

# CHAPTER - II

# STUDY AREA

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### Study Area

#### Profile of the two organisations:

The present research work aims at making a comparative study of absenteeism in public sector and private sector with reference to textile industry. To facilitate such a study, two textile mills - one from public sector and another one from private sector are taken in to account. They are as follows:-

1. Narsing Giriji Mills - A public sector undertaking
2. Jam shri Ranjit Singhji - A private sector undertaking.  
Spinning & Weaving Mills

A brief explanation of the origin and development of the two undertakings is as follows :

1. Narsing Giriji Mills : 18th century was in its last leg. Industrialisation was not even in its infancy. Infrastructural facilities were no where in the scene. It was the period during which four renowned citizens of solapur viz. Shri Mallappa Warad, Shri Govind Abdulpurkar, Shri. Lakshami Narayan Sarda, Shri. Channa basappa Madki, who have got their names inscribed permanently in the bygone era of solapur, dreamt something big. To materialize that dream, they came together and worked collectively. But one hurdle that they could not cross on their own was 'pausity of funds'. They started to search for some one who could help in over coming the financial difficulty. The days were of traditional money lenders. Cash rich people were reluctant to take the risk. But one person was an exception to it. There was a ray

of hope for these four solapurians in Hyderabad. It was in the form of a Hyderabad Banker and head (Karta) of Gosavi family (Gharana), Shri. Raja Narasing giriji Gnyana Giriji. He extended precious help. The result was establishment of Narsing Giriji Mills on a sprawling 19 acres of land with an initial investment of Rs. 10 lakhs. From Sept 1898 to 1957, N. G. Mill, which was under private managment, carried on its activities of producing yarn and cloth succesfully.

Gradually, because of obsolescence of plant and machinery, the organisation lost its strength to face the competition from modernised units. This unhealthy development resulted in to heavy losses to the organisation, year after year. In August 1957, the Bombay High court declared it as an unprofitable unit and cleared the way for its liquidation culminating in to closure of the Mill.

Re birth of the Mill : The closure of N.G. Mill rendered many a people jobless. During the same period, Solapur Spinning and Weaving Mill (Juni Mill) was also closed down, leading to the aggravation of the situation.

Nearly 90% of the unemployed population had no other place and work to go for. All of them had come to solapur only after facing a lot of hardships in their native villages, hoping for a better life. But it was not to be. The workers were not in a position to provide even sufficient food, to their family members.

Looking at the pitiable plight of the unemployed people, one of the well known journalist at that time, Shri. Raman Gandhi, wrote an article in Loksatta, published from Bombay, emphasising the need for taking over the mill by Govt. Thanks to Shri. Raman Gandhi, Solapur peoples voice reached the 'Mantralaya'. The then Chief Minister of

Maharashtra Shri. Y.B. Chavan was also moved by the situation prevailing in solapur. The chief minister and the labour minister Shri. Shantilal Shah decided to take over the mill and run on an experimental basis, under the unemployment relief scheme. Accordingly, on 24th January 1958, the govt. of Maharashtra took over the management of the mill formally on a lease at a nominal rate of Rs. 1 per month, duly consented by the Bombay high court.

Though the govt. of Maharashtra took over the mill, actual management of the day to day affairs of the undertaking remained with Shri. Janaki prasad Marva, then mill manager. He submitted a memorandum of modernisation to the govt. of Maharashtra. The estimated cost of the modernisation was around 4 crores & 10 lakhs rupees. The govt. also understood the genuine need of renovating the mill, because of the heavy losses that it had to bear.

Though govt. of Maharashtra was convinced of the need for modernisation, it could not do so. Because it was not the real owner of the mill. According to the law of the land, authority to renovate the mill rests with the real owner and hence govt. being a lease holder could not renovate the mill.

To facilitate proper renovation of the mill, the govt. of Maharashtra decided to become real owner of the same. Accordingly the govt. purchased the mill by paying a purchase consideration of Rs. 50 lakhs on 14th Feb. 1966.

An expensive modernisation of the mill was initiated by the govt. of Maharashtra. It was completed by the end of 1972, with the financial aid from DDBI. It must be noted that workers also sacrificed 1/3rd of

their monthly salary every month, fill the process of modernisation, made working of the organisation commercially viable.

A unit of M.S.T.C.:- The govt. of Maharashtra on 1st April 1971, entrusted the management of the mill to Maharashtra State Textile corporations, though ownership of the mill continued to remain with it.

On 31st April 1976, the ownership of the mill was transferred to M.S.T.C. and has continued to remain with it till today.

Today's position:- An analysis of the performance of the mill during post modernisation period would reveal that installation of new plants and machineries is not the panacea for all problems. New techniques alone would not suffice. In addition to new techniques efficient management and dedicated and hard working work force are also equally needed. Even after extensive modernisation.

NARSINGGIRJI MILLS : SOLAPUR

DISTRIBUTION CHANNEL.. APR'93 TO MARCH'94

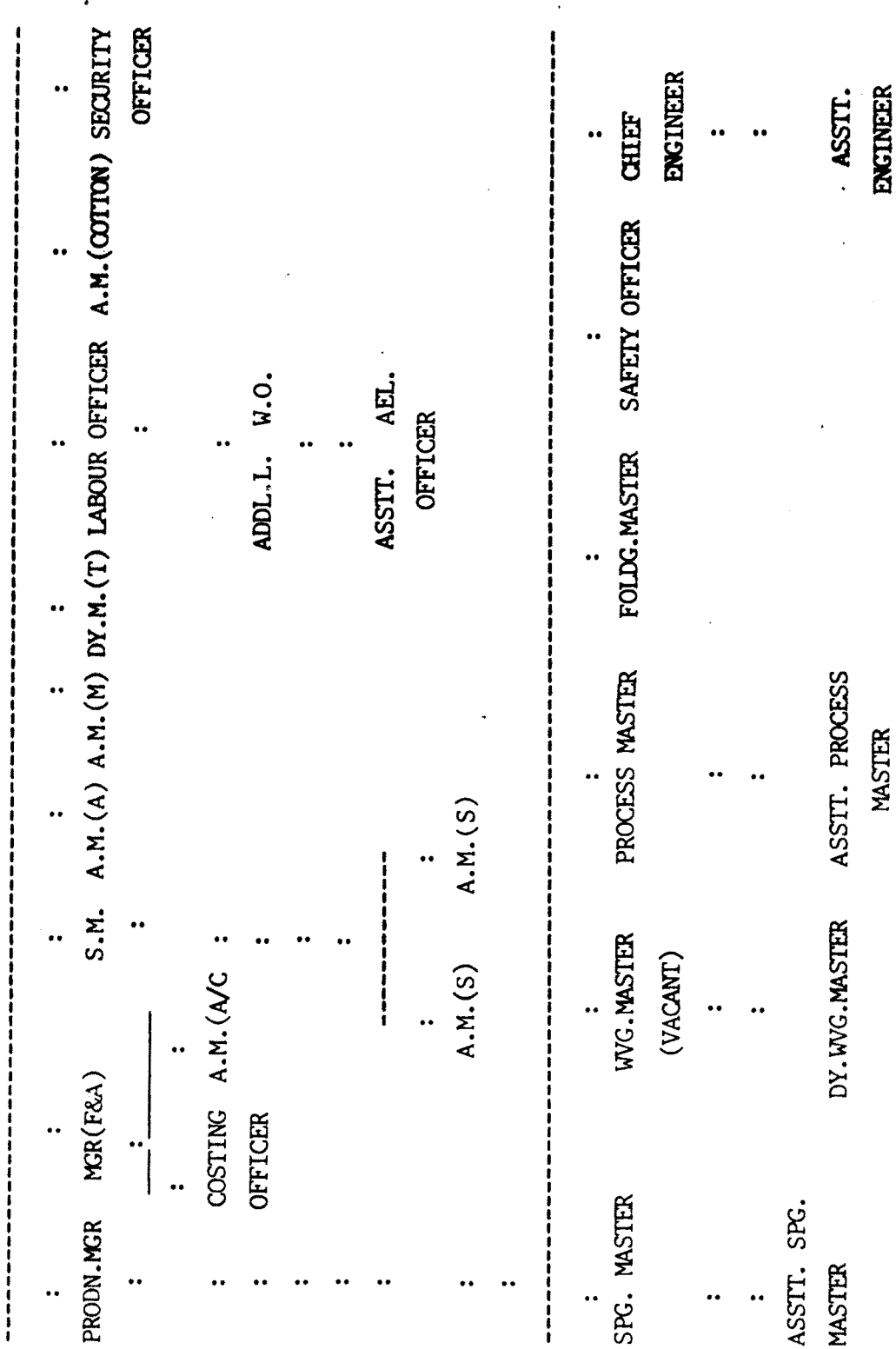
Distribution Channels.		Year 1992-93			Year 1993-94		
		Mtrs in	Value Rs in	% to total	Mtrs in	Value Rs in	% to total
1	Bombay	31.09	453.79	21.51	34.63	530.87	22.25
2	Solapur (Local)	29.76	381.81	18.10	32.83	478.11	20.04
3	Up - Country :						
	a) Indenting Agents	82.63	1038.33	49.22	72.33	1075.09	45.06
	b) Authorised Distributors Govardhandas & Co.	0.19	2.43	0.12	0.08	1.01	0.04
	c) Gurantee Brokers Ajay Agencies, Akola	1.58	20.54	0.97	0.86	12.06	0.50
	d) Non-Agent	1.23	20.82	0.99	0.24	4.02	0.17
	e) Unit Mills	0.34	7.57	0.36	0.04	0.62	0.03
	Total. (3)	85.97	1089.79	51.66	73.55	1092.80	45.80
4	Export.						
	a) Merchant Export	-	-	-	4.75	49.21	2.06
	b) Direct Export (MSTC)	0.85	7.77	0.77	0.80	7.76	0.33
5	Govt Dept MSEB ZP TDO	2.48	89.85	4.26	3.51	134.02	5.62
6	NG Mills R. Cloth Shop, Solapur.	0.41	6.63	0.31	0.34	5.56	0.23
7	MSTC Retail Cloth Shop, Bombay.	0.16	4.21	0.20	0.17	7.39	0.31
8	FRC Solapur	4.30	37.08	1.76	3.92	40.04	1.68
	Bombay	2.82	30.61	1.45	2.83	32.68	1.37
	Up-Country	0.97	8.12	0.38	0.80	7.38	0.31
	TOTAL CLOTH SALES	158.81	2109.66	100%	158.13	2385.82	100%
	TOTAL MKT YARN KGS.	5.59	388.57		7.85	513.18	
	TOTAL. Rs.		2498.28			2899.00	

NARSING GIRJI MILLS, SOLAPUR

ORGANISATION CHART

GENERAL MANAGER

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The mill could not carry on its activities profitably. On the one hand it continued to suffer from loss year after year. On the other hand, our govt. continued to pump in nations scarce resources in order to see that mill is not closed down, because "Social Welfare" is the main motto of our poor govt. But today it is some thing different. The days are of 'Manmohan economics'. Dr. Manamohan sing, the finance minister is not ready to show any kind of sympathy towards loss making public sector undertakenings. Recently, because of the new economic policy adopted, the govt. has declared that all loss making public sector undertakings must be considered as sick units and be treated at par with sick units of private sector. With such a development, what would be the fate of Narsingirji Mills ? Future alone can tell.

#### N.G.MILL AT A GLANCE

Name	:	Narsingirji Textile Mills.
Location	:	Station Road, Solapur.
Constitution	:	Public Sector undertaking.
No.of Staff members	:	Two hundred and seventy seven.
No. of workers	:	Three thousand two hundred and fifty six only (skilled & unskilled)
Raw material required	:	Cotton
Procurred from	:	Maharashtra state cotton growers marketing federation.
Finished product manufacturing.	:	Cloth
Process	:	Spining, weaving, Bleaching, Dyeing, folding, packing.
Licensed capacity	:	54,976 spindles and 1170 looms.
Installed capacity	:	54736 spindles and 1170 looms.
Average production daily:	:	47800 metres.
Labour relations	:	Cordial
Market area covered	:	Local, Bombay, other states and other countreis.



2. Jam Shri Ranjitsinghi Spinning and Weaving Mill : N.G.Mill, Laxmi Mill were already there in existense, tasting success. There was still a lot of scope left out for other to enter in the field and enjoy the fruits. Land and labour were available cheaply, though capital formation was not an easy task.

Shri Lalji Narayan, an enthusiastic businessman, was in search of an opportunity. He stopped for a while. Took stock of the situation prevailing in textile mills and market. Findings were rather encouraging. The success of N.G.Mill and Lakshmi Mill was testimonial to the fertility. Lalji Narayan, without having any second thought, decided at once to establish a textile mill. In 1909 the decision was implemented by establishing a Janshree Mill spread over a wide area of 21 acres exactly behind N.G.Mill and opposite Lakshmi Mill.

From 1909 to 1955 Janshri Mill continued to be under Lalji Narayan's rule. In 1955 Damani empire took over the Mill.

Damani must be appreciated for his courage. Because, during the same period, i.e. around later part of the 50th decade, situation prevailing in textile mill sector was rather discouraging. N.G.Mill, Solapur Mill (Juni), were crumbling without sustaining their own weight. But Damani went on to take over the mill without losing his confidence.

True to his spirit, Damani, by making some minor changes, scraped through the initial critical stage rather successfully. Then onwards the mill has never looked back. Since last 15 to 20 years it has been posting hefty amount of profits year after year.

During the year 1993-94, Profit made by the mill is to the tune of 2.72 crores.

At present the mill is engaged in producing 100% polyester cloth. The production of cotton cloth has been entirely stopped. The production process of polyester cloth involves conversion of cotton in to yarn, yarn to beam, Beam to grey cloth, grey cloth to finished cloth, finished cloth to Dyed cloth. On this dyed cloth varieties of designs are printed. The printed cloth is ultimately packed off. The raw material required for manufacturing polyester cloth is cotton and synthetic. Cotton is procured from Maharashtra, Karnataka and some other parts of India. Synthetic is imported from Taiwan.

Daily 25000 Metres of cloth is manufactured. 75% of the total production is exported to middle east countries and 25% is sold out in the local market.

The management is efficient. Mill manager is responsible for whole organisation. He is the ultimate authority. Under him there are a number of functional managers - like production manager, finance manager, etc. working efficiently. Each departmental head has officer, supervisors, jobbers, workers to assist him in discharging his duties. All departmental heads have to report to the Mill Manager. Mill manager, in turn, owes an explanation to the Managing Director.

Luckily the organisation has been able to maintain well motivated disciplined work force. To preserve high morale and loyalty of the workers, various welfare measures are being pursued.

Every year a worker showing highest efficiency and a worker having highest attendance is honoured. If a worker's suggestion is proved best and accepted by the management for its implementation, he is awarded a price. To increase the efficiency of the work force, training classes are conducted. In addition to this the workers are sent to attend industrial exhibitions.

If a worker's offspring is found to be meritorious, having secured more than 60% of marks in 10th std., it is given a scholarship of Rs. 100 per month. A visit of the worker's family members is arranged for, in order to bring them in to the fold. Workers are given vehicle loans to facilitate purchase of bicycles or two wheelers.

Modernisation is a continuous, never ending process. A new machinery with advanced technology 10 years back, may become obsolete today. From time to time new techniques of production are invented. If new techniques are not adopted, if changes are not introduced in the organisation with changing time, it would not be possible for the organisation to face the competitors in the market successfully. In order to have an upper hand, Jamshri Mill has been changing itself according to the requirements. Recently, Rotary machines, Boilers Auto coners etc. have been imported and installed. Computerisation has already begun. Various officers and clerks are being trained to operate the computers.

It has already been stated that Jamshri mill is making profit since last 15 to 20 years, continuously, without a break. So naturally management is encouraged to expand. Accordingly a new

spinning unit with 25,000 spindles capacity, is being erected exactly opposite already existing Jamshri mill. Jamshri Mills ultimate aim is to be an 100% export oriented unit.

To conclude, with efficient management, hard working workers, ever increasing demand in the market, improvements in infrastructural facilities etc. Jamshri has no cause to worry about. It would not be difficult to predict a better future for the mill during next 50 years.



### JAMSHRI MILL AT A GLANCE

Name : Jamshri Ranjitsinghji Spinning and Weaving Mill.

Location : Damani Nagar, Solapur.

Established in : 1909

Constitution : Public Ltd. Co.

No.of Staff members : Two hundred and Five.

No. of workers : Two thousand (PW & BW)

Availability & procurement of raw material : Cotton - Maharashtra, Karnataka  
Synthetic - Taiwan

Finished product : Cloth (Polyster)  
manufacturing.

Licensed capacity : 32,000 spindles.

Installed capacity : 32,000 spindles

Labour relations : Cordial

Market area covered : India and Middle east countreis.