
CHAPTER— I

C H A P T E R - 1

COSMOS WATCH FACTORY LTD., BIDAR

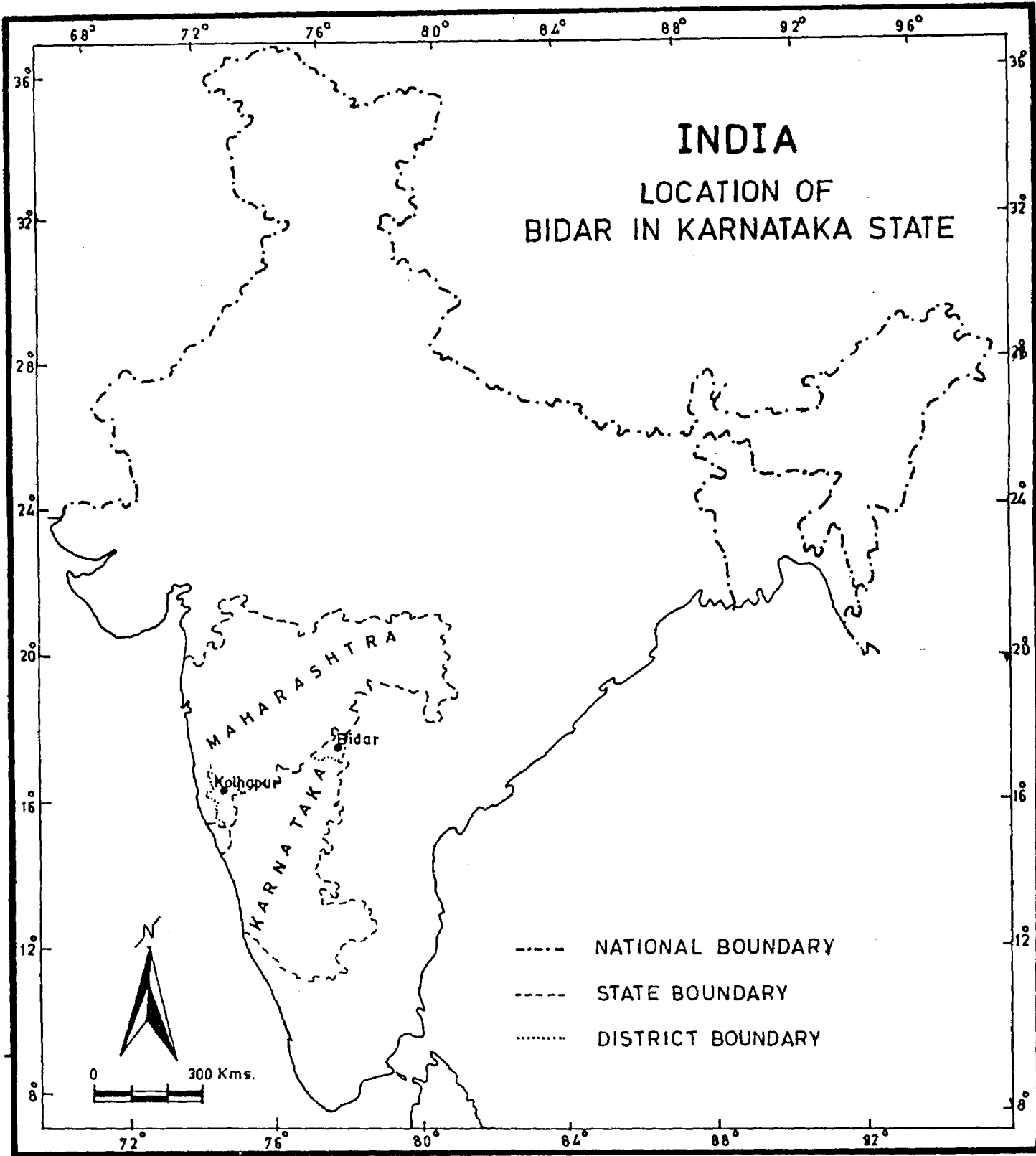
1.1 INTRODUCTION :

The present chapter deals with location and profile of Bidar and brief history of watch division and the establishment of Cosmos Watch Factory Ltd. at Bidar.

1.2 LOCATION AND PROFILE OF THE BIDAR TOWN :

Bidar is 840 meters above sea level and 111 K.M. north of Gulbarga is a beautiful hill town. The location of Bidar is shown in the map. Bidar was once the capital of the Bahamani kings for some time. The Bidar fort built in 1428 A.D. is of great historical interesting monument. Inside the fort are three palaces - Rangeen Mahal, Chini Mahal and the Turkish Mahal. All these of the 15th Century are worth seeing. The other important monuments are cave temple and Narasimha Swamy. Guru Nanak Jhira is the Shrine where Guru Nanak the founder of Sikhism stayed on his way to Sri Lanka. There are also tombs of the Bahamani and Baridi kings.

Bidar is a small town. It is a District place in Karnataka State. Bidar is called as a backward area. It is also called as a Hyderabad-Karnataka area, because it is nearer to Andhra Pradesh State. According to 1991 census the total population of Bidar District is 27,33,097. Bidar town have seven talukas. Bidar town is not highly urbanized or industrialized. According to 1991 census town



population is 2,24,055. In this town people from three religions (Hindu, Muslim and Sikhs) are living.

1.3. BIDAR TOWN DISTRIBUTION OF WORKERS AND NON-WORKERS:

Bidar District's total population is 27,33,097. Bidar town had population of 2,24,055 according to 1991 census. The distribution of the working population of Bidar town has been done in different categories and non-workers and also on the basis of male and female workers. The particulars of number and percentage distribution of working and non-working population according to 1991 census is presented in Table 1.1.

Table 1.1

Bidar Town Population : Distribution of Workers and Non-Workers

Workers and non-workers	Male workers	Female workers	Total
Construction workers	2,197 (89.5)	258 (10.5)	2,455 (5.9)
Trade and Commerce workers	6,366 (97.4)	167 (2.5)	6,533 (15.7)
Transport and communication	13,369 (96.5)	484 (3.5)	13,853 (33.3)
Other workers	15,676 (83.6)	3,083 (16.4)	18,759 (45.1)
Sub Total	37,608 (90.4)	3,992 (9.6)	41,600 (100.0)
Non workers	75,971 (41.6)	1,06,484 (58.4)	1,82,455 (81.0)
Grand Total	1,13,579 (50.7)	1,10,476 (49.3)	2,24,055 (100.0)

This table shows that majority of workers were working as other workers and transport and communication workers. Majority of the workers are male workers in all categories. It can be said that female workers are less than male workers. When compared between the workers and non workers, the non-workers were more than the all workers.

In Bidar town majority of the population is of non-workers. In non-workers female population is higher than the male population. The industries are developing here since 1980. Now-a-days the process of industrialization has started. Industrialists from Andhra Pradesh, Maharashtra and Dubai are establishing the new factories. There is a Sole Chemical Factory, Flour mill factory, Rubber factory, Cotton factory, Omkar Oil mill and Silk factory in Kolhar industrial area. In future Bidar town will be noticed as a industrial area in Karnataka State. Bidar is far away from the capital city (Bangalore) of Karnataka.

1.4 LOCATION OF THE FACTORY :

Bidar is one of the backward area in Northern Karnataka. Taking into consideration the basic requirement existing condition and amount of subsidy, Karnataka Government made the industrialists to come over of Bidar to produce their products at a much cheaper rate.

Many men and women both skilled and unskilled were

available in this area, who were in need of job. The factory is located in the industrial area that is KSIDC at Kolhar in industrial area which is on the State highway of Bidar - Gulbarga. This area is about 10 Kms. away from the city.

The factory has a beautiful location. At some elevation from normal height with plenty of trees surroundings, it makes free zone from air pollution. The location of the factory was made taking the following factors in consideration :

- A) The subsidy was given by the Karnataka Government, as Bidar is located in the backward area.
- B) Availability of men and women labour on cheap rate.
- C) Good transportation connection with roads and trains.
- D) Away from external and abnormal works.
- E) Low production cost.

1.5. BRIEF HISTORY OF WATCH DIVISION :

In the year 1960, the Government of India signed an agreement with M/s Citizen Watch Company, Japan for the manufacture of 2.4 lakh mechanical hand owned watches in India. H.M.T. on the basis of its sound reputation was entrusted with the task of implementing this project.

1.6 COSMOS WATCH FACTORY BIDAR :

Cosmos Watch Factory Ltd., was incorporated on 10th August,

1984, as a Private Limited Company and partnership with some financial firms in Bidar, in the State of Karnataka. ✓

In keeping with legal requirements, it attained the status of a deemed public limited company in July 1993. The Head office of the company is at Bangalore, where the finance, marketing, local purchasing, imports are handled. The owners are foreign returned from Dubai. Initial appointments are done on experience of person in production line and management level. The training to engineer is provided at Bangalore in first private sector unit and still only one of Bezels, Bezel rings and Bezel back covers and the first to be set up in the South India. ✓

Cosmos company is having a three acres of land on the outskirts of Bidar. Its location is rural Kolhar (B). Taluka and District Bidar. Out of three acres land two and half acres of land is covered by the factory building. The company is engaged in manufacturing high precision gold plated brass, stainless steel and other types of metallic watch cases. Here only watch cases with gold plating are produced, which are being marketed to reputed Indian watch manufacturers such as TITAN, TIMAX, HMT and ALLWYN. Rs. 10 crores is the initial investment of this factory. ✓

The manufacturing facilities comprise a range of dynamically upgraded plant and machinery, in keeping with latest development in the field.



Mr.S.S.Khan, Managing Director,
COSMOS Watch Factory Ltd.,
BIDAR

1.7 EXPANSION PROGRAMMES :

The following expansion programmes are planned in future:

- (1) Planning to increase the Assembly Section
- (2) New machines will be installed on the half acre land in future.
- (3) The company translated its vibrant management philosophy into the promotion of COSMOS LEATHER EXPORTS LIMITED, to manufacture high quality leather garments. The leather exports has a technical collaboration with STEHLING LEDER AND MODE GMOH, GERMANY. ✓

1.8 RANGE OF MANUFACTURE :

Cosmos watch factory has an installed capacity to manufacture 1.5 million watch cases per annum. On implementation of the proposed watch project this existing capacity of watch cases will be progressively dedicated for the manufacture of wrist watches by the company. ✓

Cosmos has been enlarging the range of manufacture of various types and size of Bezel, Bezel rings and back covers to meet a wide variety and demand of industrial need. The various models of Bezels that the company make are Surya, New Ajanta, Priya, Kanchana, New man, Titan, H.M.T. Allwyn etc. This company has developed around 93 models.

1.9 MARKETING CHANNELS :

The head office of the cosmos is at Bangalore. At Bidar cosmos watch factory has works division. The customers requirements order sent to the head office at Bangalore and from Bangalore orders will be passed into the workers division at Bidar. The final product manufactured at Bidar will be despatched to the respective customers.

1.10 PRODUCTION IN THE FACTORY :

A Raw materials :

The Brass and stainless steel are required for cosmos watch company.

Brass is supplied by :

- a) Kamani Metal Alloys Ltd.
- b) Rashtriya Metal Industry Pvt. Ltd.
- c) Bharat Strips Ltd.
- d) ALCOBEX

Stainless Steel is supplied by :

Samir Syndicate Ltd.

Including all the models, company can meet the demand of 1.2 lakhs watch cases per month. There is no collaboration, it is producing watch cases 100 % indigenously. ✓

In Cosmos Watch Factory the main sections are :

- (1) Planning Department
- 2) Design Section
- 3) Tool Room
- 4) Press Shop
- 5) Machine Shop
- 6) C.N.C. Shop
- 7) Diamond Cutting Shop
- 8) Polishing and Buffing.
- 9) Maintenance Department
- 10) Inspection Department
- 11) Gold Plating Department
- 12) Assembly Section
- 13) Personnel and Administration Department.

In factory 48 employees are women out of 449 total staff. The women are working in assembling unit. On the basis of qualification of minimum 10th std., written test, personal interview the selection of the women candidates is being done. ✓

For the women and men transportation has been provided by company buses. They come from a distance of 10 Km.

The factory is ancillary unit of Titan and H.M.T. factory. ✓
In future the management is going to make collaboration with West Star, Dubai based company for promotion of technical knowledge.



Building of COSMOS Watch Factory Ltd.
Some of the women workers and Researcher

The working area of the factory is highly sophisticated and centrally assembling unit A.C. The factory is having clean surrounding green belt and pollution free area.

The shifts of working are (1) 7.00 a.m. to 3.30 p.m.; (2) 3.30 p.m. to 12.00 and (3) 12.00 to 7.00 a.m. for Ladies 8.00 a.m. to 5.00 p.m. is a general shift.

The unit small scale with investment of initial 2 crores with the subsidy of 25 % capital. It is assisted by Karnataka Industries Development.

The industrial relations continued to be cordial in the factory.

The data regarding financial operations, out look of the Company, Research and Development are taken from Annual Report of the Factory.

1.11 FINANCIAL OPERATION :

The sales for the financial year 1993-94 amounting to Rs. 1018.03 lakhs as against Rs. 465.07 lakhs for the 1992-93 financial year, registered an increase of 118.90 %. The profit after tax is Rs. 104.60 lakhs before making adjustment relating to earlier years against a loss of Rs. 185.81 lakhs for the 1992-93 financial year.

1.12. OUTLOOK OF COMPANY :

The Company has entered into a joint venture on 27-2-95 with the MULTI billion dollar UAF Conglomerate, Al-Futtaim group, to launch its well known 'wester' brand wrist watches in India. Al-Futtaim is presently the worlds second largest independent distributor for Seiko watches. The company has already obtained the necessary approval from 'Foreign Investment Promotion Board' (FIPB). The proposed joint venture company will target its products to the middle and upmarket buyers of the Indian Wrist watch, Market. The necessary agreement was signed by the Chairman, Mr.R.S. Khan and by Mr. R.V.Huisman, Group Director of Al-Futtaim, on 27-2-95. The Company will continue to supply watch cases to the existing customers and also to the proposed joint venture company. This joint venture company is planning to go on stream in the last quarter of this year.

1.12 RESEARCH AND DEVELOPMENT :

The Company attaches great importance to research and development. Continuous efforts are being made to improve and expand the models of watch cases with established in-house production and tool making facilities, resulting in cost reduction and improvement in quality and service to the customers.

REFERENCES

1. Cosmos Watch Industry Ltd. Eleventh Annual Report
1994-95.