

CHAPTER - II

PROFILE OF ORGANIZATIONS

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(A) SHRI SHAHU CHHATRAPATI MILLS LIMITED, KOLHAPUR:

2.1 BRIEF HISTORY:

The Mill was started in the year 1906 as a joint stock company by the erstwhile Kolhapur State. The Mill was taken over by the Government of Bombay after the merger of Kolhapur State in the State of Bombay in 1949. The management of the Mill was entrusted to the Maharashtra State Textile Corporation Limited, Bombay, on agency-basis since 1967 till 31.3.1976. From 1.4.1976, the ownership of the Mill has also been transferred to the Maharashtra State Textile Corporation Limited, Bombay, in order to enable the Mill to operate as a commercial undertaking, effectively and smoothly.

2.2 INSTALLED CAPACITY:

	<u>Licensed</u>	<u>Installed</u>
1. Spindles	27,848	27,848
2. Looms - Ordinary	394	394
Automatic	200	200
3. Process House - (Actual production started in 1981)		

2.3 PRESENT LABOUR STRENGTH:

Following was the labour strength on the muster as on 28.2.1991

Permanent	1,428
Substitutes	<u>351</u>
<u>Total</u>	<u>1,779</u>
Clerks and Semi-clerks	104
Supervisors	32
Officers	<u>19</u>
	<u>155</u>

The average daily employment is: 1,547

Shifts:

1st Shift	:	6.30 AM to 3.00 PM
2nd Shift	:	3.00 PM to 11.30 PM
3rd Shift	:	11.30 PM to 6.30 AM

2.4 MODERNIZATION/EXPANSION PROGRAMME:

Following are the amounts sanctioned and utilized for the Mill's modernization/expansion programme:

<u>Details</u>	<u>Sanctioned</u>	<u>(Rs.in Lakhs)</u>	
		<u>Implemented upto 1981-82</u>	<u>Balance as on 30.6.1982</u>
Modernization	41.00	29.88	11.12
Expansion	123.47	112.93	10.54
Process House	44.25	38.70	5.55
Civil Work	7.00	7.00	-
Total:	215.72	188.51	27.21

The machinery for the above modernization/expansion programme is being purchased under the IDBI's Bill Discounting System.

2.5 FINANCIAL INFORMATION:

The ownership of the Mills has been transferred to the Maharashtra State Textile Corporation with effect from 1st April 1976 with the net worth of Rs.16.71 lakhs. Initially, the Mill was generating cash profits. However, since 1981-82 till 1988-89, there was a continuous loss. In 1989-90 and 1990-91, the Mill again started generating cash profits. The recent price hikes in cotton and other inputs, however, has put the future of cotton textile industry in doldrums.

The Mill's financial results for the last three years are as follows:

<u>Year</u>	Cash Profit(+) or Loss (-) Rs.in lakhs
1988-89	-81.47
1989-90	+66.40
1990-91	+90.00 (estimated)

The working capital limits presently enjoyed by the Bank from the State Bank of India are as follows:

Cash credit Limit	Rs 170.00 Lakhs
Bill Discounting Limit	Rs 90.00 Lakhs (Rs.40.00 within CC)
Others (Bank Guarantee, L/C, etc.)	Rs 30.00 Lakhs

During last two years, due to cash generation, the Mill was able to utilize the funds economically, to maintain borrowings at minimum possible levels, thereby reducing interest burden. Earlier, it had to pay carrying-charges on the payments for cotton due to paucity of funds. However, in 1989-90 and 1990-91, the Mill earned interest-income from Marketing Federation by advancing funds to them. During this period, the Mill has reduced the past carried-forward liabilities on account of gratuity, HO service charges, arrears of the MSEB, and to some extent, repayment of the term loan. The statutory liabilities are being paid in time and the suppliers' payments are released promptly to have smooth working of the Mills and to restore their faith.

2.6 INDUSTRIAL RELATIONS:

The Mill has a Representative and Recognized Trade Union, titled Shahu Mill Kamagar Sangh, which is affiliated to the INTUC. Industrial relations within the Mill are very cordial and the general disposition of the union is cooperative. The Mill has never remained closed inspite of the local 'Bandh' calls given on various occasions. Labour participation in the management is implemented in the Mill and a Local Committee has been formed, of which 3/4 meetings are held in a year. The President and the General Secretary of the Union actively participate in these meetings. As of today, there is no Labour Director on the Board of MSTC.

2.7 LABOUR ACTIVITIES:

The Mill has a very good record of industrial peace and its industrial relations are better with workers' participation in management at local committee level, As already, a considerable rationalization has been carried out, scope for further rationalization is limited. If new machines are installed, then further rationalization is possible.

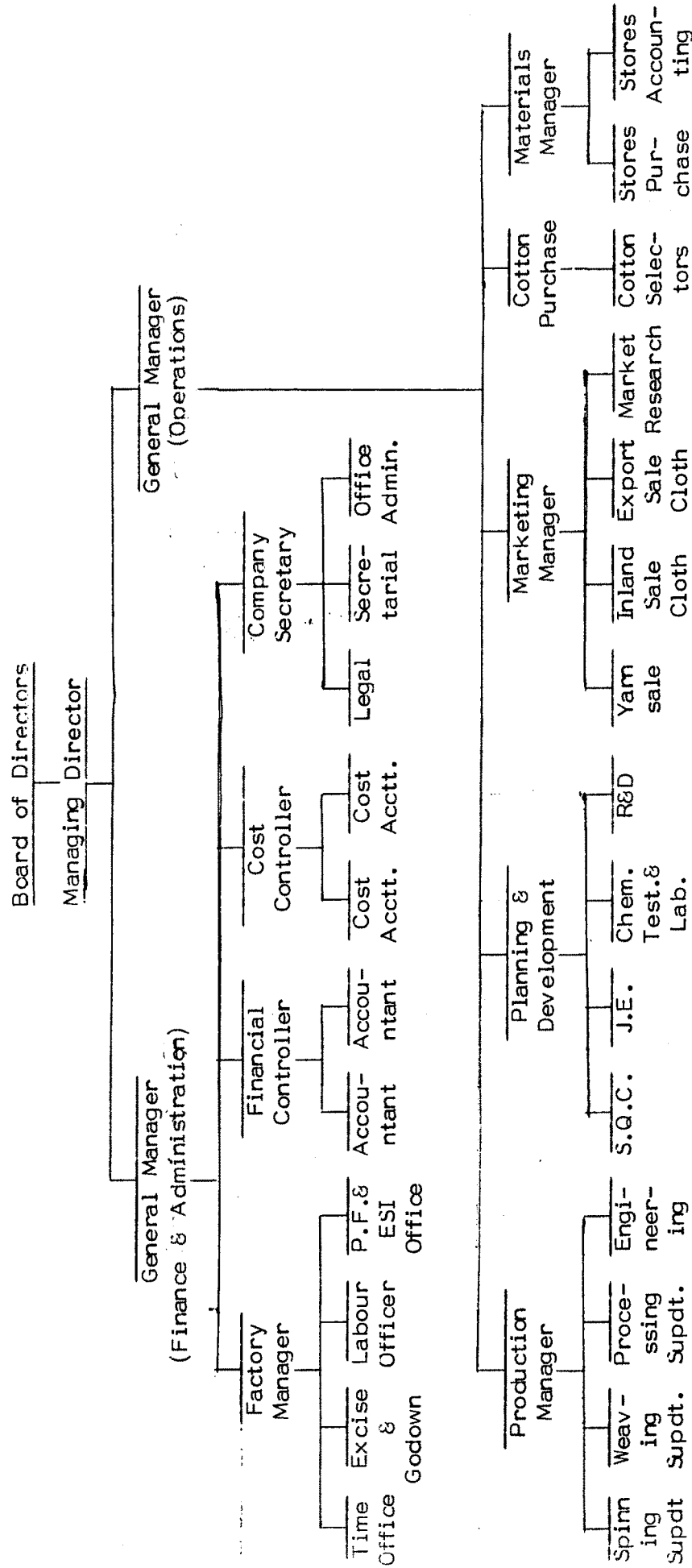
2.8 ORGAIZATIONAL STRUCTURE:

The organizational structure of the mill is presented in Chart 2.1 on the following page.

2.9 PROCESS OF MANUFACTURE:

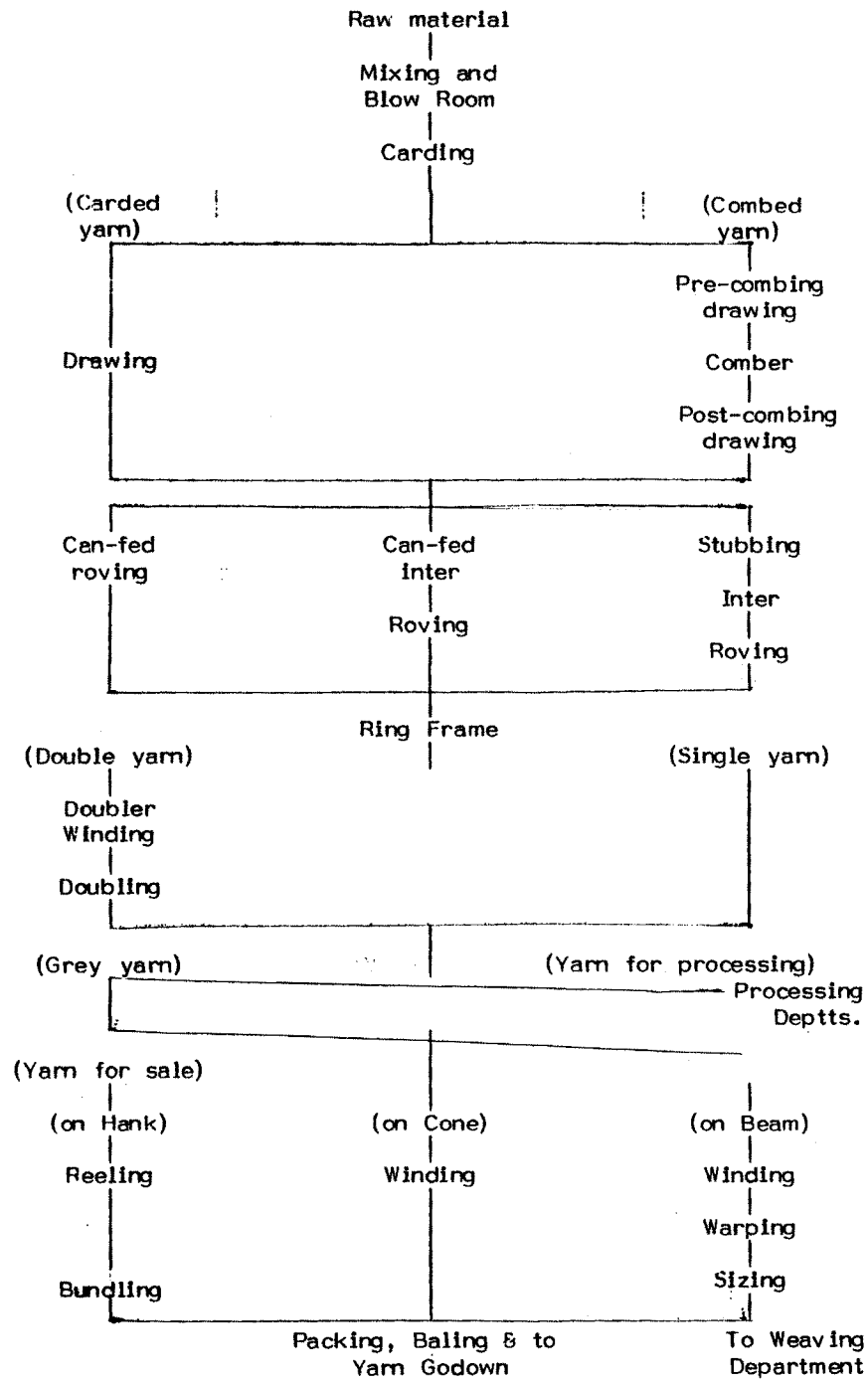
The process of manufacture followed in the Mill's Spinning Department, Weaving Department and Processing Department are being presented in Charts 2.2, 2.3 and 2.4 in the subsequent pages.

ORGANIZATION STRUCTURE
OF
SHRI SHAHU CHHATRAPATI MILLS LTD.

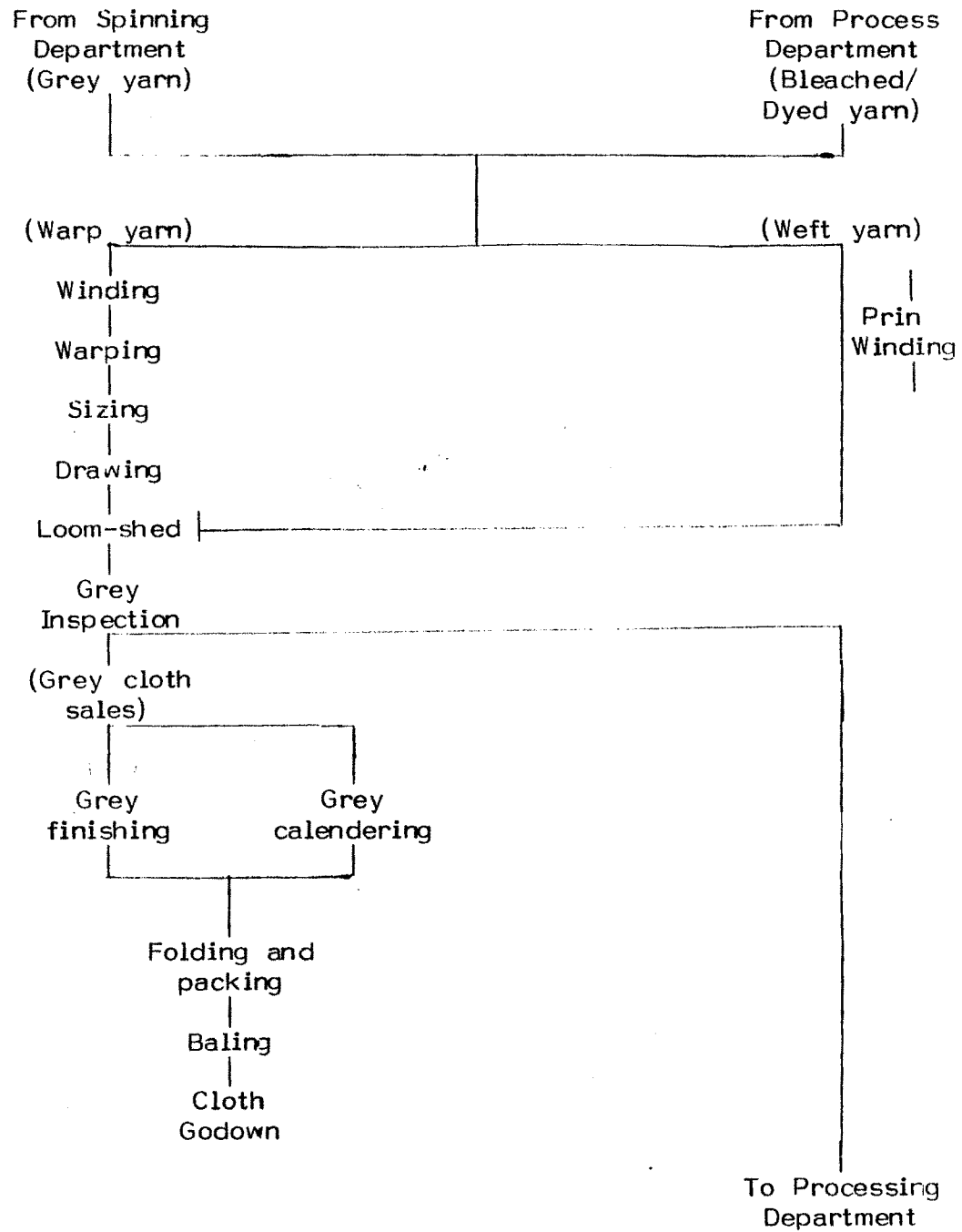


PROCESS OF MANUFACTURE

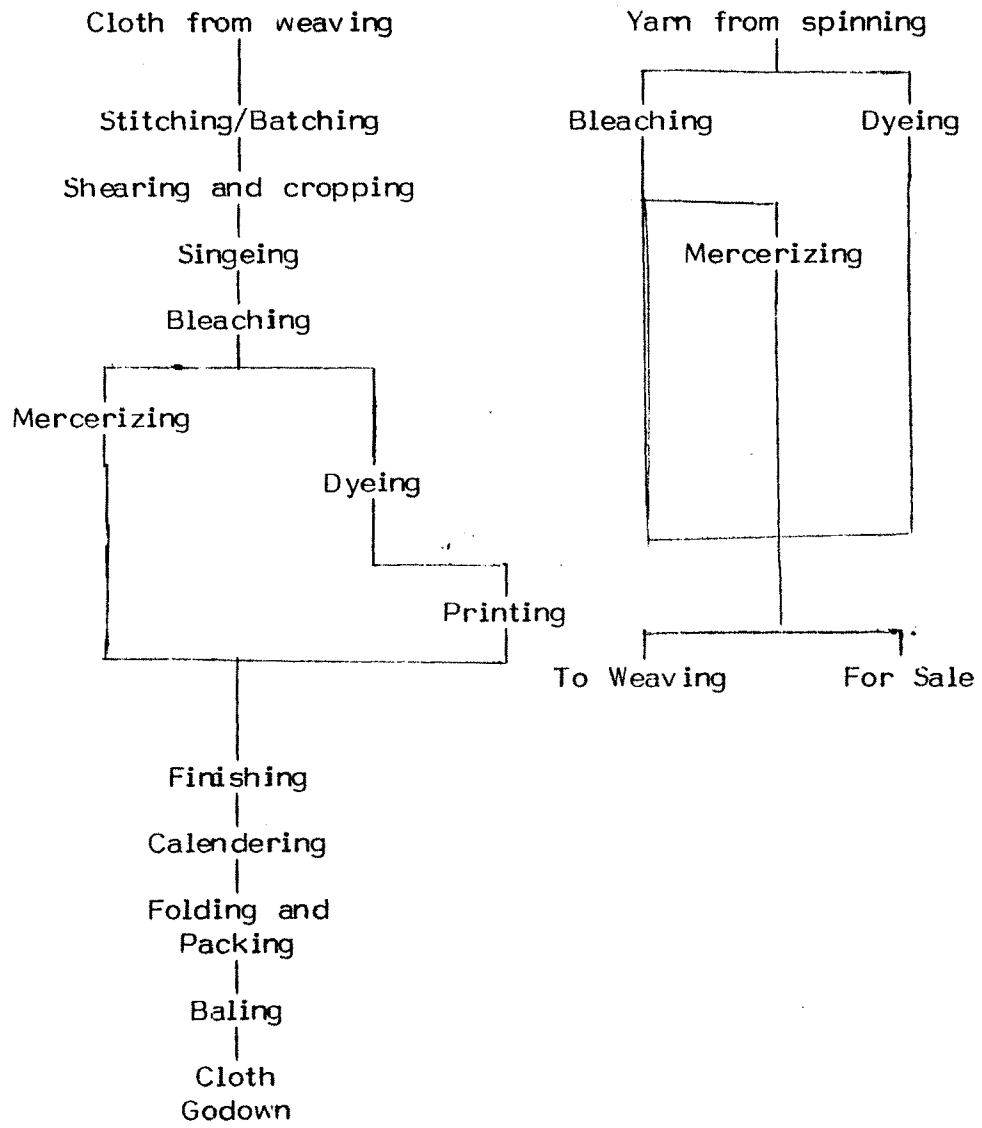
(I) SPINNING DEPARTMENT.



(II) WEAVING DEPARTMENT.



(III) PROCESSING DEPARTMENT.



(B) GHATGE-PATIL INDUSTRIES LIMITED, KOLHAPUR

2.10 HISTORY OF THE COMPANY:

GHATGE-PATIL INDUSTRIES LIMITED is an engineering industry established on 2nd July 1960. The company's factory is situated in a small village, Uchagaon, which is about 4 kms. away from Kolhapur City.

During 1960s, there were only 200/300 workers and the Company's sales were around Rs.4.0-6.0 lakhs per month. At present, there are 2,002 employees classified as under:

Workers	:	1,513
Clerical staff	:	153
Supervisory staff	:	336

2.11 DEPARTMENTS:

There are sixteen departments, as under, in the company:

- | | |
|---------------------------------|----------------------------|
| 1. Personnel Department | 2. Production Department |
| 3. Stores Department | 4. Marketing Department |
| 5. Purchase Department | 6. Vehicles Department |
| 7. R&D Department | 8. Foundry Department |
| 9. PPC Department | 10. Maintenance Department |
| 11. Heat-treatment Department | 12. Finance Department |
| 13. MIS Department | 14. Costing Department |
| 15. Industrial Engg. Department | 16. Power Engg. Department |

with Messrs. George Fisher Limited of Switzerland for the manufacture of S.G. iron castings. The quality is assured with the help of vacuum spectrograph, micro-structure checking instruments and other sophisticated equipment.

The Foundry Division undertakes the production of the following products:

1. Grey-iron castings:

Brake-drums, Cylinder blocks, Cylinder heads, Engine components and casings, Brake discs, Gear housings, Flywheels, etc.

2. S.G. Iron castings:

Brake drums for Maruti cars, hubs, rear-axle housings, crankshafts, shackles and brackets, etc.

(B) PRODUCTS DIVISION:

In the Products Division, the company has more than 200 general and special purpose machine-tools like turning, milling, grinding, drilling machines, gear-cutting, gear grinding, induction hardening, broaching, jig-boring machines, etc. It has a well-equipped Quality Control Department with a 3-way coordinate measuring machine, profile projector, etc. The Product Division also has a well-equipped heat-treatment facilities.

The Product Division, at present, consists of two plants, Plant-I and Plant-II. Following products are manufactured

in the Product Division:

1. Marine Gear Box: These are available in three models, viz. DAS, MGS and MG6, converting HP range upto 165, with direct 2:1, 3:1 and 4:1 reduction ratios. These marine gear boxes are designed and developed based on the technology provided by Parson Engineering Co., UK, but now it is known as Ghatge-Patil Marine Gearbox since the agreement has expired.
2. Marine Power Take-off: This item is especially designed for fishing boats, tugs, cargo boats and barges. It comes in two models, upto maximum 47 HP range.
3. Automotive Power Take-off: These are available in various models for Jeeps and commercial vehicles. Its application is in auxiliary pumps, generators, winches, dumpers and fine engines.
4. Mechanical Clutches and PTOs: These have 25 models, ranging from 6HP to 740HP. The company manufactures these units in size from 3'2" to 18" in single, double and triple plate with maximum capacity of 740 HP. under technical collaboration from Twin Disk Inc., of USA. The products are regularly exported to USA, Spain, West Germany, Italy, Iran, Lebanon, Malaysia, Thailand, etc.
5. Electromagnetic Clutches and Brakes: This product is being manufactured in technical collaboration with Messrs. Zahnrad Fabrik Friedrichshafen of West Germany. These come in about 16 sizes with static torque carrying capacity from 7NM to 5000NM.

6. Fluid couplings: This product is being manufactured under licence from Transfluid SRL of Italy. These are used in almost all industrial applications, involving higher inertia, such as conveyor equipment, mixers, rolling mills, textile machines, material handling equipment, sugar industry, wire-drawing machines, etc.

2.13 HOUSE OF GHATGE-PATIL:

The 'House of Ghatge-Patil' also consists of:

1. Ghatge-Patil Transports Pvt.Limited:
They are the largest goods transport operators in the country with a fleet of more than 400 vehicles with country-wide operations covering more than 400 major cities.
2. Ghatge-Patil Pack-Print Pvt.Limited:
The company is engaged in printing and packing activities.
3. Ghatge-Patil Automobiles Pvt.Limited:
It is an agency-division, dealing in commercial vehicles, passenger cars, scooters, jeeps, tractors, etc.
4. Vipla Constructions:
The firm is engaged in civil construction activities.

2.14 FINANCIAL POSITION:

As at the end of 30th June, 1987, the Company had achieved the sales-target of its BEP, that is, Rs.1665.0 lakhs, which are record sales in the history of the company.

Share Capital:

- (i) Authorised capital:
 - a. 1,92,000 Equity shares of Rs.100 each,
 - b. 3,08,000 Unclassified shares of Rs.100 each,
- (ii) Issued capital:
 - 1,92,000 Equity shares of Rs.100 each.
- (iii) Subscribed capital:
 - 1,19,950 Equity shares of Rs.100 each,
fully called and paid up.

Ghatge-Patil Industries Limited originally was a Private Limited Company, but due to the gradual increase in its turnover above Rs.1.00 crore per annum, it has now become a Deemed Public Limited Company.

2.15 ORGANIZATION STRUCTURE:

A chart showing the organization structure of the Company appears on the following page.

ORGANIZATION STRUCTURE
OF
GHATGE-PATIL INDUSTRIES LIMITED, KOLHAPUR

