Anything which is manufactured should reach the end user. For reaching the ultimate customer or end user of the product, manufacturers require the help of middlemen. In case of cloth manufacturing, cloth is sold through intermediaries like agent, distributor, dealer, wholesaler and retailer. These intermediaries play a very important role in the distribution of cloth. If there were no middlemen in the chain of distribution it would have been difficult for the cloth manufacturer to sell their cloth and the end user to fulfill their cloth requirements in time.

As explained in chapter IV, manufacturing of cloth is concentrated in certain areas in Maharashtra. Hence the need for intermediaries to distribute the manufactured cloth to the end user arises. One such intermediary is the Cloth Wholesaler, chosen for this research study. A detailed questionnaire was prepared to collect data from cloth wholesalers in the six cities of Maharashtra namely Mumbai, Pune, Yeola, Solapur, Ichalkaranji and Nagpur.

The responses received from the cloth wholesalers, by the researcher, are collected, recorded, analyzed and presented in this chapter. For easy interpretation of the data the chapter is arranged under eight sub headings as follows:

5.1 Personal information of cloth wholesalers

5.2 Information regarding the business establishments of cloth wholesalers

5.3 Opinion regarding elimination of cloth wholesalers

5.4 Business practices – Purchase of Cloth

5.5 Business practices – Sale of Cloth

5.6 Turnover of the cloth wholesalers

5.7 Employment opportunities in the Wholesale Cloth Business

5.8 Problems faced by the Wholesale Cloth Business

5.1. Personal information of cloth wholesalers

The City wise information regarding the age and the educational qualification of the cloth wholesalers is presented here.

5.1.1. Age of cloth wholesalers:

The following table no. 5.1 shows us the frequency distribution of age of cloth wholesalers.

Table no. 5.1

Frequency distribution of age of cloth wholesalers

Age	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
18 - 32	2	0	0	0	0	0	**2**
33 - 47	5	2	0	4	1	2	**14**
48 - 62	46	13	7	11	26	25	**128**
63 - 77	34	5	0	9	12	13	**73**
> 77	3	0	0	1	1	0	**5**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

In Mumbai, about 51% of the respondents are in the age group of 48 – 62 years, 38% are in the age group of 63 – 77 years, 6% in the age group of 33 – 47 years and 3% above 77years of age and 2% in the age group of 18 – 32 years. In Pune, about 65% of the respondents are in the age group of 48 – 62 years, 25% are in the age group of 63 – 77 years, 10% in the age group of 33 – 47 years and no respondent above 77years of age and in the age group of 18 – 32 years are found.

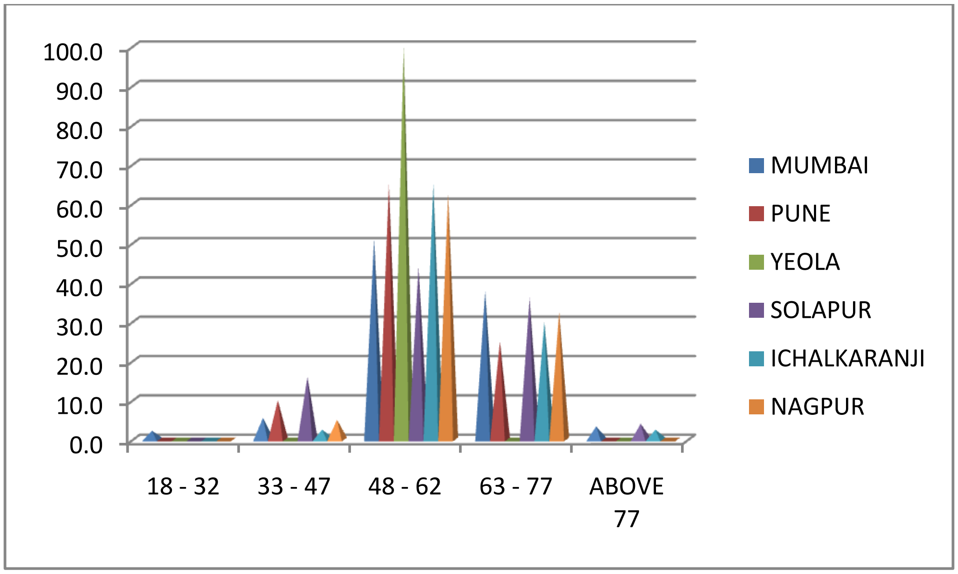
In Solapur, around 44% of the respondents are in the age group of 48 – 62 years, 36% are in the age group of 63 – 77 years, 16% in the age group of 33 – 47 years and 4% above 77years of age. In Ichalkaranji about 65% of the respondents are in the age group of 48 – 62 years, 30% are in the age group of 63 – 77 years, 2.5% each in the age group of 33 – 47 years and above 77years of age.

In Nagpur, about 63% of the respondents are in the age group of 48 – 62 years, 32% are in the age group of 63 – 77 years, 5% in the age group of 33 – 47 years and no respondent above 77years of age and in the age group of 18 – 32 years are found. In Yeola all the respondents are observed to be in the age group of 48 – 62 years.

Graph no. 5.1 gives the summary of age of cloth wholesalers in Maharashtra.

Graph no. 5.1

Age of cloth wholesalers



Out of the total respondents near about 58% are found to be in the age group of 48 – 62 years, 33% in the age group of 63 – 77 years, 6% in the age group of 33 – 47 years, 2% above 77 years of age and 1% in the age group of 18 – 32 years.

Thus the researcher observed that most of the respondents are in the age group of 48 – 62 years and very few in the age group of 18 – 32 years which shows the aversion of young people towards this business.

5.1.2. Educational qualification of cloth wholesalers:

To make the interpretation easier the educational qualification is interpreted under two parts namely graduates and under graduates.

Graduates include graduates, post graduates and professionals. Under graduates includes below 10th Std, 10th Std, 12th Std and under graduates.

In Mumbai, 68% of the respondents are found to be under graduates, 32% are graduates. In Pune, 80% are under graduates and 20% of the respondents are graduates. In Yeola, 71% are under graduates and 29% are graduates. In Solapur 84% are under graduates and 16% are graduates. In Ichalkaranji 80% are undergraduates and 20% are graduates. In Nagpur 77.5% are under graduates and 22.5% are graduates. Table no. 5.2 shows the educational qualification of cloth wholesalers in detail.

Table no. 5.2

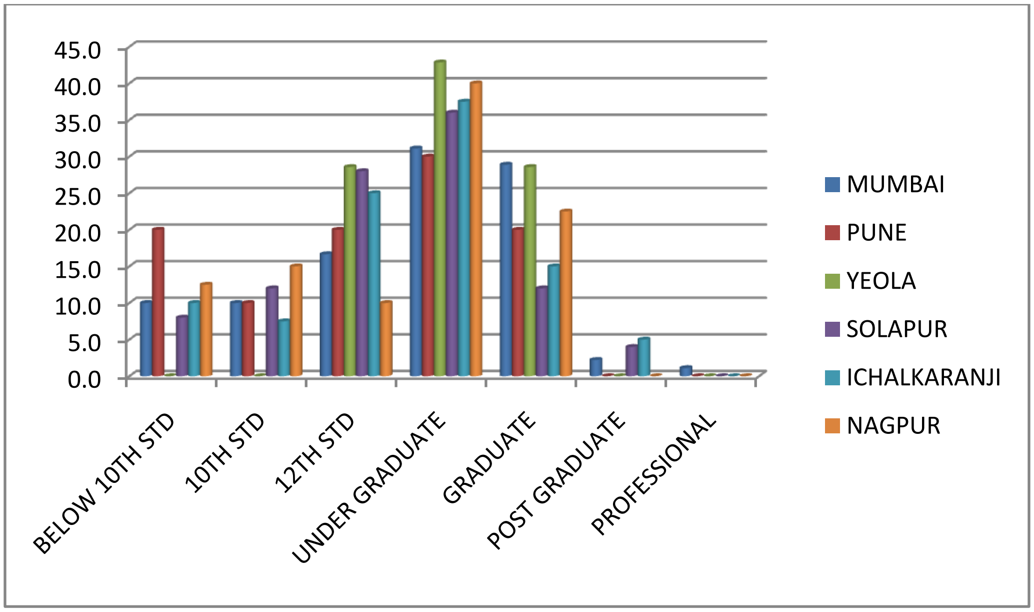
Frequency distribution of educational qualification of cloth wholesalers

Education	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur	Total
BELOW 10TH STD	9	4	0	2	4	5	**24**
10TH STD	9	2	0	3	3	6	**23**
12TH STD	15	4	2	7	10	4	**42**
UNDER GRADUATE	28	6	3	9	15	16	**77**
GRADUATE	26	4	2	3	6	9	**50**
POST GRADUATE	2	0	0	1	2	0	**5**
PROFESSIONAL	1	0	0	0	0	0	**1**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Graph no. 5.2 gives the citywise classification of educational qualifications of the cloth wholesalers.

Graph no. 5.2

Educational qualification of cloth wholesalers



Out of the total respondents around 75% respondents are under graduates and the remaining 25% are graduates. The researcher observed that out of the 222 respondents one respondent from Mumbai has taken professional education i.e. Chartered Accountant.

Through discussions with the cloth wholesalers it was observed that some of the respondents feel that education is essential but some say that experience is more important than education since business is more practical oriented than theoretical knowledge, according to the proverb, 'Practice makes man perfect'. The importance of education according to them is limited only to the extent of making the calcualtions necessary for the business.

5.2. Information regarding the business establishments of cloth wholesalers

This section provides information regarding the business establishment of the cloth wholesalers like forms of business organisations, year of commencement of business, membership with association, insurance for shop and stock, taxes and charges paid by the cloth wholesalers and the types of cloth dealt by the cloth wholesalers.

5.2.1. Forms of business organizations:

The frequency distribution of different forms of business organisations is shown in Table no. 5.3.

Table no.5.3

Frequency distribution of forms of business organisations of cloth wholesalers

Form of business	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
Proprietary	59	15	6	18	27	29	**154**
Partnership	26	5	1	4	10	9	**55**
Ltd. Company	4	0	0	2	1	1	**8**
Others	1	0	0	1	2	0	**4**
No Answer	0	0	0	0	0	1	**1**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

In Mumbai 66% cloth wholesalers are proprietary concerns, 29% are partnerships, 4% are limited companies and 1% are in other forms of business organisations like HUF. In Pune 75% are proprietors and 25% are partnership firms. In Yeola 86% are proprietary concerns and 14% run partnership firms.

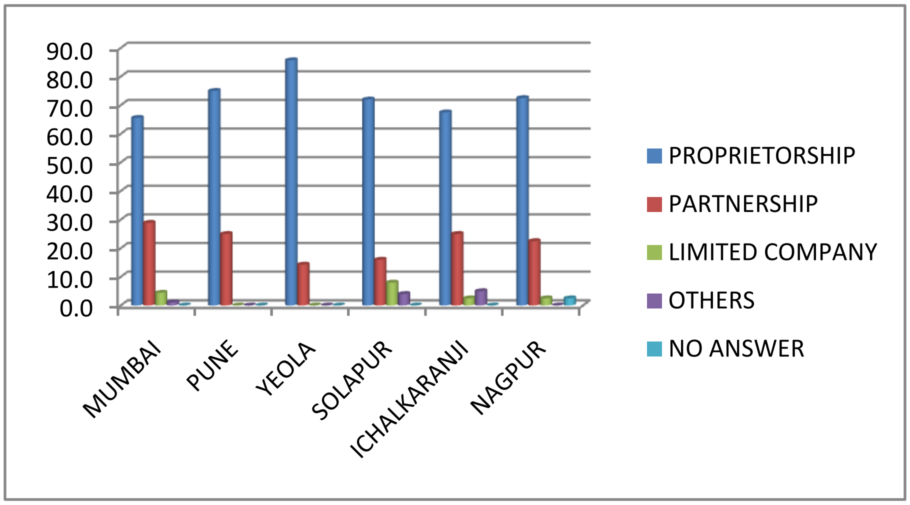
In Solapur 72% proprietary concerns are observed and 16% are partnership firms, 8% are limited companies and 4% are in other category of business. In Ichalkaranji 67.5% are proprietors, 25% partnership firms, 2.5% limited companies and 5% are in other forms of business organisations. In Nagpur 72.5% are proprietary concerns, 22.5% are partnership firms, 2.5% are limited companies and 2.5% did not prefer to answer the question.

In Maharashtra near about 69% wholesale cloth business are run under proprietorship concern, 24% are under partnership firm, 4% under limited companies, 2% are run under other category like HUF. and approximately 1% did not prefer to answer the questions stating confidential reasons.

In Pune, Ichalkaranji and Nagpur near about 22% to 25% are partnership firms. Limited companies are more in Solapur when compared to other cities. Other forms of business organisations like HUF, is observed more in Ichalkaranji at 5% and hardly 1% is observed in Mumbai and 4% is observed in Solapur. In Pune and Yeola no limited company form of business are observed. The graph no. 5.3 will explain precisely the forms of business organisations in Maharashtra.

Graph no. 5.3

Forms of business organisation of cloth wholesalers



As compared to partnership firms and limited companies, most businessmen are in favour of proprietary form of business since it gives freedom in operations and decision making is done solely by the proprietor without any interference.

5.2.2. Year of commencement of business:

In Mumbai near about 38% of the total respondents commenced their wholesale cloth business between the years 1969 – 1978, 27% between 1959 – 68, 21% between 1979 -1988, 7% between 1949 – 1958, 4% during 1989 – 1998 and 3% commenced business between 1999 –

2008. In Pune 40% started their business between the years 1969 – 1978, 25% between 1959 – 68, 25% between 1979 -1988, 10% between 1949 – 1958. During 1989 – 1998 and 1999 – 2008 no respondent was found to have commenced wholesale cloth business. In Yeola, 57% commenced business during 1969 – 78, and 43% commenced business during 1979 – 1988.

In Solapur during the year 1969 – 1978, 36% commenced business and during 1959 – 1968, 20% commenced business, between the years 1979 – 1988, 28% commenced business, 4% commenced business during 1989 – 1998. 12% of the respondents in Solapur did not answer the question. In Ichalkaranji 40% commenced business during 1969 – 1978, 37.5% during 1979 -1988, 15% during 1959 – 1968 and 2.5% during 1989 – 1998 while 5% did not prefer to answer the question.

In Nagpur 52.5% ventured into wholesale cloth business during 1969 – 1978, 12.5% during 1979 – 1988, 20% during 1959 – 1968, 2.5% during 1949 – 1958, during the year 1989 – 1998, 5% commenced business whereas 7.5% did not answer the question.

The following table no. 5.4 and graph no. 5.4 exhibits the year wise frequency distribution of year of commencement of business by the cloth wholesalers.

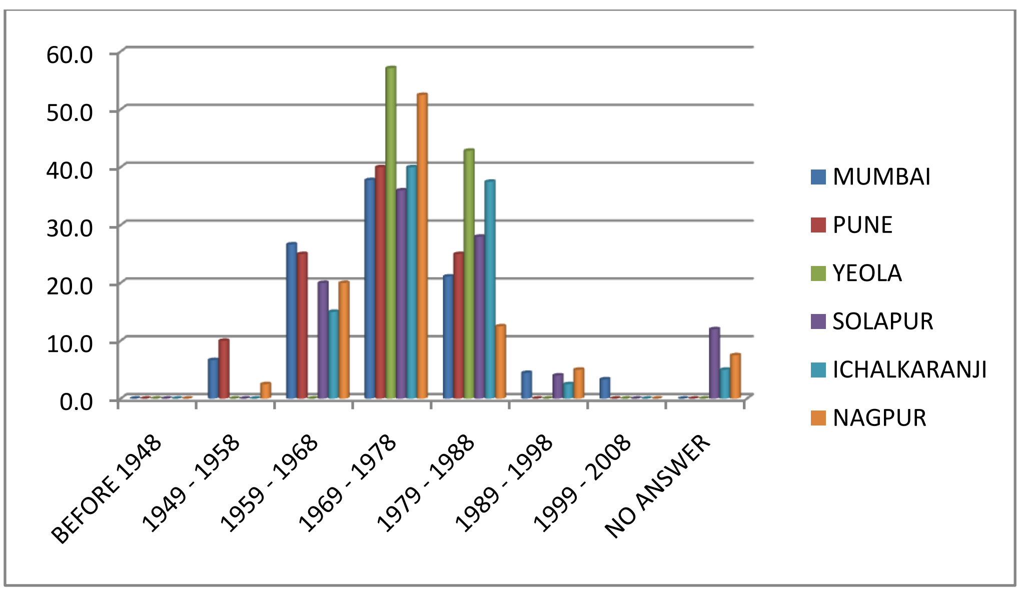
Table no.5.4

Frequency distribution of year of commencement of business of cloth wholesalers

Year	Mumbai	Pune	Yeola	Solapur	Ichalkar anji	Nagpur	Total
BEFORE 1948	0	0	0	0	0	0	**0**
1949 - 1958	6	2	0	0	0	1	**9**
1959 - 1968	24	5	0	5	6	8	**48**
1969 - 1978	34	8	4	9	16	21	**92**
1979 - 1988	19	5	3	7	15	5	**54**
1989 - 1998	4	0	0	1	1	2	**8**
1999 - 2008	3	0	0	0	0	0	**3**
NO ANSWER	0	0	0	3	2	3	**8**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Graph no. 5.4

Year of commencement of business of cloth wholesalers



Out of the total 222 respondents in Maharashtra, 41% ventured into wholesale cloth business between the years 1969 – 1978, 24% ventured between 1979 – 1988, 22% ventured during 1959 – 1968, 4% each ventured during 1949 – 1958 and 1989 – 1998 while 1% ventured between the years 1999 – 2008. 4% of the total respondents did not answer the question.

Thus we can understand that the maximum number of respondents i.e. 91% of the total respondents established their business before the year 1988. The researcher has observed that there are very few new entrants in the wholesale cloth business.

5.2.3. Member of wholesale cloth association:

The table no. 5.5 discloses the frequency distribution of membership of wholesale cloth association.

Table no.5.5

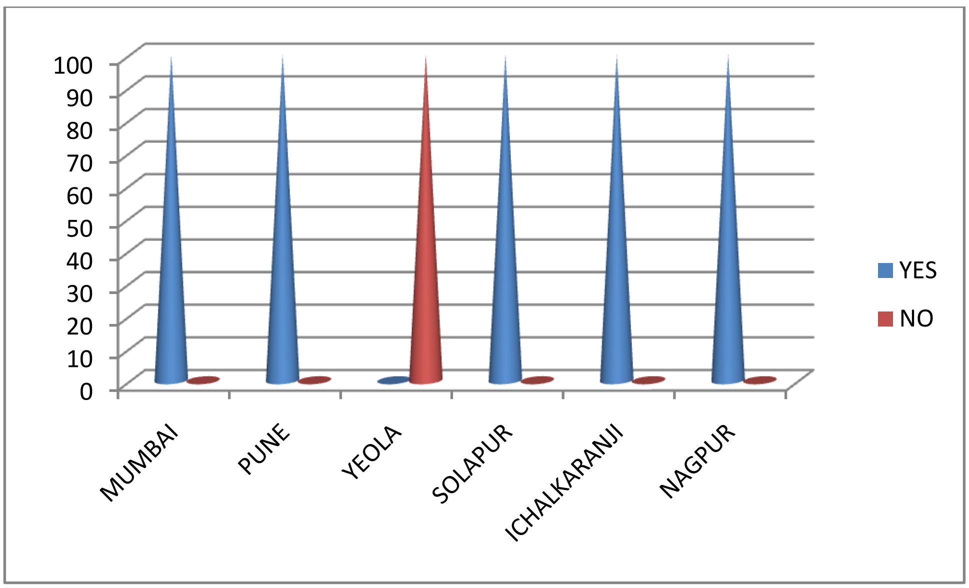
Frequency distribution of membership of wholesale cloth association

Membership	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
YES	90	20	0	25	40	40	**215**
NO	0	0	7	0	0	0	**7**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

The list of Wholesale cloth traders was obtained by the researcher from five cities namely, Mumbai, Pune, Ichalkaranji, Solapur and Nagpur whereas in Yeola the list could not be obtained since the wholesale cloth association is not in existence in Yeola. Hence apart from Yeola, all the respondents i.e. 100%, from the above mentioned five cities are members of Wholesale Cloth Association working in their respective cities. Graph no. 5.5 explains membership of cloth wholesalers in the wholesale cloth associations.

Graph no. 5.5

Membership of wholesale cloth associations



5.2.4. Insurance for shop and stock:

In Mumbai about 97% of the respondents have insured their Stock and Shop against risks and losses while the remaining 3% do not feel the need to insure their stock and shop. In Pune, Yeola and Solapur 100% of the respondents have insured their stock and shop. In Ichalkaranji

97.5% and in Nagpur 95% have insured their stock and shop and 2.5% of the respondents from Nagpur have not insured their stock and shop. The remaining 2.5% from Ichalkaranji and Nagpur did not answer the question. Table no. 5.6 gives you an idea about the insurance taken for shop and stock.

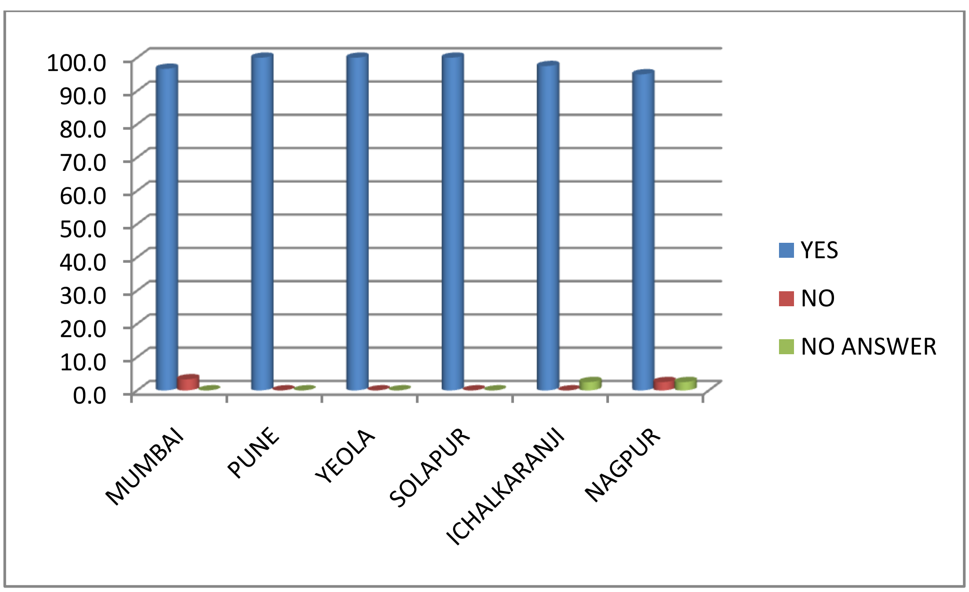
Table no. 5.6

Frequency distribution of insurance of shop and stock of cloth wholesalers

Insurance	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
YES	87	20	7	25	39	38	**216**
NO	3	0	0	0	0	1	**4**
NO ANSWER	0	0	0	0	1	1	**2**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Graph no. 5.6

Insurance of shop and stock of cloth wholesalers



Graph no. 5.6 clearly shows that out of the total respondents approximately 97% have insured their stock and shop and 2% have not taken insurance for their stock and shop. 1% of the total respondents did not answer the question.

Thus it can be said that the respondents are well aware regarding the benefits derived from the insurance policy. The researcher observed that in Mumbai, Solapur and Ichalkaranji the cloth wholesalers have taken insurance cover for their offices and warehouses, since the goods purchased in bulk are stored in the warehouses.

5.2.5. Taxes and Charges of Government:

In Mumbai 98% of the respondents pay income tax, 93% pay municipal tax, 86% pay octroi, 9% pay custom duty, 10% pay other taxes like profession tax and 4% denied answer to the question. In Pune 100% of the respondents pay income tax and octroi, 95% pay municipal tax, 15% pay custom duty and 10% pay other taxes like profession tax. In Yeola 100% of the respondents pay income tax and municipal tax, 14% pay custom duty, 29% pay other taxes like profession tax.

Table no. 5.7 gives the frequency distribution of taxes and charges of the government paid by the cloth wholesalers.

Table no.5.7

Frequency distribution of taxes and charges of government paid by the cloth wholesalers

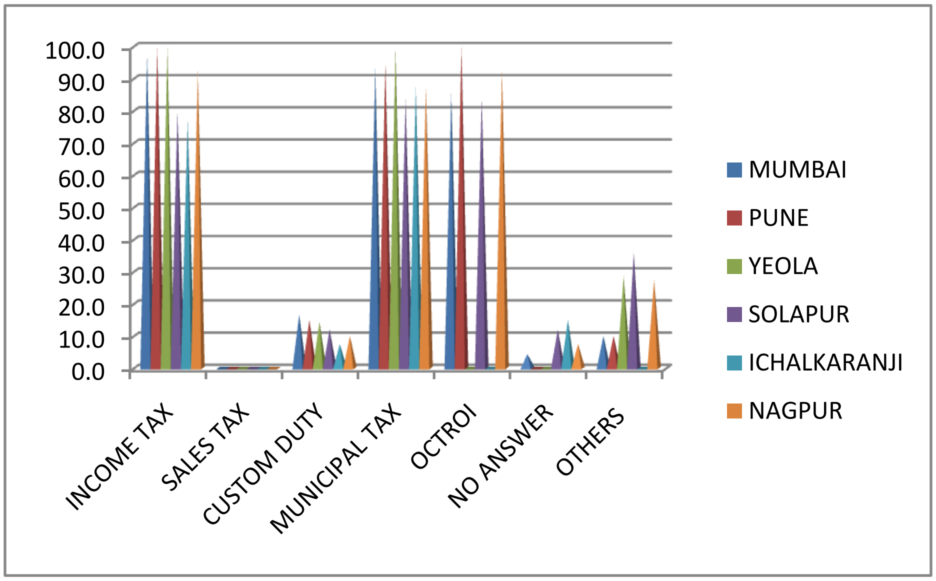
Taxes / Charges	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
INCOME TAX	88	20	7	20	31	37
SALES TAX	0	0	0	0	0	0
CUSTOM DUTY	8	3	1	3	3	4
MUNICIPAL TAX	84	19	7	21	35	35
OCTROI	77	20	0	21	0	37
NO ANSWER	4	0	0	3	6	3
OTHERS	9	2	2	9	0	11
TOTAL RESPONDENTS	**90**	**20**	**7**	**25**	**40**	**40**

In Solapur 84% of the respondents pay municipal tax and octroi, 80% pay income tax, 12% pay custom duty and 12% denied answering the question. 36% of the respondents in Solapur pay other taxes like professional tax. In Ichalkaranji 77.5% pay income tax, 7.5% pay custom duty, 87.5% pay municipal tax while 15% did not answer the question. In Nagpur 92.5% pay income tax and octroi, 10% pay custom duty, 87.5% pay municipal tax, 7.5% refused to answer the question and 27.5% pay professional tax.

Out of the total respondents in Maharashtra 91.4% pay income tax, 9.90% pay custom duty, 90.5% pay municipal tax, 69.80% pay octroi, 7.20% denied to answer the question and 14.9% pay other taxes like professional tax. Graph no. 5.7 gives a pictorial view of the taxes and charges of the government paid by the cloth wholesalers.

Graph no. 5.7

Taxes and charges of government paid by the cloth wholesalers



The researcher has observed that, cloth being one of the basic needs of human beings has been exempted from Sales Tax. Accordingly the Maharashtra State Government had declared that octroi will be abolished from the state. But octroi is still charged in Mumbai, Pune, Solapur and Nagpur. In Mumbai the respondents said that they have to pay octroi within Mumbai since there are different corporations working in Mumbai considering the size of the city. But it is observed that octroi is still an unsolved problem.

5.2.6. Types of cloth dealt in:

In Mumbai around 96% of the cloth wholesalers deal in cotton, 62% deal in polyester, 63% each in terecot and fancy cloth, 58% in spun and 29% in other types of cloth. In Pune 100% of the respondents deal in cotton, terecot and spun, 95% deal in polyester, 85% deal in fancy cloth and 30% deal in other types of cloth. In Yeola, 100% of the respondents deal in cotton and polyester, 71% deal in spun and fancy cloth and 43% deal in terecot and other types of cloth.

In Solapur 100% respondents deal in cotton, 84% deal in polyester and spun, 80% deal in fancy cloth, 76% deal in terecot and 44% deal in other types of cloth. In Ichalkaranji 100% of the cloth wholesalers deal in cotton, polyester and terecot is traded by 78% of the respondents, 40% deal in spun and other types of cloth and 75% deal in fancy cloth. In Nagpur, 97.5% deal in cotton and spun, 72.5% in polyester, 80% in terecot, 67.5% in fancy cloth and 42.5% deal in other types of cloth.

Out of the 222 respondents 98% deal in cotton, 78% in polyester and terecot, 69% in spun, 70% in fancy and 36% deal in other types of cloth like swiss cotton, silk, wool etc.

The table no. 5.8 shows the details regarding types of cloth traded.

Table no.5.8

Frequency distribution of types of cloth traded by the cloth wholesalers

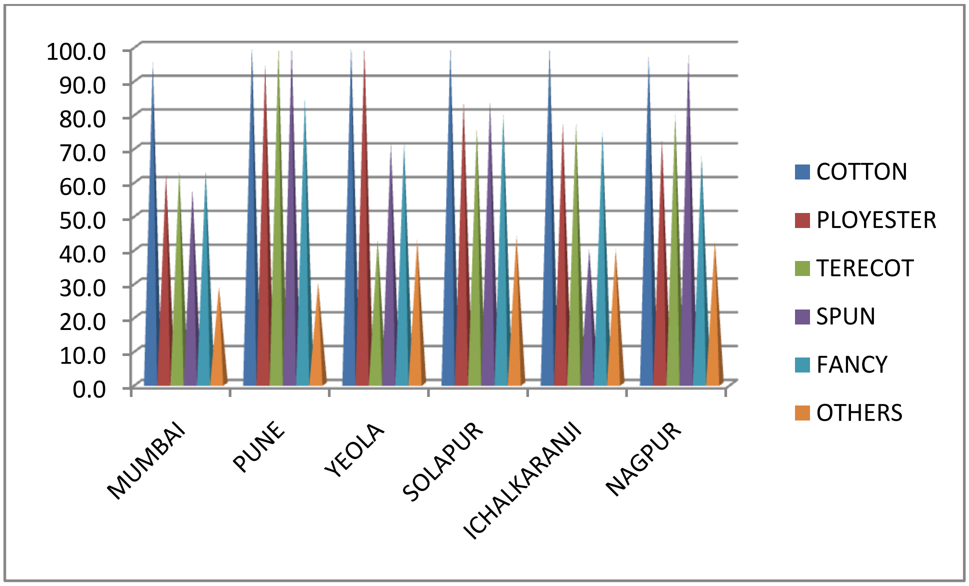
Cloth Type	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
COTTON	86	20	7	25	40	39
PLOYESTER	56	19	7	21	31	29
TERECOT	57	20	3	19	31	32
SPUN	52	20	5	21	16	39
FANCY	57	17	5	20	30	27
OTHERS	26	6	3	11	16	17
Total Respondents	**90**	**20**	**7**	**25**	**40**	**40**

Other than Mumbai and Nagpur the cloth wholesalers in Pune, Yeola, Ichalkaranji and Solapur deal 100% in cotton. As regards polyester, Yeola tops the chart with 100% followed by Pune and solapur with 95% and 84%. Pune cloth wholesalers deal 100% in terecot followed by Nagpur with 80%. In fancy cloth also Pune leads with 85% followed by solapur with 80%. In spun Pune cloth wholesalers deal 100% and traders in Nagpur deal 97.5%. In other varieties of cloth mentioned above Solapur is the majority trader at 44% followed by Yeola at 42.9%.

From the graph no. 5.8 we can conclude that a very large majority of the respondents deal in cotton. Around 70% deal in polyester, terecot, spun and fancy cloth. 36% i.e. about 1/3rd of the total respondents, deal in other types of cloth i.e. swiss cotton, silk, wool etc. This is explained in graph no. 5.8.

Graph no. 5.8

Types of cloth traded by the cloth wholesalers



5.3. Opinion regarding elimination of cloth wholesalers

The following table no. 5.9 expresses the opinion regarding elimination of cloth wholesalers.

Table no.5.9

Frequency distribution of opinion regarding elimination of cloth wholesalers

Particulars	**Mumbai**	**Pune**	**Yeola**	**Solapur**	**Ichalk aranji**	**Nagpur**	**Total**
YES	85	19	5	18	30	38	**195**
NO	5	1	2	6	10	2	**26**
NO ANSWER	0	0	0	1	0	0	**1**
Total respondents	**90**	**20**	**7**	**25**	**40**	**40**	**222**

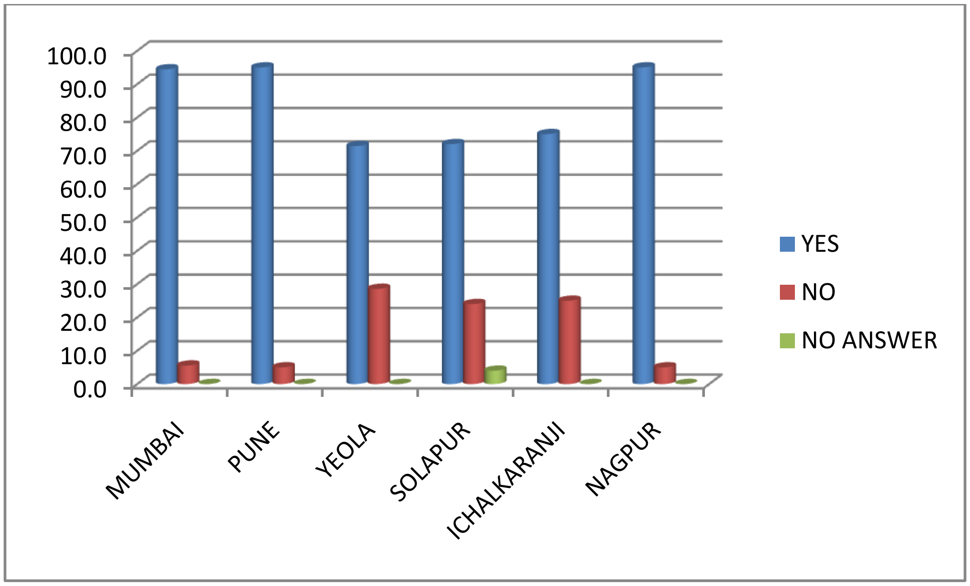
In Mumbai 94% of the respondents think that cloth wholesalers are being eliminated from the distribution chain of cloth business. The remaining 6% do not feel so. In Pune 95% of the respondents are of the opinion that, cloth wholesalers are being eliminated whereas 5% do not accept this. In Yeola around 71% of the respondents are positive that elimination of wholesalers is happening and remaining 29% are negative about the question.

In Solapur 72% feel that the cloth wholesalers are being ignored and eliminated from the distribution chain whereas 24% said that they are not being eliminated from the distribution chain and 4% did not answer the question. In Ichalkaranji 75% of the respondents are in favour of elimination of cloth wholesalers while 25% are against it. In Nagpur 95% think that elimination of cloth wholesalers is there as against 5% who do not think so.

Out of the total respondents about 87% of the respondents feel that the cloth wholesalers are being ignored and hence eliminated from the distribution chain of cloth business. Around 12% respondents were against this opinion while just about 1% of the respondents denied answer to this question. Hence from the above discussion we can say that most of the respondents think that cloth wholesalers are being eliminated from the chain of distribution of cloth business. The graph no. 5.9 demonstrates the opinion regarding elimination of cloth wholesalers.

Graph no. 5.9

Opinion regarding elimination of cloth wholesalers



5.3.1. Reasons for elimination of cloth wholesalers

In Mumbai the reasons for elimination given by the respondents are 79% for readymade garments, 81% due to competition, 66% because of lesser profit margin, 84% due to direct sale by cloth manufacturers or agents to the cloth retailers, 5% think due to other factors the cloth wholesalers are getting eliminated and 1% did not answer the question.

In Pune 100% respondents feel that the reasons are readymade garments, competition and less profit margin, 85% feel that it is due to direct sale made to the cloth retailers avoiding the cloth wholesalers and 5% quote other reasons.

In Yeola 72% say that readymade garment and fewer profit margins are the main reasons where as 57% say that competition and direct sale to cloth retailers are the reasons for elimination of the cloth wholesalers while 29% denied answer to the question.

In Solapur and Ichalkaranji 100% of the respondents are of the opinion that the reasons for elimination are due to direct sale made to cloth retailers by cloth manufacturers or agents, thus avoiding the cloth wholesalers. In Solapur 88% and in Ichalkaranji 92.5%, feel that, the elimination is due to readymade garments and competition.

Fewer profit margins have been stated as a reason for elimination of cloth wholesalers by 88% in Solapur, 95% in Ichalkaranji and 85% in Nagpur. In Nagpur 100% of the respondents are of the opinion that cloth wholesalers are eliminated due to readymade garments, above 80% think that it is due to completion and lesser profit margins and 90% feel that direct sale to cloth retailers are reasons for elimination of cloth wholesalers and 5% refused to answer the question.

Out of the total respondents 88% say readymade garments, 85% say competition, 80% say lesser profit margins, 89% say direct sale to cloth retailers by cloth manufacturers or agents, 3% say other factors like cloth manufacturers' own outlets in the city, are the reasons behind elimination of the cloth wholesalers. 1% of the respondents denied answer to the question. Table no. 5.10 and graph no. 5.10, points out, the reasons, for elimination of cloth wholesalers.

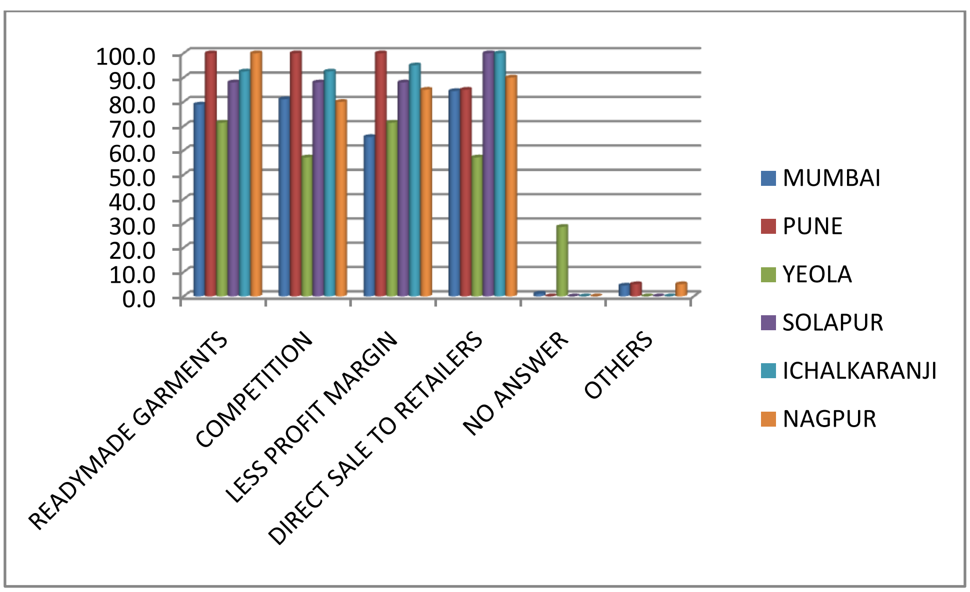
Table No.5.10

Frequency distribution of reasons for elimination of cloth wholesalers

Reasons	Mumbai	Pune	Yeola	Solapur	Ichalka ranji	Nagpur
READYMADE GARMENTS	71	20	5	22	37	40
COMPETITION	73	20	4	22	37	32
LESS PROFIT MARGIN	59	20	5	22	38	34
DIRECT SALE TO RETAILERS	76	17	4	25	40	36
NO ANSWER	1	0	2	0	0	0
OTHERS	4	1	0	0	0	2
Total respondents	**90**	**20**	**7**	**25**	**40**	**40**

Graph no. 5.10

Reasons for elimination of cloth wholesalers



From the above explanation we can say that the major reason behind elimination of cloth wholesalers from the chain of distribution of cloth is direct sale made by the cloth manufacturer or agents to the cloth retailers. The second major reason is the preference for readymade garments and the third major reasons is due to competition within the city and within the state.

5.4. Business practices – Purchase of cloth

Under this heading the business practices followed by the cloth wholesalers regarding purchase of cloth will be studied.

5.4.1. Dealership

In Mumbai 14% of the respondents have dealership while 86% are not dealers of any company. In Pune 30% are dealers while 70% do not have dealership of any company. In Yeola and Solapur no dealers were found by the researcher. In Ichalkaranji 2.5% have dealership and 97.5% are not dealers of any company. In Nagpur 7.5% are dealers and 92.5% are not dealers for any company.

The frequency distribution of dealership of a company is shown in table no. 5.11.

Table no.5.11

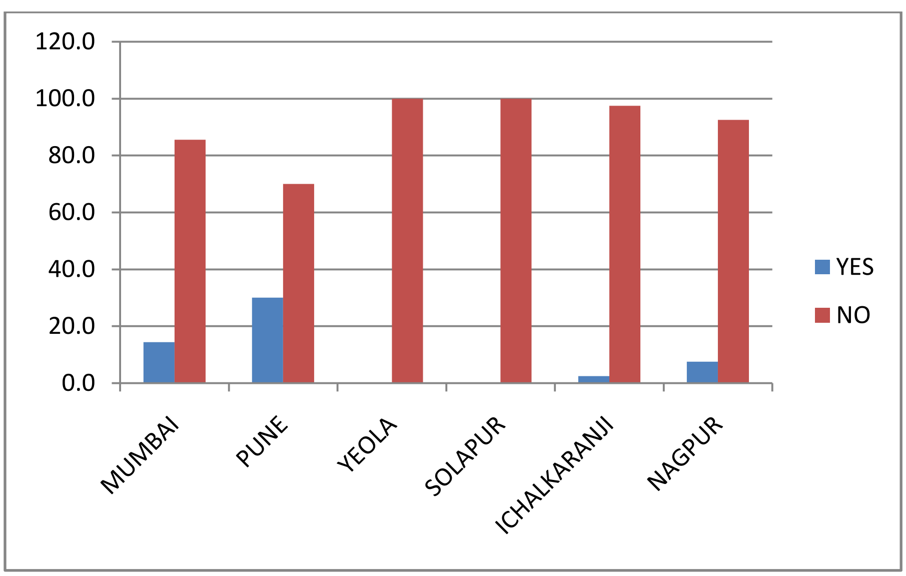
Frequency distribution of dealership of a company of cloth wholesalers

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
YES	13	6	0	0	1	3	**23**
NO	77	14	7	25	39	37	**199**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Out of the total responsents 10% are dealers for some company or the other while 90% do not hold dealership of any company due to restrictions imposed by the companies regarding sale of their products. The researcher observed that in Pune cloth wholesalers with dealership of a company are more in number when compared to other five cities. Graph no. 5.11 reveals the position of dealership taken by the cloth wholesalers.

Graph no. 5.11

Dealership of a company of cloth wholesalers



5.4.2. Purchase of cloth – Market and middlemen involved

The cloth wholesaler can buy his requirements from different markets and from different middlemen or manufacturer directly. So this question is divided into two sub parts for better interpretation as purchase from market and purchase from middlemen.

5.4.2.1. Purchase of cloth – Market

Table no. 5.12 gives the percentage analysis regarding purchase of cloth from different markets by the cloth wholesalers.

Table no.5.12

Percentage analysis of average purchase of cloth from market by cloth wholesalers

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur
LOCAL MARKET	54.89	23.90	60.57	46.44	60.88	35.58
OUTSIDE THE CITY	28.42	63.70	28.42	31.66	24.62	57.65
OUTSIDE THE STATE	16.25	12.40	11.01	21.90	14.50	6.77
IMPORT	0.44	0.00	0.00	0.00	0.00	0.00
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

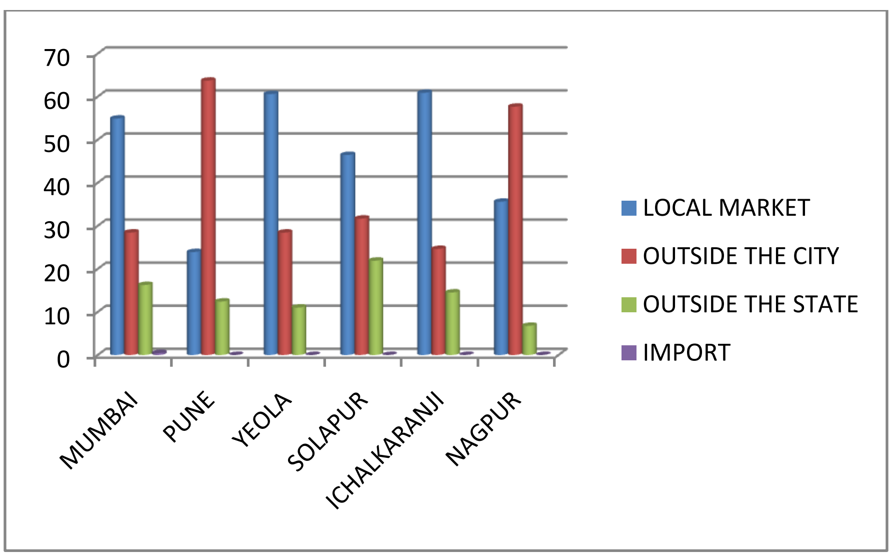
In Mumbai out of the total purchases made by the cloth wholesalers about 55% is made from the local market, 28% purchases are from outside the city, 16% purchases are from outside the state and just about 1% purchases are through imports from other countries. In Pune

64% purchases are from outside the city, 24% from the local market and 12% outside the state.

In Yeola 61% purchases are from local market, 28% from outside the city and 11% is from outside the state. In Solapur 46% purchases are from the local market, 32% from outside the city and 22% from outside the state. In Ichalkaranji 61% buy from the local market, 25% buy from outside the city and 15% buy from outside the state. In Nagpur 35% purchases are from local market, 58% are from outside the city and 7% purchases are from outside the state. The graph no. 5.12 gives us the city wise comparison of cloth purchases made by the cloth wholesalers from different markets.

Graph No. 5.12

Purchase of cloth from market by cloth wholesalers



Out of the total purchases 47.04% of the purchase of cloth is made from the local market, 39.08% buy from outside the city, 13.81% buy from outside the state and only 0.07% import from outside the country. Thus from the above it is clear that around 86% of the total purchases of the cloth wholesalers is done within the state of Maharashtra. The researcher also observed that purchase of cloth from outside the city is more in Pune and Nagpur when compared to the other cities since manufacturing is less in these cities than Mumbai, Yeola, Solapur and Ichalkaranji. So the cloth wholesalers from these cities have to fulfill their requirements through purchases from other cities.

5.4.2.2. Purchase of cloth – Vendors (middlemen)

Table no. 5.13 gives the percentage analysis of purchase of cloth made from different vendors.

Table no.5.13

Percentage analysis of average purchase of cloth from vendors by cloth wholesalers

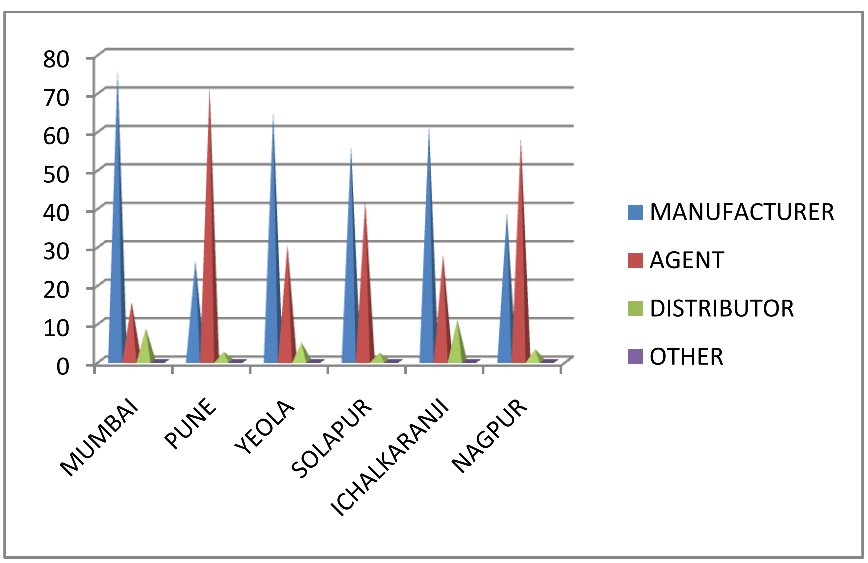
Vendor	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
MANUFACTURER	76.05	26.15	64.85	56.07	61.38	38.70
AGENT	15.35	71.40	30.29	41.75	27.75	58.18
DISTRIBUTOR	8.60	2.45	4.86	2.18	10.87	3.12
OTHER	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

In Mumbai, 76% purchase cloth directly from cloth manufacturers, 15% from agents and 9% from distributors. In Pune 26% purchases are from cloth manufacturers, 72% from agents and around 2% from the distributors. In Yeola 65% purchases are from cloth manufacturers, 30% from agents and 5% are from distributors.

In solapur 56% of the total purchases are made from cloth manufacturers, 42% from agents and 2% from distributors. In Ichalkaranji 61% of purchases are from cloth manufacturers, 28% are from agents and 11% from distributors. In Nagpur 39% are bought from cloth manufacturers, 58% from agents and 3% of the purchases are from distributors. The following graph no. 5.13 illustrates the purchases made by the cloth wholesalers from different vendors.

Graph no. 5.13

Purchase of cloth from vendors by cloth wholesalers



Out of the total purchases 54% purchases are from cloth manufacturers directly, 41% from cloth agents and 5% buy from cloth distributors. Hence we can conclude that more than half of the purchases of cloth are from cloth manufacturers and very few buy from cloth distributors. It can also be observed that since cloth manufacturing industries are more in Mumbai, Solapur, Ichalkarnji and Yeola, purchase of cloth from manufacturers is more in these cities whereas purchase of cloth from agents is more in Pune and Nagpur.

5.4.3. Purchase policy

In Mumbai 14% of the respondents purchase cloth by paying cash immediately and 86% purchase cloth on credit basis. In Pune 13% buy on cash and 87% buy on credit. In Yeola 24% buy using cash and 76% buy on credit. In Solapur 18% purchases are made in cash and 82% are in credit. In Ichalkaranji cash purchases are 21% and 79% of the purchases are made on credit basis. In Nagpur 17% are cash purchases and 83% are credit purchases.

Out of the total respondents in Maharashtra 18% respondents buy cloth on cash basis and the remaining 82% buy on credit basis. Thus we can conclude that wholesale cloth business is run mostly on credit basis. The table no. 5.14 and graph no. 5.14 explicitly show the percentage analysis of the purchase policy of the cloth wholesalers.

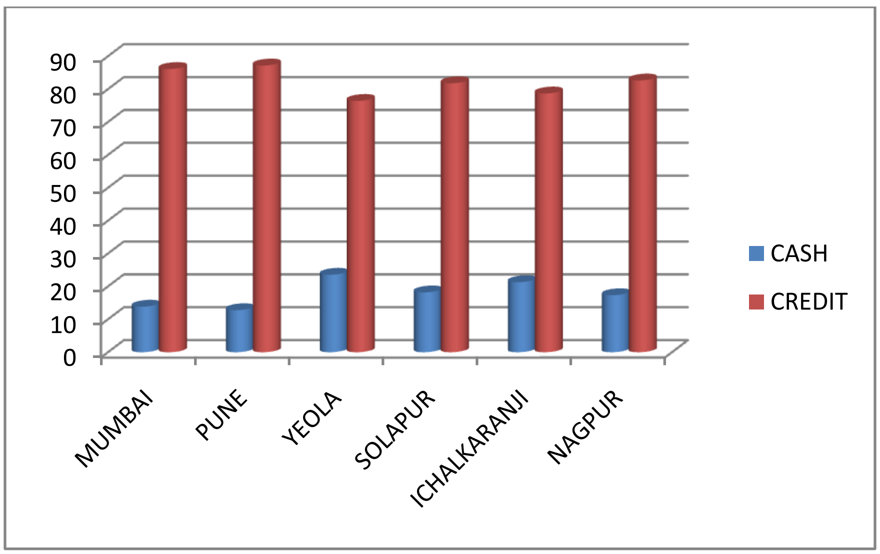
Table no. 5.14

Percentage analysis of average purchase policy of the cloth wholesalers

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur	Total
CASH	13.86	12.8	23.57	18.2	21.3	17.35	**107.08**
CREDIT	86.14	87.2	76.43	81.8	78.7	82.65	**492.92**
TOTAL	**100**	**100**	**100**	**100**	**100**	**100**	**600**

Graph no. 5.14

Purchase policy of cloth wholesalers



5.4.4. Discount received

In Mumbai about 29% respondents receive 1% to 3% discount for their cash purchases, while 66% receive 4% to 6% discount and the remaining 5% receive discount of up to 7% to 9% on their cash purchases. In Pune 60% get 4% to 6% discount, 20% get 7% to 9%

discount, 15% get 13% to 15% discount and 5% get a discount of 1% to 3% on their cash purchases.

In Yeola about 72% get discount between 4% to 6 %, 14% of the respondents get 1% to 3% and another 14% respondents get 7% to 9% discount. In Solapur 56% of the respondents get discount between 4% and 6%, 28% get discount between 1% to 3% and 16% get discount between 7% and 9%. In Ichalkaranji discount received by 53% is between 4% and 6%, 30% get between 7% and 9%, near about 17% get discount between 1% and 3%. In Nagpur 12.5% get discount up to 1% to 3%, 75% get around 4% to 6% discount and 12.5% get discount of 7% to 9%.

The table no. 5.15 shows the frequency distribution of discount received by the cloth wholesalers for cash purchases.

Table no.5.15

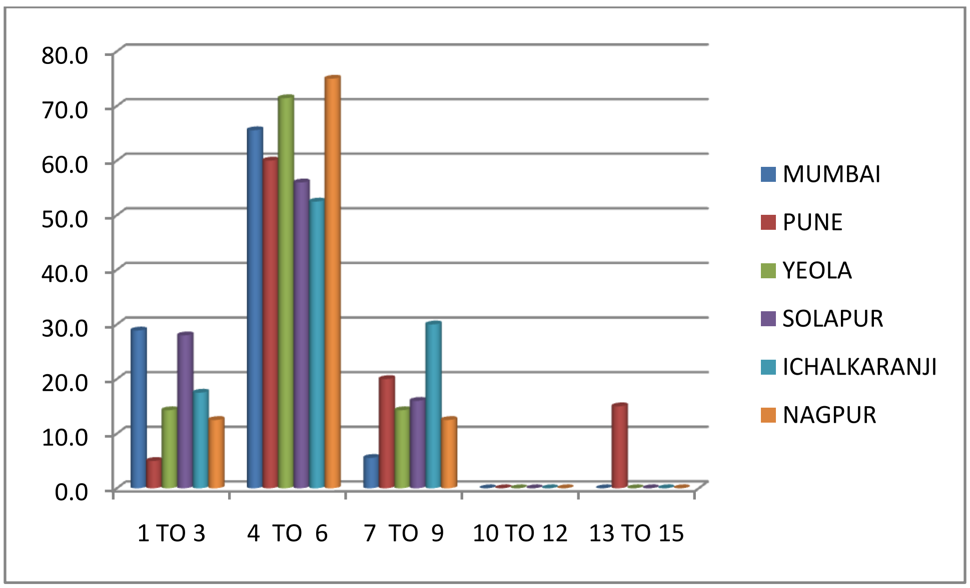
Frequency distribution of discount received by the cloth wholesalers

Rate of Discount	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
1 TO 3	26	1	1	7	7	5	**47**
4 TO 6	59	12	5	14	21	30	**141**
7 TO 9	5	4	1	4	12	5	**31**
10 TO 12	0	0	0	0	0	0	**0**
13 TO 15	0	3	0	0	0	0	**3**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Out of the total respondents 21% respondents received discount in between 1% and 3%, 64% of the respondents received 4% to 6% discount, and 14% received discounts up to 7% to 9% and just about 1% received discount of 13% to 15% on their cash purchases. We can conclude by saying that in all the six cities it was observed that the cloth wholesalers received 4% to 6% discount for their cash purchases. The pictorial representation of discount received by the cloth wholesalers is given in graph no. 5.15.

Graph no. 5.15

Discount received by the cloth wholesalers



5.4.5. Credit period allowed to cloth wholesalers

In Mumbai 7% of the respondents are allowed a credit period of 1 to 15 days, 56% of the respondents get 16 to 30 days credit period, 19% get

31 to 45 days, 16% get 46 to 60 days and 1 % each in 60 to 75 days and 76 to 90 days to pay their suppliers. In Pune 50% of the respondents are given 16 to 30 days credit period, 45% are given 31 to 45 days and 5% get 46 to 60 days to pay their suppliers. In Yeola 29% are given 16 to 30 days and 71% are given 31 to 45 days to pay their creditors.

The following table no. 5.16 shows the frequency distribution of the credit period allowed to the cloth wholesalers by their suppliers.

Table no.5.16

Frequency distribution of credit period allowed to the cloth wholesalers

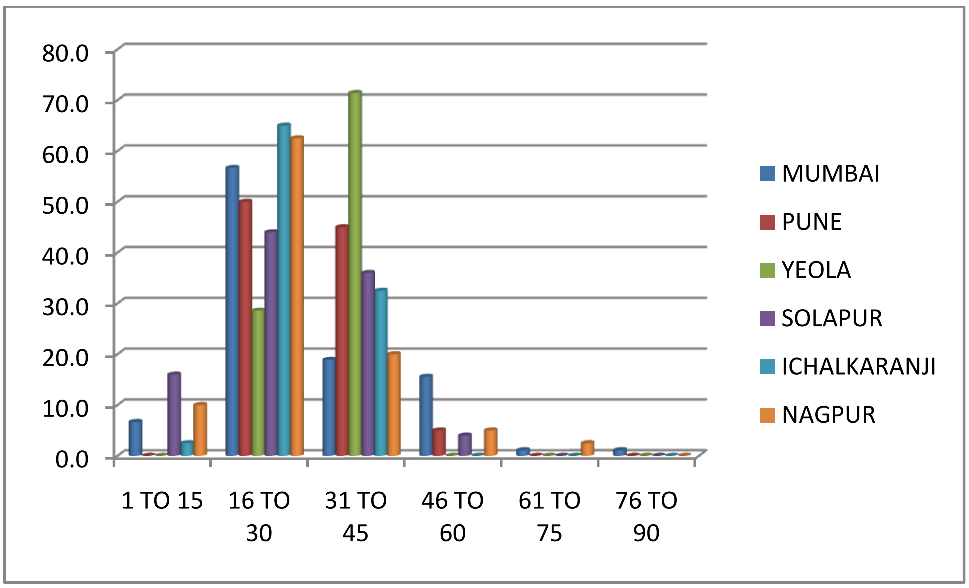
Credit days	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur	Total
1 TO 15	6	0	0	4	1	4	**15**
16 TO 30	51	10	2	11	26	25	**125**
31 TO 45	17	9	5	9	13	8	**61**
46 TO 60	14	1	0	1	0	2	**18**
61 TO 75	1	0	0	0	0	1	**2**
76 TO 90	1	0	0	0	0	0	**1**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

In Solapur credit period of 1 to 15 days is given to 16% of the respondents, 16 to 30 days are given to 44% of the respondents, 31 to 45 days of credit are given to 36% of the respondents and 46 to 60 days credit are given to 4% of the respondents to pay their suppliers. In Ichalkaranji 2.5% of the respondents get 1 to 15 days of credit, 65% respondents get 16 to 30 days of credit and 32.5% of the respondents get 31 to 45 days of credit.

In Nagpur 10% respondents are given a credit period of 1 to 15 days, 62.5% get 16 to 30 days credit, 20% get 31 to 45 days credit, 5% get 46 to 60 days credit and 2.5% get 61 to 75 days credit period to pay their suppliers.

Graph no. 5.16

Credit period allowed to the cloth wholesalers



Out of the total respondents 7% get credit period of 1 to 15 days, 56% get 16 to 30 days credit, 27% get 31 to 45 days credit, 8% get 46 to 60 days credit and a very few respondents are allowed a credit period of 61 to 90 days to pay their suppliers. The graph no. 5.16 clearly shows that most of the respondents get credit period of 16 to 30 days to make their payments to the suppliers.

5.5. Business Practices – Sale of cloth

Here the information regarding sale, marketing strategy, sales strategy, discount allowed, credit period allowed by cloth wholesalers, and actual recovery period of the cloth wholesalers are presented.

5.5.1. Sale of Cloth

The cloth wholesaler can sell his products to different markets and to cloth retailers or readymade manufacturers or end users directly. So this question is divided into two sub parts for better interpretation as sale to customer and sale to market. Some cloth wholesalers have started to do retailing in their shops. This trend is also studied under the heading 5.5.1.2.

5.5.1.1. Sale – Customers

In Mumbai out of the total sales around 63% of the sale of cloth is to cloth retailers, about 29% sell to ready made manufacturers, 5% sell to end users directly and 3% sell to other categories like companies, hospitals, banks etc. In Pune 30% of the sale of cloth is to cloth retailers, 56% sell to readymade manufacturers, 2% sell to end users and 12% sale is made to other category.

In Yeola, 44% of the sale is made to cloth retailers, 43% is to readymade manufacturers and 13% sale is made to end users. In Solapur, 64% of the total sale is made to cloth retailers, 30% to readymade manufacturers and 6% of the sale is made to end users directly by the cloth wholesalers.

In Ichalkaranji 72% of the sale by the cloth wholesalers is made to the cloth retailers, 22% is made to readymade manufacturers, near about 1% is sold to end users and 5% sale is made to other category. In Nagpur, 29% of the sale is to cloth retailers, 61% sale is to readymade manufacturers, 4% of the sale is directly to end users and 6% is sold to other category.

The table no. 5.17 shows us the percentage analysis of sale of cloth made by the cloth wholesalers to different customers.

Table no.5.17

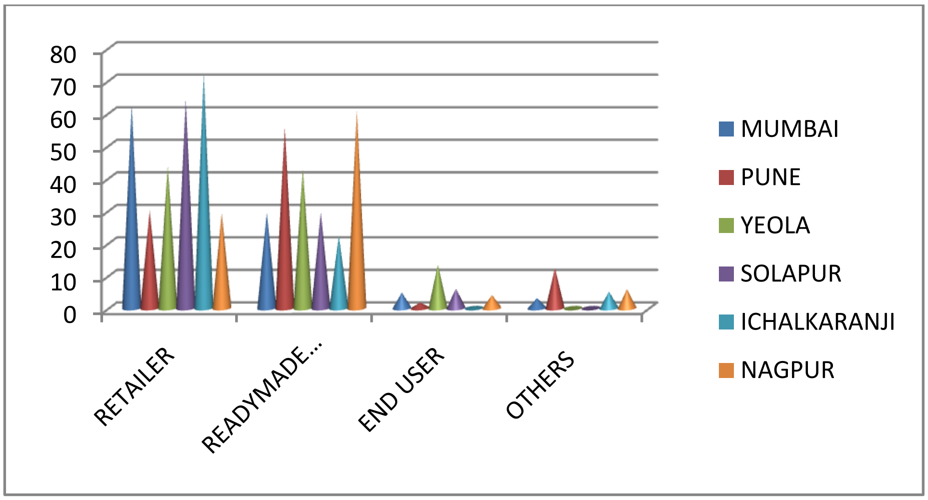
Percentage analysis of average sale of cloth to customers by the cloth wholesalers

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur
RETAILER	62.58	30.10	43.71	64.36	72.15	29.17
READYMADE MANUFACTURER	29.50	55.8	42.86	29.60	22.35	60.89
END USER	4.82	1.75	13.43	6.04	0.38	4.10
OTHERS	3.10	12.35	0.00	0.00	5.12	5.84
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Out of the total sales 50% of the sales of cloth wholesalers is to cloth retailers, 40% of the sale is made to readymade manufacturers, 5% to the end users directly and near about 5% of the sale is made to the other category like hospitals, schools, companies etc. who buy in bulk. The graph no. 5.17 shows the sale of cloth made by the cloth wholesalers to their customers.

Graph no. 5.17

Sale of cloth to customers by cloth wholesalers



In Mumbai, Solapur an Ichalkaranji sale to cloth retailers is more when compared to other categories and sale to readymade manufacturers are more in Pune and Nagpur when compared to other cities. In Yeola the proportion of sale to readymade manufacturers and cloth retailers are at most similar and sale to other category of customers is more in Pune than other cities. During informal conversation with the cloth wholesalers, the researcher has observed that the sale to cloth retailers, from cloth wholesalers, is reducing and such reduction is compensated by supplying to readymade manufacturers and other categories.

5.5.1.2. Retailing in wholesale cloth business

Table no. 5.18 gives an idea regarding retail business done by cloth wholesalers in their shop.

Table no.5.18

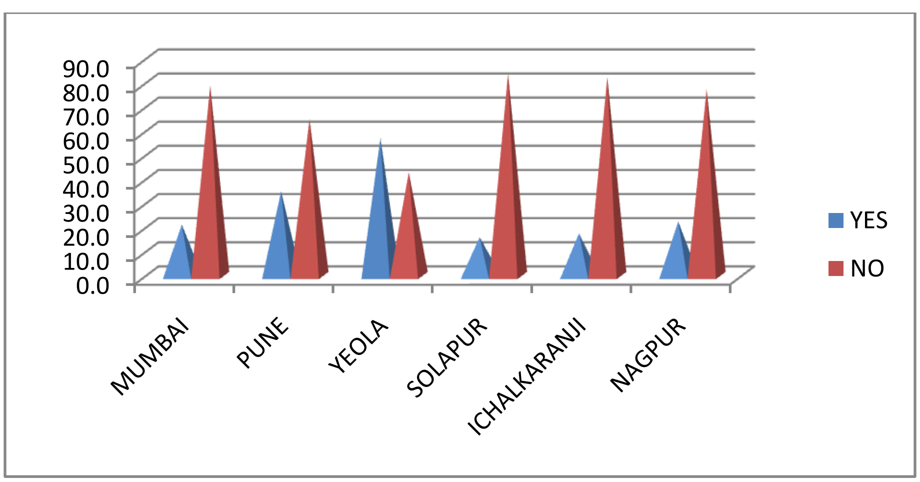
Frequency distribution of retailing in wholesale cloth business

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
YES	19	7	4	4	7	9	**50**
NO	71	13	3	21	33	31	**172**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

In Mumbai around 21%, in Pune 35%, in Yeola 57%, in Solapur 16%, in Ichalkaranji 18% and in Nagpur 23% of the total cloth wholesalers are doing retail business and remaining cloth wholesalers do not indulge in retail business in their wholesale shop. The graph no. 5.18 given below shows us the retailing business done by the cloth wholesalers.

Graph no. 5.18

Retailing in wholesale cloth business



Out of the total respondents of Maharashtra 23% do retail business in their wholesale cloth shops and the remaining 77% do not do cloth retailing in their wholesale shops. From the above graph it is clear that in Yeola retail business is done more when compared to other cities. The researcher has observed that the cloth wholesalers do retail business during special occasions like festivals, marriage seasons etc. Large families where the no. of persons are more buy in bulk from wholesale cloth traders since their requirement of cloth is more.

The reasons behind the retail business done by the cloth wholesalers in their shop is that they get paid immediately for their products and since the cloth wholesalers sell in a slightly higher price to the end user their profit margin increases a little. On the other hand, the end user is also benefitted because he gets cloth at a cheaper rate when compared to the purchase made from a cloth retailer.

5.5.1.3. Sale - Markets

In Mumbai 28% of the sale by cloth wholesalers is made to local market, 46% is made outside the city, 18% sale is made outside the state and around 8% of the sale is done through exports to other countries. In Pune 64% of the total sale is done to the local market, 20% of the sale is made outside the city, 10% of the sale is made outside the state and 5% of the sale is made outside the country i.e. exported.

In Yeola 36% of the sale is in local market, 44% is done outside the city, 14% of the sale is done outside the state and 6% exported. In Solapur 33% of the sale is in the local market, 41% outside the city, 19% outside the state and 7% of the total cloth are exported to other countries.

In Ichalkaranji 36% is sold in local market, 57% outside the city, 4% outside the state and 3% of the goods are exported. In Nagpur 42% of the cloth are sold in the local market, 35% outside the city, 18% outside the state an 6% of the total products are exported. The table no. 5.19 reveals the percentage analysis of the cloth sold by the cloth wholesalers in different markets.

Table no.5.19

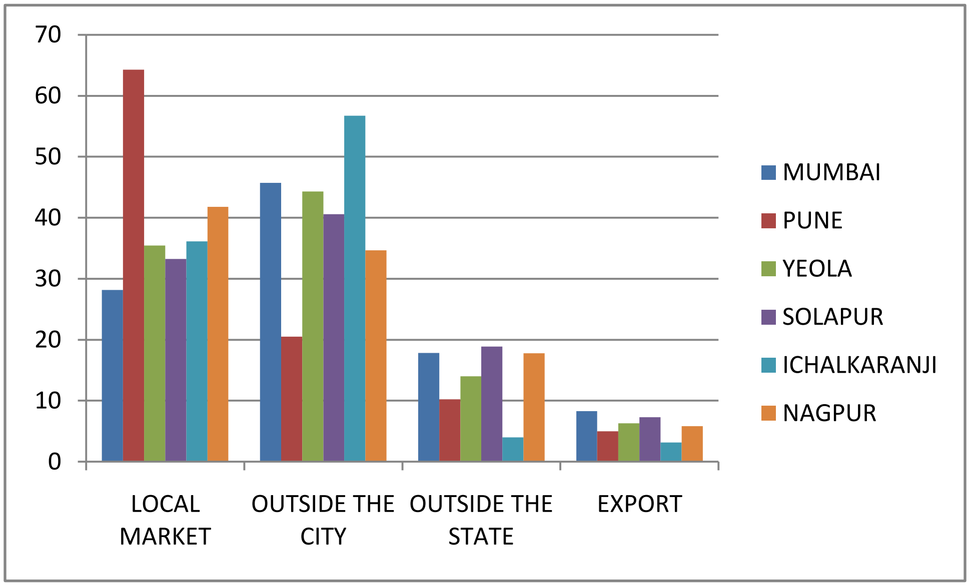
Percentage analysis of average sale of cloth in markets by the cloth wholesalers

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur
LOCAL MARKET	28.16	64.30	35.42	33.24	36.12	41.80
OUTSIDE THE CITY	45.72	20.50	44.29	40.60	56.75	34.65
OUTSIDE THE STATE	17.81	10.20	14.00	18.88	4.00	17.75
EXPORT	8.31	5.00	6.29	7.28	3.13	5.80
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Graph no. 5.19 shows that 40% of the total sales of the cloth wholesalers is in the local market i.e. within the city, 41% sell outside the city, 13% sell outside the state and around 6% of the total cloth are exported. Hence it can be understood that out of the total sale made by the cloth wholesalers around 81% is made within the state of Maharashtra.

Graph no. 5.19

Sale of cloth in markets by the cloth wholesalers



When compared to the other cities Ichalkaranji sells more outside the city than the others. Regarding sale in the local market Pune leads the chart and sale outside the state is done more by Solapur, Mumbai and Nagpur. Exports are done more in Mumbai.

5.5.2. Marketing strategies

From the table no. 5.20 we can conclude that in Mumbai, on an average, above 50% of the respondents follow marketing strategies like giving more credit period, more discount, continuous follow up and market research, introduction of new varieties and having personal contacts with the customers. Around 40% allow goods to be taken on approval basis and replacement of goods as part of their marketing strategy. Around 15% of the respondents did not answer the question.

Table no.5.20

Frequency distribution of marketing strategies adopted by the cloth wholesalers

Marketing Strategy	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
MORE CREDIT PERIOD	52	8	0	10	9	15
MORE DISCOUNT	61	11	1	10	11	22
MARKET RESEARCH AND FOLLOW UP	55	1	4	5	30	13
NEW VARITIES INTRODUCED	46	7	3	2	14	10
OFFER GIFTS	18	0	0	0	5	6
APPOINT MORE SALESMEN	19	0	0	0	0	3
COMMISSION TO SALESMEN	15	0	0	0	4	3
GOODS ON APPROVAL	37	0	0	1	1	7
AFTER SALES & REPLACEMENT OF GOODS	41	1	0	3	2	8
SEND WISHES ON OCCASSIONS	22	1	0	0	0	4
NO ANSWER	14	9	1	10	2	10
NEW & GOOD QUALITY OF CLOTH	22	9	0	1	5	4
PERSONAL CONTACT	44	1	0	0	0	9
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**

In Pune 55% of the respondents give more discounts; near about 45% of the cloth wholesalers give new varieties of cloth, good quality cloth, and more credit period as part of their marketing strategy. 45% of the respondents in Pune did not answer this question. In Yeola 57% of the total respondents follow up with the customers regularly and also conduct market research, around 43% introduce new varieties and about 14% give more discount and 14% of the respondents did not reply.

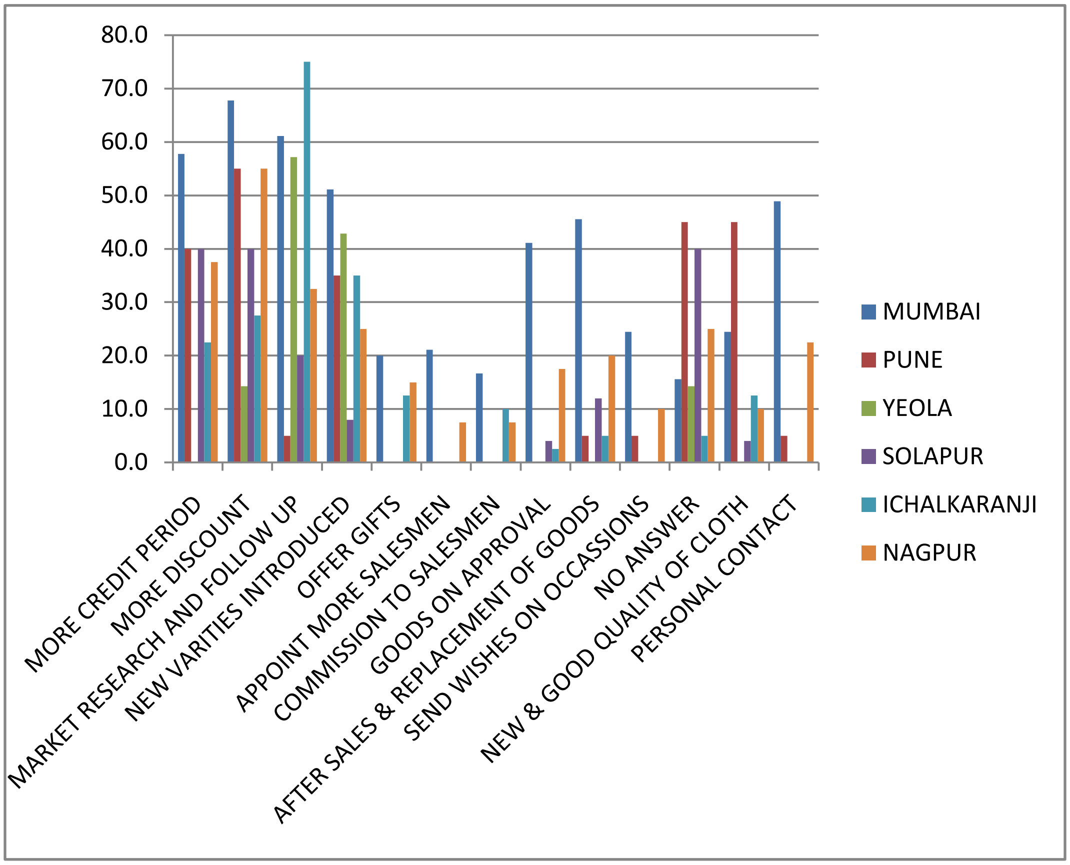
In Solapur 40% give more credit period and more discount, 20% follow up regularly and research the market for new things and 40% were not interested in answering the question regarding marketing strategies. In Ichalkaranji 75% of the respondents use continuous follow up routines, around 25% allow more credit period and more discount, 35% introduce new varieties and 12.5% offer gifts and good quality of cloth and 5% denied answer to the question.

In Nagpur 55% of the respondents give more discount, around 35% of the respondents give more credit period and keep following up continuously and around 25% of the respondents follow marketing strategies like introduction of new varieties, replacement of goods and maintaining personal contacts. 25% of the total respondents in Nagpur were not ready to answer the question.

From the graph no. 5.20 we can understand that more credit period (42%), more discount (52%), continuous follow up and market research (49%) are the more prominent marketing strategies adapted by the cloth wholesalers.

Graph no. 5.20

Marketing strategies adopted by the cloth wholesalers



Along with these, introducing new varieties (37%) and giving goods on approval (21%), replacement of goods (25%), good quality cloth (19%), offering gifts (13%) and personal contacts (24%) are also followed by cloth wholesalers as their marketing strategy. Thus we can say that cloth wholesalers are exercising new marketing tactics to attract customers in order to increase their sale.

5.5.3. Selling strategy

According to the percentage analysis mentioned in table no. 5.21, in Mumbai, sale to customers by the cloth wholesalers are more on credit basis at 74% and only 26% sale is done on cash basis.

Table no.5.21

Percentage analysis of average of selling strategy of the cloth wholesalers

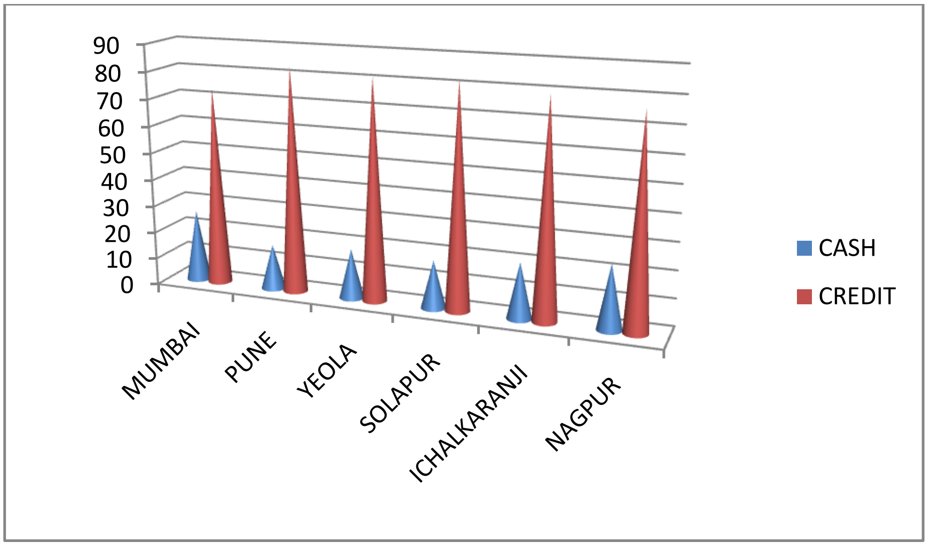
Particulars	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
CASH	26.44	16.60	18.29	17.60	20.55	23.60
CREDIT	73.56	83.40	81.71	82.40	79.45	76.40
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Similarly in Pune around 17%, in Yeola and Solapur about 18%, in Ichalkaranji just about 21% and nearly 24% of the sale is done on cash basis by the cloth wholesalers. The remaining sale is done on Credit basis.

Out of the total respondents 21% of the respondents sell on cash basis and the majority of 79% respondents sell on credit basis. It was observed by the researcher that, as regards the cloth wholesalers' selling more on credit creates more recovery problems. In order to avoid bad debts sale is made on credit to regular customers since they have been clearing their credits on time and in case of new customers post dated cheque or promissory note or bill of exchange or bank guarantee are taken before giving delivering goods on credit. The below mentioned graph no. 5.21 clarifies the point.

Graph no. 5.21

Selling strategy of the cloth wholesalers



5.5.4. Discount allowed

71% of the respondents in Mumbai, 50% in Pune, 57% in Yeola, 60% in Solapur, 78% Ichalkaranji and 73% in Nagpur allow discount between 4% - 6% to their customers. 1% - 3% discount is given by 19% in Mumbai, 15% in Pune, 14% in Yeola, 32% in Solapur, 13% in Ichalkaranji and 10% in Nagpur.

9% in Mumbai, 25% in Pune, 29% in Yeola, 8% in solapur, 10% in Ichalkaranji and 18% in Nagpur allow between 7% - 9% and 1% in Mumbai, 5% in Pune allow discount between 13% – 15%. Table no.

5.22 explains us the discount allowed by the cloth wholesalers. 17% of the total respondents allow discount of 1% - 3%, 69% allow discount of 4% – 6%, 13% allow 7% to 9% discount and very few allow 10% to 12% and 13% to 15% discount to their customers.

The researcher observed that the rate of discount allowed to customers depended upon the timely payment of bill. If payment was made immediately after delivery of goods then the rate of discount was higher. It means the earlier the payment is made the more is the discount received.

Table no.5.22

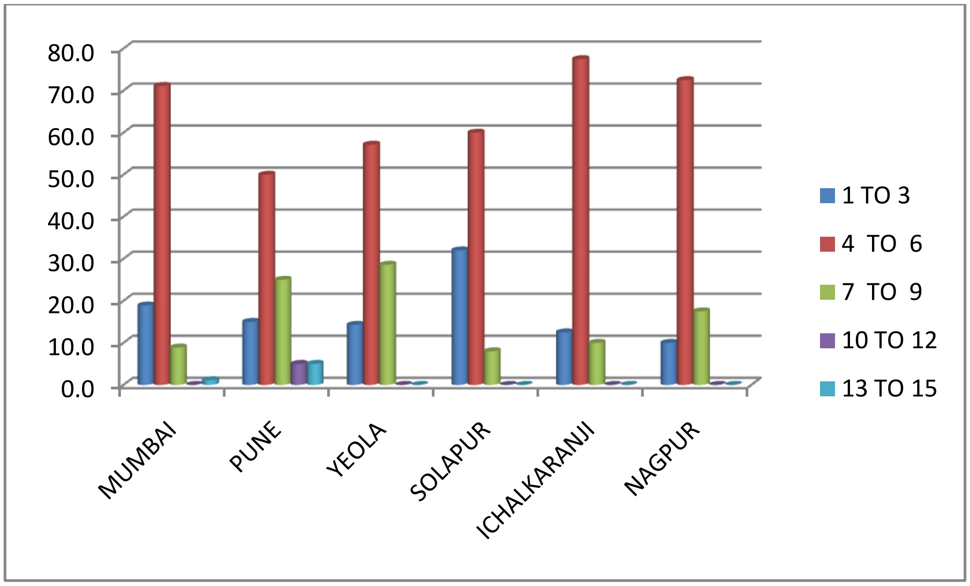
Frequency distribution of discount allowed by the cloth wholesalers

Discount (%)	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur	Total
1 TO 3	17	3	1	8	5	4	**38**
4 TO 6	64	10	4	15	31	29	**153**
7 TO 9	8	5	2	2	4	7	**28**
10 TO 12	0	1	0	0	0	0	**1**
13 TO 15	1	1	0	0	0	0	**2**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Graph no.5.22 shows us rates of city wise classification of discount allowed by cloth wholesalers.

Graph no. 5.22

Discount allowed by the cloth wholesalers



5.5.5. Credit period allowed by cloth wholesalers

Table no.5.23

Frequency distribution of credit period allowed by the cloth wholesalers

Credit days	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
1 TO 30	54	14	5	24	35	34	**166**
31 TO 60	36	6	2	1	5	6	**56**
61 TO 90	0	0	0	0	0	0	**0**
91 - 120	0	0	0	0	0	0	**0**
ABOVE 120	0	0	0	0	0	0	**0**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

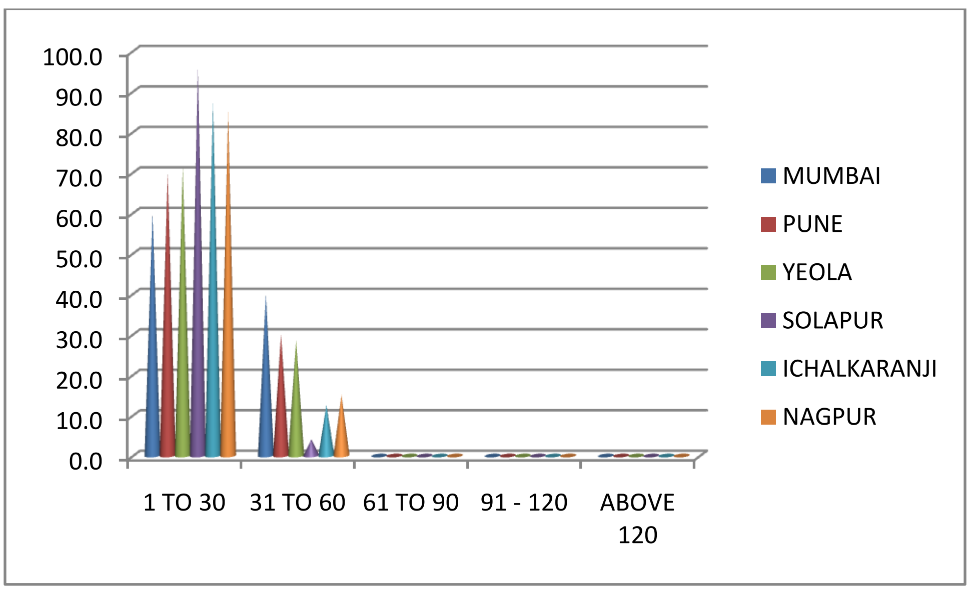
The frequency distribution of credit period allowed by the cloth wholesalers is given in table no. 5.23 shows that out of the total respondents in Mumbai 60%, in Pune 70%, in Yeola 71%, in Solapur

96%, in Ichalkaranji 87% and in Nagpur 85% allow a credit of 1 to 30 days. 31 to 60 days of credit is allowed, in Mumbai by 40%, in Pune by 30%, in Yeola 29%, in Solapur 4%, in Ichalkaranji 13% and in Nagpur by 15% of the cloth wholesalers to their customers.

Graph no. 5.23 clearly shows that 75% of total cloth wholesalers allow a credit period of 1 to 30 days and 25% cloth wholesalers permit credit for 31 to 60 days. Credit above 60 days was not allowed by any cloth wholesaler. The researcher observed that if credit period was not allowed by the cloth wholesalers to their customers, their sale will reduce further.

Graph no. 5.23

Credit period allowed by the cloth wholesalers



5.5.6. Actual recovery period

In Mumbai 46%, in Solapur 28%, in Ichalkaranji 13% and in Nagpur 25% of the respondents say that their actual recovery period is between 31 – 60 days. It takes 61 to 90 days to recover the dues for 11% of the cloth wholesalers in Mumbai, 30% in Pune, 43% in Yeola, in Solapur 48%, in Ichalkaranji and Nagpur 60%. 43% in Mumbai, 7% Ichalkaranji and 3% in Nagpur say that their actual recovery period is 1 to 30 days.

In Pune 50% of the respondents, 14% in Yeola, 20% in solapur, 15% in Ichalkaranji and 12% in Nagpur recover their dues in 91 – 120 days. 20% in Pune, 43% in Yeola, 5% in Ichalkaranji tell that their actual recovery takes place between 121 – 150 days. Out of the total respondents of 222 cloth wholesalers' only one respondent from Mumbai takes more than 180 days to recover dues and one respondent from Solapur denied answer to the question.

From the total 222 respondents 19% state that the actual recovery from their customers is between 1 – 30 days, 28% respondents say 31 – 60 days is required to recover their dues, 36% consider 61 to 90 days is necessary for recovery of dues, 12% say that 91 – 120 days is their actual recovery period and 4% of the total respondents are of the opinion that 121 – 150 days are required for actual recovery of dues.

Table no. 5.24 explains the actual position of recovery period of the cloth wholesalers.

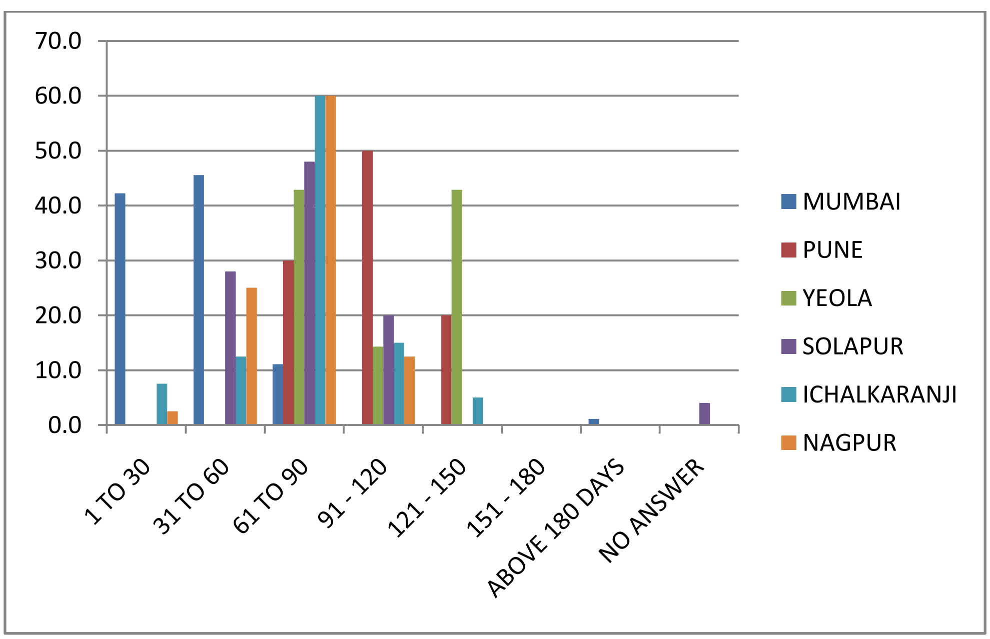
Table no.5.24

Frequency distribution of actual recovery period of the cloth wholesalers

Days	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur	Total
1 TO 30	38	0	0	0	3	1	**42**
31 TO 60	41	0	0	7	5	10	**63**
61 TO 90	10	6	3	12	24	24	**79**
91 - 120	0	10	1	5	6	5	**27**
121 - 150	0	4	3	0	2	0	**9**
151 - 180	0	0	0	0	0	0	**0**
ABOVE 180 DAYS	1	0	0	0	0	0	**1**
NO ANSWER	0	0	0	1	0	0	**1**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Graph no. 5.24

Actual recovery period of the cloth wholesalers



Graph no. 5.24 gives you an idea about the actual recovery period of the cloth wholesalers. 0.50% of the respondents vouch that it takes above 180 days to recover their dues and 0.50% of the respondents left without answering the question. From the graph we can clearly see that the actual recovery period of most of the cloth wholesaler is between 61 to 90 days.

5.6. Turnover of cloth wholesalers

A business can be judged on the basis of its turnover. The profit margin of the business depends upon the turnover. In this research study the researcher has tried to collect the information regarding the turnover of the cloth wholesalers and succeeded in doing so. Initially most of the respondents denied answering the question about turnover made by their business. But after convincing that the data collected is only for the research purposes and not for any other purpose they accepted to part with information relating to the turnover. Here the accurate turnover details are not given by the respondents. So the researcher classified the turnover into different groups i.e., up to 5 lac, 5 – 10 lacs, 10 – 15 lacs, 15 – 20 lacs, above 20 lacs. The year wise information was then collected for the period 2000 – 2008.

Still some of the respondents were unconvinced and hence refused to answer the question thoroughly but just gave a gist regarding the turnover like whether the business is upward, downward or stagnant. The city wise analysis and interpretation of the turnover of the cloth wholesalers is given below.

5.6.1. Turnover of cloth wholesalers in Mumbai

It is observed that in Mumbai average 4% of the total respondents' sale is between 5 lacs to 10 lacs, 12% sell in between 10 – 15 lacs, 28% sell in between 15 – 20 lacs and 33% are in the category of above 20 lacs. 7% of the respondents in Mumbai say that there is no growth. 17% say that the trend is downward and the business is making less profit. Table no. 5.25 shows us the frequency distribution of the turnover of the cloth wholesalers in Mumbai.

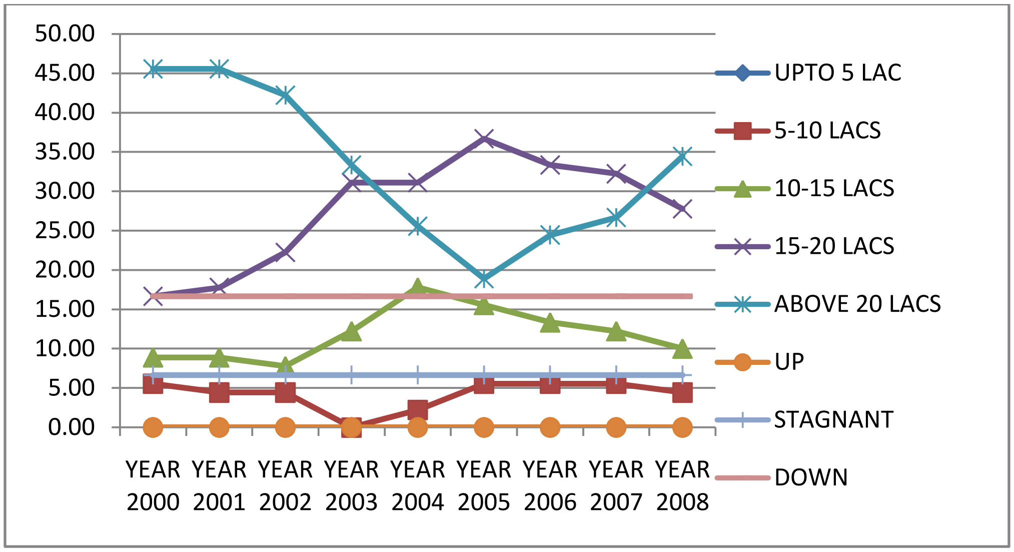
Table no.5.25

Frequency distribution of turnover of the cloth wholesalers in Mumbai

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upward	Stagnant	Downward	Total
2000	0	5	8	15	41	0	6	15	**90**
2001	0	4	8	16	41	0	6	15	**90**
2002	0	4	7	20	38	0	6	15	**90**
2003	0	0	11	28	30	0	6	15	**90**
2004	0	2	16	28	23	0	6	15	**90**
2005	0	5	14	33	17	0	6	15	**90**
2006	0	5	12	30	22	0	6	15	**90**
2007	0	5	11	29	24	0	6	15	**90**
2008	0	4	9	25	31	0	6	15	**90**
TOTAL	**0**	**34**	**96**	**224**	**267**	**0**	**54**	**135**	**810**

Graph no. 5.25

Turnover of the cloth wholesalers in Mumbai



The graph no. 5.25 shows us the turnover of cloth wholesaler in Mumbai. From the informal discussions the researcher has observed that in Mumbai, the turnover > 20 lacs, shows a downward trend during the period 2001 – 2005, and during the same period the 15 – 20 lacs category shows an upward trend. From this we can say that the respondents have slipped down on their turnover during this period. But the trend changed after 2005 and gradually they took over their business again as seen in the graph.

5.6.2. Turnover of cloth wholesalers in Pune

In Pune, it is observed that around 6% of the respondents have turnover in between 5 – 10 lacs, 24% respondents have in between

10 – 15 lacs, 33% have turnover in between 15 – 20 lacs, and 27% have turnover above 20 lacs while 10% refused to give a detailed answer and just said that the trend is downward.

After the year 2000 we can see that the category of above 20 lacs is only showing downward trend indicating problems in the business except for the year 2002 in which it recovered a little. This down ward trend has moved many respondents from the above 20 lacs category to 15 – 20 lacs and 10 – 15 lacs category. The graph no. 5.26 throws light on the turnover of cloth wholesalers in Pune. The following table no. 5.26 details us regarding the turnover of cloth wholesalers in Pune.

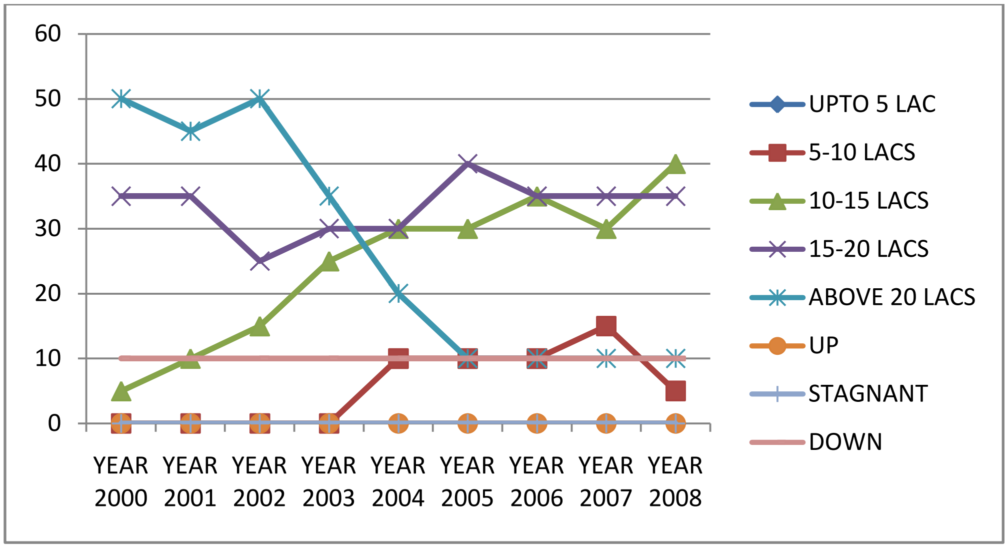
Table no.5.26

Frequency distribution of turnover of the cloth wholesalers in Pune

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upward	Stagnant	Downward	Total
2000	0	0	1	7	10	0	0	2	**20**
2001	0	0	2	7	9	0	0	2	**20**
2002	0	0	3	5	10	0	0	2	**20**
2003	0	0	5	6	7	0	0	2	**20**
2004	0	2	6	6	4	0	0	2	**20**
2005	0	2	6	8	2	0	0	2	**20**
2006	0	2	7	7	2	0	0	2	**20**
2007	0	3	6	7	2	0	0	2	**20**
2008	0	1	8	7	2	0	0	2	**20**
TOTAL	**0**	**10**	**44**	**60**	**48**	**0**	**0**	**18**	**180**

Graph no. 5.26

Turnover of the cloth wholesalers in Pune



5.6.3. Turnover of cloth wholesalers in Yeola

In Yeola, out of the total respondents near about 6% of the respondents have turnover in between 10 – 15 lacs, 29% of the respondents are in between 15 – 20 lacs, 51% are above 20 lacs and 14% indicate a downward trend in turnover.

In Yeola a mixed trend is observed by the researcher. Here we can see that the business above 10 lacs show lot of ups and downs. In case of above 20 lacs turnover, from 2000 to 2002 the trend was stagnant and further deteriorated during 2003. The table no. 5.27 shows us the turnover of cloth wholesalers in Yeola.

Table no.5.27

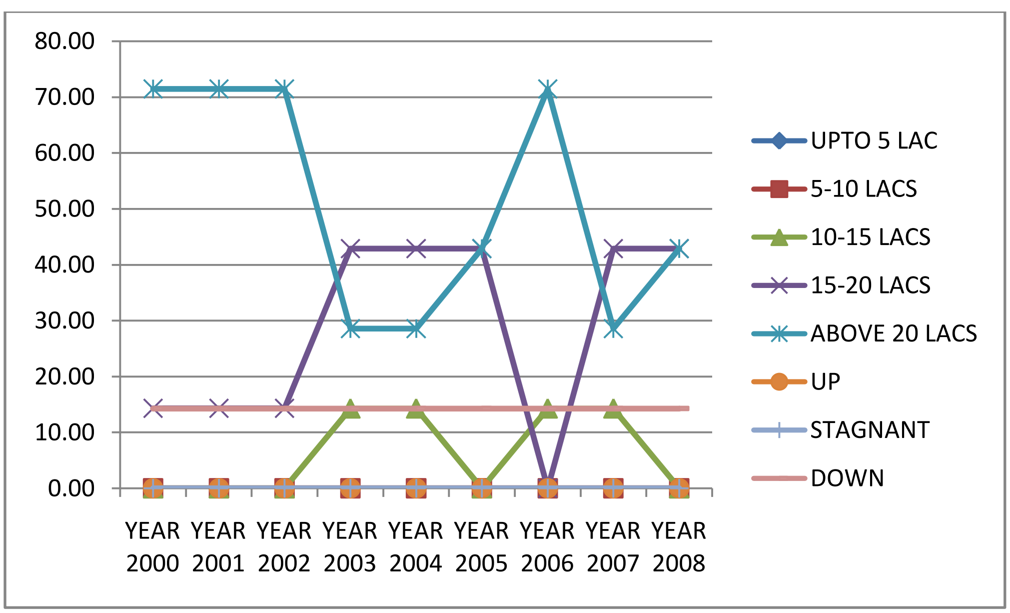
Frequency distribution of turnover of the cloth wholesalers in Yeola

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upward	Stagnant	Down ward	Total
2000	0	0	0	1	5	0	0	1	**7**
2001	0	0	0	1	5	0	0	1	**7**
2002	0	0	0	1	5	0	0	1	**7**
2003	0	0	1	3	2	0	0	1	**7**
2004	0	0	1	3	2	0	0	1	**7**
2005	0	0	0	3	3	0	0	1	**7**
2006	0	0	1	0	5	0	0	1	**7**
2007	0	0	1	3	2	0	0	1	**7**
2008	0	0	0	3	3	0	0	1	**7**
TOTAL	**0**	**0**	**4**	**18**	**32**	**0**	**0**	**9**	**63**

The graph no. 5.27 reveals the turnover of the cloth wholesalers in Yeola during the period 2000 to 2008.

Graph no. 5.27

Turnover of the cloth wholesalers in Yeola



Year 2004 also faced a stagnant period after which the trend went upwards till 2006. Again during the year 2007 the turnover went down and shot upwards in 2008. In the group of 15 – 20 lacs, after 2003 it is upward and stagnant up to 2005. Again one year it is low in 2006 and again upward and stagnant for two years.

5.6.4. Turnover of cloth wholesalers in Solapur

In Solapur 1% of the respondents are between 5 – 10 lacs, 6% are in between 10 – 15 lacs, 37% are in between 15 – 20 lacs, 51% above 20 lacs and 4% say downward trend. Table no. 5.28 show the frequency distribution of the turnover of the cloth wholesalers in Solapur.

Table no.5.28

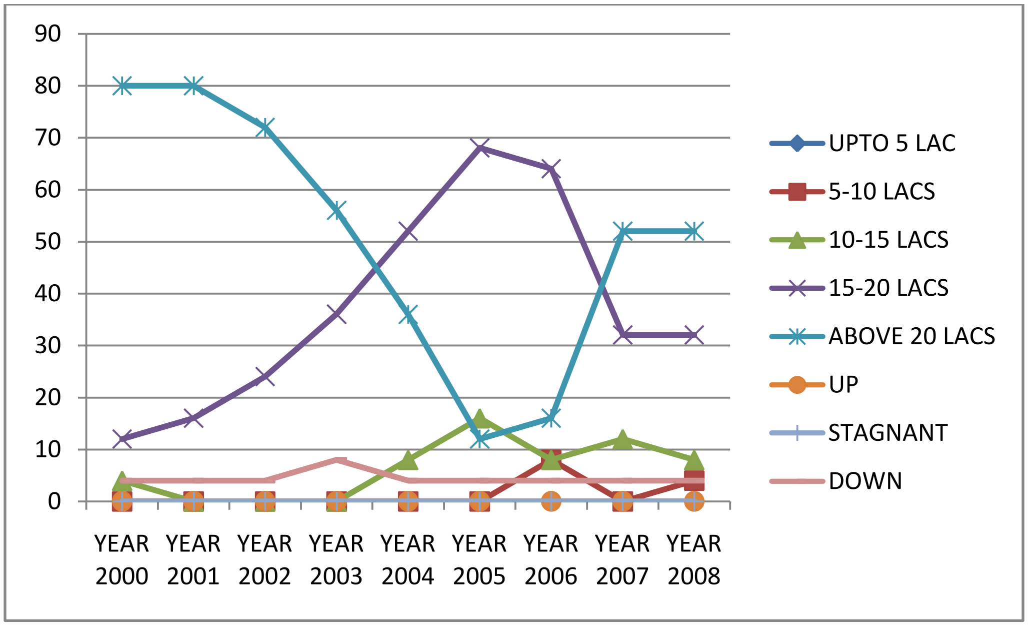
Frequency distribution of turnover of the cloth wholesalers in Solapur

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upward	Stagnant	Downward	Total
2000	0	0	1	3	20	0	0	1	**25**
2001	0	0	0	4	20	0	0	1	**25**
2002	0	0	0	6	18	0	0	1	**25**
2003	0	0	0	9	14	0	0	2	**25**
2004	0	0	2	13	9	0	0	1	**25**
2005	0	0	4	17	3	0	0	1	**25**
2006	0	2	2	16	4	0	0	1	**25**
2007	0	0	3	8	13	0	0	1	**25**
2008	0	1	2	8	13	0	0	1	**25**
TOTAL	**0**	**3**	**14**	**84**	**114**	**0**	**0**	**10**	**225**

The graph no. 5.28 exhibits the turnover of the cloth wholesalers in Solapur.

Graph no. 5.28

Turnover of the cloth wholesalers in Solapur



In Solapur the trend of turnover above 20 lacs is downward during 2000 – 2005. After that the trend is upward and stagnant. For 15 – 20 lacs turnover the trend is upward up to 2005 then it is downward and stagnant up to 2008.

5.6.5. Turnover of cloth wholesalers in Ichalkaranji

In Ichalkaranji 5% of the respondents are in the group of 5 – 10 lacs, 35% of the respondents are in the group of 15 – 20 lacs, 40% of the respondents are in the group of above 20 lacs, and 20% of the respondents say downward trend. The following table no. 5.29 explains us the details regarding turnover of cloth wholesalers in Ichalkaranji.

Table no.5.29

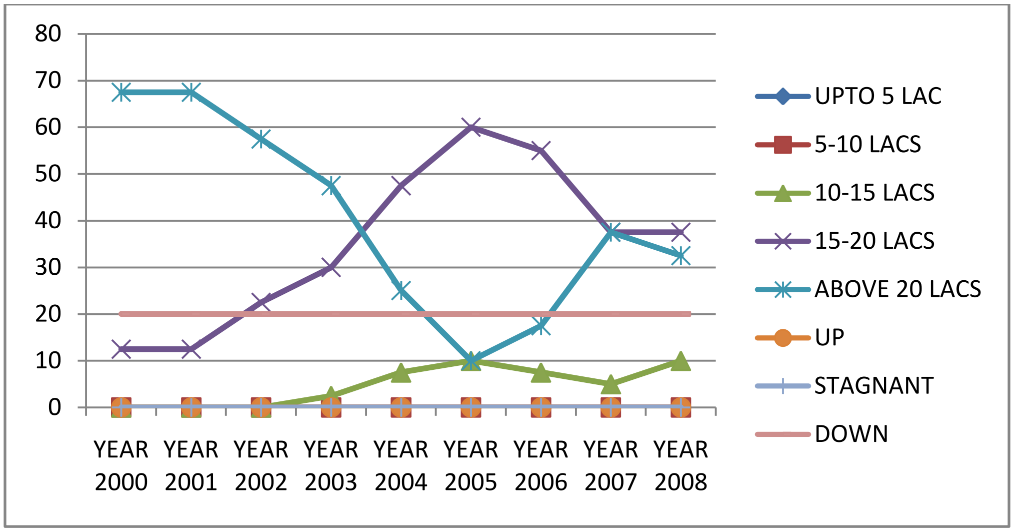
Frequency distribution of turnover of the cloth wholesalers in Ichalkaranji

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upward	Stagnant	Downward	Total
2000	0	0	0	5	27	0	0	8	**40**
2001	0	0	0	5	27	0	0	8	**40**
2002	0	0	0	9	23	0	0	8	**40**
2003	0	0	1	12	19	0	0	8	**40**
2004	0	0	3	19	10	0	0	8	**40**
2005	0	0	4	24	4	0	0	8	**40**
2006	0	0	3	22	7	0	0	8	**40**
2007	0	0	2	15	15	0	0	8	**40**
2008	0	0	4	15	13	0	0	8	**40**
TOTAL	**0**	**0**	**17**	**126**	**145**	**0**	**0**	**72**	**360**

For the group of above 20 lacs there is a downward trend after 2001 up to 2005. After 2005, the trend is upward up to 2007. Then again it is downward for 2008. In the group of 15 to 20 lacs, the trend is upward up to 2005, then, the trend is downward and stagnant. In the group of 10 – 15 lacs the researcher has observed that the upward trend from the year 2003 – 2005 and then a downward trend up to 2007. In 2008 again it is upward. The graph no. 5.29 shows us the turnover of cloth wholesalers in Ichalkarnji.

Graph no. 5.29

Turnover of the cloth wholesalers in Ichalkaranji



5.6.6. Turnover of cloth wholesalers in Nagpur

In Nagpur, 2% of the respondents are in between 5 – 10 lacs. 4% of the respondents are in the group of 10 – 15 lacs, 39% of the respondents are in between 15 – 20 lacs, 44% of the respondents have turnover above 20 lacs. 10% of the respondents say downward trend.

It is observed that in Nagpur for the category of above 20 lacs the turnover is downward up to 2005, then upward for the year 2006; then again it is upward up to 2008. For the turnover in between 15 – 20 lacs, the turnover is upward up to 2005 then it is downward for a year and again it is upward for 2007. In 2008 the sale is downward for the group of 15 – 20 lacs. In case of 10 – 15 lacs turnover after 2003 the trend is upward up to 2005 then it is downward and stagnant till 2008. The table no. 5.30 reveals the idea regarding turnover of the cloth wholesalers in Nagpur.

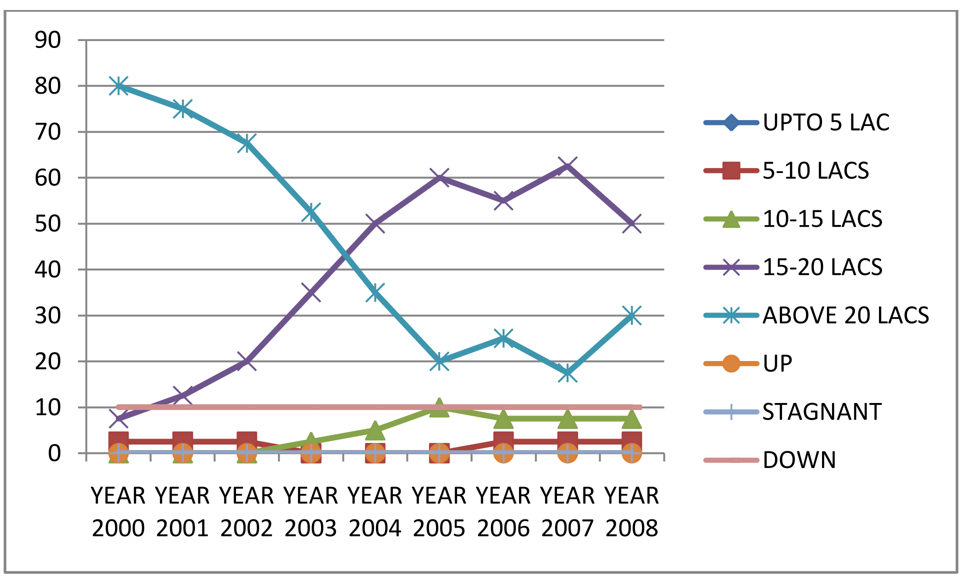
Table no. 5.30

Frequency distribution of turnover of the cloth wholesalers in Nagpur

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upwa rd	Stagna nt	Down ward	Total
2000	0	1	0	3	32	0	0	4	**40**
2001	0	1	0	5	30	0	0	4	**40**
2002	0	1	0	8	27	0	0	4	**40**
2003	0	0	1	14	21	0	0	4	**40**
2004	0	0	2	20	14	0	0	4	**40**
2005	0	0	4	24	8	0	0	4	**40**
2006	0	1	3	22	10	0	0	4	**40**
2007	0	1	3	25	7	0	0	4	**40**
2008	0	1	3	20	12	0	0	4	**40**
TOTAL	**0**	**6**	**16**	**141**	**161**	**0**	**0**	**36**	**360**

Graph no. 5.30

Turnover of the cloth wholesalers in Nagpur



5.6.7. Overall trend of turnover of cloth wholesalers in Maharashtra

Table no. 5.31 explains the overall trend of turnover of cloth wholesalers in Maharashtra.

Table no. 5.31

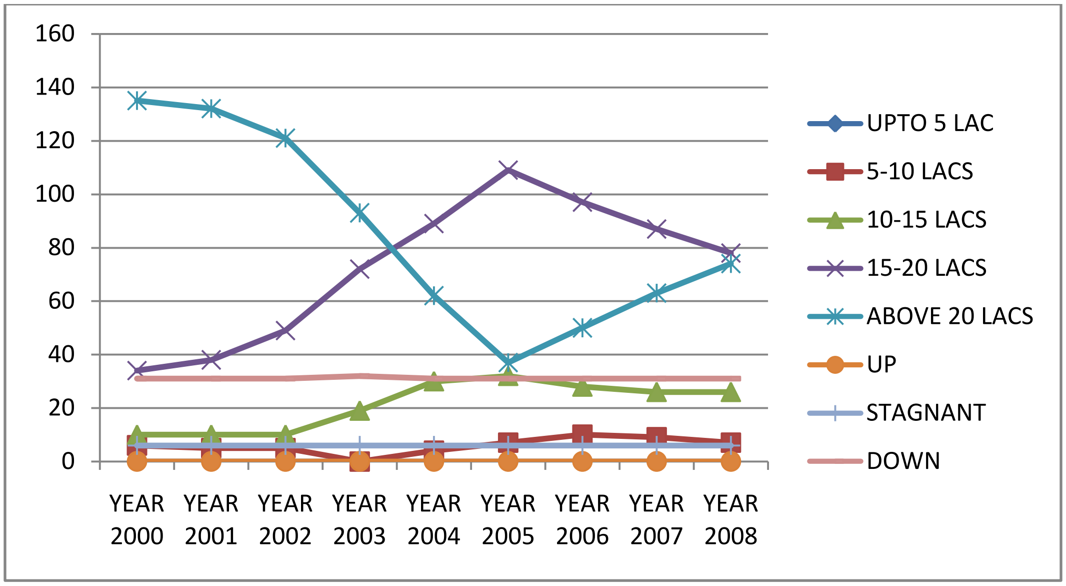
Frequency distribution of turnover of the cloth wholesalers in Maharashtra

Year	Up to 5 Lac	5-10 Lac	10-15 Lac	15-20 Lac	Above 20 Lac	Upwa rd	Stagna nt	Down ward	Total
2000	0	6	10	34	135	0	6	31	**222**
2001	0	5	10	38	132	0	6	31	**222**
2002	0	5	10	49	121	0	6	31	**222**
2003	0	0	19	72	93	0	6	32	**222**
2004	0	4	30	89	62	0	6	31	**222**
2005	0	7	32	109	37	0	6	31	**222**
2006	0	10	28	97	50	0	6	31	**222**
2007	0	9	26	87	63	0	6	31	**222**
2008	0	7	26	78	74	0	6	31	**222**
TOTAL	**0**	**53**	**191**	**653**	**767**	**0**	**54**	**280**	**1998**

In a nutshell we can say that from the graph no. 5.31, the overall turnover is downward up to 2005 in overall and after that it is slightly on the higher side up to 2008 due to supply of cloth to readymade manufacturers.

Graph no. 5.31

Turnover of the cloth wholesalers in Maharashtra

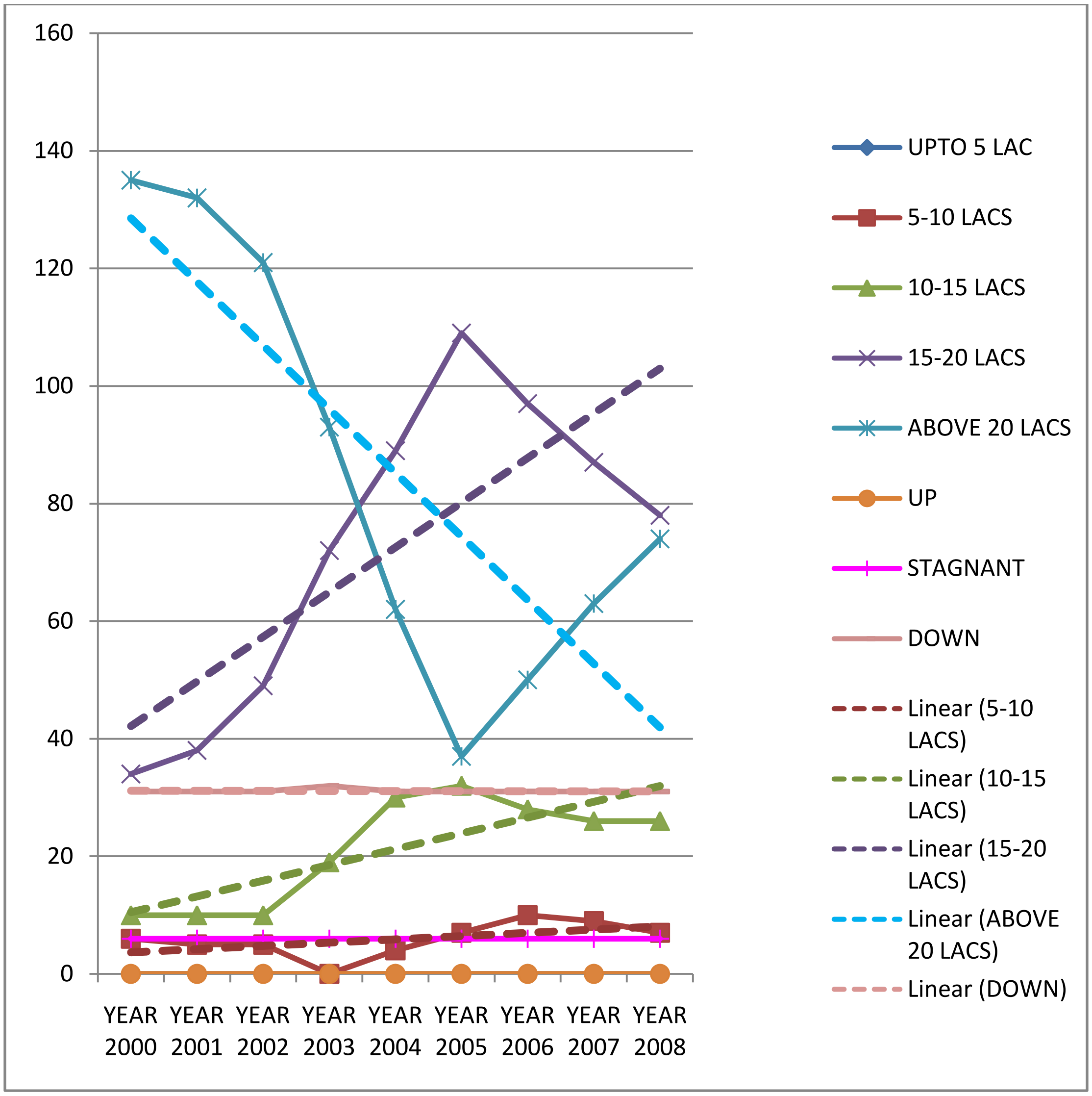


The graph no. 5.32 shows the linear trend of turnover, marked in dotted lines, of the cloth wholesalers in Maharashtra. We can see that the overall trend is downward, for the category of turnover above 20 lacs, whereas the overall trend shoots upwards for the category of turnover between 15 to 20 lacs, 10 to 15 lacs and 5 to 10 lacs.

This is due to the shift in the turnover of the cloth wholesalers as their turnover has reduced below 20 lacs, and so those who were in the higher category of turnover above 20 lacs have down to the 15 to 20 lacs, 10 to 15 lacs and 5 to 10 lacs category. After 2005 the situation improved and some of the cloth wholesalers returned back to their turnover above 20 lacs.

Graph no. 5.32

Linear trend of turnover of the cloth wholesalers in Maharashtra



Hence, from the above linear trend graph, we can say that the turnover of cloth wholesalers in Maharashtra has reduced which indicates the decline in their role and position in the chain of cloth distribution in Maharashtra.

5.7. Employment opportunities in wholesale cloth business

Any business cannot run without man power. The wholesale cloth business also requires efficient human resource for achieving maximum profits. Here in this heading we will analyze the employment opportunities in the wholesale cloth business. For this, employees are divided into two parts, family members employed and other than family members employed in the wholesale cloth business.

5.7.1. Family members employed in the business

In Mumbai the researcher has observed that around 1.26 employees per respondent per year are employed during the period of 2000 to 2008. In Pune the employment rate is 0.96 i.e., around 1, employee per respondent per year from 2000 – 2008. In Yeola the rate of employment during the period 2000 – 2008 is 1.38.

In Solapur, 0.80 i.e. around 1 employee per respondent per year is observed. In Ichalkaranji, 0.85 i.e. 1, employee per respondent per year during the period of 2000 – 2008 is observed.

The following table no. 5.32 shows us the city wise frequency distribution of family members employed in the wholesale cloth business in Maharashtra.

Table no. 5.32

Frequency distribution of family members in the wholesale cloth business

YEAR	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
2000	128	18	7	18	32	34
2001	122	18	8	20	32	33
2002	119	19	9	20	33	36
2003	123	18	9	20	30	38
2004	112	18	10	19	34	39
2005	117	20	11	20	36	39
2006	103	20	11	21	28	39
2007	97	20	11	20	40	42
2008	101	21	11	22	40	42
TOTAL	**1022**	**172**	**87**	**180**	**305**	**342**
AVG. PER RESPONDENT PER YEAR	**1.26**	**0.96**	**1.38**	**0.80**	**0.85**	**0.95**

In Nagpur, during the period 2000 – 2008, 0.95 i.e. 1 employee per respondent per year is observed. Thus from the above explanation we can conclude that around one employee, i.e. 1.05, per respondent per year has been employed from the family in the wholesale cloth business from 2000 – 2008.

The following table no. 5.33 exhibits the yearly average no. of family members as employees per respondent per year.

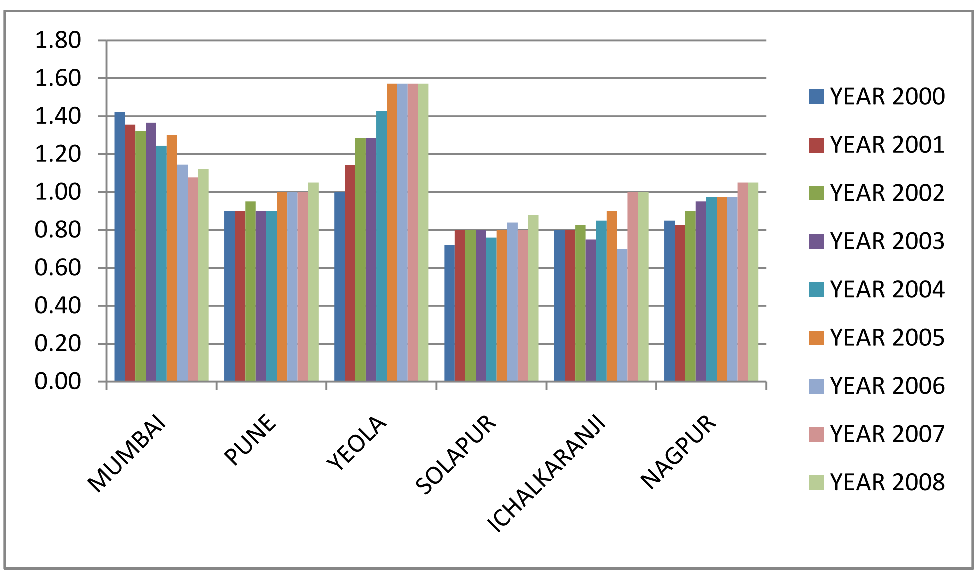
Table no.5.33

Frequency distribution of average family members in the wholesale cloth business per year per respondent

YEAR	Mumbai	Pune	Yeola	Solapur	Ichalkar anji	Nagpur
2000	1.42	0.90	1.00	0.72	0.80	0.85
2001	1.36	0.90	1.14	0.80	0.80	0.83
2002	1.32	0.95	1.29	0.80	0.83	0.90
2003	1.37	0.90	1.29	0.80	0.75	0.95
2004	1.24	0.90	1.43	0.76	0.85	0.98
2005	1.30	1.00	1.57	0.80	0.90	0.98
2006	1.14	1.00	1.57	0.84	0.70	0.98
2007	1.08	1.00	1.57	0.80	1.00	1.05
2008	1.12	1.05	1.57	0.88	1.00	1.05
TOTAL	**11.36**	**8.60**	**12.43**	**7.20**	**7.63**	**8.55**

Graph no. 5.33

Average no. of family members employed in the wholesale cloth business



The graph no. 5.33 clarifies the decline in the number of family members employed in the wholesale cloth business in Mumbai and also the increase in the number of family members employed in the business in Yeola. The trends with the other cities like Pune, solapur, Ichalkaranji and Nagpur is mixed with increase and decrease but at a lower rate.

5.7.2. Other employees employed in the business

The following table no. 5.34 explains the city wise frequency distribution of other employees employed (other than family members) in the wholesale cloth business in Maharashtra.

In Mumbai the researcher has observed around 2.34 employees are employed per respondent per year. In Pune 1.60, in Yeola 1.98, in Solapur 1.31, in Ichalkaranji 1.51 and 1.4 in Nagpur employees are employed per respondent per year.

The researcher has observed that overall 1.82 employees are employed per respondent per year, other then family members during the period 2000 – 2008.

Table no.5.34

Frequency distribution of no. of other employees in the wholesale cloth business

YEAR	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
2000	207	31	14	33	64	45
2001	203	35	14	32	60	52
2002	212	35	14	32	65	56
2003	204	31	14	32	58	55
2004	194	31	12	35	62	62
2005	202	30	13	31	54	60
2006	226	35	16	33	61	56
2007	219	29	14	36	59	57
2008	230	31	14	31	61	62
TOTAL	**1897**	**288**	**125**	**295**	**544**	**505**
AVG. PER RESPONDENT PER YEAR	**2.34**	**1.60**	**1.98**	**1.31**	**1.51**	**1.40**

Table no. 5.35

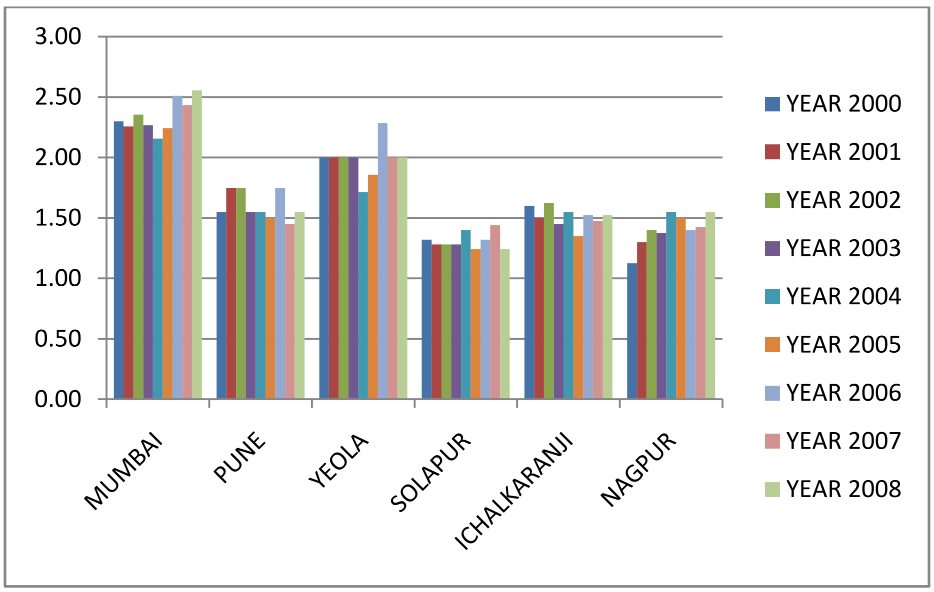
Frequency distribution of average no. of other employees in the wholesale cloth business per year per respondent

YEAR	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur
2000	2.30	1.55	2.00	1.32	1.60	1.13
2001	2.26	1.75	2.00	1.28	1.50	1.30
2002	2.36	1.75	2.00	1.28	1.63	1.40
2003	2.27	1.55	2.00	1.28	1.45	1.38
2004	2.16	1.55	1.71	1.40	1.55	1.55
2005	2.24	1.50	1.86	1.24	1.35	1.50
2006	2.51	1.75	2.29	1.32	1.53	1.40
2007	2.43	1.45	2.00	1.44	1.48	1.43
2008	2.56	1.55	2.00	1.24	1.53	1.55
TOTAL	**21.08**	**14.40**	**17.86**	**11.80**	**13.60**	**12.63**

The table no. 5.35 given below explains the yearly average no. of employees employed other than family members per respondent. The graph no. 5.34 shows that in all the cities the no. of employees employed in the wholesale cloth business is mixed with ups and downs but at a lower rate. There are no steep ups or downs in the frequency.

Graph no. 5.34

Average no. of other employees employed in the wholesale cloth business



5.7.3. Recommendation regarding new entrants in the wholesale cloth business

In Mumbai 44% of the total respondents recommend new comers to take up wholesale cloth business while 56% do not recommend this business to new comers. In Pune 15% recommend this business while 85% does not recommend this business to new entrants.

In Yeola 71% are of the opinion that the younger generation should take up this business and 29% do not feel so. In Solapur proportion of yes and no is around 50:50.

In Ichalkaranji 68% welcome new comers in the business while 32% do not want new comers to take up this business. In Nagpur 28% are in favour of new comers to enter the wholesale cloth business whereas 72% say no to the new entrants in this business.

The following table no. 5.36 shows the responses of the cloth wholesalers regarding recommending new entrants to take up the wholesale cloth business.

Table no.5.36

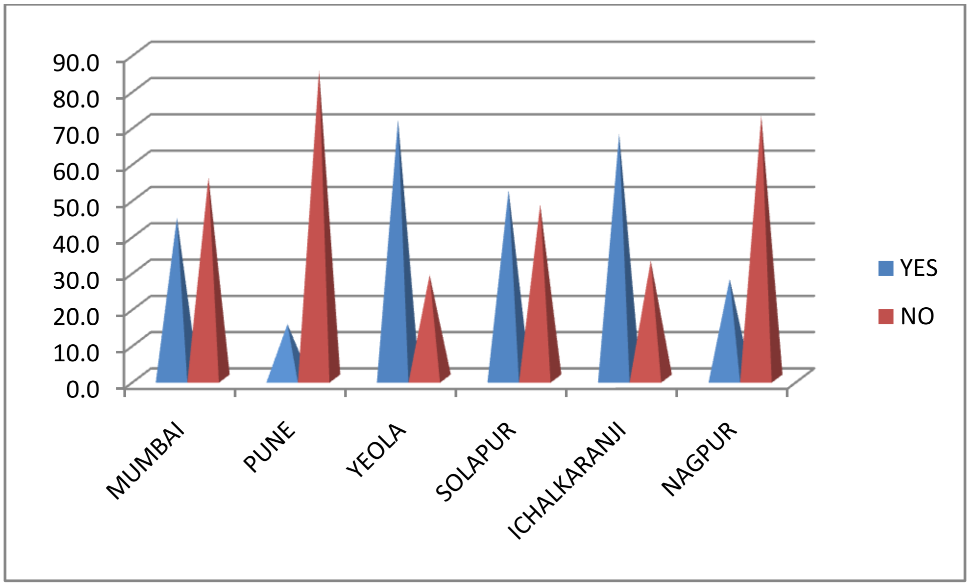
Frequency distribution of recommendation to new entrants in wholesale cloth business by cloth wholesalers

Particulars	Mumbai	Pune	Yeola	Solapur	Ichalkaranji	Nagpur	Total
YES	40	3	5	13	27	11	**99**
NO	50	17	2	12	13	29	**123**
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**	**222**

Graph no. 5.35 explicitly shows that out of the total respondent 44% of the respondents recommend new entrants and the remaining 56% do not recommend this business.

Graph no. 5.35

Recommendation to new entrants in wholesale cloth business by cloth wholesalers



The researcher observed that in Yeola, Ichalkaranji and Solapur, where more cloth manufacturers are situated, the response is positive for new entrants as they feel that cloth wholesalers are necessary in the line of distribution of cloth and can not be eliminated from the system, whereas in Pune and Nagpur, where manufacturing of cloth is less when compared to the other cities, the situation is just the opposite, where majority of the cloth wholesalers are not ready to recommend this business to new comers.

Cloth wholesalers in Mumbai gave mixed responses with a slightly higher margin not voting for new entrants in the wholesale cloth business. Thus it may be concluded that the wholesale cloth business is not a cake walk for the new entrants and has its own challenges.

5.8. Problems faced by the wholesale cloth business

In Mumbai around 80% of the respondents face the problems regarding low Return on Investment (ROI), heavy duties and taxes, readymade trends and increase in shopping malls. About 90% feel that competition is the basic problem faced. Near about 70% of the respondents say that due to ignorance from cloth manufacturers by selling directly to cloth retailers, increase in shopping malls and non availability of labour are the basic problems of wholesale cloth business. 21% of the respondents state recovery problem.

In Pune, 100% of the respondents complain of low ROI and readymade trends being the basic problems faced by them. Around 90% of the respondents say cut throat competition, heavy duties and taxes, ignorance from cloth manufacturers, increase in shopping malls and non availability of labour are the problems of cloth wholesalers. 15% of the respondents say recovery of dues is the main problem faced by them.

In Yeola 100% say low ROI, around 85% say cut throat competition, heavy duties and taxation, readymade trends and non availability of labour are the basic problems faced. Around 50% of the respondents feel that ignorance from cloth manufacturers and increase in shopping malls affect the business of cloth wholesalers.

In solapur around 90% of the respondents' state low ROI, cut throat competition, heavy duties and taxes, readymade trends and ignorance from manufacturer are the basic problems faced by the cloth wholesalers. Around 70% of the respondents say that increase in shopping malls and non availability of labour are the problems.

In Ichalkaranji, around 90% of the respondents feel that low ROI, cut throat competition, heavy duties and taxes, readymade trends, and ignorance from cloth manufacturers are the main problems for the cloth wholesalers. Around 60% of the respondents say that increase in shopping malls and availability of labour are the reasons.

In Nagpur, around 90% state low ROI, heavy duties and taxes, readymade trends, and ignorance from cloth manufacturers are the main problems for the cloth wholesalers. Near about 85% of the respondents feel that cut throat competition, increase in shopping malls and non availability of labour are the basic problems of wholesale cloth business. Around 13% respondents have recovery problems.

Table no. 5.37 shows the frequency distribution of problems faced by the cloth wholesalers in the six cities in Maharashtra.

Table no.5.37

Frequency distribution of problems faced by wholesale cloth business

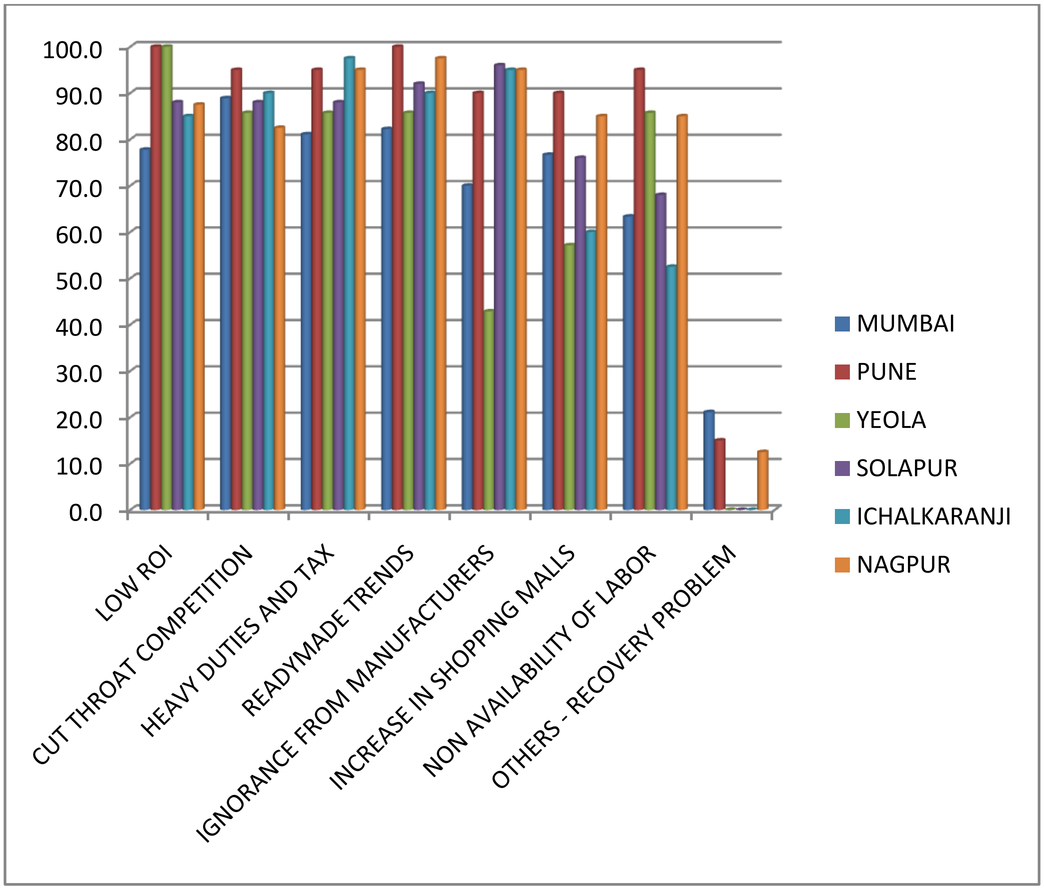
Particulars	Mumbai	Pune	Yeola	Solapur	Ichalk aranji	Nagpur
LOW ROI	70	20	7	22	34	35
CUT THROAT COMPETITION	80	19	6	22	36	33
HEAVY DUTIES AND TAX	73	19	6	22	39	38
READYMADE TRENDS	74	20	6	23	36	39
IGNORANCE FROM MANUFACTURERS	63	18	3	24	38	38
INCREASE IN SHOPPING MALLS	69	18	4	19	24	34
NON AVAILABILITY OF LABOR	57	19	6	17	21	34
OTHERS	19	3	0	0	0	5
TOTAL	**90**	**20**	**7**	**25**	**40**	**40**

Graph no. 5.36 clarifies that above 70% respondents are facing numerous problems like low ROI, heavy duties and taxes, readymade trends, ignorance from cloth manufacturers, cut throat competition, increase in shopping malls and non availability of labour.

Around 12% respondents claim to have recovery problems, octroi, heavy charges of the transport companies, high rate of interest of banks or financial institutions etc.

Graph no. 5.36

Problems faced by wholesale cloth business



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