not Required
<b>Input suppliers</b>		
<ul style="list-style-type: none"> <li>Raw material</li> </ul>	Four	Govt. Agency (MPHSVN)
<ul style="list-style-type: none"> <li>Machinery</li> </ul>	Loom & parts suppliers: 4	Loom & parts suppliers: 4
Modes of marketing	<ul style="list-style-type: none"> <li>Network of local traders: NIL</li> <li>Government corporations: 100%</li> </ul>	<ul style="list-style-type: none"> <li>Network of local traders: NIL</li> <li>Government corporations: 100%</li> </ul>

## Institutional framework and linkages

### Main public sector institutions

The main Public sector Institutions are

- Madhya Pradesh Handicraft & Handloom Development Corporation
- State Commissioner for Handlooms and Handicrafts, Bhopal
- Textile Department, Govt. Polytechnic, Gwalior
- Madhya Pradesh Laghu Udyog Nigam
- District Collector through DRDA Jila Panchyat, Gwalior
- Industrial Infrastructure Development Corporation Limited, Gwalior
- Centre for Entrepreneurship Development, Madhya Pradesh (CEDMAP)
- Madhya Pradesh Consultancy Corporation Limited (MPCON)
- Madhya Pradesh State Handloom Weavers Federation

There are various schemes and Public institutions that could perform a development role. There is, however, limited awareness of their existence and in the absence of proactivity from both sides their utility is marginalized.

### Private sector institutions and BDS providers

There are no private sector institutions in Gwalior other than the Weaver Cooperative Societies/Small Units (Annex) registered for the sole purpose of getting govt. orders for producing and supplying

Polyester, Cotton Bed Sheets etc from Madhya Pradesh Handicraft & Handloom Development Corporation and Madhya Pradesh State Handloom Weavers Federation.

*Out of the 29 registered cooperatives only 18 are functioning, and out of 39 registered small units 15 are functioning.*

These cooperatives cover around 216 working of the handlooms

There are no societies or Small Units registered in Dornier/Fur Carpet segment. No formal/informal association of weavers/master weavers/Traders/yarn supplier exists. They work in isolation.

Trade and business associations

Weavers' Trade Unions are nonexistent and no other association represents the weavers' interests.

Credit institutions

Absence of the institutional support structure for credit facilities and capital investment. For this purpose the services of financial institutions may be channelised and customised to meet the needs of the weaver. History shows that utilization of credit facilities have been largely by the cooperative societies under the various scheme of the government. The master weaver has built his own capital base; this leaves the small weaver who inevitably turns to the former for his credit needs.

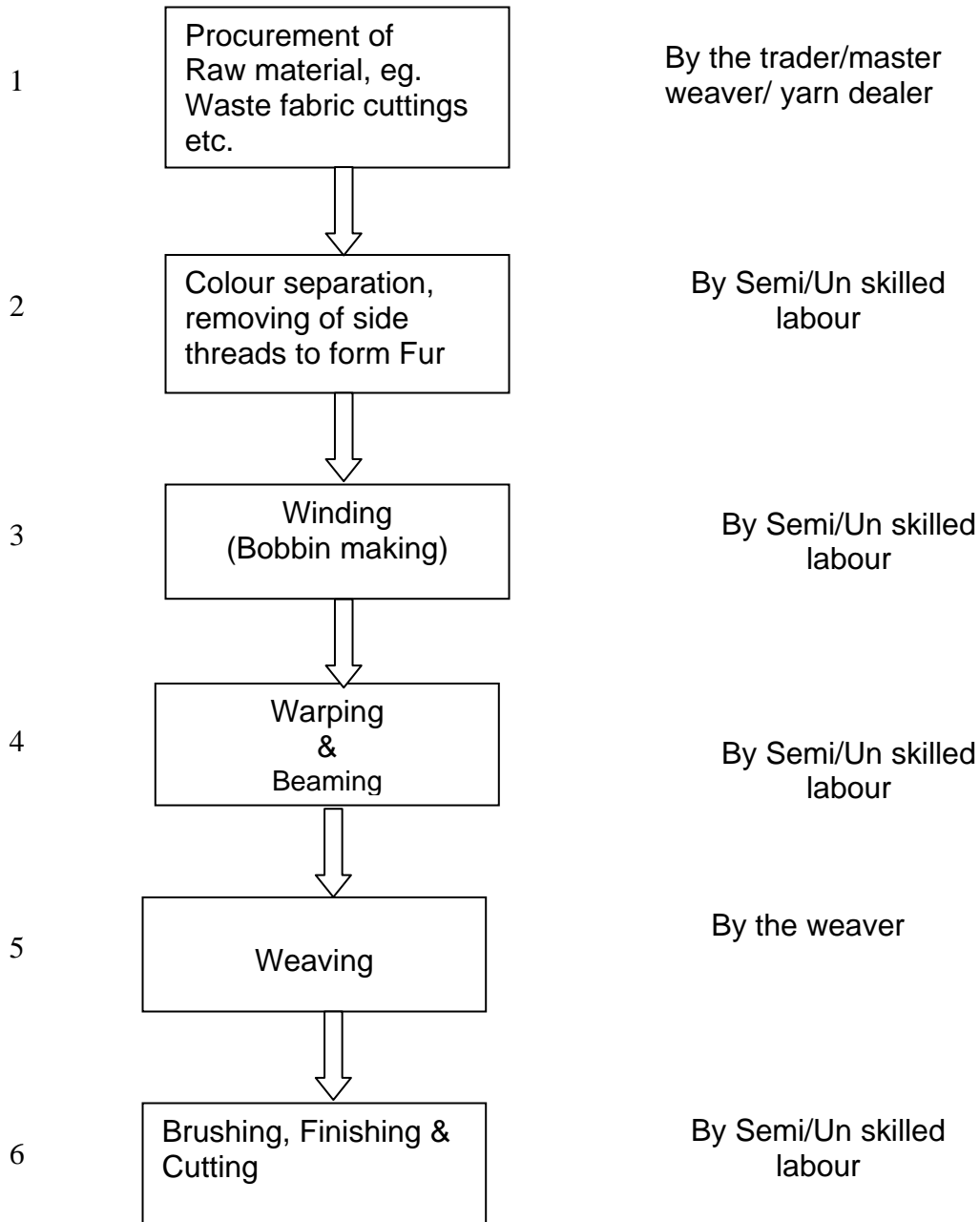
This requires capacity building of local weavers and their families on issues like credit creation and management of savings and innovative instruments of financing wherever needed.

## THE INSTITUTIONAL LINKAGES

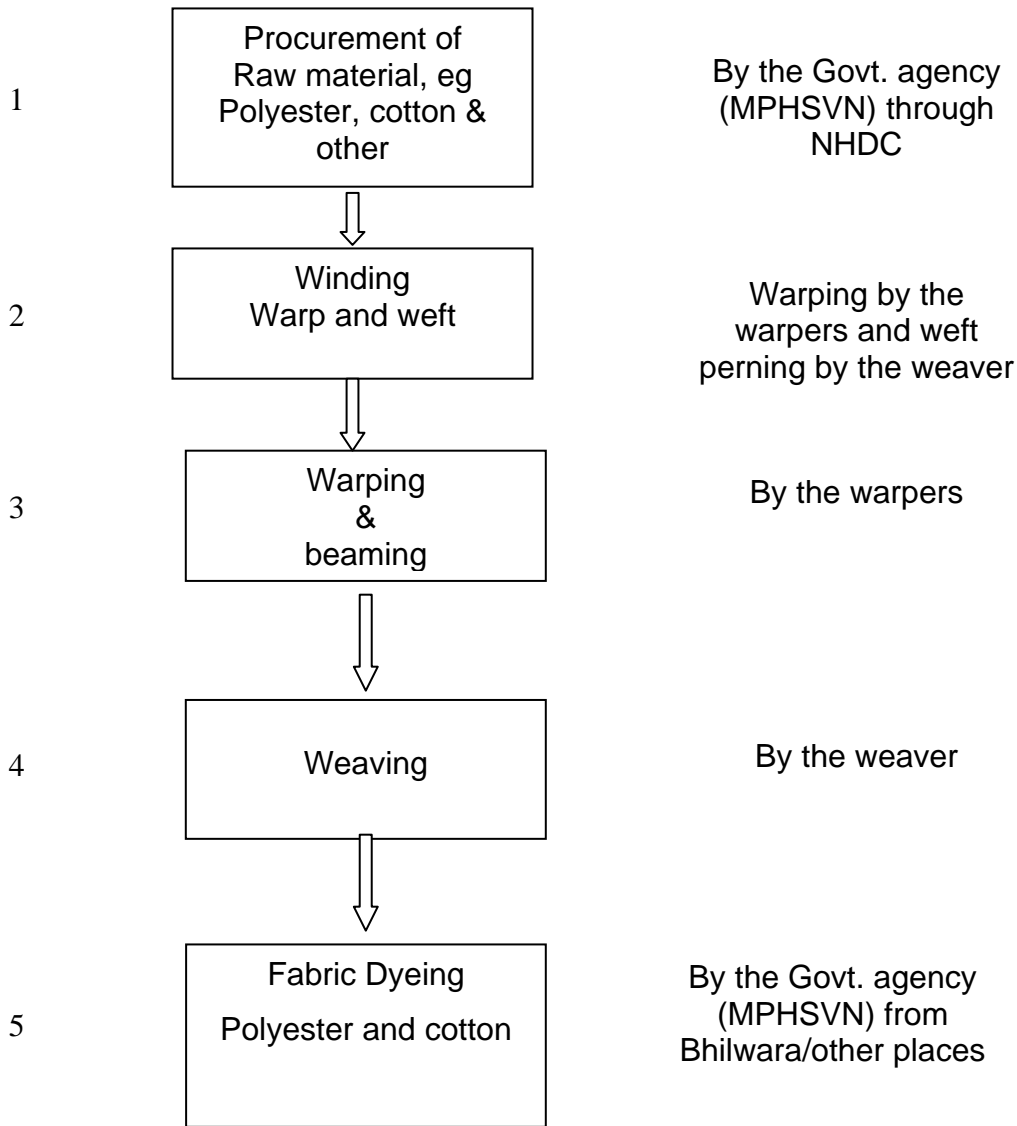
S.No	Institution	Level	Function
1.	Madhya Pradesh Handicraft & Handloom Development Corporation (MPHSVN)	Local	Technical, Design, Training Cum Meeting Center
2.	Weavers Service Center, Indore	Central Government	For Design And technological interventions
3.	Madhya Pradesh State Handloom Weavers Federation	State Government	Marketing support
4.	Madhya Pradesh Laghu Udyog Nigam	State Government	Marketing support
5.	State Commissioner for Handlooms and Handicrafts, Bhopal	State Government	Training, Marketing support
6.	District Collector, Gwalior	State Government	Support through the District Rural Development Agency (DRDA) and the Jila Panchayat under SGSY
7.	Textile Department, Govt. Polytechnic, Gwalior	State Government	R&D, Technical Up gradation/Training
8.	Industrial Infrastructure Development Corporation Limited, Gwalior	State Government	Infrastructural support
9.	Development Commissioner (Handlooms), Govt. of India	Central Government	Development and Marketing Support
10.	Development Commissioner (Handicrafts), Govt. of India	Central Government	Development and marketing support
11.	Centre for Entrepreneurship Development, Madhya Pradesh (CEDMAP)	Autonomous	Training on Soft Skills
12.	Madhya Pradesh Consultancy Corporation Limited.(MPCON)	Technical consultancy organization	Technical consultancy
13.	ACASH	Autonomous	Marketing

## Production process

### Dornier/Fur Carpets



Other handloom products Polyester, Cotton, wool etc.



## Value Chain Mapping

For the production process and the marketing channels discussed, a value chain analysis table has been presented which enables a tabulation of the contribution of the various cluster actors.

### Value Chain Analysis for dornier/Fur carpet

The master weaver is very important in the overall value addition process. The contribution of different actors in the production of a dornier/Fur carpet of one sq.foot weighing 100-125 gms costing Rs 6-8/- per sq.foot in value (as a percentage of the total cost) is as under:

Step	Activity	Value (%) addition	Services/ material
1	Colour separation, removing of side threads to form Fur	1	Each lot of raw material weighing 35-60 kg consists of many colours they are separated and threads & other unwanted materials removed.
2	Winding (Bobbin making)	1	Winding the Bobbins.
3	Warping & Beaming	1	Warping/Bobbins and warping shaft
4	Weaving	30	Performing the act of weaving
5	Post loom process like brushing, finishing & cutting	1	Post loom process like brushing, finishing & cutting
9	Master Weaver/ Cooperatives societies	66	Provides raw material, design and marketing

- Sofa set covers, Bed covers, floor covers/mats, Bike seat covers made from the Dornier waste are the items made in and around Gwalior and are marketed through retailers and wholesalers in different parts of India.

- There is little product diversification. Until recently Sofa covers and bed covers were produced but now a days there is a good demand for products like bike seat covers, doormats, aasan etc.and weavers started producing such items.
- Bed covers as floor covers and doormats are being exported indirectly to Gulf countries in small quantity.
- In the market this product is compared with Mirzapur Daris made of cotton. In comparison to Mirzapur Daris it is comparatively cheaper and durable.mirzapur Daris are sold @ Rs.10/- per sq.ft. While more attractive Dornier carpets are sold at around Rs. 6-8/- per sq.ft. Expected life of Dornier carpet is 10 years.

## SWOT analysis of the Gwalior handloom cluster

### Strengths:

#### Finance

- Large No. Commercial/ cooperative Banks and other financial institutions are existed in the Gwalior city.
- Existed in a big city that is in close proximity to state and nation's capital.
- No. of state and central Govt. Schemes are available for financial help to artisans.

#### Market

- Located in Madhya Pradesh, which is known as heart of India.
- Located on main Railway Track connected with all major cities of North, West and southern part of country.
- Dornier carpet/**Fur** carpets are unique product manufactured in Gwalior only.
- Due to low in price and good in quality, Fur products are affordable to lower and middle class.

- Fur products have good potential for domestic and export market.

#### Production

- Loom manufacturers and other related service providers are available within reach.
- Raw material is available through yarn supplier/master weavers.
- Yarn Depot existed with Govt agency M.P.H.S.V.N. who procures Yarn from NHDC.
- Good no. of Weavers are available in town due to closure of J.C.Mills and GRASIM.
- Weaving **Fur** carpet is a simple activity; average weaver can weave 100-120 sq.ft in a day and good weaver can upto 160 sq.ft.

#### Weaknesses:

#### Finance

- Bankers and other financial institutions are reluctant to support weavers due to low profitability and narrow margins.
- High default rates especially of cooperative societies engaged in weaving for Govt. supplies with cooperative banks.
- Poor maintenance of necessary financial, statistical records as to facilitate institutional finance.
- Poor financial condition.

#### Market

- No effort for market promotion at domestic and export side
- No effort for marketing the products other than Govt. segment in case of Cooperative societies/small units producing polyester, cotton cloth etc.
- No attempt for value addition or product diversification.
- Unhealthy price competition.
- Pushing the products in nearby states creating differentiation based competition amongst manufacturer.
- Low awareness level about proper costing and pricing of their products.
- No attempt for label/brand building for the unique **fur** products made in Gwalior.

## Production

- Low product range.
- Due to unhealthy competition quality of product is deteriorating day by day.
- No attempt to upgrade traditional pit/frame looms.
- In case of production of **fur** products colures are not as per the market demand because it depends upon the colures of fabric produced by mills.

## Opportunities:

## Finance

- Common financing to facilitate cheaper institutional finances.
- Common finance to facilitate common raw material purchase.

## Market

- Untapped market potential.
- Good potential of **fur** product as floor covers in high altitude areas.
- Very small quantity of floor covers being indirectly exported to Gulf countries, Japan etc. This untapped market may further be explored.
- There is a huge market potential across the country for **fur** products since it is low in price and good in quality and hence affordable to lower and middle class.
- Existing Infrastructure of looms & weavers producing polyester cloth, cotton bed sheets etc. only for Govt. supply may be utilised for producing similar items as per market demand.
- Participation in trade fairs, exhibitions etc.
- Promotion of collective brand/label.

## Production

- Common raw material purchase facility through consortia to reduce costs.
- Diversification into value added products.
- Scope for Training, Exposure visits, Interventions among enterprises.
- To explore means of reducing cost of production.
- Weavers will be benefited by getting employment for more no. of days if existing infrastructure engaged in production for Govt. supply be utilised for producing market savvy items. In turn more business will be generated for Societies/master weavers.

## Threats:

## Finance

- Bakers may not support weavers' community.
- Non-availability of margins with weavers' community.

## Market

- Competition from Mirzapur cotton Daris for Fur products.
- Market is flooded with similar type of other products.
- No/Less attempt for exploring untapped market.
- Competition from power looms.

## Production

- Availability of Raw material for **Fur** products may be under threat since mills are in the process of replacing Dornier/Rapier looms with high-speed looms that creates negligible/no wastage.
- Non-up gradation of looms/process.
- No attempt to create R&D for value added production.
- No attempt for product diversification especially in govt.supply segment.
- Non-availability of market savvy colures for Fur products.

## Vision:

GWALIOR FUR PRODUCTS labeled items of Gwalior handloom cluster will become most preferred home furnishing products to suit lower and middle class of the domestic market by the year 2010.

## And

To ensure that weavers get 150-200 days job employment working with cooperative societies/Small units (engaged only in Govt. supply) with thrust on product diversification.

This could be achieved by the following focused interventions in the cluster:

1. Better technology usage in the area of weaving including pre-loom and post loom activities.
2. Maintaining good quality at reasonable price to suit lower & middle income segment.
3. By creating better infrastructure/using existing infrastructure effectively.
4. Effective marketing linkages/proper positioning of the product.
5. Empowerment of private sector
6. Appropriate Training interventions for weavers/master weavers in hard/soft skills.
7. By product diversification especially for the looms engaged in Govt. supply.

**INTEGRATED HANDLOOM CLUSTER DEVELOPMENT PROGRAM QUATERLY ACTION PLAN**

**CORE ACTIVITY**

Name of the Implementing Agency : EDI of India

Name of the Cluster: GWALIOR(Madhya Pradesh)

S.No	Name of the Activity to be Organized	Value addition-Raw material management Process, Marketing	Problems perceived in the Cluster/Pocket which led to formulation of core activity	No of cluster actors (Weavers) involved	Stakeholders / Agencies (Please specify)	Venue (Also specify the POCKET COVERED)	Commencement & Completion Date	Expected outcome (Will it be Immedate in nature or may supplement other core activities)	Long term Impact Expected	Budget Allocation Lakhs)
1	2	3	4	5	6	7	8	9	10	11a

Association/Sup organisation

**PILOT ACTIVITY**

1	Stake Holders Workshop		Validation of Action plan	20	Weavers/master weavers/trders/FI's/Govt.agencies etc.	gwalior	Q1	validation of action plan	support from cluster actors ensured	
2	Development of common Brochure		lack of awareness among trading circle/ inadequate communication among cluster entreprisers and buyers about GI	600 weavers (Whole cluster)	600 weavers (Whole cluster)	gwalior	Q1-Q2	Better informqtion dissemination among trading community/ cluster actors about chanderi products & GI	Better linkages & governance mechanism & enhanced sales	0.10

3	Awareness Workshop		Cluster actors operating in isolation	600 weavers (Whole cluster)	600 weavers (Whole cluster)	gwalior	Q1	information dissemination among trading community/ cluster actors	support from cluster actors ensured	
4	Formation of CDCC		inadequate governance mechanism among cluster actors and affective linkages with various service providers	3600 weavers (Whole cluster)	BVS.CSC, CDF,state govt, Resource centre.etc.	chanderi	Q1	Evaluation of governance mechanism among cluster actors and sustain ability of intervention monitoring of implementation	establishment of sustainability governance mechanism among cluster actors	
<b>promotion and Strengthening of Institutions</b>										
5	Formation of groups of 20 SHG's for joint production/marketing		weavers are to be organised for the formation of small networks	200	weavers	gwalior	Q2-Q4	Groups will be functional in joint marketing/ production & have their own organisation	Groups will be federated to form institution for optimising the resources	0.20

6	formation of groups/consortia of master weavers		Master weavers are to be organised for the formation of small network for market & raw material purchase	20	master weavers/trders	gwalior	Q1-Q2	Groups will be functional in joint marketing/ resourcing raw material	optimising the resources	0.10
7	exposure visit to dynamic cluster		inadequate exposure to successful intervention in other handloom and artisan clusters	2 members from each new SHG's	weavers/ trders/support institutions	URMUL, DESERT INDIA etc.	Q3-Q4	Confidence building measures. Trust building among cluster actors to pursue interventions	Facilitate inter cluster linkage and information sharing for ongoing cluster development initiatives	0.10
<b>STRENGTHENING OF PRODUCTION AND PRODUCT DEVELOPMENT TECHNOLOGY</b>										
8	Training in production quality control		Lack of orientation in costing, new technology, TQM etc.	200	master weavers/weavers	gwalior	Q3-Q4	better management practices in sourcing area, costing and pricing management	professional management facilities	0.05

9	Installation of 20 TARA looms		Absence of improved looms	20	weavers/ M.P. Govt.	gwaliar	Q2	Introduction of new Technology will enhance the productivity of weavers	More no. of weavers will opt for advance technolgy looms will affect the overall productivity of the cluster	1.00
<b>Procurement</b>										
10	Evolution of consortia among small manufacturers to negotiate with mills common finance	cost reduction of production and collective efficiency	Fluctuation in cost of rawmaterial / non availability of quality raw material	200	20 manufacturer weavers	gwaliar	Q1-Q2	Availability of quality yarn is ensured at comparativly lower price	Yarn bank will be bussiness entity of BVS over a period of time	0.10
11	comparative study for direct sourcing for raw material from mills directly	cost reduction of raw material processing	scope to optimise the procurement of raw material	100	master weavers association	gwaliar	Q1-Q2	direct sourcing linkages with mills for direct sourcing	Build up mutual trust towards benefits of the cooperative inititatin	0.05
<b>STRENGTHENING OF MARKETING</b>										
12	Opening of common marketing centre		inadequate association led initiatives for marketing	100	master weaver/ Traders	gwaliar/ indore	Q1-Q4	Better understanding of market requirements	Enhanced market orientation	0.50

13	B2B Meet At Chennai/ Delhi/Mumbai		Inadequate linkages with corporate buying houses	100	master weaver/ Traders	Chennai/ Delhi / Mumbai	Q2-Q3	Better understanding of market requirements/greater export orientation	Enhanced market orientation	0.30
14	Participaion in Exhibition/Fair		inadequate association led initiatives for marketing	100	master weaver/ Traders	Chennai/ Delhi / Mumbai	Q2-Q3	Better understanding of market requirements/greater export orientation	Enhanced market orientation and sale	0.50
15	Training in design development		inadequate design development capability and value additon to products	20 manufactures and supporting weavers	master weavers/weavers	gwalior	Q1-Q2	higher profit margin and turnover of cluster entreprisers	development indegenous design capabilities and skills	0.20
<b>PROMOTION/ STRENGTHENING OF MFI</b>										
16	Creation of base for a strong local micro finance institution (MFI) through training and handholdig		Lack of financial support for consumption & livelihood need.	1000	master weavers /weavers/ BASIX	chanderi	Q2-Q4	weavers will be linked with MFI for their credit requirement.	strong base will be created for MFI	0.05
									<b>Total</b>	<b>3.25</b>

**INTEGRATED HANDLOOM CLUSTER DEVELOPMENT PROGRAM QUATERLY ACTION PLAN**

**COMPLIMENTARY ACTIVITY**

Name of the Implementing Agency : EDI of India

Name of the Cluster: GWALIOR(Madhya Pradesh)

S. No	name of the activity to be organised	value additin - Raw material management Process Marketing	Problems perciceived in the Cluster/ Pocket which led to formulation of complementary activity	No. of cluster actors(Weavers) invloved	Stakeholders /Agencies(Please sepecify	venue (also specify the POCKET COVERED)	Commencement & complemation	Expected outcome(Will it be Immediate in nature or may supplement other core activities	long term Impact Expected	Budgde
1	2	3	4	5	6	7	8	9	10	Associati organ
1	Health awareness camps for women SHG's		Lack of awareness for health issues	100	UNIDO/ UNFPA	gwalior	<b>Q2-Q3</b>	Access to information on hygiene,sanitation and reproductive health	Overall health & hygiene improvement in weaving community	0.
	Literacy camps for SHG's		Illiteracy among weavers	100	UNIDO/ UNFPA	gwalior	<b>Q1-Q2</b>	Increase of literacy among weaver community	more equal participation of women/ empowerment of weavers	0.

	health Package ICICI Lombard	health care	awareness of scheme	100	Deptt. Of handloom	gwalior	<b>Q1-Q2</b>	Increase of literacy among weaver community	more equal participation of women/ empowerment of weavers	
									<b>Total</b>	<b>0.</b>

## List of active Cooperative Societies

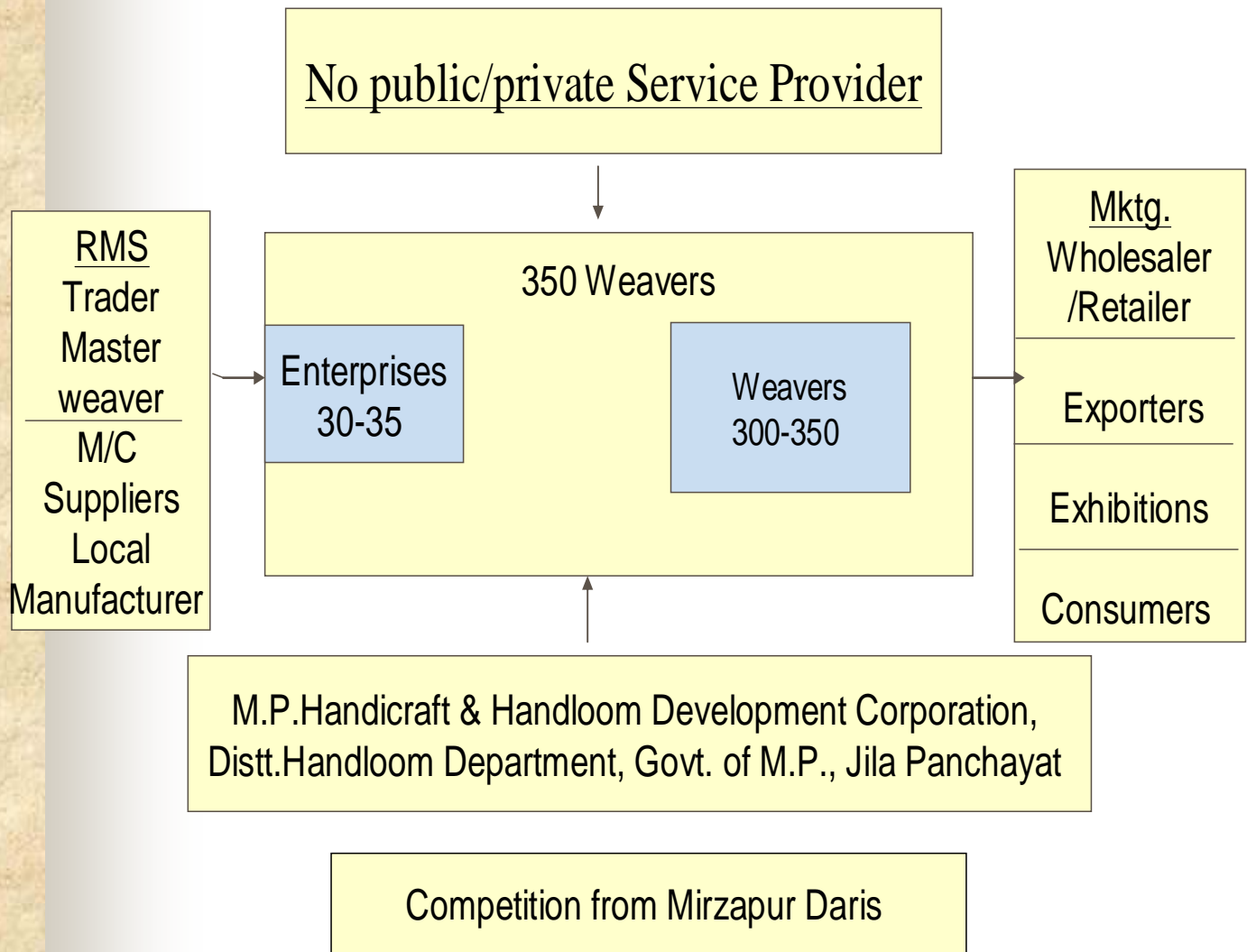
<b>S.No.</b>	<b>Name of Cooperative Society</b>	<b>Official Address</b>
1.	Kamal Bunkar Cooperative Society	Naya Ganj, Gwalior
2.	Weaver & Dyers Cooperative Society	Chhatri mandi Bazar, Gwalior
3.	Satya Sai Bunkar Cooperative Society	Parkota, Lashkar, Gwalior
4.	Mukund Bunkar Cooperative Society	Lakshmiganj, Lashkar, Gwalior
5.	Gaytri Weavers Cooperative Society	Gudri, Gwalior
6.	Gwalior Weavers Cooperative Society	Naya Ganj, Kila Gate, Gwalior
7.	Adarsh Primary Weavers Cooperative Society	Rasoolabad, Hazira, Gwalior
8.	Nirmal Bunkar Cooperative Society	Gadaipura, Hazira, Gwalior
9.	Bhavna Bunkar Cooperative Society	Rasoolabad, Hazira, Gwalior
10.	Jamna Bunkar Cooperative Society	Patali Hanuman, Hazira, Gwalior
11.	Asha Bunkar Cooperative Society	Gospura no.1near Man mandir, Hazira, Gwalior
12.	Pragatisheel Bunkar Cooperative Society	Tansen Road, Gwalior
13.	Ramashram Bunkar Cooperative Society	Birlanagar, Gwalior
14.	Adarsh Bunkar Cooperative Society	Birlanagar, Gwalior
15.	Kori Vikas Bunkar Cooperative Society	Resham mill Birlanagar, Gwalior
16.	Shri Deep Bunkar Cooperative Society	Prgatinagar, Gwalior
17.	Chandan Bunkar Cooperative Society	Birlanagar, Gwalior
18.	Lakshmi Bunkar Cooperative Society	Chandanpura, Birlanagar, Gwalior

**List of small Handloom Units Registered with Distt. Handloom Department**

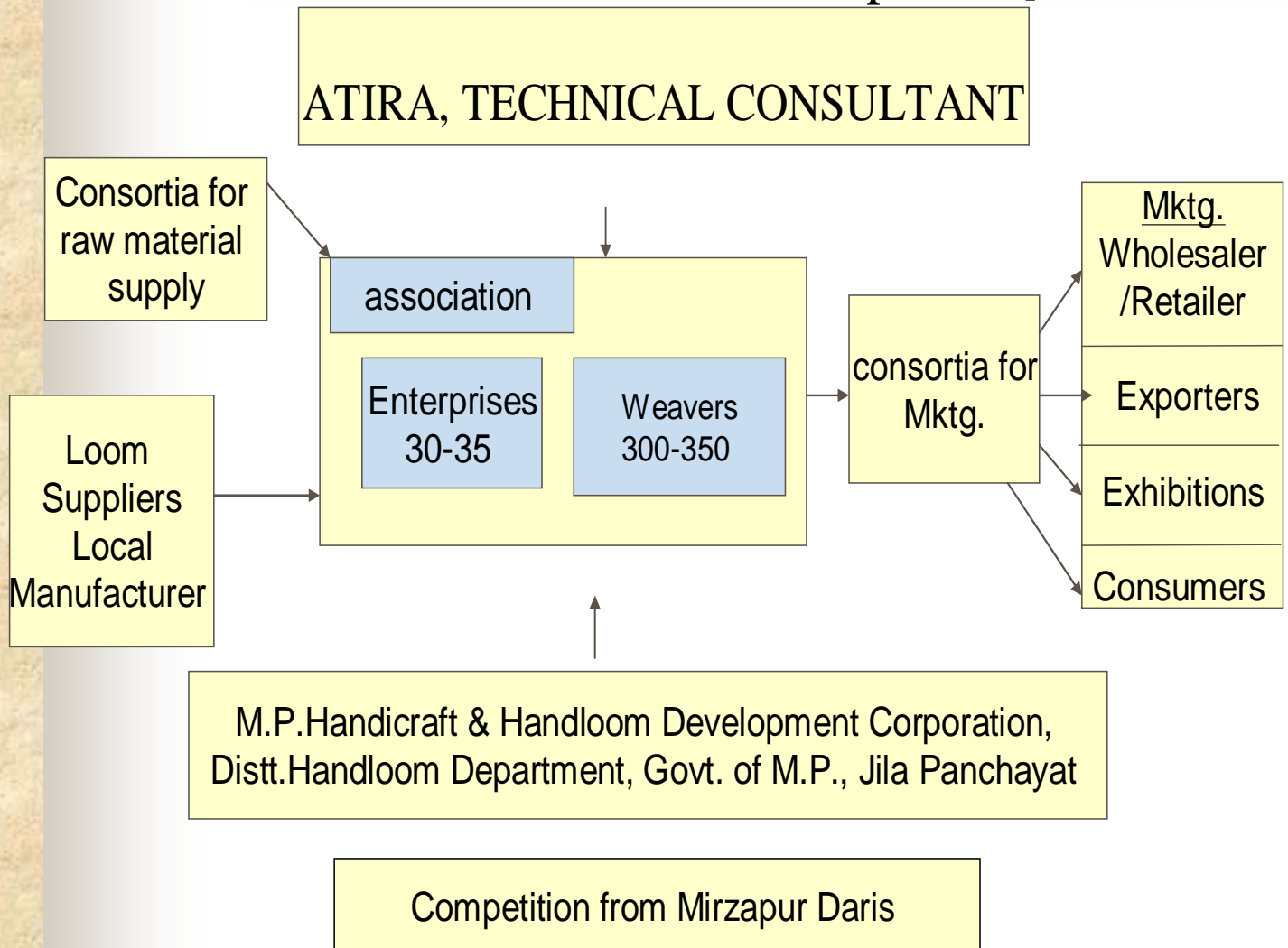
<b>S.No.</b>	<b>Name of Cooperative Society</b>	<b>Official Address</b>
1	Sant Textiles	Naya Ganj, Morar, Gwalior
2	Benil Textiles	Ramnagar, Ranipura, Gwalior
3	Adarsh Handloom Textiles	Tansen Road, Gwalior
4	Avanti Handloom Textiles	153,Ravi Nagar, Gwalior
5	NamrataTextiles	Mahalgaon, Gwalior
6	Dinesh Textiles	Naya Ganj, Kila Gate, Gwalior
7	Vimal Textiles	13,Shiksha Nagar, Gwalior
8	Harish Handloom Textiles	Shekh ki Bagia, Rassi mohalla, Gwalior
9	Narayan Handloom Textiles	Gainde wali Sarak, Gwalior
10	Prabha Textile,	Koteshwar Road, Gwalior
11	Sarla Textiles	Sewa Nagar, Gwalior
12	Rahul Enterprises laghu hathkargha ekai	Bala bai ka Bazar, Gwalior
13	Asian Surgical Works	Pichari Deuri, lala ka bazaar, Gwalior
14	Mahaveer Textiles	Naya Bazar, Lashkar, Gwalior
15	Santosh Hathkargha Utila, morar Gwalior	Utila, morar Gwalior
16	Radha Textiles	Subhash Nagar, Hazira, Gwalior
17	Girraj Hathkargha Laghu vastra udyog	Tansen Road, Gwalior
18	Shri Dev Narayan Hathkargha udyog	Bilheti, Gwalior
19	Shri Ram Handloom Textiles	Birla Nagar, Gwalior
20	G.K.Textiles & Surgical	Nai Sarak, Gwalior
21	Sanjay Hathkargha Udyog	Tansen road, gwalior
22	Mahesh Hathkargha Vastra Udyog	Gokulpura A.B. Road,Gwalior
23	M.D. laghu hathkargha udyog	Utila,Morar, Gwalior
24	Shweta Handloom Udyog	Birla Nagar, Gwalior

25	Ujala Textile udyog	Birla Nagar, Gwalior
26	Balaji Handloom	Shitla Gali, Gwalior
27	Dashrath Handloom	Char Shahar Ka Naka, gwalior
28	Indra Handloom	Koteshwar Road,Gwalior
29	Rita Handloom Textile	Shiv Nagar, Morar, Gwalior
30	Sharda Handloom	Deendayal Nagar.Maharajpur,Gwalior
31	Vinay Hathkargha Udyog	Garam sarak,Morar, gwalior
32	Lakshmi Hathkargha Udyog	Char Shahar Ka Naka,Hazira,Gwalior
33	Satguru Kabir Laghu hathkargha udyog	Char Shahar Ka Naka,Hazira,Gwalior
34	Akanksha Textiles	Gospura no.2,Birla Nagar,Gwalior
35	Paras Textile Hathkargha Udyog	Resham mill, Birla nagar,Gwalior
36	Lakhan Bunkar Hathkargha udyog	Kanch mill, Birla nagar,Gwalior
37	Gandhi Hathkargha Udyog	Chandanpura,Birlanagar,Gwalior
38	Jai Balaji Hathkargha Textile udyog	New colny,Birla nagar Gwalior
39	Ma Pitambra Hathkargha Vastra Udyog	New Resham Mill Road,gwalior

# Pre intervention Cluster Map (fur carpet)



## Post intervention Cluster Map (fur carpet)



## Institutional Matrix

(Before Intervention)

	M P H S V N	W S C	M P S H W F e d	M P L U N	State Hand Loom Deptt	D R D A	Govt Poly Tech	I I D C	D C (H)	F I's	C E D M A P	M P C O N	Co op	
MPHSVN		L	L	L	L	L	M	M	L	M	L	L		
WSC, Indore	L		M	L	L	L	M	L	L	M	L	L		
M P S H W Fed.	L	L		M	M	L	L	L	L	M	L	M		
MPLUN	M	M	L		L	L	M	M	L	M	L	L		
State Handlooms	L	L	L	M		L	M	M	M	L	L	M		
DRDA	M	M	M	L	L		L	M	L	L	L	M		
Govt.Polytechnic,	L	L	L	L	L	M		L	L	M	M	L		
IIDC	M	L	M	M	L	M	L		L	L	L	M		
D C (Handlooms)	M	H	M	L	L	L	L	L		M	L	M		
Financial Institutions	L	L	L	M	L	M	L	M	L		L	M		
CEDMAP	M	L	L	L	L	M	L	M	L	M		M		
MPCON	L	L	L	M	L	M	L	M	L	M	M			
Cooperatives	M	L	M	M	M	L	M	M	L	L	L	L		

## Institutional Matrix

(After Intervention)

	M P H S V N	W S C	M P S H W f e d	M P L U N	State Hand Loom Deptt .	D R D A	Govt Poly Tech	I I D C	D C (H)	F I's	C E D M A P	M P C O N	Co op	
MPHSVN		M	M	M	M	M	H	H	M	H	M	H		
WSC, Indore	M		H	M	M	M	H	M	M	H	M	M		
M P S H W Fed.	M	M		H	H	M	M	M	M	H	M	H		
MPLUN	H	H	M		M	M	H	H	M	H	M	M		
State Handlooms	M	M	M	H		M	H	H	H	M	M	H		
DRDA	H	H	H	M	M		M	H	M	M	M	H		
Govt.Polytechnic,	M	M	M	M	M	H		H	M	H	H	M		
IIDC	H	M	H	H	M	H	M		M	M	M	H		
D C (Handlooms)	H	H	H	H	M	M	M	M		H	H	H		
Financial Institutions	M	M	M	H	M	H	M	H	M		M	H		
CEDMAP	H	H	M	M	M	H	M	H	M	H		H		
MPCON	M	M	M	H	M	H	H	H	M	H	H			
Cooperatives	H	H	H	H	H	M	M	M	M	H	H	H		



**Pre loom process**



**Weaving**



**Weaving**



**Products ready for sale**