

This research topic is divided into two aspects i.e. Theoretical background and Literature review. In theoretical background the various concepts related to Cloth and Textile i.e., cotton, thread, fiber, textile mill, power loom and handloom, types of cloth and process of manufacturing of cloth are studied. The various components of distribution chain of cloth business and its importance will be understood. This chapter will also take a look at the review of literature, related to this research study.

2.1. Basic concepts regarding cloth

2.1.1. Hunting stage to civilization:

As discussed earlier in the first chapter man is an animal with brain. There are many stages which a man has gone through i.e., from hunting stage to civilization stage. Man used to hunt animals and afterwards used to rear animals. He was surprised at the power of the claws, teeth, horns, etc., of the animals and started imitating the tools used by the animals. He started making knives, sticks etc., for his own use from bamboo. Gradually, he started making arrows and bows, axes, hammers etc. Man used to wear the skin of animals as a cover on his body. He then started weaving and a class of artisans and craftsmen came into existence. Villages and then towns came into existence. Manufacture and exchange of goods became the main activity with the artisans,

craftsmen in the towns. Guilds and trade associations were established. A class of entrepreneurs came into existence who worked as middlemen between the producers and the consumers after the guilds and trade associations.

Cloth is the cover used to protect human body from heat and cold. Now-a-days cloth is not just a necessity but is also a status symbol. It improves the personality of the person wearing it. Cloth is used by every human being irrespective of their gender. Cloth is manufactured by using different things. Let us study the different terms related to cloth.

2.1.2. Fiber:

Clothing is one of the basic needs for mankind. It protects the body from heat and cold, but also brings out one's personality, enhances beauty, gives comfort and expresses the status of living. Cloth is made from either manmade or natural fibers. Thus there is need to study about fiber, fabric and process of conversion of yarn, thread into cloth.

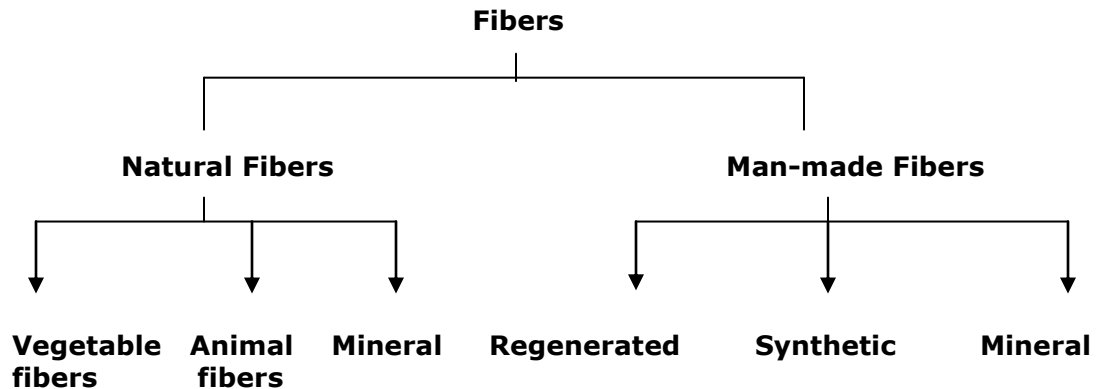
*Fibers are very small visible units from which fabrics are made by one process or another. Take a yarn or thread and untwist until it comes apart, or pull a single strand from an opened cotton ball or from a bunch

* Ref. - Fundamentals of Textiles and Clothing by R. Vatsala

of wool. The small fine, individual hair-like strands are fibers. Thus, a fiber may be partly described as being a slender filament or fine strand of sufficient length, pliability and strength, to be spun into yarns and formed into cloth. Natural Fibers include cotton, silk and wool. Man-made Fibers include viscose rayon, polyester and nylon. The classification of fibers is given below in chart no.2.1:

Chart No.2.1

Classification of Fibers



2.1.2.1. Cotton:

Cotton is a natural fiber. Cotton referred to as the “King of fibers” is most important textile fiber in the world. Cotton fabrics were made by the ancient Egyptian, Chinese and of course Indian civilizations. The cotton fiber is a long cell made up of countless cellulose molecules. Cotton is removed mechanically from the seed balls by the cotton gin.

* Ref. – Fundamentals of Textiles and Clothing by R. Vatsala

The ginned cotton is then pressed into bales and sent to the factories to be spun into yarns.

Cotton is a soft fiber that grows around the seeds of the cotton plant. Such cotton fiber is most often spun into thread and used to make a soft, absorbent and breathable textile used for making clothing, sheets and towels. Cotton fiber is made up of twenty to thirty layers of cellulose coiled in a neat series of natural springs. Cotton is the most famous textile material associated with the Indian Subcontinent.

The earliest written reference to cotton is in India. Cotton has been grown in India for more than three thousand years, and it is referred to in the Rig-Veda. Cotton is the most widely used fiber because of its characteristics like, inexpensiveness, easy-care, high absorbency, excellent launder ability and good colour fastness. It is not only used for apparel but also for household and industrial applications.

In addition to the textile industry, cotton is used in fishnets, coffee filters, tents and in bookbinding. The cottonseed which remains after the cotton is ginned is used to produce cottonseed oil, which after refining can be consumed by humans like any other vegetable oil. The cottonseed meal that is left is generally fed to livestock. For cotton fiber the main processes are bale breaking and cleaning, carding, combing, spinning, weaving, scouring, bleaching and dyeing.

2.1.2.2. Silk:

Silk is also a natural fiber. Silk has been considered as one of the most elegant and luxurious of fibers. It is popularly known as the Queen of fabrics. The method of raising silk worms is followed by removing the silk filaments from the cocoons, and using the silk in weaving garments. The silk manufacturing process involves Reeling, Throwing, Degumming, Weaving, Dyeing and sometimes Weighting.

Silk fabrics are noted for their soft, luxurious handle, rich luster, warmth, resilience, and crease resistance, strength and excellent draping quality. A wide range of fabrics are made ranging from sheer chiffon to firmer dress and suiting material, to heavy brocades to the rich pile velvet. Silk serves best for ceremonial occasions, evening or day wear and lingerie.

2.1.2.3. Wool:

Wool is a natural protein fiber and considered as a man's best friend. Sheepskin, including the hair, was probably used long before it was discovered that fibers could be spun into yarns or even felted into fabric. The earliest fragments of wool fabric have been found in Egypt but Mesopotamia is the birth place of wool. Wool can be sheared from the living animal or pulled from the hide after the animal has been slaughtered for its meat. Sheared wool is called fleece or clip wool and

wool taken from the hides of slaughtered animal is called pulled wool which is inferior in quality to fleece or clip wool. The quality of wool is expressed by numbers. The higher the numbers, the finer the wool and better the quality. The finest wool is from young sheep.

Once the raw wool reaches the mills, it has to pass through many processes before it finally emerges as woollen cloth. Sorting, Scouring, Carbonizing, Carding, Spinning, Bleaching, Dyeing, Weaving, Knitting and Finishing.

Woolen and Worsted fabrics are used throughout the world. They are crease resistant, flexible, elastic, absorbent, warm and comfortable. A major problem with wool fabric is the tendency to shrink. Crimp decreases when wet and increases when dry. Wool can be dry-cleaned but laundering is difficult. Wool can be dyed and has good colour fastness property.

2.1.2.4. Viscose Rayon:

Viscose Rayon is a man-made fiber. This is a versatile fiber. Rayon fibers are used extensively in apparel and home furnishing fabrics. It is also used in automobile tyres and various industrial applications. Simple, complex and textured yarns can be made from rayon fibers.

2.1.2.5. Polyester:

Polyester is also a man made fiber. Polyester has become one of the most used of all synthesized fibers. Polyester fibers have immediate consumer acceptance because of their easy-care and wrinkle-free properties. They require no-ironing, easy to launder and quick to dry. Polyesters are not only used as apparel but also in industrial use items such as laundry bags, calendar sheeting, press covers, conveyor belts, fire hoses, fish netting, ropes and protective clothing. An important use of polyester is for surgical implants.

2.1.2.6. Nylon:

Nylon is a man-made fiber. It has an excellent stretch ability producing a flexible and strong fiber. Nylon is widely used for apparel, home furnishing and industry. It is a leading fiber in the manufacture of hosiery and lingerie for it wears well, has good elastic recovery, dimensional stability, shape retention and scratch resistance. It is also used in carpeting materials and upholstery fabrics. To weave or knit a nylon fabric, it is necessary to have yarns. In the last 100 years progresses in chemistry and techniques have led to the discovery of new artificial fibers. *Broad classifications of fibers are given in the following chart no.2.2:

* Ref. – Fundamentals of Textile and Clothing by R. Vatsala

Chart No.2.2: Broad classification of fibers (Source taken from Fundamentals of textile and clothing by R. Vatsala)

NATURAL	ANIMAL	SILK	
		FINE HAIRS	VICUOA, ALPACA, LAMA, CAMEL (camelidi) CASHMERE, MOHAIR (goats) ANGORA (rabbit)
		WHOOOL (sheep)	
	VEGETABLE (cellulose)	COTTON LINEN, HEMP, JUTA	
	MINERALS	ASBESTOS (amianthus)	
MAN MADE	SYNTHETIC	POLYOLEFINE	POLYETHILENE, POLYPROPILENE
		POLYVINYLIC	ACRYLIC, MODACRYLIC
		POLYURETHANE, POLYAMIDE (nylon)	
		POLYESTER, POLYCARBONATE	
	ARTIFICIAL	ALGINATE	
		PROTEINS (casein)	
CELLULOSE (rayon)		VISCOSE, CUPRO, MODAL, ACETATE, TRIACETATE	

Thus fiber is a raw material which may be derived from nature or manmade useful for making cloth. Now we move on to the manufacture of yarns from these fibers.

2.1.3. Fabric Construction:

Fabric is the feel of cloth. Fabric construction depends on the Yarn. The quality of cloth, its suitability for different purposes, and its performance in wear and cleaning cannot be assumed entirely from knowledge of its fibers. The method by which the fibers have been combined to form yarns, and the ways in which the yarns have been interlaced to form the material are very important.

Yarns are composed of textile fibers. Yarns play an important role in determining the characteristics of the great variety of fabrics. Much of the beauty, variety and texture of fabrics are due to yarn differences. Yarn as defined by ASTM (American Society of Testing Materials) is "A generic term for continuous strand of textile fibers or filaments in a form suitable for knitting, weaving or otherwise intertwining to form a textile fabric". There are two types of Yarn as mentioned below:

- 1) Short staple fibers are derived from natural fibers that are short in length or they may be composed of man-made fibers or silk fibers that have been cut short.

2) Long filament fibers obtained by extruding the chemical liquid through fine jets in the spinnerets.

Yarns are classified as simple, complex and textured yarns. A simple yarn is composed of two or more simple single yarns plied or twisted together. A ply yarn consists of two or more singles twisted together and a cord yarn consists of two or more ply yarns twisted together. Complex or Novelty yarns are different from simple yarns in structure, size, twist and effect.

Complex yarn may be composed of single or ply. Complex ply yarns are composed of a base or core, an effect and tie or binder yarn. The base yarn controls the length and stability of the end product. The effect yarn forms the design and the tie or binder yarn holds the effect yarn so that it will remain in position. Textured yarns have greater apparent volume than other yarns of similar fiber count and linear density. The yarns have a relatively low elastic stretch and the greater volume is achieved by physical, chemical or heat treatment.

2.1.4. Process of conversion of fiber into yarn or thread:

After cultivation, cotton is harvested at the farm, and goes through multiple processes. Before processing, there are three stages when cotton arrives at a textile mill:

- (1) It is fed into the cleaning machines with the help of several blenders. Here, the trash is removed from the cotton by mixing and breaking it into smaller pieces. This is called ginning.
- (2) Then the cotton is sucked through a pipe into picking machines where it is repeatedly struck by the beaters in order to knock out the dirt and separate lumps of cotton into smaller pieces.
- (3) Cotton then goes to the carding machine, where the fibers are separated and trash and short fibers are removed. Some cotton goes through a comb that gives more short fibers and makes a stronger lustrous yarn.

Yarns are made from fibers by two processes – (1) General Process - which is common to many yarns and (2) Texturizing to obtain special textured effects such as extra bulk, stretch or a combination of these properties in the fabrics made from them.

The General processes include opening, picking, cleaning, blending, degumming, scouring, carbonizing, carding, combing, drawing, spinning, throwing, slashing, rewinding as discussed in the earlier chapters in the manufacture of natural fibers. No fiber goes through all these processes.

Texturing process is primarily applicable to manmade fibers and particularly to thermoplastic fibers. Texturizing imparts a permanent curl, loop or crimp to the individual filaments, so that when they are

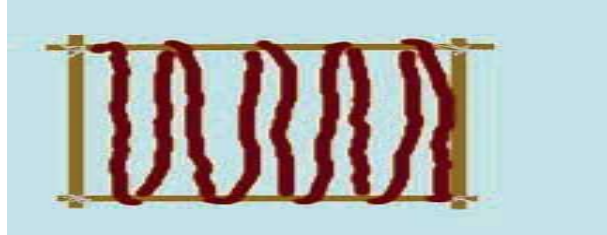
recombined, the yarns are more or less fuzzy - appearing and have stretch, bulk or both. Textured yarns do not have free fiber ends to pull out, roll up, or pill. They are more opaque, have a different appearance, feel, warmth and more absorbent.

2.1.5. Process of conversion of yarn into cloth:

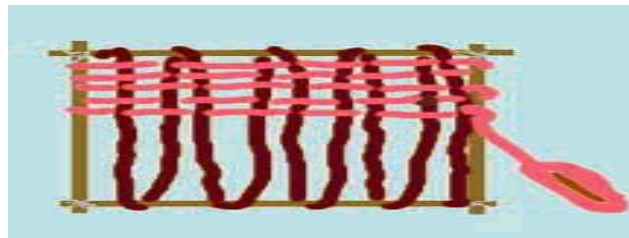
Yarns thus formed are now used in the manufacture of fabrics. Woven fabrics consist of sets of yarns interlaced at right angles in established sequences. The process of conversion of yarn into cloth is Weaving, Finishing and Colour Application

2.1.5.1. Weaving:

One of the processes of fabric manufacture is weaving. Weaving was probably invented much later than spinning. At first, people just wove narrow bands with their fingers, and it was only later that they began to use looms. Many textiles have been in use for millennia, while artificial fibers are recent inventions. The range of fibers has increased in the last 100 years. Textiles can be made from a variety of materials. The following picture no.2.1 shows the warp on a loom.

Picture No.2.1**Warp on a loom**

Weaving is one of the primary methods of textile production and it involves interlinking a set of vertical threads with a set of horizontal threads. The set of vertical threads are known as warp and the set of horizontal threads are known as weft. Picture no.2.2 shows the weft on a loom.

Picture No.2.2**Weft on a loom**

Weaving is the process most used for the manufacture of textile fabrics. In weaving two or more set of yarns are interlaced at right angles to each other. The warp yarns run in the lengthwise direction in a woven fabric also called as ends. The filling yarns run in the crosswise direction also called as picks. Extra warps yarns at each side form a selvedge

which is parallel to the warp yarns. Weaving is acknowledged as one of the oldest surviving craft in the world. Weaving is an act of passing threads or strands of material under and over each other. By weaving cloth, rugs, blankets shawls etc. are manufactured. Natural fibers used for weaving are cotton, silk and wool. Synthetic fibers such as nylon and orlon are also used.

2.1.5.2. Finishing:

Fabrics which reach the consumer are finished by one treatment or other. Finish can be defined as, "any treatment given to a fabric to change its appearance". The fabric can be finished so as to be smooth, shrink resistant, easy care, flame resistant, etc. Finishes can be divided into two types, general and functional.

General finishes or routine finishes are identified as mechanical, chemical or combination of the two. It is a basic procedure in preparing fabrics for consumer use, for example, Bleaching, Heat setting, and Mercerization. Functional finishes are those which alter, improve or change the behavior or service characteristics of the fabric and produce certain properties like Scouring, Bleaching, Calendaring (Pressing), Heat Setting, Mercerization, Sizing, Tenting, Weighting, Water proofing etc.

2.1.5.3. Colour Application:

Except for the white fabrics, colour is applied to all the fabrics. Dyeing and printing are the methods of applying colour to white fabrics. Dye is a substance which is fixed more or less permanently on the fabric which evokes colour.

The colours being shades of ochre, deep blue and a soft rose derived from local earths, indigo and madder roots. Following are the different types of dyes used while finish and colour application: 1. Direct Dyes 2. Acid Dyes 3. Basic Dyes 4. Vat Dyes 5. Reactive Dyes. Designs are applied on fabrics by means of printing. Printing can be done by two basic methods - Resist printing and Direct printing.

Thus from the above detailed explanation we can conclude that the process of making cloth depends on the fiber being used, but there are three main steps namely Preparation of fibers for spinning, Spinning, Weaving or knitting and Finishing & Colouring.

The preparation of the fibers differs, depending on the fiber used. Spinning evolved from twisting the fibers by hand, to use of a drop spindle, to a spinning wheel. Weaving or Knitting, done on a loom has been around for as long as spinning. Finishing and colouring process is given to fabric for changing its appearance.

2.1.6. Cloth and different varieties of cloth:**2.1.6.1. Cloth:**

Cloth or fabric is a flexible artificial material made up of a network of natural or artificial fibers (thread or yarn) formed by weaving or knitting (textiles), or pressed into felt. Cloth is most often used in the manufacture of clothing, household furnishings, and art such as tapestry. Before the advent of woven cloth, the functions of textiles were fulfilled by furs and skins. In the past, all cloth was made from natural fibers, including plant sources such as cotton, flax, and hemp, and animal sources such as wool, hair, and silk. In the 20th century, these were supplemented by artificial fibers such as polyester and rayon.

Cloth is most often dyed, with fabrics available in every colour. Coloured designs in fabric can be created by weaving strands of different colours and adding coloured stitches to finished fabric (embroidery), and also by using various printing processes on finished fabric. Cloth is made in many varying strengths and degrees of durability, from the finest gossamer fabrics to sturdy canvas sail cloths.

2.1.6.2. Different varieties of cloth:

Some of the types of cloth are Broadcloth, Calico, Corduroy, Crêpe, Denim, Felt, Gabardine, Gingham, Knit Fabric and Lace, Non woven Fabric, Organza, Satin, Serge, Silk, Twill, Velvet, Weft Knit Fabric, Worsted etc.

2.2. Textile – An overview**2.2.1. Meaning & definition:**

The term 'Textile' is a Latin word originating from the word 'texere' which means 'to weave' Textile refers to a flexible material comprising of a network of natural or artificial fibers, known as yarn. Textiles are formed by weaving, knitting, crocheting, knotting and pressing fibers together. Textile Museum is that specialized category of museum which primarily preserves different types of textile and textile products.

Textile refers to a flexible material comprising of a network of natural or artificial fibers, known as yarn. Textiles are formed after the process of weaving, knitting, crocheting, knotting and pressing fibers together. Textile Mills refers to manufacturing plants for making textile fabric and products.

“A textile is any kind of woven, knitted, knotted or tufted cloth, or a non-woven fabric (a cloth made of fibers that have been bonded into a fabric)”. Textile also refers to the yarns, threads and wools that can be spun, woven, tufted, tied and otherwise used to manufacture cloth. The textile is a wider concept and includes yarn, fiber, cloth, fabric and all those things related to cloth.

2.2.2. History of Textile:

The history of textile is almost as old as that of human civilization and as time moves on the history of textile has further enriched itself. In India the culture of silk was introduced in 400AD, while spinning of cotton traces back to 3000BC. The discovery of machines and their widespread application in processing natural fibers was a direct outcome of the industrial revolution of the 18th and 19th centuries. The discoveries of various synthetic fibers like nylon created a wider market for textile products and gradually led to the invention of new and improved sources of natural fiber. The development of transportation and communication facilities facilitated the path of transaction of localized skills and textile art among various countries.

Indian textile enjoys a rich heritage and the origin of textiles in India traces back to the Indus Valley Civilization where people used homespun cotton for weaving their clothes. Rig-Veda, the earliest of the Veda

contains the literary information about textiles and it refers to weaving. Ramayana and Mahabharata, the eminent Indian epics depict the existence of wide variety of fabrics in ancient India. These epics refer both to rich and stylized garment worn by the aristocrats and ordinary simple clothes worn by the common people. The contemporary Indian textile not only reflects the splendid past but also cater to the requirements of the modern times.

2.2.3. Textile Industry:

It means “an industry which is engaged in the manufacture of cloth”. This industry produced the largest employment opportunities to satisfy the needs and production. The textile industry is a term used for industries primarily concerned with the design or manufacture of clothing as well as the distribution and use of textiles.

Textile industry is one of the most important industries in India because it produces the essential consumer articles. Before the textile industry took roots in our country, there existed handloom industry which was more in the form of cottage industry.

Textile industries are divided into three categories:

- Spinning or Yarn producing
- Coarse and medium composite
- Fine and Super fine composite

The process of spinning includes

- ✱ Drafting or reducing the cotton to smaller structures
- ✱ Straightening the fibers
- ✱ Twisting the fibers into the yarn

Cloth is then made from the obtained yarn through weaving, knitting or other processes. After weaving, the fabric passes through several processing stages. After some stages the fabric can be directly used in the final product, for example unbleached cloth is used in grain bags. Typical stages are Singeing, De-sizing, Scouring, Bleaching, Mercerizing and Dyeing.

2.2.4. Textile mills & its types:

2.2.4.1. Mill:

The place where goods or products are manufactured is called as a mill. It is an area where all the activities of production are undertaken. In a Cloth Mill all operations regarding yarn, thread, fabric, cloth and clothing are made.

2.2.4.2. Textile Mills:

The place where cloth is manufactured is called as a textile mill. It is based in the conversion of fiber into yarn, then fabric, then textiles. These are then fabricated into clothes or other artifacts. Cotton remains the most important natural fiber, so is treated in depth. There are many variable processes available at the spinning and fabric-forming stages coupled with the complexities of the finishing and colouration processes to the production of a wide range of products. In textile mills all processes are done i.e. right from thread to cloth for ex., spinning, weaving, processing etc. A Textile mill is the unit of manufacturing cloth from cotton or any other synthetic raw material. Every textile mill involves three processes:

- **Spinning:** It is the first process of every textile mill. Fiber is converted into yarn in the spinning department.
- **Weaving:** It is the second process of every textile mill. It depends upon spinning process. Yarn is converted into cloth in weaving department.
- **Processing:** It is the third process of every textile mill in which cloth is converted into finished product after doing necessary processes like bleaching, dyeing, printing and finishing to make the product appropriate and attractive.

Textile Mills usually produces both yarn products and fabric products. Yarn products are cotton yarns, blended yarn, synthetic yarn and specialty yarn. Fabric products are woven fabrics, knitted fabrics, grey and dyed fabrics.

2.2.4.3. Composite Mills:

Spinning, weaving and processing are the three divisions involved in the mill. These three divisions are different from each other in their technology and method of working, yet they are totally dependent on each other for end product. There is a vast technological progress in each of these branches and it is always essential to maintain balance of technologies in these departments so as to attain the desired results. The fiber is converted into yarn in spinning department and yarn is converted into cloth in the weaving department. Thus the cloth is there after made by doing various processes in the form of bleaching, dyeing, printing and finishing, in the processing department to make it saleable.

2.2.4.4. Loom:

The machine for weaving is a loom. Loom are of different types varying in their complexity from the most primitive to the most modern, operate on the same principles. Weaving can be done by hand or it can also be done by using machines. Loom originated from crude wooden frame and gradually transformed into the modern sophisticated electronic weaving

machine. Now-a-days weaving has become a mechanized process though hand weaving is still in practice. There are many other uses for thread like tying up your hair or making fishing lines. The basic purpose of any loom is to hold the warp threads under tension to facilitate the interweaving of the weft threads. The precise shape of the loom and its mechanics may vary, but the basic function is the same. There are two types of looms namely handloom and power loom.

2.2.4.5. Handloom:

A hand loom, or handloom, is any loom that is manually operated, unlike motorized or electrically powered looms. It is an apparatus on which weavers create fabric by interlacing the warp and weft threads. The earliest looms were wooden vertical-shaft looms, with the heddles fixed in place in the shaft. Handloom Textile Weaving includes shawl making, yarn spinning, Khadi weaving and related tasks.

Handlooms are an important craft product and comprise the largest cottage industry of the country. Millions of looms across the country are engaged in weaving cotton, silk and other natural fibers. There is hardly a village where weavers do not exist, each weaving out the traditional beauty of India's own precious heritage.

2.2.4.6. Power loom:

A power loom, yet another type of loom, is a mechanized tool that uses a drive shaft for power. The power loom allowed manufacturers to create textiles much more quickly than with hand-driven looms. In Power loom industry only processing function is done i.e. cloth is converted into finished cloth. It does not include spinning and weaving process.

Due to mechanization, weaving is now done with the help of machines. Machines have increased the production and improved the quality of the final products. But traditional method of handloom weaving is still practiced in some states of India.

2.3. Distribution chain of Cloth Business:

*Middlemen are those traders and merchants who play a role of an intermediary between the producers and consumers in the distribution of goods among the consumers. Distribution within the country is known as "Home Trade" and when it is concerned with the trade beyond the limits of the country it is known as "Foreign trade".

* Ref. – Commerce and Finance by Sohrab R. Davar

With increasing competition in market selection of distribution channels for textiles has become highly specific and selective. Every textile manufacturer must know the right way for distribution through a thorough understanding of cloth markets, customers' requirements and their behaviour. There are various key options for any textile manufacturer to make his products reach the final customer i.e. by way of agent, by way of distributor, by way of dealer, by way of showroom, by way of wholesaler, by way of semi wholesaler and by way of retailer.

2.3.1. Channels of distribution of Cloth:

As discussed earlier cloth is manufactured in textile mill namely in composite mills or handlooms or power looms. Such manufacturers of cloth have different options for promotion of sale. There are several intermediaries between textile producers and consumers or end users. They are collectively called "Business middlemen or simply middlemen". Middlemen can be classified into two categories: Mercantile Agents and Merchant Middlemen.

Cloth manufactured in industry should reach the end user through different channels of distribution. The channels of distribution of cloth are agent, distributor, dealer, wholesaler and retailer.

2.3.2. Meaning and Definition of various terms related to the Distribution chain of cloth business:

These channels of distribution are called as distribution chain of cloth business. Following are the middlemen involved in distribution chain of cloth business:

2.3.2.1. Agency of Cloth Distribution:

Agents are marketing persons of the company or mills who have knowledge about the market or customer. They have personal relationship with cloth wholesaler, or semi cloth wholesaler or cloth retailer. Agent is a person who sells the product i.e. cloth, for commission. Many times commission is taken by agents from both sides i.e. from cloth manufacturer as well as purchaser of cloth. Manufacturer of cloth appoints agent for sale of cloth. They cannot hold stock. They have a bag of sample of cloth and have huge contacts in the market. They generally sell cloth to various wholesalers.

Mercantile agents are agents appointed by the textile producers for supplying raw materials i.e. cotton, fiber etc. to them. These agents are called as buying agents. They may be appointed even by the manufacturer for selling finished cloth to the cloth wholesalers or cloth retailers. They do not deal with the cloth in the capacity as owners. They charge certain commission for providing these services. Commission

agents, factors, brokers, auctioneers are some of the types of mercantile agents.

2.3.2.2. Distributorship of Cloth:

Distributor of cloth is a person who has legal rights of a company to sell its products i.e. cloth. Cloth distributor is a person who sells cloth to the cloth wholesaler as well as cloth retailer. Manufacturer of cloth appoints cloth distributor for a specific area. There is a contract between cloth manufacturer and cloth distributor. Distributor has to hold stock of cloth. He may act as another company's distributor. The working of distributorship depends upon the agreement between cloth distributor and cloth manufacturer.

2.3.2.3. Dealership of Cloth:

Manufacturer of cloth may provide a cloth dealership. Cloth dealer is a person who sells cloth on behalf of cloth manufacturer. For giving dealership there is an agreement between cloth dealer and cloth manufacturer. In dealership there may be a restriction of not selling another company's product. Again it depends upon the agreement between the cloth dealer and cloth manufacturer.

2.3.2.4. Showroom of Cloth:

Showroom is a selling unit of a cloth manufacturer. It may be run by the cloth manufacturer himself or by another person. Other company's products are not allowed to be sold in the manufacturers' showroom. The cloth manufacturer may also offer franchise to other people since it would become difficult for the manufacturer to control all the showrooms on his own.

2.3.2.5. Wholesaler of Cloth:

Wholesale trade is one of the aspects of home trade. It is concerned with movement of goods from producer to retailer. When goods are purchased in large quantities from producer or a manufacturing company and sold in smaller quantities to the retailers, such trade is termed as wholesale trade. A person who is engaged in wholesale trade is termed as wholesaler.

*The *wholesaler* may be defined as a trader who buys from producers in large quantities with the object of selling to retailers or to other traders in smaller quantities.

The wholesaler has been compared with the flying wheel of an engine. He acts as a balancing factor to keep the machine running steadily when

* Ref. - Structure of Commerce by Noel Branton

varying demands are being made upon it. His activity makes it possible for the manufacturer to continue to produce steadily even though the demand of the consumer had dropped temporarily. At the same time he offers a means whereby the retailer can replenish his stocks at short notice. Some manufacturers also operate wholesaling businesses.

In our research study the person who is engaged in wholesale cloth trading is termed as Cloth Wholesaler. A cloth wholesaler is a business middleman. Every cloth manufacturer cannot sell their product directly to each and every final customer. They do need the chain of middlemen. Cloth Wholesalers are one of them. The cloth wholesaler plays an important role in the chain of distribution of cloth.

Cloth wholesalers are middlemen, who buy and sell cloth in their own name and at their own risk. They work for profit. The cloth wholesaler purchases cloth from mercantile agents or cloth manufacturers directly. Wholesaler principally deals with other traders and business users and not with the final consumer.

Wholesalers perform an important function, i.e. purchase in bulk from dealers or producers or manufacturers and sell it to the retailers or to customers as per their requirement. A true cloth wholesaler is himself neither a cloth manufacturer nor a cloth retailer, but acts as a link between the two. Cloth wholesalers are generally divided into three

categories. They are, Cloth Manufacturer Wholesaler, Traditional Cloth Wholesaler and Semi Cloth Wholesaler. The National wholesaler is a large firm which either sells in all parts of the country or, at any rate, over a substantial part of it. The Local wholesaler operates in a region or even mainly in a single town.

Cloth manufacturer wholesalers carry out both activities i.e. cloth manufacturing and wholesale trading. Traditional cloth wholesaler is a specialist person who maintains a large stock of cloth in his shop or go - down or warehouse and sells them to the cloth retailer. Semi cloth wholesaler acts as cloth wholesaler in some type of cloth and cloth retailer in another type of cloth.

A cloth wholesaler has to perform various functions i.e. collection of supplies, distribution of cloth, assembling, warehousing, transporting, information, risk bearing, financing, marketing, packing, grading, price determination etc.

2.3.2.6. Retailer of Cloth:

Retail trade is one of the aspects of home trade. Person engaged in the retail trade is termed as retailer. A retailer is the last link in the chain of distribution of cloth.

A cloth retailer is one who sells primarily to ultimate consumers i.e. end users for non-business use. The cloth retailers buy the cloth in small quantities either directly from the wholesalers or from their mercantile agents or from cloth manufacturers and sell them to end users. Cloth retailers provide convenience for end users by rendering various services i.e. home delivery, credit facility, taking back of defective goods etc. Now a days cloth retailer has to face keen competition due to number of cloth retailers and ready made trend.

2.4. Literature Review:

The concept of literature review involves various studies made relating to the research subject and specialization by different researchers during different times. In this chapter, studies undertaken by various researchers are studied and a brief report of the observations, analysis and conclusions, based on the objectives of their respective study, are presented as review of earlier literature available in the related subject.

This research study is regarding cloth trading business, more specifically to wholesale trading in cloth. In this chapter the researcher has studied the literature review of textile industry and cloth trading. On the whole there are 8 reviews, out of which 7 are studies submitted for Ph.D. Thesis and one book specifically written on the request made by Mill Owners Association, Bombay. These reviews come under the subjects

of, economics, commerce & management. These books are based on observations on the actual position of textile industry during that period. Some of the research thesis was published as books so that they can be used for reference by the future generation. Some were even taken under the curriculum of the universities.

Out of the seven research studies five are related to textile manufacturing and related areas and two studies are related to cloth trading. In this chapter, these studies are presented according to their year of research & publication.

2.4.1. Futures Trading and Futures Market in Cotton with special reference to India in 1942 – by Dr. H.L. Dholakia:

Dr. H. L. Dholakia, from Sir Pratap Sinha College of Commerce and Economics, Baroda, undertook a Systematic study of live subject for advance research in economics and commerce in 1942, under the Baroda University. His study was related to cotton. He observed that, during that period the marketing of agricultural produce was facing problems.

Earlier marketing practices for cotton products were based on trial and error basis. Dr. Dholakia observed that gradually the marketing practices developed from being disorganized to organized sector. He

explained different important functions of futures market. These futures markets helped in the exchange of cotton towards orderly distribution of staple from the field to the factory.

He also observed that the futures market had a history of 75 years. He explained the effects of world war (1914 – 1939) on the cotton exchange in India and foreign countries. He also emphasized the role of cotton exchange in India, cotton prices, badla business, teji mandi transaction, speculation and control of future trading and market. To reduce the problems faced by the cotton trade he recommended that there should be unity in control under the support of single body for a given city or place officially recognized by the statute.

2.4.2. The Indian Cotton Textile Industry during twentieth Century (with special reference to war periods) in 1947 - by Dr. N. H. Thakkar:

Thesis of Dr. N. H. Thakkar, Prof. of Modern Economic Development and Cotton Economics at Sir Kikabhai Premchand College of Commerce, Surat, published by Vora & Co. Publishers Ltd., Bombay, on 24th November 1947. The study was undertaken during the independence period. A brief history of the industry is given from 1854 to 1945 (during which the 1st world war started in 1914 - 1919 and the second world war in 1939 - 1945). The effects of war on the financial structure of the

industry, survey of labour conditions, scarcity of cloth and consequent controls, and the future of the industry during the two wars are discussed in the study.

Cotton Textile Industry in India is perhaps the only industry with which the people of this country are closely connected from the points of investment, employment and as consumers. Prof. Thakkar has made a thorough study of this important subject especially of war times effects on it. Starting with the theoretical approach to the problem and tracing the growth of cotton textile industry in India to the full pros and cons of war economy and the place of India in war time industrialization are discussed in this study. This study is concerned about the organization of the textile industry, operations in the textile mill industry, problems of the textile mill industry (especially with handloom and power loom) and competition of new fibers and decreasing production of cotton.

Dr. Thakkar observed that the textile industry had faced certain problems like supply of dyes, chemicals, machinery, coal, transport, labour problems, high prices, taxation etc. He also observed that India experienced acute shortage of cloth. Production of cloth could not be sufficiently increased. The government tried to protect consumers from exploitation by a series of measures which aimed at controlling the prices and eliminating black markets.

2.4.3. A structure of cotton mill industry in India in 1949 - by Dr. M. M. Mehta:

“A study on the size and location of industrial units in the cotton mill industry of India”, a Thesis of Dr. M.M. Mehta approved for the degree of Doctor of Philosophy by University of Allahabad in 1949. The study was done over a period of three years. The researcher visited all the important cotton manufacturing centers of India.

This study is related to the recent tendencies in the size and location of industrial units in the cotton mill industry of India, to observe developments in the size of industrial units in Bombay, Ahmedabad and rest of India, to find out optimum size of industrial units in the cotton mill industry of India (size of industry & efficiency). The study deals with the problem of industrial location; the study also explains the present distribution system with regard to raw material, power & consumer markets.

Such study observed that distribution of cotton mill in India is extremely uneven both absolutely and in relation to the distribution of the population. Bombay and Ahmedabad, two predominant cotton manufacturing centers together contain over two fifth of the total workers employed in the industry. Such excessive concentration of the cotton mill industry in these two centers together have given rise to

social problems such as over crowding, insanitation, pollution, high mortality rate, traffic congestion, ground of poverty, epidemic, disease and destitution, creation of slums, chawls and bastees, unhygienic condition of life. Any country which takes upon itself the responsibility of protecting the growing industries should see that they are suitably located, in regard to all the productive factors, and with this end in view, may justifiably direct or control industrial location.

The second observation by Dr. M.M. Mehta was that, for the larger interest of national economy and efficiency it is essential that each individual unit secures the maximum economies of production and distribution. He also observed that there should be a wider decentralization of industrial activity. The destruction of one or two industrial centers like Bombay, Ahmedabad and Calcutta may also result in the disorganization and dislocation of entire national economy. He recommended that every Government should formulate a policy which will not only stimulate the fullest utilization of productive resources but also ensure more even distribution of economic activity between different parts of the country to solve the problem of redistribution of industry on regional basis.

2.4.4. The Indian Cotton Textile Industry in 1953 - by Dr. S.D.**Mehta:**

This study was done by Dr. S. D. Mehta for his Ph. D degree in economics, submitted to the University of Bombay, in March 1953. He studied a total of 30 textile mills in India from Bombay, Ahmedabad, Delhi, Coimbatore and Madurai. It is an economic analysis of cotton textile industry. The results may be qualitatively summed up in three phases i.e., diversification of equipment tendencies, toward capital growth and the re-emergence of horizontal trends in the organization in an industry where vertical integration had made remarkable progress.

He observed that after a long period of stability wage rates raised upwards. Labour unrest manifested itself in strike. Labour problems have changed both in their nature and in their emphasis during the course of evolution of cotton mill industry. The hand loom industry was investigated by fact finding committee in 1942. The conclusions of this committee were examined & analyzed by Dr. S. D. Mehta in his study.

He also observed that the structure of cotton textile markets was complex and had become more complex during the war period, the emphasis shifted from production to sales during the war period and the textile mill industry was oriented to wholesalers dominating the industry. Many complex factors created complications in the financial

structure of cotton textile industry. To sum up the Indian cotton textile industry emerged in 1950's with larger measures of complexity from all sides than the case at earlier period of its existence.

**2.4.5. A comprehensive study of Cloth Market of Pune in 1962 -
by Prof. Sulabha Brahme:**

Prof. Sulabha Brahme, submitted her thesis for Ph.D. on "Distribution and consumption of cloth in Poona", in 1958 which was later published in 1962 by Gokhale Institute of Politics and Economics, Poona. The study was started in 1955 and was done over a span of 3 years. The survey which incorporates the result of the field enquiries, conducted in Poona for wholesale and retail markets as well as problems relating to marketing and price determination at different stages of distribution with respect to marketing of cloth.

The study also concentrated on the historical development of cloth market in Poona, structure and working of cloth market, methods of purchase and sale, pricing policies and practices of cloth merchants in Poona, consumption of cloth as per age, sex, group, shopping habits of families like income, occupation, community etc., on clothing expenditure. The value of elasticity with respect to expenditure on clothing and quantity of cloth purchased has also been derived. Such

value of elasticity was found on the basis of clothing expenditure by occupation and clothing expenditure by community.

The study is based on two surveys. One survey was of cloth shops in Pune. In Pune 53 cloth shops were studied. Marketing done by way of newspapers, display and hoardings, and also premium and gift schemes influenced the people of Poona. As regards the pricing policy the wholesalers added a profit margin of 3 to 6% on cost price. The pricing policy of retailers varied according to the quality and variety of cloth from 10 to 25%.

The other survey was of residing families in Poona about their cloth purchases. For household survey 545 families were interviewed. It was observed that income and occupation were two main influences in cloth consumption. Between them also impact of income was predominant. Income was the only variable that could neatly explain variation in clothing expenditure among different groups.

2.4.6. A Study of Different Trades in Pune City in 1973 by Dr. S.B.

Rao:

A study of 240 retail shops of 25 different trades in Pune city was carried out in 1973 by Dr. S.B. Rao. Cloth trading was one of the 25 different trades studied in this survey. The study concentrated on

investment approach and services provided by the different shops and business practices of the shops. The survey found that small shops with little investment and small volume of sales and shops providing personal services had a higher rate of profit as compared to big shops.

The overall conclusion of the survey was that small shops had higher profitability, higher return on investment but small quantum of investment. It was also opined that as the shop grew large in terms of sales and investment, its profitability went down which could mean that business practices and management techniques of retail shops were not suitable for running large scale units.

2.4.7. History of the Indian Cotton Textile Industry in 1979 - by Shri. V.B. Kulkarni:

The History of the Indian Cotton Textile Industry was written by Mr. V. B. Kulkarni, a well known journalist and author in March 1979. He has written many widely read books on a number of subjects. He was with the mill owners association for 15 years. He was asked by the secretary of the mill owners association Mr. R. L. N. Vijayanagar to write the history of Indian cotton mill industry. The book focused on problems of growth, fiscal policy, swadeshi movement, trade agreements, protection, and industrial policy of textiles in plans, cotton, and clothing

in millions, export, modernization, textile machinery, labour, technicians and role of research institutes.

According to Mr. V. B. Kulkarni, India is the ancient home of cotton textiles and holds a pre-eminent position among contemporary cloth and yarn producers of the world and yet her people are insufficiently clothed. It is due to poverty of the people, unchecked growth of Indian population and misjudgment of true relationship between organized mill sector and decentralized sector and the imbalance in the allocation of production targets. *In 1960, many unauthorized power loom mills were working by avoiding excise duty and made competed with the product of handloom industry. Thus power loom sector required to be controlled and properly organized. So, in 1964 power loom enquiry committee was set up under the chairmanship of Mr. Ashok Mehta. The committee suggested the importance and requirement of power loom sector. Handloom could not always remain handloom. It required to be mechanized some day. *National Textile Corporation, a public sector organization, was established in 1968 for unionization of mills. In 1976, 105 mills were taken over by National Textile Corporation.

In conformity with the above mentioned problems, the Janata Government announced a new textile policy on August 7, 1978, as

* Report of Mill Owners Association, Bombay for the year 1960, p.p. 32-42, ref. V.B. Kulkarni pg. no. 191.

* History of Indian Cotton Textile Industry by V.B. Kulkarni, pg. no. 389

promised by the Janata Party in its election manifesto in February 1977. The basic objective of this policy was full employment, encouragement of largely rural based handloom industry and need of encouraging Small Scale Industries to deal with unemployment problems and to end poverty in the country. The whole aim of the August Textile Policy was to galvanize the handloom sector, it was decided not to allow any expansion of weaving in the mill sector. The bulk of additional demand for cloth would be met by the decentralized sector except such increases as might be secured by the organized sector through the modernization of its productive equipment. There would be a similar check on power loom capacity. The existing unauthorized power looms would be registered and regularized. The following table no.2.1 will show us the manufacturing of cloth by the mills and the decentralized sector:

Table no.2.1**Table of manufacturing of cloth**

YEAR	MILL CLOTH*	HANDLOOM CLOTH*	POWERLOOM CLOTH*
1950	3665	805	148
1951	4076	850	157
1952	4599	1109	204
1953	4879	200	221
1954	4998	1318	243
1955	5094	1418	273
1956	5306	1509	278

1957	5317	1648	303
1958	4927	1798	331
1959	4920	1907	351
1960	5048	2201	
1961	5141	2594	
1962	4987	Data not available	
1963	4837		
1964	5089		
1965	5017		
1966	4636		

(*cloth measured in million yards)

YEAR	MILL CLOTH#	DECENTRALISED SECTOR#
1969	4168	3538
1970	4157	3692
1971	3957	3399
1972	4245	3777
1973	4169	3602
1974	4316	3968

(# Cloth measured in million in meters)

(Source taken from History of Indian Cotton Textile Industry by V. B. Kulkarni)

According to Mr. V.B. Kulkarni the cotton mill industry is the country's oldest mechanized enterprise. Its present depression is due to defective planning. It came into existence to check the invasion of the home market by foreign textiles during the British period, but its necessity has

not ceased with the attainment of this object. The August policy statement will perhaps help to regenerate all the three sectors (mill, handloom and power loom sector) of the industry provided it is enforced with its vision and vigor.

2.4.8. Purchase management of textile industries in Solapur city in 1985 - by Dr. C. T. Patankar:

This study was done in February 1985, by Dr. C.T. Patankar for his Ph.D. degree in management, University of Pune. The study highlighted the significant features of various important aspects of purchase management. The city of Solapur was selected for the study because the management of textile mills in metro cities like Bombay, Ahmedabad etc., is different than that of a mill situated at the non-metro city.

Dr. Patankar observed that the advantages available to the textile industries in metro cities in the form of availability of labour, raw material, transport and banking facilities, research and development facilities were more than those available to the industries situated in non-metro cities. Though the above mentioned facilities were scarcely available to the industries situated in non-metro cities, they gave tough competition to the industries situated in metro cities.

He also observed that the textile industry was capital intensive and labour intensive, and had low returns from the investment as compared to other major industries like pharmaceutical and engineering concerns.

2.5. Conclusion

In this chapter the basic concepts regarding cloth manufacturing can be understood i.e., right from fiber to finished cloth. The concept of textile, history of textile industry, textile mills and its types are also studied. The different channels of distribution of cloth are observed. Thus it can be concluded that any manufacturing product, in this case cloth, should reach the ultimate customer through different channels of distribution. Without these channels of distribution, cloth cannot reach the ultimate consumer.

This study is related to one of the middlemen of distribution of cloth i.e. cloth wholesaler. For this research study the researcher went through various literatures in relation to the subject of textile and cloth. Out of the eight literature reviews given above, the aspect of distribution chain of cloth has not been studied. The researcher has taken this aspect for his research study and has focused on various issues involved in the distribution chain of cloth in Maharashtra.
