

CHAPTER No. 2

PROFILE OF MILL & RESEARCH METHODOLOGY

2.1 NAV-MAHARASHTRA CO-OPERATIVE SPINNING MILL LTD., ICHALKARANJI (SAJANI) – A PROFILE

Nav Maharashtra Co-operative Spinning Mill Ltd. was the first spinning mill to begin the production of yarn and fourth in Ichalkaranji. In consultation with, "The All India Federation of co-operative spinning mills", it was set up with understanding that it would function as 100 percent Export Oriented Unit (EOU) and it imported the foreign machinery on the principle of the deferred payment. The central government sanctioned the proposal in February – 1985. It made the share capital available to the mill at the ratio of 1:4 – ½. Under the guidance from federation, an agreement was signed with M/S F. Marzoli, a reputed Italian Company and the machinery was installed in 1985.

Thus Nav Maharashtra co-operative Spinning Mill established in the year 1979 started its production June 1986. This is the first 100 percent EOU in co-operative sector in India and is well equipped with imported high tech machinery. This being the EOU, financial institutions in the country were doubtful about its success & were not ready to extend any monetary assistance. Hence, It was established under the deferred payment scheme with

a textile manufacturer from Italy. However, within a year or two it crippled in financial crises due to hike in exchange rate of Swiss bank and so the mill came under a great financial burden. The spinning mill had paid Rs. 4.37 crores as an extra payment due to hike in exchange rate only.

It was due to sincere effort of late Abasaheb Kulkarni (Khebudkar) that the mill could find a way out without which it would have suffered a great set back. Mr. Abasaheb pleaded the case of the mills before the Government and made a proposal of "Financial Reshuffle" which maintained the survival of the mill. Hence, the mill is indebted to late A. G. Kulkarni. At present Mr. Bapusaheb More is carrying out the responsibility of chairmanship.

HIGHLIGHTS OF THE MILL :-

- a) Registration No. – KPR/PRG/A(II) Date 4-10-79.
- b) First 100% EOU in India in co-operative sector with 25,200 spindles.
- c) Area 52 Acre.
- d) To manufacture and supply quality yarn at a reasonable price and with in specified time to weavers and knitters worldwide.
- e) To minimize changes of human error, electronic equipment of the most recent design instruments from Zewelleger, Switzerland was installed (Quality is the foundation of endeavor.)

- f) Within the first five years of operations, Exports touched 10 million Kgs. Mark valued at 40 million. Even today the client list is growing and demands swelling.
- g) NAVMA is the brand name familiar in the world market.
- h) The unit is managed by a team of seasoned and experienced powerloom weavers headed by a Techno commercial Expiration the field.
- i) Demand from ENGLAN, IRELAND, MAURITIUS, The EUROPEAN MAINLAND, SIGAPURE, MALAYSIA, INDONESIA, THAILAND, KOREA and TAIWAN etc.
- j) Audit Report..... Grade - A
- k) Generators to run mill in power failure (80 percent of Total Capacity).

2.2 OBJECTIVES OF THE STUDY :-

- 1) To study the short story in growth of textile industry (National Level, state level, city level.)
- 2) To study the origin and Development of the mill.
- 3) To study production performance of the mill.
- 4) To study sales performance of the mill.
- 5) To study financial position of the mill.
- 6) To study which welfare facility gives workers.
- 7) To study problems of the mill.

2.3 RESEARCH METHODOLOGY :-

For the present work case study method is followed.

Case study is the a compact, inclusive study of the actuality of business situation or it is a systematic gathering of adequate information about the business situation so that other understand the various realities of it functions. It is form of qualitative and quantitative analysis of a careful and complete observation of a business situation, a problem a person as an institution.

It is an in depth and detailed study of the real situation as a whole, quantitative data analytical frame work, and overall evaluation and interpretation are essential in gradients of case studies, because they are expected to provide very valuable lessons of practical implication.

It can be covering all the aspects of background of the environment and the industry situation within which it operates. The working results and financial statements of the concern are examined it assess the effectiveness of managerial decisions. Almost always the case contains some information about the industry and its competitive conditions, some historical background about the concern itself, information about its products, Production facilities, marketing, general organization plan, and a back ground of its management and their culture, as well as the concerns organization all climate.

After the discussion about case study method we can understand how it is suitable for this dissertation.

2.4 DATA COLLECTION :-

For this study, the primary as well as the secondary data have been used. The primary data has been collected through the observations and the inspection of the record.

The secondary data has been collected from published annual report of the mill. Other information is collected from the relative authorities by the desk discussion library research.

2.5 LIMITATION OF THE STUDY :-

This study is undertaken as part of the partial fulfillment of the degree of the master of the philosophy in Arts and it has following limitations.

- 1) This study limited only to one mill from amongst the co-operative spinning mills.
- 2) The period of the study is limited to ten years from 1990-91 to 1998-99.

2.6 EXPORT ORIENTED UNITS IN INDIA :-

Foreign capital helps in the development of a country by filling two gaps, viz., resource gap and foreign exchange gap. In the initial level of development, the country is not able to generate enough resources over and above the consumption requirement of the country. In the absence of enough savings coming forward for capital formation the country remains under the vicious circle of underdevelopment.

Foreign capital provides the essential resources and helps in breaking this vicious circle. It also helps in the development process, by providing the essential foreign exchange that enables the purchases of imported raw materials, improved machinery and advanced technology.

Most of the under developed countries try to channelise these flows in the areas and sectors that are highly export oriented with the aim that along with the overall production with higher level of exports are achieved which then could be used to meet the foreign exchange requirement of the country.

It has also pursued a similar kind of strategy over a period of time and started Export Oriented Unit by providing a traditional sector like textile and tea have faired much better than modern sector like engineering and chemicals because of high export intensity of export. In textile export oriented unit many of unites uses indigenous raw material and this textile sector is having much higher export intensity of the sales, which helps in higher foreign currency for the country. As for as import intensity of export is concern, in many of the mills imported improved machinery and advanced technology to produce high quality of textile for exports market. This is one time investment that is at time of starting of the mill and because of this for longer period of time the overall import

intensity of export for textile Export Oriented Unit became very low. For ideal case the export intensity of export for a EOU is zero.

The government has given concessions to these EOU's in the excise duties on purchase of raw material machinery imports and exports of goods to enhance the export of the country. The government has also put higher excise duty on selling of goods in local market from these Export Oriented Unit.

2.7 PROCESS INVOLVED IN SPINNING MILL :

The Textile Industry mainly divided in three parts :-

- 1) Spinning of Yarn Manufacturing.
- 2) Weaving and Fabric Manufacturing
- 3) Wet processing and Finacing.

In Textile Industry, in spinning process yarn is manufactured from raw material either nature fibre or chemicals. In cotton spinning yarn is manufacture from natural cotton fibre. In weaving, different fabric manufacturing are called weaving, Knitting, Non-woven etc. In wet processing and finishing manufactured fabric is treated with chemical solutions to dye fabric. In wet processing following treatments are being done. Desizing, Scouring, Bleaching, Merserization, Dyeing, Heat setting & Finishing.

Nav Maharashtra Co-operative Spinning Mill is an Export Oriented Unit (EOU) Cotton spinning mill producing yarn from cotton fibres.

The Mill is processing main two type of yarn.

- 1) Combed Yarn
- 2) Carded yarn.

The count range of the mill is from NE 16 to 60. During the manufacturing of the yarn following processes are involved.

- 1) MIXING :-

Mill gets cotton in the form of bales approximately weighting 165 kg each. The bale is a compact bundle of pressed cotton tightened by metallic strips. These cotton bales are being received from different cotton growing areas of country. In the mixing process cotton from different areas are being selected and mixed manually after opening bales. This process is done to make particular quality of mixing to produce particular yarn. Quality of mixing is depends upon type of yarn is to be produced. Quality of mixing becomes richer when the mixing is used for final counts and vice-versa.

- 2) BLOW ROOM :-

In this process cotton from the mixing department are further opened cleaned and mixed by different machines and delivered to next process that is carding.

3) **CARDING :-**

In this process cotton is thoroughly opened up to individual fibre stage and intensive cleaning has been made. The trash content in delivery material of carding is below 0.1 percent. In this process material delivered in the form of rope called sliver.

4) **COMBER :-**

In this process fibers below certain length called short fibers are removed. By doing this process average length of fibres in the delivery material increases and ultimately we get better quality of yarn. This process is only used for combed yarn and for carded yarn this process is by passed.

5) **DRAWING :-**

In this process number of slivers of comber or from carding are doubled and drafted. In this process fibre parallisation improves and sliver becomes uniform to get better uniformity in ultimate yarn.

6) **SPEED FRAME :-**

In this process drawframe sliver is further drafted get twisted and wound on bobbin called roving bobbin. This bobbin is feed to from to ring frame machine.

7) WINDING :-

In this process bigger yarn packages called cones of required weight are produced. During winding yarn faults in the yarn which are objectionable are removed and yarn is rejoined by air spicing. The cone thus produced is final package to deliver to customer. These cones are then sent to conditioning department.

8) CONDITION :-

In this process before packing, the cones are conditioned in conditioning room for 8 hours to absorb required moisture. After that cones are sent to packing department.

9) PACKING DEPARTMENT :-

In this department final inspection is carried out and then packed into cartons. These cartons are ready for delivery.

10) YARN TESTING :-

In yarn testing department final yarn as well as in process material from mixing to packing are being tested in regular frequency. The yarn parameters tested in the testing department are yarn count, yarn strength, yarn regularity, yarn faults etc.