

PART-I

CHAPTER-1

A. HISTORICAL BACKGROUND OF TEXTILE  
INDUSTRY IN INDIA & IN MAHARASHTRA

B. HISTORICAL BACKGROUND OF VIDARBH  
MILLS BERAR, ACHALPUR.

A. Historical Background of Textile Industry in India

In 1350, Sir John Mandeville, the British explorer, returned home from a visit to India with story that, "there grew a wonderful tree which bore tiny lambs on the ends of its branches. These branches were so pliable that they bend down to allow the lambs to feed when they are hungry."

All ancient writings credit India with the origin of cotton. Archaeological discoveries in the India valley date cotton at about 3,000 B.C. or even earlier. Near Chers, Alexander's admiral, spoke of chintz or forwarded cotton fabrics from India which is rivalled simlight and resisted washing. Greek historian Herodotus (484 B.C.), the father of history, returning from a trip to India, wrote, "There are trees in which fleece grew surpassing that of sheep and from which the natives made cloth".

The writings of Marcopolo in the 13th century A.D. and of Tavernier in the 17th century stand testimony to the degree of excellence and perfection achieved by the textile industry in India. Originally all cotton cultivated in India, grew on the perennial type of plant known as G. Arbonium Var Neglectum, which was of form Bengalenses in North and Western India and of forma Indicum in Central and South India. It is believed that the "webs of the woven mind", the world famous Dacca muslin was made from Bengalenses.

The coronation of cotton took place in America and though since the end of world war II cotton has been under severe pressure from man made fibres, this champion of civilization for over 50 centuries is still reigning supreme in its pure form of five continents of the world. Its production is one of the major factors in world prosperity and economic stability. As the "Encyclopaedia of Textile" says, "It has clothed nations; it has made stores of men; it has monopolised labour and has given rise to new industries. It has produced more economic paradoxes than any other natural product, for cotton cloth and cotton linters serve as the base for acetate and rayon".

Cotton, the volatile commodity, ranks as the oldest and largest among the organised sector industries in the country.

The first cotton mill in India was established as early as 1818 at Fort Gloster near Calcutta. But, Bombay with its vicinity to raw cotton markets, humid climate and abundance of hydroelectric power is the heart of the industry today. The first mill in Bombay was established in 1851 and this was followed by Ahmedabad. The concentration was thereafter diverted towards part of Madhya Pradesh, Mysore, Madras and Uttar Pradesh becoming important centres.

During the two world wars the industry took long strides and went through a magnificent boom with the *prevailing*

restriction on imports and growing demand for cloth both civilian and military. And today, with its 19.54 million spindles, India ranks first in terms of installed capacity though it enjoys only the third place in terms of yarn production. As exporter, it stands next to only Japan and Hongkong and in terms of consumption, only next to China, the U.S.A. and the U.S.S.R. It has the largest area under cotton cultivation, which amounts to more than one-fourth of the total world acreage with an estimated capital investment of Rs 270 crores; the industry provides employment to about one million people out of the total factory labour force of around five million. Besides this it provides direct employment to several millions engaged in cotton cultivation, ginning, processing, cotton seed crushing and marketing.

Apart from being a source of providing one of the basic needs, the cotton textile industry plays a crucial role in the socio-economic structure of our country. The industry represents the single largest enterprise in the organised sector in India, accounting for about 12 percent of the value of India's total industrial production and giving direct employment to about 14 percent of the total factory labour force. In addition, as already mentioned, this industry is responsible for providing employment to several millions in handloom and powerlooms sector and is a means of livelihood to a much larger number of cultivators and agricultural labours in rural area. It is also one of

leading foreign exchange earners. The industry is big consumer of fuel, power, lubricants and spare parts. More than 35 crores of days chemicals, mills stores, sizing and packing material is issued by the industry. Along with textile machinery manufacturers at large number of small scale ancillary and auxiliary industry such as manufacturers and suppliers of mill stores, bobbins, shuttles and chemicals depends on this industry for their existence. This industry has a significant bearing on overall growth too. On occasions it has been considered as "Mother industry" for providing other industries even outside its main recognised industry group.

The cotton textile industry consists of two sectors: organised mill sector and decentralised sector. The organised sector consists of two types of mills - spinning mills producing yarn only and composite mills producing yarn as well as unprocessed and processed cloth. The decentralised sector consists of powerlooms and handlooms which depends on organised sector for the supply of yarn. There are also few processing units processing the cloth manufactured by the decentralised sector. Printing processed have also been added to many units in the organised sector particularly integrated units.

There were 691 mills in 1975 of which 288 were composite and 403 were spinning mills. The position in 1950 was that, out of a total of 362 mills 268 were composite.

Cotton textiles fared well during first Five Year Plan inasmuch as they were able to exceed the target in respect of both capacity and production. In the second Five Year Plan period, only in respect of spindlage the industry was able to exceed its target and that too marginally. In the subsequent plans things went from bad to worse with widening gaps between the plan target on the one hand and capacity utilization and production on the other.

Table - I

Growth of Indian cotton textile industry

<u>Year</u>	<u>Spinning Mills</u>	<u>Composite Mills</u>	<u>Total</u>
1951	103	275	378
1955	121	291	412
1961	192	287	479
1966	283	292	575
1967	317	292	609
1968	346	289	635
1969	358	289	647
1970	366	290	656
1971	373	291	664
1972	379	291	670
1973	398	290	688
1974	401	288	689
1975	403	288	691
1976	409	289	698

Between 1951 to 1976, the total number of mills rose sharply from 378 to 698. The bulk of the growth was however, confined to the spinning sector, where the number of mills virtually quadrupled from 103 to 409; meanwhile, the number of composite mills rose to 289 from 275.

Tamil Nadu has the largest number of mills (219) followed by Gujrat (117), Maharashtra (107), West Bengal (41), Uttar Pradesh (37), Andhra Pradesh (32), Karnataka (33) and other states and Union Territories (117). However, in respect of installed capacity, Maharashtra tops the list (Table II).

This industry provides employment to more than 7.60 lakhs in the country. However, here too the employment generation capacity has not changed since 1965. In fact the total number of workers employed has gone down since 1964 in which year it was 8.31 lakhs. Growth of the industry from the point of installed capacity and employment generation was considerable in '60 and to some extent better between 1960 to 1968, but the tempo was not maintained thereafter.

Don't we get the latest statistics?

Table - II

Statewise Break-up of Mills as on 1.1.1977

<u>S.N.</u>	<u>State/Zone</u>	<u>No. of Mills</u>
1.	Andhra Pradesh	32
2.	Assam	2
3.	Bihar	6
4.	Gujrat	117
5.	Haryana	11
6.	Jammu/Kashmir	1
7.	Kerala	28
8.	Madhya Pradesh	24
9.	Tamilnadu	219
10.	Maharashtra	107
11.	Bombay	54
12.	Orissa	5
13.	Punjab	9
14.	Rajasthan	21
15.	Uttar Pradesh	37
16.	Karnataka	33
17.	West Bengal	41
18.	Delhi	4
19.	Pondichery	5
20.	Goa	1

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Total : 703



Historical Background of Textile Industry  
in Maharashtra :

The cotton textile industry in Maharashtra occupies a unique place in industrial structure. Out of 961 spinning and weaving mills in India, 163 are located in Maharashtra. Thus Maharashtra state is having about 18.1 percent of spinning and weaving mills. Therefore at present 67 co-operative spinning mills are there in India, and out of which 25 are belonging to Maharashtra State.

Broadly speaking, the 'Bombay' is the heart of cotton textile industry in Maharashtra State. The first textile mill was started in Bombay in the year 1854. For the establishment of cotton mills in Bombay 50 merchants came together and formed joint stock company successfully. Near about 39 spinning mills have been started after first world war. The expansion of the industry was possible due to the fillip given by first world war. During this war period it became difficult to import the cloth, but the demand for it remained constant. Thus the mills those were in existence had earned enormous profit. This situation led to rise at fantastic height of the value of the shares.

Thus initially the cotton textile mills were concentrated in Bombay and still the average size of the mills is larger in Bombay than those in the rest of India. Anyhow it was true that till the period of second world war cotton textile mills were predominantly located in Bombay and the reasons well climate conditions, were conducive to

the development of the cotton mill industry. Especially cotton spinning requires humid climate and Bombay had its advantage. Secondly being an important trading and commercial centre, all facilities were available at Bombay. And thirdly, Bombay enjoyed excellent transport relations both in regard to raw material and consumers' market.

During the period of second world war, under the leadership of Bombay Mill Owners Association planned to reduce the production by mutual agreement. Therefore, the Central Government together with State Government had to take steps to increase the production.

Thus the cotton textile industry is contributing major portion in the income of Maharashtra State and also in the national income of India. Cotton textile industry maintained the leading position in the employment accounting for 24 percent of the total number of employees in the manufacturing sector in 1978-79 in Maharashtra State (Source - Commerce Weekly Industries in State, August 1984). This means cotton textile industry has provided direct employment to nearly a quarter of factory workers in the State. In this way cotton textile industry occupies a prominent position in the economy of Maharashtra State.

B. Historical Background of  
Vidarbha Mills Berar, Achalpur :

Vidarbha is famous as a cotton growing region and hence there are total 12 cotton mills in this region.

Vidarbha Mills Berar, Achalpur was organised and started by a limited company (M/s Deshmukh and Company) in 1926 with authorised capital of Rs 40,00,000 and paid up capital of Rs 16,70,000. This mill was running upto 1966 by this management, but due to the financial crisis, Government of Maharashtra was compelled to take over this mill on lease basis. And then this mill came functioning under unemployment relief scheme from August 1968. It was under the direct control of Labour and Industrial Department of Maharashtra Government and Shri D.R. Naik was appointed as the Chief Executive authority to manage the mill's affairs.

In April 1972, the management of the mill was transferred to Maharashtra State Textile Corporation (the undertaking of Government of Maharashtra). Shri D.T. Naik was appointed as the Chief Executive Officer. He was also nominated as the Director of Maharashtra State Textile Corporation and the Director in-charge for the mills.

On 30th October, 1972 the management of the mills was taken over by the Central Government under Sick Textile Undertaking Act of 1972 and National Textile Corporation

was appointed as the custodian, general to look after the management of the mills.

Lastly from 1st April 1974 the mill was nationalised along with other 103 textile mills in India and ownership of mills is vested with National Textile Corporation under provisions of Nationalisation Act.

This mill is a composite textile unit having 336 looms and 21,800 spindles, added with processing department.

Under the guidance of Shri D.R. Naik, Director in-charge and Chief Executive Officer of the mill and under overall management of Maharashtra State Textile Corporation, the mills have achieved reputation about its products in the market.

This mill is mainly producing medium count cloth, poplin, Dhoti, coloured cloth and very attractive coloured and designed chaddars, curtain cloth etc.

The management has very cordial and harmonious relations with its labour and labour through its recognised union is experiencing active labour participation in management in day-to-day activity of the mills.

At present there are 1,775 workers, out of which 1305 are permanent workers and 470 are substitute workers. These 1775 workers are divided into different departments like engineering, spinning, weaving, folding, processing, etc.

There are different unions of workers, according to different political ideologies, but 'Rashtriya Mill Mazdoor Sangh' is the major representative union.

The mill provides canteen, rest room, medical facilities. The mill has some rooms for the residence of the workers, near mill, but these are not in good condition.