



Sk II India
कौशल भारत - कुशल भारत



Participant Handbook

Sector
**Apparel, Made-ups and
Home Furnishing**

Sub-Sector
Apparel

Occupation
Self Employed Tailor



Reference ID: **AMH/Q1947, Version 1.0**
NSQF Level 4

Self Employed Tailor

Published by



RACHNA SAGAR PVT. LTD.

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First Edition, July 2017

ISBN: 978-93-86620-52-1

Printed in India

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Shri Narendra Modi
Prime Minister of India

“ Skilling is building a better India. If we have to move India towards development then Skill Development should be our mission. ”



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SKILLING CONTENT : PARTICIPANT HANDBOOK

Complying to National Occupational Standards of

Job Role/ Qualification Pack: "Self Employed Tailor" QP No. "AMH/Q1947, NSQF Level 4"

Date of Issuance:

Valid up to*: April 10th, 2018

*Valid up to the next review date of the Qualification Pack or the
'Valid up to' date mentioned above (whichever is earlier)

Authorised Signatory

(Apparel / Made-Up's / Home Furnishing)

Acknowledgments

We are thankful to all organizations and individuals who have helped us in preparation of this Participant Manual.

We are especially thankful to Dr. S.K Sharma (M/S The Assessors Guild) for their unequivocal support in the entire process.

We are also thankful to M/S Poppys Knitwears Private Limited, M/S Kanhaiyalal Kalyanmal, M/S Nirvana, M/S Poddar International, M/S Luxurazi India, M/S Paper Moon, M/S Ocean Exim India Pvt. Ltd. and Savvy Corporation, for their kind support in development of this manual.

About this book

This Participant Handbook is designed to enable training for the specific Qualification Pack(QP). Each National Occupational (NOS) is covered across Unit/s.

Key Learning Objectives for the specific NOS mark the beginning of the Unit/s for that NOS.

- Drafting and cutting the fabric
- Carry out the process of sewing for dress materials and common household items of textiles
- Carry out inspections and alterations to adjust corrections for fittings
- Maintain health, safety and security in the tailoring shop
- Maintain work area, tools and machines
- Comply with industry, regulatory and organizational requirements

Symbols used in the book have been listed below.

Symbols Used



Key Learning
Outcomes



Steps



Time



Tips



Notes



Unit
Objectives



Exercise

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1. Orientation and Introduction



Unit 1.1 - Apparel Industry

Unit 1.2 - Role and Responsibilities of a Tailor



Key Learning Outcomes

At the end of the module, you will be able to:

1. Know who is a Tailor.
2. Understand the roles and responsibilities of a Tailor.

UNIT 1.1: Apparel Industry

Unit Objectives

At the end of this unit, you will be able to:

1. Familiarize with the Apparel Sector

1.1.1 Apparel Sector – Industry Overview

Indian Textile and Clothing (Apparel) industry is the second largest manufacturer in the world. The Indian textiles and clothing sector is expected to grow at 10.01 percent in the next 10 years from the current value of INR3.92 lakh crores in 2012–13 to INR10.54 lakh crores in 2021–22. Of these, the garments sector is estimated to grow at an average rate of 15.44 percent over the years, thereby accounting for about 70 percent of the total production. The demand for domestic consumption for home textiles and garments is expected to increase rapidly. In fact, the garments sub-sector alone is estimated to increase by seven times from INR 51400 crores in 2012–13 to INR3.70 lakh crores in 2021–22.

The Indian textile sub-sector has traditionally been contributing significantly to the economy and manpower as well as to the structural changes in the manufacturing sector. As of 2012, the sector contributed 4 percent of the GDP, 32 percent of the manufacturing sector and 9 percent of total exports. The sector's output is expected to grow at an annual average rate of 10 percent in the next 10 years, thereby increasing its worth to INR 10.5 lakh crores in 2022. Several factors that would contribute to the growth would include:

- Rising income levels are expected to increase the demand for home textiles and garments from domestic consumers is expected to increase.
- Free trade agreements provide India a comparative advantage in the export segment as compared to its competitors – China, Bangladesh and Pakistan – as they create opportunities for manufacturers to supply to potential markets in East Asia.
- Low production cost continues to be an advantage for the sector and, consequently, demand from existing foreign markets continues to increase.
- Structural changes in the sector, with a shift from vertically disintegrated to integrated large firms, with automated machines for yarn and fabric production.
- Increased spending on research and development to enter the specialized fabrics and technical textiles sector.
- Favourable policy environment to support domestic and foreign investments and the implementation of schemes to enhance the production capacity and improve technology.

Ready Made Garments

The ready-made garments section has grown rapidly in the last few years. Both exports and domestic demands shall drive sector growth in future.

The ready-made garments segment comprises men's, women's and kid's clothing, which may be used for either private (home/office wear) or commercial (uniforms for school, waiters and flight crew) purposes.

- Men's wear is the biggest segment in the ready-made garment segment, comprising about 43 percent of its share in the total revenue generated. This is followed by women's wear, with a share of 38 percent; 10

percent share of boys wear and 9 percent for girls wear in the total revenue generated by the ready-made garment segment.

- Changing lifestyles and consumption patterns are expected to drive the sector's supply of casual wear with an 11 percent growth, which would drive demand for workforce with specialised skills in western formals design, blended fabrics and increased application work on clothes.

Actual and Projected size of Indian Textile Industry

In 2011 global trade in textiles and apparel was around US\$ 705 billion. This was approximately 4% of the total global trade of all commodities estimated at ~ US\$ 15 trillion. During the period 2000 to 2010 the textile and apparel trade has grown at a modest CAGR of 6.4% per annum. Further, the Global Textile and Apparel, or T&A, trade is expected to grow to USD 1 trillion by 2020.

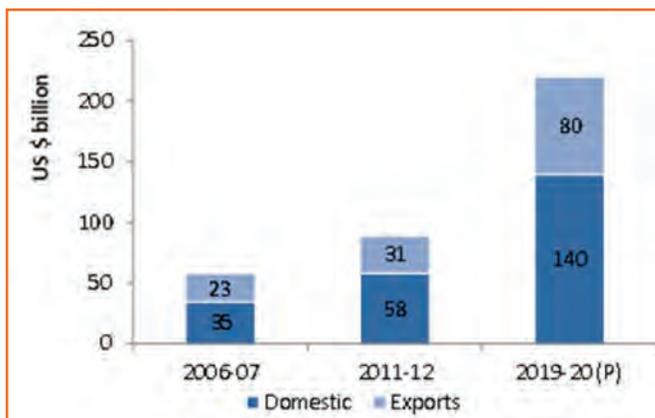


Fig 1.1.1: Major Textile Exporters to the World (% share)

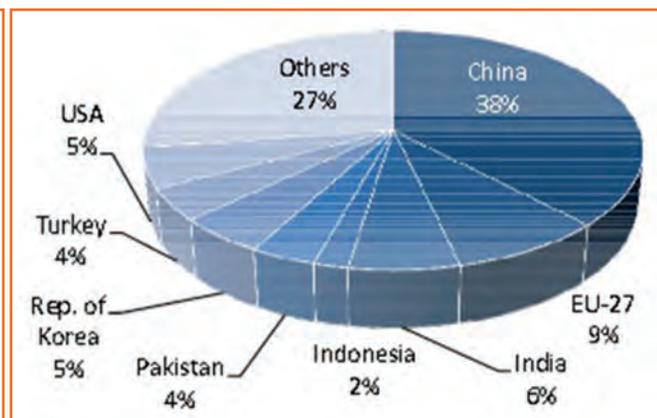


Fig 1.1.2: Major Textiles and Clothing Regions in India

Source: Office of Textile Commissioner and IMAcS Analysis

- **Gujarat and Maharashtra:** Most large companies across all sectors of the value chain, including spinning, weaving, home textiles and garments, are located here. Key players include Aravind Mills, Raymond, Welspun, Bombay Dyeing, Alok, Century Textiles.
- **Karnataka and Kerala:** Bangalore and Mysore have a few garment firms. Some major garment exporters include Gokaldas Exports and Shahi Exports.
- **Tamil Nadu:** Major cities that serve as textile hubs are Tirupur, Coimbatore, Madurai and Karur; known for apparels, spinning mills, silk and home textile units, respectively. Key players include Loyal Textiles, KG Denim, Asian Fabric. Tamil Nadu accounts for the largest textiles and clothing production of INR 761820 crores, which also employs the largest number of workers (2.63 million) in textile factories. This state is followed by Gujarat, which has an annual textile production valued at INR 49165 crores.
- **There are more than 70 textiles and clothing clusters in India** accounting for about 80 percent of the total production. There are 39 power loom clusters and 13 ready-made garment clusters in India.
- **Bhiwandi and Malegaon** are the two largest power loom clusters. Major ready-made garments clusters are located in Delhi, Mumbai, Gurgaon, Nagpur, Madurai and Salem, with annual turnover of more than INR 1000 crores since 2003. The state of Maharashtra has 10 textile clusters. Other major states in terms of the number clusters are Tamil Nadu, Andhra Pradesh, Karnataka, Kerala and Uttar Pradesh (seven clusters each).

Employment Scenario in the Sector

It also provides employment to approximately 35 million persons directly & approximately 55 million persons indirectly. India is among the very few countries which have presence across the entire supply chain, from natural and synthetic fibres right up to finished goods manufacturing. It has presence in organised mill sector as well as

decentralised sectors like handloom, power loom, silk, etc.

Currently, 15.23 million people are employed in the textile sub-sector across yarn and fabric, home textiles, technical textiles and readymade garments. Fifty-one percent of the total workforce is engaged in the manufacturing of readymade garments, followed by yarn and fabrics with 26 percent. Human resource requirement in the sector is expected to reach

22.34 million by 2022 translating into 6.31 million additional employment opportunities during the period 2013-22.

Sub Sector	Employment in Millions	
	2017	2022
Spinning Weaving and Finishing of Textiles	3.14	3.18
Manufacture of Other Textiles	10.64	13.78
Manufacture of Wearing Apparel	4.28	4.58
Overall	18.06	22.34

Fig 1.1.3: Sub Sectors in Apparel Industry

1.1.2 Made-ups and Home Furnishings

The made-ups sub-sector is growing at a steadily increasing pace in the country. The wide variety of products that come under this sub-sector are not only include necessities but also functional and luxury products. Made-ups sub-sector is divided into three (3) broad categories:

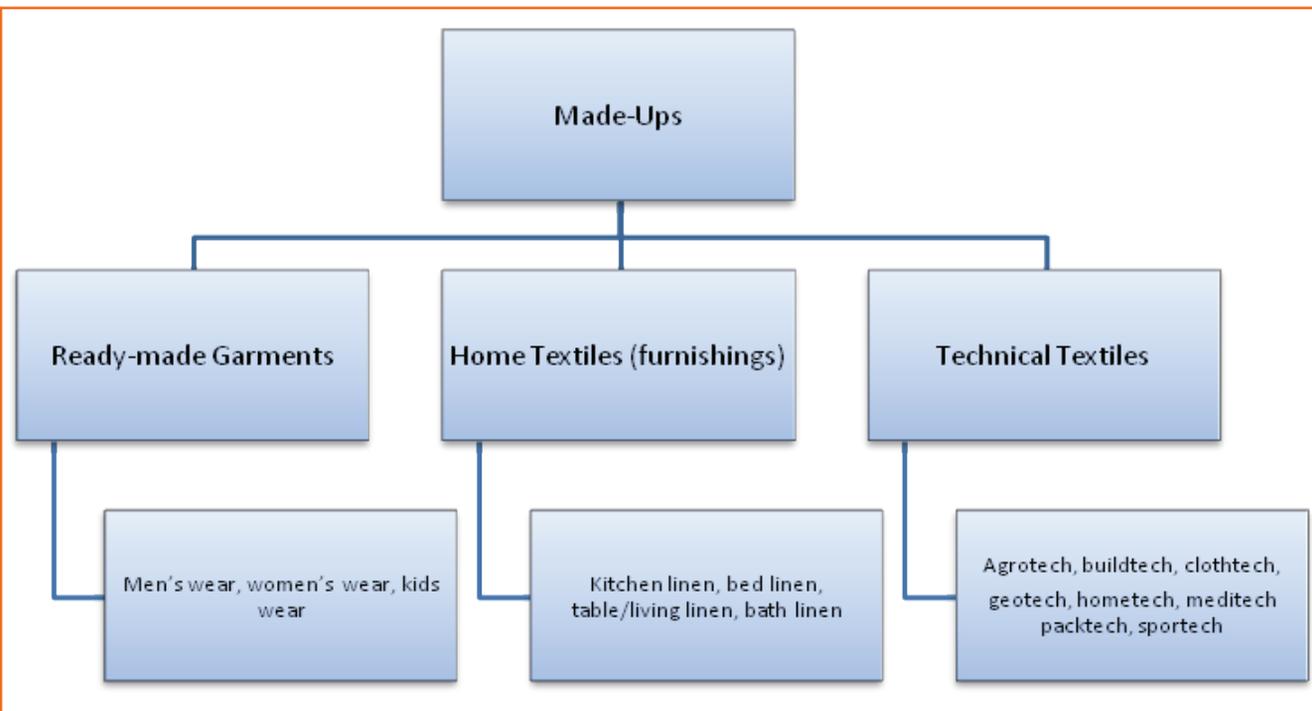


Fig 1.1.4: Made-ups and Home Furnishing Sub-sector

Indian is among one of the biggest exporters in Apparel and Made-ups industry. In Home Textiles India is second only to China in global exports, whereas in apparels, India is among the top 10.

Product	Total World Export	Major Contributor			India's Contribution		Other Competing Countries
		Country	Share & Value	Ranks	Share & Value	Ranks	
Apparel	193400159	China	6 1 2 2 4 3 6 0 (32.45%)	1	7 4 2 9 9 7 5 (3.8%)	7	Italy, Bangladesh, HK, Vietnam
Home Textiles	55921991	China	2 4 0 1 5 8 5 3 (42094%)	1	3 9 7 3 0 4 2 (7.10%)	2	

Fig 1.1.5: Textile Exports by Major Countries and India ('000 USD) * Source NSDC Skill Gap Study – Textile & Clothing

As evident from the Figs above, India is fast becoming one of the leading global players in the Home Furnishings/Textile. Home Furnishings industry offers wide varieties of products like bedspreads, furnishing fabrics, curtains, rugs, cushion covers etc. Indian Home Furnishings Market is forecasted to increase at an annual growth rate (CAGR) of 8 percent over next five years. The industry will reach a value of approximately US \$5.29 billion by 2018. The Indian Home Furnishing industry provides a unique blend of modern technology and ethnic techniques to bring out products that are one of the best



Fig 1.1.6: Home Furnishing

in the world. The increase in the spending power of the Indian working class is also expected to contribute in the growth of domestic consumption of made-ups and home furnishings industry

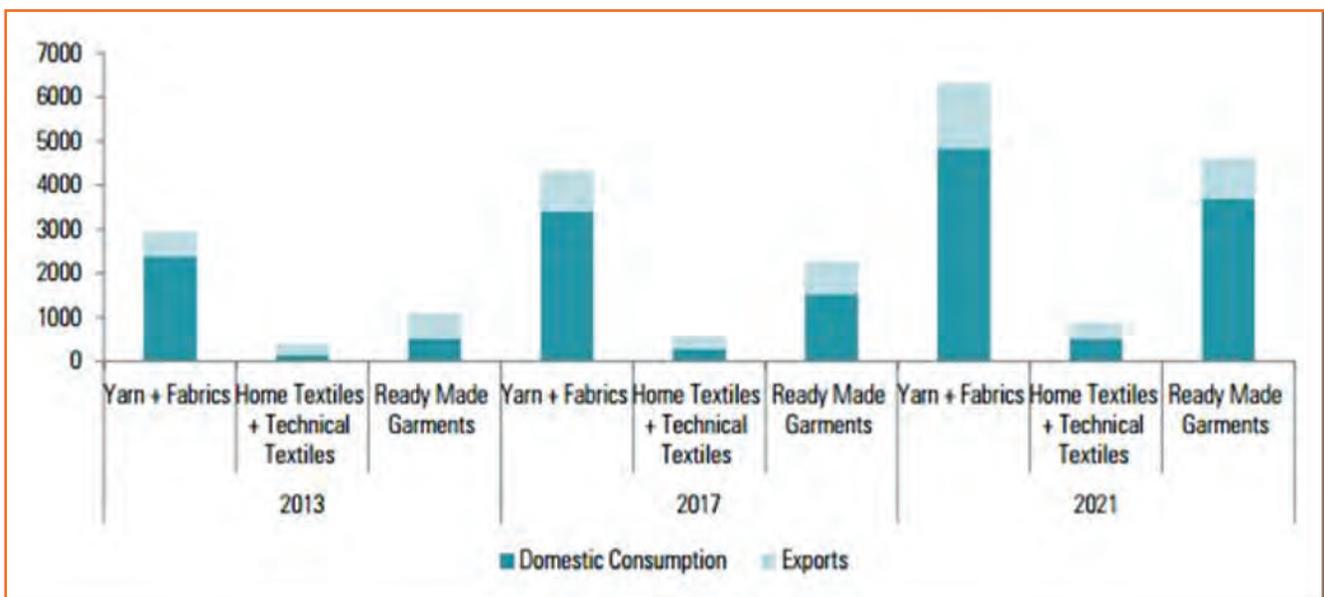


Fig 1.1.7: Estimated Domestic Consumption of Indian Textile Production (in INR '000) * Source NSDC Skill Gap Study – Textile & Clothing

With increased demand and competition from countries like China, the demand of skilled workforce/kaarigars in the Home Furnishings industry is bound to increase in coming years.



Fig 1.1.8: Apparel Made-ups

Exercise

- When was sewing machine invented?
 - 20th century
 - 19th century
 - 18th century
 - 17th century
- As of 2012, the Indian textile sub-sector contributed ____ percent of the GDP, ____ percent of the manufacturing sector and ____ percent of total exports.
 - 4,32,9
 - 32,4,9
 - 4,32,8
 - 4,33,9
- Explain the categories of Made-ups sub-sector with the help of a flow chart.

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UNIT 1.2: Role and Responsibilities of a Tailor

Unit Objectives

At the end of this unit, you will be able to:

1. Know who is a Tailor.
2. Understand the roles and responsibilities of a Tailor.

1.2.1 Self Employed Tailor - Job Description

Self Employed Tailor is a role of a self employed professional tailor who can sew and repair garments, made ups and home-furnishing articles and manage livelihood out of it.

A Tailor, also called a Stitcher is an important job-role associated with Apparel sector and gives livelihood to a number of people who do not have a job. The primary responsibility is to stitch/ sew fabric, fur, or synthetic materials to produce apparels.



Fig 1.2.1: Tailors on the Job

Attributes: The tailor should have following attributes:

- Good eyesight
- Eye-hand-leg coordination
- Motor skills
- Clear vision and free from colour vision.

She should have good interpersonal skills, good listener and business acumen.

1.2.1.1 Job Overview

Tailors operate and tend sewing machines in order to perform garment sewing operations. This includes joining, reinforcing and decorating garments or parts of garments. Tailors handle work on a large scale as they are required to operate and tend to industrial machineries. They mount attachments such as needles and pattern blades and adjust machines according to the specifications provided to them.

Tailors also adjust machine controls and regulate stitching speeds for every sewing project that they work on. It is important for tailors to possess in depth knowledge of sewing machinery and the garments industry. They also need to have sound hand-eye coordination and be able to cope with moderate physical effort.

6. Comply with Industry, Regulatory and Organizational Requirements



Unit 6.1 - Comply with Industry, Regulatory and Organizational Requirements

Unit 6.2 - Entrepreneurship

Unit 6.3 - Documentation



AMH/N0104

Key Learning Outcomes

At the end of the module, you will be able to:

1. Carryout work functions in accordance with legislation and regulations, organizational guidelines and procedures.
2. Seek and obtain clarifications on policies and procedures, from your supervisor or other authorized personnel.
3. Apply and follow these policies and procedures within your work practices.
4. Provide support to your supervisor and team members in enforcing these considerations.
5. Identify and report any possible deviation to these requirements.

UNIT 6.1: Comply with Industry, Regulatory and Organizational Requirements

Unit Objectives

At the end of this unit, you will be able to:

1. Carryout work functions in accordance with legislation and regulations, organizational guidelines and procedures.
2. Seek and obtain clarifications on policies and procedures, from your supervisor or other authorized personnel.
3. Apply and follow these policies and procedures within your work practices.
4. Provide support to your supervisor and team members in enforcing these considerations.
5. Identify and report any possible deviation to these requirements.

6.1.1 Defining Compliance for Your Organization

According to Merriam Webster the dictionary definition of compliance is as follows:

1. The act or process of complying to a desire, demand, proposal, or regimen, or to coercion.
2. Conformity in fulfilling official requirements.
3. A disposition to yield to others.
4. The ability of an object to yield elastically when a force is applied.



Fig.6.1.1: Regulatory Compliance

Supervisory compliance for industries, world- wide falls under the second definition. There are many managers, general councils, and policy officers that would consent in agreement at any of the other definitions as well. Let's discuss, what is compliance? Whether an organization is confronting an external regulatory compliance from a government agency, or seeks to comply with its own organizational mandates, policies or procedures, compliance in actuality means conforming to requirements and a proof that your organization has done so. This is usually attained by the scheming and development of managerial policies that will map out the projected code of conduct.

From a policy's point of view, there are many aspects that impact an organization's policies, including legislative and regulatory requirements, organizational best practices, and the market demands. If we look at government/ public sector agencies, financial service businesses, and healthcare providers - we find that they are controlled and must develop internal policies in order to ensure compliance. The actual trial comes from the juncture of practice with the laid policy.

After that, they must adopt ways to enforce those policies and measure their effectiveness. Initially this may seem to be an easy and convenient task. But the dilemma is creating a policy – without any mechanism, may it be manual, automated, or third-part, to measure and monitor compliance of the policies is very difficult. In order

to build effective policies, we must not only have an understanding of the statutory requirements that will shape the policy within our organizations, but how these policies relate to the business practices, the workforce, the methodologies of operations and the technologies within the corporation.

Irrespective of the requirements to which an organization must obey, a well-planned model is essential which will be one that assimilates strategies with their people, processes, and technology. This includes education, monitoring, and enforcement. Organizations should look to use machineries and to develop procedures that make it easier to do the right thing or to simply disregard the policy all together. In conducting performance audits, an assessment should be made of compliance with applicable laws and regulations when necessary to satisfy the audit objectives. The auditor should design the audit to provide reasonable assurance of detecting illegal acts that could significantly affect audit objectives. The auditor also should be alert to situations or transactions that could be indicative of illegal acts that may have an indirect effect on the audit results.

6.1.2 Significance of Compliance in Indian Garment Industry

Compliance is the standard for the product which ensures that it is aligned to its industry's qualitative demands. This also includes audits and inspections which are crucial to a proper and formal work environment. Compliance and its demand is rapidly growing in today's industrial scene since globalization of manufacturing standards has also created a demand for ethically created products. This standard of compliance is crucial because of the increase in export of garments from India.

Social Compliance

The treatment of the employees by its business constitutes social compliance. This also includes their environment and their personal perspective on social responsibility as an employee. The treatment of employees regarding wages, work conditions and working hours. A compliance audit is necessary in order to determine if the company meets standard environmental laws.

Compliance Audit

Process Safety Management, Risk Management Programs, and Process Security Management are all organised and provided by audits and assessments. Compliance and its verification is carried out with audits that focus particularly on these policies and procedures. The design and implementation of these audits ensures this compliance. Additionally, all sorts of deficiencies can be addressed and solved through corrective action.

In India, compliance audit consists of a thorough examination of orders, regulations, rules and directions for dealing with prudence, legality, transparency and adequacy. It is the job of auditors to collect information by reviewing documents, visually observing the site and staff interviews. This data is cross checked with applicable regulations and permits to ensure how well the operation is when sieved through applicable and required legalities.

There are three main phases of compliance audit in India:

1. **Pre-audit:** It includes planning and organising the audit; establishing the audit objectives, scope and etiquette; and reviewing the design of the program by inspecting documentation
2. **On-site audit:** It includes conducting personnel interviews, reviewing records, and making observations to assess program implementation
3. **Post-audit:** It includes briefing the management on audit findings, and preparing a final report

Therefore, Indian apparel manufacturers need to follow Government guidelines, and social compliance standards not only within their sphere of operations, but also insist their vendors, distributors, and other collaborators involved in the supply chain to do the same.

6.1.2.1 Core Labour Standards

International labour standards have grown into a wide-ranging system of gadgets on work and social policy, backed by a administrative system intended to address all sorts of complications in their submission at the national level

- Removal of Discrimination in Employment and Occupation
- Freedom of Association
- Right to Collective Bargaining
- Elimination of all Forms of Forced or Compulsory Labour
- Effective Abolition of Child Labour

Apparel industry players would ensure that labour contractors don't involve forced labour or child labour and get the supply chain of the suppliers audited. Apparel Export Promotion Council (AEPC), a top organization of Indian apparel exporters, has envisioned a garment factory compliance program 'Disha' -Driving Industry towards Sustainable Human Capital Advancement. The prime objective of this body is to make India a global benchmark for social compliance in apparel Industrial. This Common Compliance Code design will prepare the Indian apparel industry on a mutual platform towards a more social and ecologically compliant industrial atmosphere.

6.1.3 India Adopting Universal Standards on Child Labour

The compliance level of garment factory is very high for Indian exporters. To ensure that all standards are being complied with, the big international companies, mindful of their branding, often generate and follow their own compliance standards. Numerous U.S. companies have incorporated "child labour" in their code of conduct, due to tenacious signal of child exploitation in the industry.

6.1.3.1 Common Compliance Code

There is a compliance exhaustion in the Apparel Industry,. Although they are trading with the global brands, the apparel sellers still don't consent that compliance is an integral management practice. The Indian apparel export industry has been indisputable to implement zero tolerance on child labour and cleanse the supply chain.

"This common compliance code will not only give the opportunity for the industry to negate international claims against child labour promotion in the garment industry, but will also help to improve the image of the industry and win more international businesses," as per PremalUdani, Chairman, Apparel Export Promotion Council (AEPC).

6.1.4 Indian Garment Industry and Social Responsibility

The apparel industry of India, is one of the biggest segments among the various industries existing. It is also one of the oldest and an eminent industry in terms of output, investment and employment. A sector which has a global market share and has earned reputation for its permanence, worth and magnificence. The industry is growing at a fast pace with change in customer taste and inclinations. There are numerous factors impacting a change in customer preferences. Few of them are here:

- Rise in disposable incomes
- Government policy focused on fast-track growth

- Convenience of shopping at departmental stores and shopping malls
- Increasing demand for branded apparels and fashion accessories
- Boom in the retail industry

6.1.4.1 International Labour Standards

The Indian apparel industry had established itself substantially not just in the domestic but global market too. The improved density from international apparel buyers to comply with labour principles and rights in Indian garment factories has resulted into a vast number of labels and code of conduct.

6.1.4.2 Corporate Social Responsibility

Corporate social responsibility (CSR) fundamentally connotes that the establishment should work in a principled way. It should work in the best interest of the parties associated with it. The notion of social accountability and responsibilities in Indian apparel sector is fastening acceptance. Increasing number of companies are tiresome to work in a mode to defend the interests of the workforce, clients, contractors and the society.

6.1.4.3 Social Responsibility in the Garment Industry

Garment firms have social responsibility associated with workforce and the surroundings. Social responsibility in the global clothing industry gives a deep examination of labour practices and values. But the ways by which the various organisations takes up to accomplish their social accountability may be different. A garment factory can fulfil its social responsibility in the following manner:

- By creating and providing a challenging environment to the workforce.
- Creation and provision of fair book of policies for any kind of employee dispute, if any.
- Affirm a safe and positive working environment for the employees.
- Prohibit child labour and abolish any kind of child abuse.
- Provision of equal opportunities to the employees to voice their feedback and have an effective policy for the solution of dispute.
- Ensure ethical recruitment, training, remuneration, appraisal and other policies.

6.1.5 Indian Apparel Trade and Compliance Standards

The Indian garment industry is aiming to reach 7.5 billion by the end of 2012, a Fig that is practically double the size of the last profit intended by the Indian Chamber of Commerce (ICC).

With the increasing globalisation, a lot of prominence has been placed on global compliance standards in the garment industry. Factories involved in the international trade must keep a proper check of the garment factory compliance at regular interludes. Therefore, every apparel export business needs to have a proper understanding of compliance rules for foreign trade.

6.1.5.1 Why Code of Ethics is Required

The code of ethics is concerned with the quality of the products and services from the workstations along with the working environment that should meet the provisions of audits and assessments. If followed sincerely, these ethics will result into:

- Cumulative national affordability in terms of social compliance.
- Growing competitiveness of small scale industrialists.
- Dropping burden on manufacturers.

Some of the compliance codes in Indian garment industry are listed below.

6.1.5.2 Working Hour & Wage Rate Compliance

- Garment workshops should ensure a confirmation that employees should get minimum wages as per the domestic law and according to their working hours spent by them in the industry.
- Employer should confirm an equal wages to both men and women employees who are performing the same work or work of a similar nature.
- Workforce employed for more than nine hours on any day or for more than 48 hours in any week, shall be qualified to wages at premium legal rates for such overtime work.
- Every employee must be entitled to one holiday in a week.
- Whenever a worker is required to work on a weekly holiday, he is to be allowed a compensatory holiday for each holiday so lost.

6.1.5.3 Tailoring Shop & Work Environment Compliance

- Businesses units should see that they are providing a proper clean, hygienic, well-ventilation, sufficient light and air to provide the workforce with standard work environment. A comfortable workstation with a clean and neat tailoring shop is a mandate.
- Indian garment industries should ensure that the workers are given a comfortable sitting chair with back support and proper leg space.

6.1.5.4 Non-discrimination Compliance

Under federal and state laws, it is in contradiction of the law for proprietors to differentiate staffs and job applicants and/or harassment to occur with their organizations. It is also against the law to treat people unethically or bother them because of the age, disability, homosexuality, marital or domestic status, race, sex or transgender status of any relative, friend or colleague of a job applicant or employee. Employers, managers and supervisors must treat all their job applicants and employees on the basis of their individual merit and not because of irrelevant personal characteristics. They must also do their best to make sure that their employees are not harassing any other job applicant or employee.

6.1.5.5 Social Compliance in India

Religion, community, culture or belief characteristics should never be the basis of distinction among employees by the organisation. All the terms and conditions of employment should be based on a person's ability to do the job. The mandate for social compliance is growing every day. One can accomplish a dynamic and vigorous compliance system only when the workforce is provided with an equal stand to voice their concern and have consultative instrument at the tailoring shop. The Apparel Export Promotion Council of India (AEPC), a summit framework of Indian apparel exporters, runs all social compliance services to meet international global standards. This council trains and monitors industrial unit to upgrade the factory conditions and labour values and standards.

6.1.6 Health and Safety Compliance in Indian Garment Industry

Apparel industry has won increased attention from consumers, social workers, welfare organisations and trademarked international buyers. Many global players are demanding that their "code of conduct" should be complied to, before entering into an agreement. Nowadays, continuous observance to quality standards and employee contentment have become significant bounds for gauging the company's performance.

Apart from the growing quality of outputs that meet transnationally recognised standards, it is essential for the suppliers to improve safety and health compliance code and provide proper working atmosphere in their work locations.

Numerous overseas countries have established various international compliance standards on safety and health compliance. Exporters should follow these codes to live on in the global market. One should not under-estimate the benefits drawn from regular drilling of compliance codes of conduct which can bring higher price of yields, less employee turnover rate, smooth trade relation as well as global image & status.

6.1.6.1 Need for Compliance Codes

There is prominent impact of social compliance on company's economic outcomes. Companies should adopt compliance code to protect their goodwill and brand name in the market. The Indian apparel industry needs to be hard-hitting on compliance rather than opposing with other developing countries manufacturing low-cost garments.

6.1.6.2 Role of Apparel Export Promotion Council in India

In India, the Apparel Export Promotion Council (AEPC) is committed to legal compliance and principled business Practices. It encourages members/exporters to comply with all applicable laws and regulations of the country to meet international compliance standards. Further, the council has designed a garment factory compliance program 'Disha' (Driving Industry towards Sustainable Human Capital Advancement) that aims to spread awareness regarding the importance of compliance among garment exporters.

6.1.6.3 Compliance Code Guidelines

Apparel factories ought to contemplate the below mentioned guidelines when complying with safety and health compliance code standards:

- Trades should comply with international standard code, such as ISO or importing countries standard code to become competitive in international markets.
- It is necessary for workers involved in loading and unloading operations.
- Young adults (between 15 to 18 years) are not allowed to work on any dangerous machine without sufficient training and supervision.
- Ear plugs or muffs should be given in places with excessive sound such as generator rooms and embroidery rooms.
- Factories should have effective fire extinguisher with proper usage instructions.
- Eye-wear and face shields should be a must, providing in areas with danger of flying objects, sparks, glare, hazardous liquids and excessive dust.

6.1.7 Compliance Code Guidelines for Indian Garment Industry

The Indian apparel industry supports considerably to India's export earnings. India has industrialised as a major following destination for various buyers. The USA and the EU endure to be the most domineering markets for Indian apparel industry, bookkeeping for about two-third of India's textiles exports. These countries have been demanding upon compliance to certain social, environmental and safety standards and norms by the manufacture units involved in export business. Corporate codes of conduct that discourses labour standards vary from corporation to corporation and location to location. Some of the common Indian Garment industry compliance code guidelines are:

- Exporters must not be intricate in unfair labour practices but limited to interferences in matters regarding freedom of association.
- Exporters shall recompense workforce for all hours operated. Workers on a piece rate payment scheme or any other incentive scheme should be paid according to that.
- Exporters shall not illogically restrain the liberty of movement of workers, including movement in canteen during breaks, using toilets, accessing water, or to access necessary medical attention, as a means to maintain work discipline.
- Exporters are about to offer workers with paid annual leaves as required under local laws, guidelines and processes. Exporters shall not impose any undue limitations on workers' use of annual leave or taking any type of sick or maternity leave.
- There shall be no alterations in workers remuneration for work of equal value on the basis of gender, race, religion, age, nationality, sexual orientation, social political opinion, disability or ethnic origin.
- Exporters shall not threaten female workers with firing or any other employment conclusion that adversely distresses their service status in order to avert them from getting married or becoming pregnant.
- Exporters shall confirm that proper ventilation systems are installed within their premises to prevent airborne exposures which may affect the health of workers.

- Members shall not custom any form of physical or mental, emotional violence, threats, harassment, or abuse against workers seeking to form organisations or participating in union activities, including strikes.
- Workers shall be permitted to at least 24 successive hours of rest in every seven-day period. If workers must work on a rest day, another successive 24 hours rest day must be provided.
- Exporters shall pay workers at least the legal minimum wage or the usual industry wage, the one that is Higher. This indeed is the most essential code of compliance for Indian Industry.
- Garment exporters must ensure that the minimum age requirement to unsafe employment shall not be less than 14 years. This is the most significant concern in the country. Each worker has the right to enter into and to terminate their employment freely. Indian apparel makers need to follow all the compliance rules to comply with global standards. Often companies adopt industry compliance codes to project a positive image and protect their goodwill in the market. The Indian garment industry needs to be strong on compliance instead of competing with other developing countries manufacturing inexpensive garments.

6.1.8 India Complying with International Standards on Child Labour

Child labour has been a grave crime in India. It still exists. Children are in poverty, ignorance, and corruption due to illiteracy. Child labour superfluties under many conditions such as discernment (based on gender, ethnic, or religious issues), inaccessibility of educational and other substitutes, weak enforcement of child labour laws, etc. Large global firms, conscious of their image, often set up their own compliance standards for the exporters to ensure that all standards are being complied with. Various companies of U.S originality have included child labour in their code of conduct, due to tenacious evidence of child exploitation in the industry. In worldwide market, the buyer's compulsory requirement is to have an audit. As India is a leading garment exporter, the level of garment factory compliance is very high for Indian exporters. The child labour issue is one of the very important aspect that the audit checks. Therefore, all the export units must be highly compliant on issues related to child labour.

6.1.8.1 Code of Conduct for Garment Exporters

- Garment exporters must safeguard that the bottom limit of the age requirement to non-hazardous employment should not be less than 14 years. Moreover, all young workers (between 14 to 18 years) must be sheltered from doing any work that is likely to be dangerous or that may be injurious to their health and physical, mental, social, or moral development. Exporters must detect all legal necessities for work being performed by lawful young workers.
- Further, the trainees or occupational students shall not be under the legal age for employment (as provided under the applicable laws). They cannot be used on regular production lines as long as they are trainees and unless their pay and other benefits are at par with the regular workforce.
- A proper process is followed for checking the age of the workers. The minimum certification and credentials required to be maintained shall include- proof of age certificates by registered/ licensed dentists, birth certificate, school leaving certificate, national identity like passport, driving license, voter card etc. or any other document required under the applicable laws.

Your Business Description should include:

- A description of the nature of your business
- The market needs that you are aiming to satisfy
- The ways in which your products and services meet these needs
- The specific consumers and organizations that you intend to serve
- Your specific competitive advantages

Market Analysis

The market analysis section usually follows the business description. The aim of this section is to showcase your industry and market knowledge. This is also the section where you should lay down your research findings and conclusions.

Your Market Analysis should include:

- Your industry description and outlook
- Information on your target market
- The needs and demographics of your target audience
- The size of your target market
- The amount of market share you want to capture
- Your pricing structure
- Your competitive analysis
- Any regulatory requirements

Organization & Management

This section should come immediately after the Market Analysis. Your Organization & Management section should include:

- Your company's organizational structure
- Details of your company's ownership
- Details of your management team
- Qualifications of your board of directors
- Detailed descriptions of each division/department and its function
- The salary and benefits package that you offer your people
- The incentives that you offer

Service or Product Line

The next section is the service or product line section. This is where you describe your service or product, and stress on their benefits to potential and current customers. Explain in detail why your product of choice will fulfill the needs of your target audience.

Your Service or Product Line section should include:

- A description of your product/service
- A description of your product or service's life cycle

- A list of any copyright or patent filings
- A description of any R&D activities that you are involved in or planning

Marketing & Sales

Once the Service or Product Line section of your plan has been completed, you should start on the description of the marketing and sales management strategy for your business.

Your Marketing section should include the following strategies:

- **Market penetration strategy:** This strategy focuses on selling your existing products or services in existing markets, in order to increase your market share.
- **Growth strategy:** This strategy focuses on increasing the amount of market share, even if it reduces earnings in the short-term.
- **Channels of distribution strategy:** These can be wholesalers, retailers, distributors and even the internet.
- **Communication strategy:** These can be written strategies (e-mail, text, chat), oral strategies (phone calls, video chats, face-to-face conversations), non-verbal strategies (body language, facial expressions, tone of voice) and visual strategies (signs, webpages, illustrations).

Your Sales section should include the following information:

- **A salesforce strategy:** This strategy focuses on increasing the revenue of the enterprise.
- A breakdown of your sales activities: **This means detailing out how you intend to sell your products or services** – will you sell it offline or online, how many units do you intend to sell, what price do you plan to sell each unit at, etc.

Funding Request

This section is specifically for those who require funding for their venture. The Funding Request section should include the following information:

- How much funding you currently require.
- How much funding you will require over the next five years. This will depend on your long-term goals.
- The type of funding you want and how you plan to use it. Do you want funding that can be used only for a specific purpose, or funding that can be used for any kind of requirement?
- Strategic plans for the future. This will involve detailing out your long-term plans – what these plans are and how much money you will require to put these plans in motions.
- Historical and prospective financial information. This can be done by creating and maintaining all your financial records, right from the moment your enterprise started, to the present day. Documents required for this are your balance sheet which contains details of your company's assets and liabilities, your income statement which lists your company's revenues, expenses and net income for the year, your tax returns (usually for the last three years) and your cash flow budget which lists the cash that came in, the cash that went out and states whether you had a cash deficit (negative balance) or surplus (positive balance) at the end of each month.

Financial Planning

Before you begin building your enterprise, you need to plan your finances. Take a look at the steps for financial planning:

- **Step 1:** Create a financial plan. This should include your goals, strategies and timelines for accomplishing these goals.

- **Step 2:** Organize all your important financial documents. Maintain a file to hold your investment details, bank statements, tax papers, credit card bills, insurance papers and any other financial records.
- **Step 3:** Calculate your net worth. This means figure out what you own (assets like your house, bank accounts, investments etc.), and then subtract what you owe (liabilities like loans, pending credit card amounts etc.) the amount you are left with is your net worth.
- **Step 4:** Make a spending plan. This means write down in detail where your money will come from, and where it will go.
- **Step 5:** Build an emergency fund. A good emergency fund contains enough money to cover at least 6 months' worth of expenses.
- **Step 6:** Set up your insurance. Insurance provides long term financial security and protects you against risk.

Risk Management

As an entrepreneur, it is critical that you evaluate the risks involved with the type of enterprise that you want to start, before you begin setting up your company. Once you have identified potential risks, you can take steps to reduce them. Some ways to manage risks are:

- Research similar business and find out about their risks and how they were minimized.
- Evaluate current market trends and find out if similar products or services that launched a while ago are still being well received by the public.
- Think about whether you really have the required expertise to launch your product or service.
- Examine your finances and see if you have enough income to start your enterprise.
- Be aware of the current state of the economy, consider how the economy may change over time, and think about how your enterprise will be affected by any of those changes.
- Create a detailed business plan.

9.6.4.2 Tips

- Ensure all the important elements are covered in your plan.
- Scrutinize the numbers thoroughly.
- Be concise and realistic.
- Be conservative in your approach and your projections.
- Use visuals like charts, graphs and images wherever possible.

9.6.5 Procedure and Formalities for Bank Finance

The Need for Bank Finance

For entrepreneurs, one of the most difficult challenges faced involves securing funds for startups. With numerous funding options available, entrepreneurs need to take a close look at which funding methodology works best for them. In India, banks are one of the largest funders of startups, offering funding to thousands of startups every year.

9.6.5.1 What Information Should Entrepreneurs Offer Banks for Funding

When approaching a bank, entrepreneurs must have a clear idea of the different criteria that banks use to screen, rate and process loan applications. Entrepreneurs must also be aware of the importance of providing banks with accurate and correct information. It is now easier than ever for financial institutions to track any default behaviour of loan applicants. Entrepreneurs looking for funding from banks must provide banks with information relating to their general credentials, **financial situation** and guarantees or collaterals that can be offered.

General Credentials

This is where you, as an entrepreneur, provide the bank with background information on yourself. Such information includes:

- **Letter(s) of Introduction:** This letter should be written by a respected business person who knows you well enough to introduce you. The aim of this letter is set across your achievements and vouch for your character and integrity.
- **Your Profile:** This is basically your resume. You need to give the bank a good idea of your educational achievements, professional training, qualifications, employment record and achievements.
- **Business Brochure:** A business brochure typically provides information on company products, clients, how long the business has been running for etc.
- **Bank and Other References:** If you have an account with another bank, providing those bank references is a good idea.
- **Proof of Company Ownership or Registration:** In some cases, you may need to provide the bank with proof of company ownership and registration. A list of assets and liabilities may also be required.

Financial Situation

Banks will expect current financial information on your enterprise. The standard financial reports you should be prepared with are:

- Balance Sheet
- Profit-and-Loss Account
- Cash-Flow Statement
- Projected Sales and Revenues
- Business Plan
- Feasibility Study

Guarantees or Collaterals

Usually banks will refuse to grant you a loan without security. You can offer assets which the bank can seize and sell off if you do not repay the loan. Fixed assets like machinery, equipment, vehicles etc. are also considered to be security for loans.

9.6.5.2 The Lending Criteria of Banks

Your request for funding will have a higher chance of success if you can satisfy the following lending criteria:

- Good cash flow
- Adequate shareholders' funds
- Adequate security

- Experience in business
- Good reputation

The Procedure

To apply for funding the following procedure will need to be followed.

- Submit your application form and all other required documents to the bank.
- The bank will carefully assess your credit worthiness and assign ratings by analyzing your business information with respect to parameters like management, financial, operational and industry information as well as past loan performance.
- The bank will make a decision as to whether or not you should be given funding.

9.6.5.3 Tips

- Get advice on funding options from experienced bankers.
- Be cautious and avoid borrowing more than you need, for longer than you need, at an interest rate that is higher than you are comfortable with.

9.6.6 Enterprise Management - An Overview

To manage your enterprise effectively you need to look at many different aspects, right from managing the day-to-day activities to figuring out how to handle a large scale event. Let's take a look at some simple steps to manage your company effectively.

Step 1: Use your leadership skills and ask for advice when required.

Let's take the example of Ramu, an entrepreneur who has recently started his own enterprise. Ramu has good leadership skills – he is honest, communicates well, knows how to delegate work etc. These leadership skills definitely help Ramu in the management of his enterprise. However, sometimes Ramu comes across situations that he is unsure how to handle. What should Ramu do in this case? One solution is for him to find a more experienced manager who is willing to mentor him. Another solution is for Ramu to use his networking skills so that he can connect with managers from other organizations, who can give him advice on how to handle such situations.

Step 2: Divide your work amongst others – realize that you cannot handle everything yourself.

Even the most skilled manager in the world will not be able to manage every single task that an enterprise will demand of him. A smart manager needs to realize that the key to managing his enterprise lies in his dividing all his work between those around him. This is known as delegation. However, delegating is not enough. A manager must delegate effectively if he wants to see results. This is important because delegating, when done incorrectly, can result in you creating even more work for yourself. To delegate effectively, you can start by making two lists. One list should contain the things that you know you need to handle yourself. The second list should contain the things that you are confident can be given to others to manage and handle. Besides incorrect delegation, another issue that may arise is over-delegation. This means giving away too many of your tasks to others. The problem with this is, the more tasks you delegate, the more time you will spend tracking and monitoring the work progress of those you have handed the tasks to. This will leave you with very little time to finish your own work.

Step 3: Hire the right people for the job.

Hiring the right people goes a long way towards effectively managing your enterprise. To hire the best people suited for the job, you need to be very careful with your interview process. You should ask potential candidates the right questions and evaluate their answers carefully. Carrying out background checks is always a good practice. Running a credit check is also a good idea, especially if the people you are planning to hire will be handling your money. Create a detailed job description for each role that you want filled and ensure that all candidates have a clear and correct understanding of the job description. You should also have an employee manual in place, where you put down every expectation that you have from your employees. All these actions will help ensure that the right people are approached for running your enterprise.

Step 4: Motivate your employees and train them well.

Your enterprise can only be managed effectively if your employees are motivated to work hard for your enterprise. Part of being motivated involves your employees believing in the vision and mission of your enterprise and genuinely wanting to make efforts towards pursuing the same. You can motivate your employees with recognition, bonuses and rewards for achievements. You can also motivate them by telling them about how their efforts have led to the company's success. This will help them feel pride and give them a sense of responsibility that will increase their motivation.

Besides motivating your people, your employees should be constantly trained in new practices and technologies. Remember, training is not a one-time effort. It is a consistent effort that needs to be carried out regularly.

Step 5: Train your people to handle your customers well.

Your employees need to be well-versed in the art of customer management. This means they should be able to understand what their customers want, and also know how to satisfy their needs. For them to truly understand this, they need to see how you deal effectively with customers. This is called leading by example. Show them how you sincerely listen to your clients and the efforts that you put into understand their requirements. Let them listen to the type of questions that you ask your clients so they understand which questions are appropriate.

Step 6: Market your enterprise effectively.

Use all your skills and the skills of your employees to market your enterprise in an effective manner. You can also hire a marketing agency if you feel you need help in this area.

Now that you know what is required to run your enterprise effectively, put these steps into play, and see how much easier managing your enterprise becomes!

9.6.6.1 Tips 

- Get advice on funding options from experienced bankers.
- Be cautious and avoid borrowing more than you need, for longer than you need, at an interest rate that is higher than you are comfortable with.

9.6.6.2 Considering Entrepreneurship

Questions to Ask Yourself Before Considering Entrepreneurship

- Why am I starting a business?
- What problem am I solving?

- Have others attempted to solve this problem before? Did they succeed or fail?
- Do I have a mentor¹ or industry expert that I can call on?
- Who is my ideal customer²?
- Who are my competitors³?
- What makes my business idea different from other business ideas?
- What are the key features of my product or service?
- Have I done a SWOT⁴ analysis?
- What is the size of the market that will buy my product or service?
- What would it take to build a minimum viable product⁵ to test the market?
- How much money do I need to get started?
- Will I need to get a loan?
- How soon will my products or services be available?
- When will I break even⁶ or make a profit?
- How will those who invest in my idea make a profit?
- How should I set up the legal structure⁷ of my business?
- What taxes⁸ will I need to pay?
- What kind of insurance⁹ will I need?
- Have I reached out to potential customers for feedback

9.6.6.3 Tips

- It is very important to validate your business ideas before you invest significant time, money and resources into it.
- The more questions you ask yourself, the more prepared you will be to handle the highs and lows of starting an enterprise.

Footnotes:

1. A mentor is a trusted and experienced person who is willing to coach and guide you.
2. A customer is someone who buys goods and/or services.
3. A competitor is a person or company that sells products and/or services similar to your products and/or services.
4. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. To conduct a SWOT analysis of your company, you need to list down all the strengths and weaknesses of your company, the opportunities that are present for your company and the threats faced by your company.
5. A minimum viable product is a product that has the fewest possible features, that can be sold to customers, for the purpose of getting feedback from customers on the product.
6. A company is said to break even when the profits of the company are equal to the costs.

7. The legal structure could be a sole proprietorship, partnership or limited liability partnership.
8. There are two types of taxes – direct taxes payable by a person or a company, or indirect taxes charged on goods and/or services.
9. There are two types of insurance – life insurance and general insurance. Life insurance covers human life while general insurance covers assets like animals, goods, cars etc.

Notes



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ISBN 978-93-86620-52-1



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