

# CHAPTER III

***TEXTILE INDUSTRY IN INDIA***  
***PROFILE OF SHRI SHAHU MILLS***

**TEXTILE INDUSTRY IN INDIA**

Textile industry is one of the oldest industries in the country and it is the most firmly established industry. Bombay is the home town of Indian Textile Industry. The first mill was established in Bombay in the year 1854. The availability of cheap labour; the swadeshi movement and the protection granted for it were the two main factors which helped to the rapid growth and development of the industry in India. The textile mills in other parts produce much of the coarse cloth while mills at Bombay and Ahmedabad specialise in production of fine cloth. In 1939, there were 389 textile mills and 2,02,464 firms.

In post-Independence period, this industry has divided into two parts as organised mill sectors, unorganised sector and power loom sector. In 1972 there were 674 mills in India, of this 384 were spinning and 290 were composite mills. The total installed capacity in these mills was 182.3 lakh spindles and 13.08 lakh looms. Its assets were worth Rs.900 crores and paid up capital was Rs.280 crores. It employed 19.47 lakh workers.

The pattern of production and consumption has undergone a change in this period, due to increase in the use of synthetic fibre.

The government has adopted a policy of preferential treatment to handlooms and power looms. They have been given preferential rates of excise duties. The Government of India has established National Textile Corporation, and the Government of Maharashtra has established Maharashtra Textile Corporation to take over and run sick textile mills.

## PROBLEMS OF TEXTILE INDUSTRY

1. Non-availability of adequate raw material at reasonable prices is the prime problem of the industry. India depends largely on imported cotton of long staple.

2. Rising prices of cotton textiles is another problem. High cost of cotton, low productivity of labour, use of old and obsolete equipment lead to higher cost of production and, therefore, to higher prices.

3. Shortage of electricity, is a great handicap to the industry. There has been increasing cuts in supply of electricity.

4. Entry of developed countries like Netherlands, West Germany, Italy and Spain has increased competition in the world market. Most of the countries have put restrictions on import of textiles. This has limited the scope of Exports.

In 1966, the Government abolished the incentive scheme for Export of Cotton textiles. This has made exports difficult, and at the same time the rupee was devalued. This has given a severe blow to this industry.

5. Increasing cost, changing demand and increasing competition in the international market are all the factors that make it difficult for the textile mills to make both ends meet. As a result, a number of textile mills became sick units.

The solution to improve the situation of this industry lies in modernisation of textile mills and in improving the efficiency of the workers.

## PROFILE OF SHRI SHAHU CHHATRAPATI MILLS LTD.

Shri Shahu chhatrapati Mahahraj (1874-1922) the visionary ruler of the erstwhile princely state of Kolhapur has taken the initiative in setting up Shri Shahu Chhatrapati Mills as a joint stock Company of Kolhapur Darbar and Private entrepreneurs. The foundation stone was laid by beloved King of Kolhapur state in 1906 and after four years the Mill commenced its production of cotton yarn. Few years later a weaving section was added and the mill started producing grey cloth.

The first world war (1914-1918) has greatly influenced the history of mill, During the war period, as the imports of European cloth were disturbed, the mill enjoyed a continuous increase in the demand for its grey cloth from within the country and from nearby countries. Consequently the mill substantially increased its production facilities during those years.

The cloth shortage due to war lasted for a short spell and after its disappearance imported cloth once again entered on the market. As the market was flooded with a variety of cloth, the demand for grey cloth was decreased, this influenced the mill to reduce its production. The great depression of 1930's also hindered development and growth of this mills.

In the year 1936 the mill has handed over for its management to Messrs. James Finley and company. The new management tried to run the mill on profitable basis but its efforts were not rewarded with success. In the year 1948, the princely state of Kolhapur merged into the Indian Union and the established assets were taken over by the Government of Bombay state. Accordingly, the ownership of the mill transferred from Kolhapur Darbar to the government of Bombay, but Messrs. James Finley & Company continued as the managing agents.

Till the year 1957, the mill was running on steam power, its weaving Department was working in one shift and the Spinning Department was working in one shift and the Spinning Department was working in two shifts. After the Electrification of the mill installed 72 automatic looms, soon the weaving Department started working in two shifts and the Spinning Department started working for three shifts.

On 1st June, 1959 the managing agency arrangements were changed from Messrs. James Finlay & Company to Messrs. Bhudgaon Trading Company. (later on, known as Messrs. Natu & Sons Pvt.Ltd.) up to 31st May, 1967 the mill was managed by Messrs. Bhudgaon Trading Company. During this period the mill achieved rapid growth and as well improvement in the quality of production.

On 1st June, 1967 the mill's management was transferred to the Maharashtra State Textile Corporation (MSTC) Limited. The mill was finally taken over as a departmental undertaking of Government of Maharashtra

#### **NUMBER OF SHIFTS :**

In the beginning, the mill used to work in only one shift, Gradually, as various labour laws emerged particularly, the Factories Act, the mill had to reduce shift, finally in 1944 the mill changed its shifts hard to with.

Presently, the mill works in three shifts, shift timings:

Ist Shift from 6.30 AM to 3 P.M.

II Shift from 3.00 PM to PM

III Shift from 11 PM to 6.00 AM

LABOUR STRENGTH: (As on October, 1995)

Department	Total
Spinning	356
Weaving	579
Process	43
Folding	34
Engineering	127
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Total	1133
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FINANCIAL STRUCTURE:

With the transfer of ownership of the mill to the MSTC, its capital structure has changed radically. The purchase price of the mill had been arrived at by the Government of Maharashtra at Rs.17.50 lakh (net worth) representing excess of assets over liabilities.

**Capacity (as on 31.12.1993):**

Capacity	Licensed	Installed	Working
Spindles (nos.)	34,824	27,848	27848
Looms (nos.)	594	594	594
Present capacity	42,000	42,000	27200

**Production :**

The main items of production continue to be grey dhoties, shiftings and medium varieties of cloth, which do not fetch remunerative prices due to the shift in the consumers taste from grey to processed cloth. The scheduled-prices fixed by the government of India for the controlled cloth do not sufficiently compensate the higher cost of its production. Hence, in order to diversify its product range and thereby to improve the profitability production of fine counts yarn was taken up in profitability 1972. Similarly, the production of higher and medium quality cloth was also introduced, but it was processed elsewhere as poplins and shirtings.

**Sale of Cloth:**

As far as sales are concerned, the main authority rests with the General Manager of the mill. The sale of cloth is effected through three channels:



## (1) Through Merchants:

The cloth is sold directly to reputed wholesalers in Maharashtra;

## (2) Through Agents:

Agents have been appointed in various states (except in Maharashtra) that is at Indoor, Knapur, Ujjain, Agra, Delhi, Raipur, Vijayawada, Bangalore, etc. They send their orders to the mills as per their requirements.

## (3) Through Mill's Retail Shop:

The Mill has one retail shop in Kolhapur.

## Sale of yarn :

The mill also sells the yarn through its own Depots. But in the nearby chalkaranji yarn Market, it is sold through brokers.

## Performance of the Mill:

Year	Net Loss(-)	Net Profit (+)
1991-92	(-) Rs.83.00 Lakhs	
1992-93	(-) Rs.129.00 Lakhs	
1993-94	(+) Rs. 75.00 Lakhs	

**Departments in the Mills:****(1) Spinning Department:**

Following are the processes handled by this Department:

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|-------------------------|----------------|
| 1. Mixing and Blow-room | 2. Carding     |
| 3. Combing              | 4. Speed-frame |
| 5. Ring-frames          | 6. Doubling    |
| 7. Spinning             | 8. Rolling     |

**(2) WEAVING DEPARTMENT:**

This Department handles the following processes:

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|-------------------|----------------------|
| 1. Winding        | 2. Warping           |
| 3. Beaming        | 4. Weaving (general) |
| 5. Ordinary looms | 6. Bundling & Baling |

**(3) PROCESS DEPARTMENT:**

This Department completes the following process:

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|--------------|----------------|
| 1. Bleaching | 2. Dyeing      |
| 3. Finishing | 4. Calendering |