

Operational Efficiency of Silk Industries at Thirubuvanam

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Abstract

The popularity of silk is more confined to superrich or haute culture, silk is now an affordable luxury for the middle class people. This is a traditional ceremonial wear. A silk industry carries their functional operations with the help of more weavers through various productions Process out of which more products were produces and marketed.

Introduction

Silk products are considered as a 'symbol of status', its occupies a pride place in costumes and cosmetics of the person while he dressed up silk. Silk industry has a hoary past, dynamic present and potential future, over the span of hundreds year. Weaving is the important occupation in this region next to agriculture. Eventhough weaving is undertaken as a main occupation in all parts of the district, it is mostly concentrated in Thirubuvanam. The business is operated through two businesses via.

Co – operative silk societies and
Private silk co operative societies

In the district, handloom weaving is undertaken and there is no power loom here as in Salem and Coimbatore districts. Weaving of both cotton fabrics and silk fabrics are undertaken in the district.

Objectives

To highlight the aspect relating to the value of production, value of sales and different channels adopted for making the silk products.

To assess the existing demand for silk products and to explore the possibilities for the scope of expansion of this industry.

Review of Literature

Paulraj

An Economic Analysis of the Ammapet Silk Hand loom weavers Co-operative Society Ltd. A Study with special reference in Ammapet in Thanjavur District.1984.The researcher advocates the discontinuation of rebate system. Instead of the members of silk societies may be supplied with necessary raw materials

regularly through the co-operative silk societies. The rebate amounts should be reimbursed by the Governments without undue delay, the working capital of the society is reduced and the production and employment in the subsequent year is affected.

M.Kannaghi – Marketing of Silk sarees by the Thirubuvanam Silk Handloom the weavers ‘co-operative production and sale society Limited Z 322

This study concentrated on marketing of silk sarees by the Thirubuvanam Silk Handloom Weaver’s Co-operative production and sales society Ltd. In Thanjavur District has held competition from private silk producers of silk because of new varieties and design at chief prices, problems in procuring Zari, absence of credit sales, lack of sales complexes and branches in many places to be responsible for slower rate of growth. Its further observes that sales through Co – optex have increased from Rs. 16.81 lakhs in 1987-88 to Rs. 119.04 Lakhs (increase of about 10 times. As for channels, direct sales to be of the most important channel of marketing available to the society. (December 1995)

Purchase of Raw Materials by Thirubuvanam Thiruvalluvar Co Operative Societies

All the silk co-operative societies were purchased raw materials from the various agencies that are doing the agency services at kumbakonam. These agents were ordered their silk product raw materials such as raw silk (or) silk yarn, Zari and chemicals, at kancheepuram and Bangalore.

Silk Yarn

The largest quantity of silk yarn is produced in Karnataka and this raw silk is called Kora. Production of large quantity in Karnataka may be due to an early start momentum. Raw silk is the core raw-material for silk products and the Government of Karnataka and TamilNadu has organized corporations and marketing federation for supplying the raw silk to the required producers. Both the climatic conditions of Karnataka and socio-political existence have enabled Karnataka to flourish in the production of raw silk. Karnataka is a best place for best cultivation of Mulberry and cocoon production this would very much useful for the silk production.

Even though both the government permits the silk producers to procure raw materials as and when required, The Government of Tamilnadu started a new corporation called TANSILK in the year 09.09.1978.The Head quarters at Kancheepuram and a separate Directorate of sericulture was formed in the year 1979 the head Quarters at Salem from 1st April 1947 with the aims of rendering services to the farmers, twistors and there by the weaver.Raw silk of different varieties which are classified on the basis of twists and quality.

Zari

Another raw material which is used for the production of silk products is Zari which is otherwise called as Laze .Main purpose of the zari is making decoration work on the silk saree, silk skirt, dhoti, and towel. Zari is made out of either gold or silver; it has more than 20 varieties at different price levels. Zari is produced by private manufacturer's at Surat in Gujarat state, this manufacturing process is one of the traditional business. Though the Zari production at Gujarat is very popular and more in the volume of volume of production, at our Tamilnadu more merchants are doing agency business at Kancheepuram and Kumbakonam. Present value of Zari during the year 2011 were Rs.15000 per marg this rate is comparatively high when compared with the previous year (2010) Value of Rs.7626 per marg.

Chemical and Dyes

Chemicals and Dyes are also main ingredients of silk production. These were used for the purpose to act as the colouring agents to silk yarn. They are used after bleaching the cora. Dyeing colour may be used both natural and artificial manner. There were 11 natural colour were used along with this nearly 40 mixed colours were used for the silk production. Mostly these type chemical industries were situated in Mumbai their products were, all over of India through the direct agents and also retailers. Several industries rendering marketing activities through various agencies such as Shankar Dyes & Chemicals-- New Delhi, Alliance Organics LLP--Mumbai, Chemipol -- Mumbai, Riddhi Siddhi Trading Company- Mumbai, RIA Dyes & Chemicals Company -- Ahmedabad, Lasdhi Chemicals – Ahmedabad, and some silk producers using natural dyes also they also purchased from various sub agencies some of these agencies are situated at Sir bio tech India—Kanpur , Sarn Vegetable Colours private Limited, Moradabad etc., they produced these varieties in various quantities like 5 Kg, 2 kg, 1Kg etc., in the forms of Tins and pockets etc.

The actual requirement of colour powder is 15 Gms to 20 Gms per one kilograms of silk yarn for dark colouring and 5 Gms per one kg of silk yarn for light colouring. The manufacturer of these colourpowders gives the information about the direction to use colour powder at which to produce silk saree with various colour shades. The chemicals used in silk production are citric acid and acitic acid. These acids are used as fixatives to make the colouring process quicker and to ensure for the retention of colour for a longer time. These chemicals are to be carefully preserved and used as fixatives to make the colouring process quicker and to ensure for the retention of colour for a long time.

Table: 1

Purchase Value of Raw materials used by the Thirubuvanam co-operative silk production and weavers' co-operative silk societies.

Year	Yarn		Zari		Chemical		Total	
	Value	%	Value	%	Value	%	Value	%
2006	28,64,700	14.19	93,04,700	10.40	6,96,000	20.26	1,28,65,400	11.38
2007	33,63,000	16.66	1,31,12,600	14.66	6,94,000	20.20	1,71,69,600	15.18
2008	33,86,400	16.77	1,33,84,200	14.96	5,57,000	16.22	1,73,27,600	15.32
2009	24,55,400	12.16	1,67,74,100	18.75	6,51,000	18.95	1,98,80,500	17.58
2010	38,78,600	19.21	1,81,25,200	20.26	4,10,000	11.93	2,24,13,800	19.82
2011	42,36,400	20.98	1,87,27,600	20.94	4,26,000	12.40	2,33,90,000	20.69
Total	2,01,84,500	100	8,94,28,400	100	34,34,000	100	11,30,46,900	100%

Source: Secondary data.

The above table clearly explains that the purchase capacity of leading co – operative societies at Thirubuvanam out of which in the year 2011 the percentage of purchasing power would be 20.69% this comprising the raw material consumption for the silk productivity at the respective year in the ratio of 18.12% of yarn , 80.06% of Zari and the 1.82% on chemicals. But the previous year were gradually increased from the 11.38% though the purchase of raw material was slightly increased ever year the demand of silk product has its own strength.

Table: 2

Sales value of silk products in Thirubuvanam co-operative silk production and weavers'

Co-operative silk societies

Year	Direct sales		Sales to commission Agent.		Sales through Exhibition		Total	
	Value	%	Value	%	Value	%	Value	%
2006	20,62,85,800	14.8	11,61,16,420	18.5	5,000	4.0	32,24,07,220	16.0
2007	22,41,75,700	16.2	10,27,99,740	16.3	36,000	28.8	32,70,11,440	16.2
2008	2,60,00,000	1.8	11,74,70,800	18.7	44,000	35.2	14,35,14,800	7.1
2009	29,33,86,000	21.1	10,95,92,020	17.4	4,000	3.2	40,29,82,020	20.0
2010	30,75,40,600	22.1	9,08,27,800	14.4	12,000	9.6	39,83,80,400	19.7
2011	33,29,39,000	23.9	9,19,64,800	14.6	24,000	19.2	42,49,27,800	21.0
Total	1,39,03,27,100	100	62,87,71,580	100	1,25,000	100	2,01,92,23,680	100

Source: Secondary data.

Table no: 2 reveals that the sales value of silk products in the Thirubuvanam silk co-operative society for the past six years. Total sales value of silk products through these societies were increased year by year but in the year 2008 there was great falls 9.1% this might be the lowest demand of silk the products. At the same time out of their continuous effort of the production and marketing of silk products the next year itself the turnover of silk production reached 20.% after that period the sales was in up and down in a meager percentage of variation..

Table NO: 3

Profitability analysis of Thirubuvanam silk societies

Year	Gross profit	% of GP	Net profit	% of NP
2006	53973610	14.5	29548000	14.6
2007	61398354	16.5	30437000	15.1
2008	47608006	12.8	22220000	10.9
2009	70173322	18.8	39680000	19.5
2010	66563274	17.8	39415000	19.4
2011	73332596	19.6	41760000	20.5
Total	373049162	100	203060000	100

Source: Secondary data

Table NO. 3 reveal the profitability position of Thirubuvanam co-operative society for the past six years. Gross profit and the net profit were increased every year except in the year 2008. Because of lower sales volume based on the demand in the market for their silk products along with that the raw material procurement cost were also affected the high cost of production . After the year the profitability position of these silk industries would have increasing trend from 10.9% to 20.5%.

Main Reasons for Failure

Main reason for failure of Weavers co-operative societies in Tamilnadu were listed below:

- ❖ The weavers co-operative societies were not financially sound, and also the societies were no able to withstand the competition from textile mill.
- ❖ There were wide fluctuations in the price of yarn which brought huge losses to the societies.
- ❖ There had been difficulties in marketing the products as people had a fashion for mill – made cloth.

Conclusion

Buying behavior of customer is used to change by several reasons like the demand of products, fashionable changes, Technology changes etc. This concept is applicable in the silk market. In the present scenario silk products are available with several works and high computerized design. This silk industry provide more scope to the local people by providing employment opportunities by this way both socio economic conditions are developed .