

Dharavi Commercial Tour

47 students from MMS-1, Batch of 2018-20, JBIMS visited the Dharavi Industrial Area for a Commercial Tour on 12th August, 2018. We were accompanied by Prof. Dr. Kavita Laghate, Prof. Dur Khan, Prof. Dr. Stephen D'Silva and Prof. Sandesh Kirkire. The students were guided by an employee from FRS Tours who guide various tours in and around Mumbai.

Introduction:

- Canadian Prime Minister, Mr. Justin Trudeau, visited the Dharavi Commercial Market
- American Tourister and Levi's bags are produced in Dharavi
- 60% of Mumbai's income comes from Dharavi
- 1500 families live there
- USD \$ 1 billion industry
- Major raw material provider to many industries (for example: textile, bags, etc.)

Bag Maker (B. H. Bags):

The bag maker provided 7 types of good quality bags at a cost of around Rs. 300 – Rs. 400. He creates his own design and sells around 2000 pieces per month. His margin for the sale of each bag was very small (around Rs. 10 – Rs. 15 per bag). He works in rented space which cost around Rs. 30,000 per month.



Cardboard Box Manufacturer:

The cartons for mineral water companies like Bisleri and Aquafina are manufactured by them. They make around 100 boxes per day and their margin per box is approximately Rs. 15.



Talcum Powder Supplier (All India Mineral Corporation):

The company is a supplier of talcum powder, Rangoli powder and *geru*. They buy sacks of 50kg and sell to the retailers in packs of 1kg. They also work in the sale and purchase of black sand which is used in the creation of Ganapati idols. As the festival of Ganapati is just a month away, they said that they would have good business this month.



Mission Gulistan (Abid Khan):

We met Mr. Abid Khan during our visit and he explained us about the current venture that he has undertaken. He is a part of a group which believes in improving the living conditions and surroundings of Dharavi. With this aim in mind, they have started providing flowers to people in exchange for garbage, which they dispose off properly. The motive behind this is to avoid littering in public places. In future, they are planning to undertake endeavours like development of water fountains in the Dharavi area and cleaning the roadside gutters.



Clothes Manufacturer (A-Boy Creation):

This establishment worked in tailoring and altering of children's clothes. They have 8 tailoring machines and 16 workers to work on them. They create 200 pieces of finished clothes each day. They have a large working area and pay around Rs. 53,000 rent per month. They generally have good business, but they said that business suffered after demonetisation.



Visit to Bakery at Dharavi:

During our visit at Dharavi, we happened to talk to a bakery manufacturer and visit his establishment and we makes bread and products at cheap compared to the manufacturers. We manufacturing informed by the



found that he other bakery prices as regular checked the processes and as owner, he supplies

around 250 – 300 Kgs of bread across various areas of Mumbai on a daily basis. He sells the bread at around 25% margin and the other products are sold at a higher margin.



Glass factory:

Their establishment worked in the field of cutting and polishing the glasses. Their input raw material is usually 7x12 sq.ft. glass sheet and their output is the finished glass according to the customer's requirement. The cost of polishing the glass is around Rs. 30/ft.



Recycling Plastic:

The establishment was on creating minute pieces from the input plastic *pattis*. They sell these pieces to the recycling companies which eventually melt and reuse the plastic. They sell the pieces for Rs.5/kg to the recycling companies.



Pot Maker (Savita Potteries):

They create around 25 pots per day. The favourable season for their business is the summer season because the pots dry ensures production the same We visited



because the quickly, this more of pots in time frame. the

establishment in the rainy season and they said that the business was not doing well. Generally their margin per pot is Rs.10.



Visit to a Plywood Supplier:

We visited a plywood supplier from where the carpenters and many companies dealing in readymade furniture purchase their raw material. The quality of wood is lower than the normal wood and it is normally damaged in case of contact with excessive water. As explained by the owner, the wood is extensively used in readymade furniture whose life is much lesser than the built furniture. The margins are around 25-30%.

Visit to a Gum Manufacturer:

We also verified a gum manufacturer who would refine the left over gum from the large companies as and when they scrap their left over raw material. The owner of this unit would collect this leftover at very nominal prices and then would run certain filters in order to extract the gum and then would eventually sell it at around Rs. 200/kg which is significantly lesser than the price of the company. He would end up selling around 25 to 30 kgs of gum per day.

Second Hand Electronic Appliances (M

Traders): They purchase used electronics from around the city and after servicing, they make these appliances available to the customers looking for second hand electronic devices. They usually provide a 6-month warranty for each appliance. Some of the appliances that they sell and their corresponding approximate costs are as follows-

- Washing Machine – Rs.6000
- 1-ton Air Conditioner – Rs.8000



Recycle Collection:

They collect the used newspapers from the various *raddiwalas* around the city, store them and sell those to major recycling companies. They transact around 100kg of newspaper daily and the maximum margin that they receive per kg is Rs.2. We visited during the rainy season and asked them if the rains caused them any problem, to which they replied that it becomes easier if it rains because eventually wet paper is required in the recycling process.



Conclusion:

We interacted with various people (businessmen, professionals, employees, volunteers, etc.) during our visit to the commercial area of Dharavi. We were astonished to see the variety of businesses being carried out in the area. It was an eye opening experience how the small scale industries contribute to such a large extent to the city's total income. We learnt many things about the day to day activities of the businesses and would like to express our gratitude for arranging the trip.

Thank You