

## CHAPTER - II

### THE MARATHE TEXTILE MILLS, MIRAJ

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## CHAPTER - II

### THE MARATHE TEXTILE MILLS, MIRAJ

#### 2.1 HISTORY AND DEVELOPMENT OF MTM MIRAJ :

To day Marathe Textile Mills is a medium sized spinning mill with an installed capacity of 34,548 spindles (Licensed capacity 50,000 spindles) and is manufacturing cotton and blended yarn. Total capital invested in the business is Rs. 8 Crores approximately and sales in 1986 were of the order of Rs. 794.10 lacs. The mill is having 2 units. First unit, that is the main branch, was started in 1943, near the Miraj railway station. The second unit was started on 9th July, 1983. For this second unit 20 acres of land was purchased in 1983 in Miraj MIDC area. It was the intention of the mill owner to shift unit No.1 there, because the present site of unit No.1 was proving inadequate, but instead of that the second unit was started. The second unit, however, is very small. It was started with 3000 spindles. Now (in 1988) there are 5040 spindles in it.

Originally MTM was a 'branch of 'Marathe Textile Mills' at Ichalkaranji. Both the concerns were working under the same name as 'The Marathe Textile Mills.' The Mill at Ichalkaranji was established in 1916. The founder of the mill was the Late Shri. Balwant Kashinath Marathe, who has simply a clerk in Govt. service, hereditary occupation being that of a priest. At first there was only a weaving section. It was started only with two powerlooms in 1916. Since then Balwantraoji developed the factories with his own efforts and zeal. In 1923, the eldest son of Shri.B.K.Marathe, Shri.Govindraoji Balwant Marathe passed his B.Sc.in the First class and joined his father in his business. Since then, the reins of the concern came in his hands. With his efforts and hard work he started to develop the factory. The output of his hard work and efforts is obviously seen in the progress of these mills. He developed the

factory and some other independent units. By about 1934-35 . MTM was a factory with 100 powerlooms equipped with sizing and other essential machinery. In those days, there were many obstacles to survive in the world of business. Still G.B. Marathe overcame the difficulties and problems regarding raw material, power, capital, Govt. policy etc. and developed the concerns.

Till 1942-43 India was not producing sufficient yarn to meet her requirements. Generally, the imported yarn was used by the power looms. Japan was the main exporter of yarn to India and generally all the powerlooms in India were working with the yarn imported from Japan. But by about 1942-43, Japan entered the second World War and consequently imports of yarn from Japan stopped. So, on account of accute shortage of yarn the powerlooms had to be closed. So, many industrialists thought of starting spinning mills. Shri. G.B. Marathe, who was enterprising and learned was not, an exception. He too thought of starting a spinning mill to overcome the difficulty of availability of yarn required for his own weaving mill. With the idea of starting a spinning mill, he purchased in 1943 a cotton ginning and pressing mill near the Miraj Railway Station. It was owned by a parsi who had established<sup>it</sup> in 1892. Shri. Marathe purchased some ginning machinery also and 2800 spindles with adequate back process machinery and started the spinning mill to produce yarn. Thus 1943 is the year of establishment of MTM, Miraj. The required infrastructure was available for this mill. The principal advantage of this location was the availability of transport facilities as Miraj Railway Station,<sup>which</sup> is an important Railway Junction. Miraj is connected to big cities like Poona, Bombay, Kolhapur, Bangalore, Pandharpur, Solpur, by rail. Miraj is also on State High way No. 149, connecting Ratnagiri to Bijapur.

Till 1960, the mill was producing carded yarn upto 34<sup>5</sup> counts. But in 1960, imported combers were purchased so as to increase the quality of yarn. Now the mill can produce combed yarn upto 100<sup>5</sup> counts. Since the establishment of the mill the spindlage in the mill has been increasing year after year. In 1958, the weaving section was separated from the spinning section. The MTM, Miraj is the spinning mill and MTM Ichalkaranji is the weaving mill. At the beginning MTM<sup>was</sup> managed by the following partners.

- 1) Shri. G.B. Marathe.
- 2) Shri. B.B. Marathe .
- 3) Shri. D.B. Marathe .
- 4) Shri. A.B. Marathe.

At the beginning of the factory Shri. D.B. Marathe and Shri. A.B. Marathe (popularly known as Kakasaheb) were receiving education. Shri. A.B. Marathe was a minor then. In 1948, Shri. D.B. Marathe passed his B.Sc. exam. and actively joined his elder brothers in the business. In 1957 Shri. A.B. Marathe also passed his M.Sc. examination with chemistry as the principal subject. Thereafter he went to England to learn modern techniques in business as his elder brother Shri. G.B. Marathe intended to modernise the Mill. He passed his M.Sc.(Tech.) in the First Class at Manchester. He too joined his elder brothers and started taking active part in the management of the business. In 1961-62 Shri. A.G. Marathe the son of Shri. G.B. Marathe passed the diploma course in Textiles and joined this concern and started taking active part in the management of business. In 1966 Shri. R.B. Marathe, the son of Shri. B.B. Marathe passed the diploma course in Mechanical and Electrical Engineering and joined the

business of the family. In 1973 Shri. Rajiv B. Marathe the second son of Shri. B.B. Marathe passed his B.Text. and was sent to the U.S.A. for further studies in Textile spinning. After returning from the U.S.A. he too joined the business. From 1968 onwards Shri. A.B. Marathe took charge as the General Administrator and all the efforts were made to bring this textile unit up to modern standards. Shri. A.G. Marathe looked after the store-purchase work and also the grievances of the workers. Shri. N. B. Marathe who is M.B.A. and M.M.S., looked after financial management.

Thus every partner of MTM was fully equipped with the know how of one or other branch of the business. This is always essential for the conduct of any business. Whatever profits were earned by them were ploughed back into the business itself for its renovation, expansion and development. Continuous efforts of the Marathe family, their business integrity and bold investment were the key to their success.

Apart from the partners the following officials were associated with the management.

- |                         |                        |
|-------------------------|------------------------|
| 1. Shri. S. H. Datar    | General Manager        |
| 2. Shri. S. S. Shetty   | Spinning Master        |
| 3. Shri. S.V. Pendurkar | Labour Welfare Officer |

On the 5th Sept. 1979 the partnership firm was dissolved and it became a Private Ltd. Co. and the Balwant Textile Mills Pvt. Ltd. became the sole proprietor of the Mill. ( The Balwant Textile Mills was established in 1962. It is a corporate body.)

Right from the establishment, the spindle capacity in MTM went on increasing. In 1943 there were 2600 spindles only, while in 1988 the number

has increased to 34,548 in both units together (Unit No.1 and Unit No.2) . Alongwith expansion, modernisation also was undertaken so that today the Mill is reasonably modernised. Computerisation is also introduced since the last 5 years. At present Financial Accounting, Inventory Control, Pay Roll and Invoicing are computerised.

### 2.1.1 Growth of MTM, Miraj

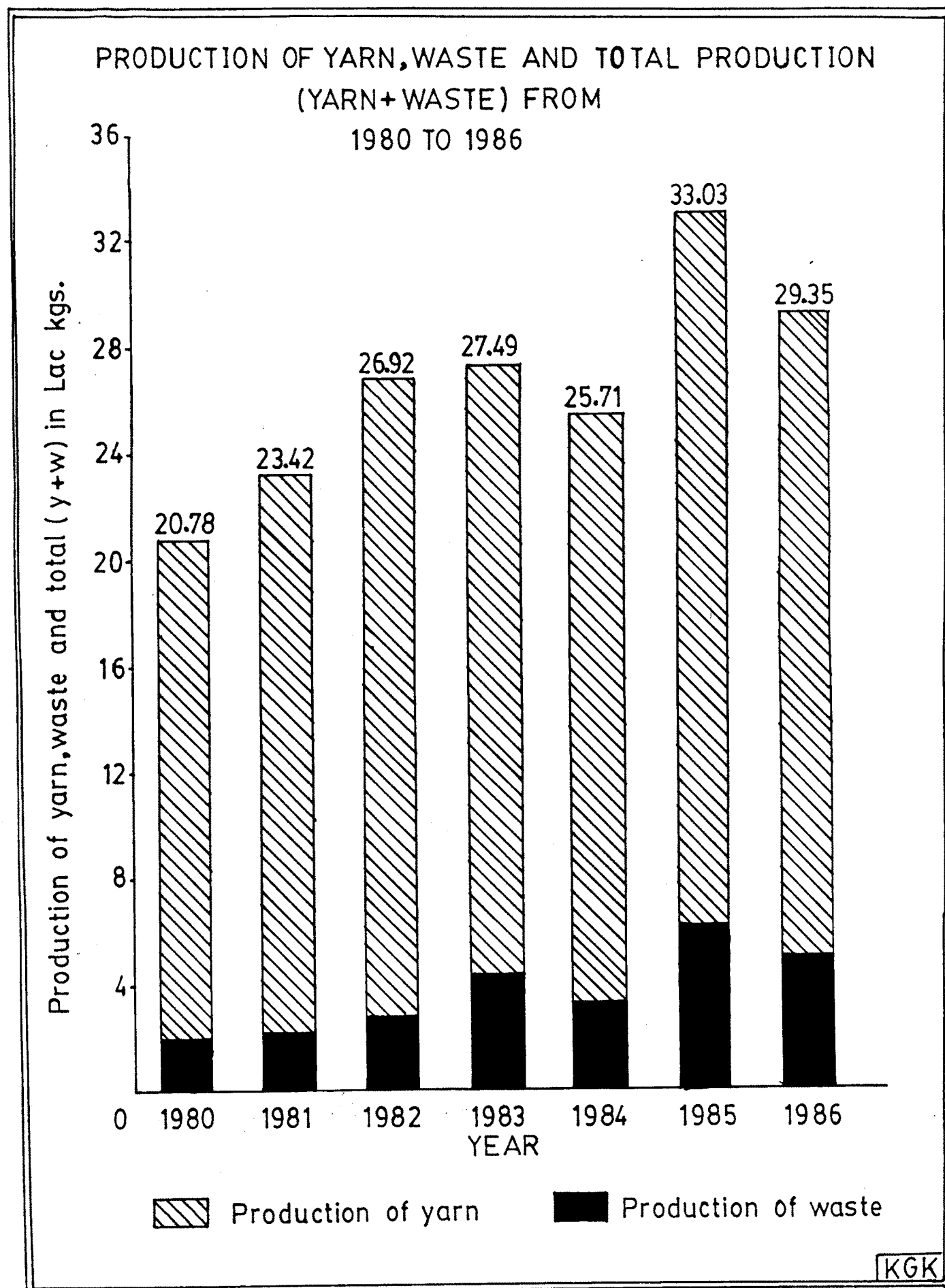
At first the MTM was producing only coarse counts; they were producing lower counts from 6<sup>s</sup>. to 34<sup>s</sup> carded yarn but as the demand for higher counts went on increasing , they decided to manufacture higher counts. With this view in mind they purchased imported combers in 1960. Now they are spinning the counts as under :

Coarse counts like 6<sup>s</sup>, 10<sup>s</sup>, etc. Medium like 30<sup>s</sup> , Fine like 40<sup>s</sup> and 44<sup>s</sup> and super fine counts like 60<sup>s</sup> and 80<sup>s</sup> ; spun production is of 8-10 counts. Till 1960 they were producing carded yarn upto 34<sup>s</sup> counts. But after the purchase of imported combers in 1960, they are producing combed yarn up to 100<sup>s</sup> counts.

Following tables and graphs give the idea of the progress of MTM from 1980 to 1986.

#### (1) The Production of Yarn and Waste from 1980 to 1986

Year	Production of Yarn		Production of Waste		Total (Yarn + Waste)	
	Kgs.	Rs.	Kgs.	Rs.	Kgs.	Rs.
1980	18,76,237	5,22,57,510	2,01,977	2,25,985	20,78,214	5,24,83,495
1981	21,27,574	5,77,76,622	2,15,415	3,40,752	23,42,989	5,81,17,374
1982	24,00,391	6,91,41,793	2,91,641	7,51,920	26,92,033	6,98,93,713
1983	22,99,465	7,33,83,792	4,50,807	15,16,402	27,49,272	7,49,00,195
1984	22,37,799	7,45,91,747	3,33,213	11,88,547	25,71,012	7,57,80,284
1985	26,76,576	9,12,07,745	6,26,591	17,49,872	33,03,167	9,29,57,617
1986	24,32,677	7,94,49,034	5,02,808	14,85,463	29,35,485	8,09,34,497



Graph No.1

## (2) Consumption of Raw Material

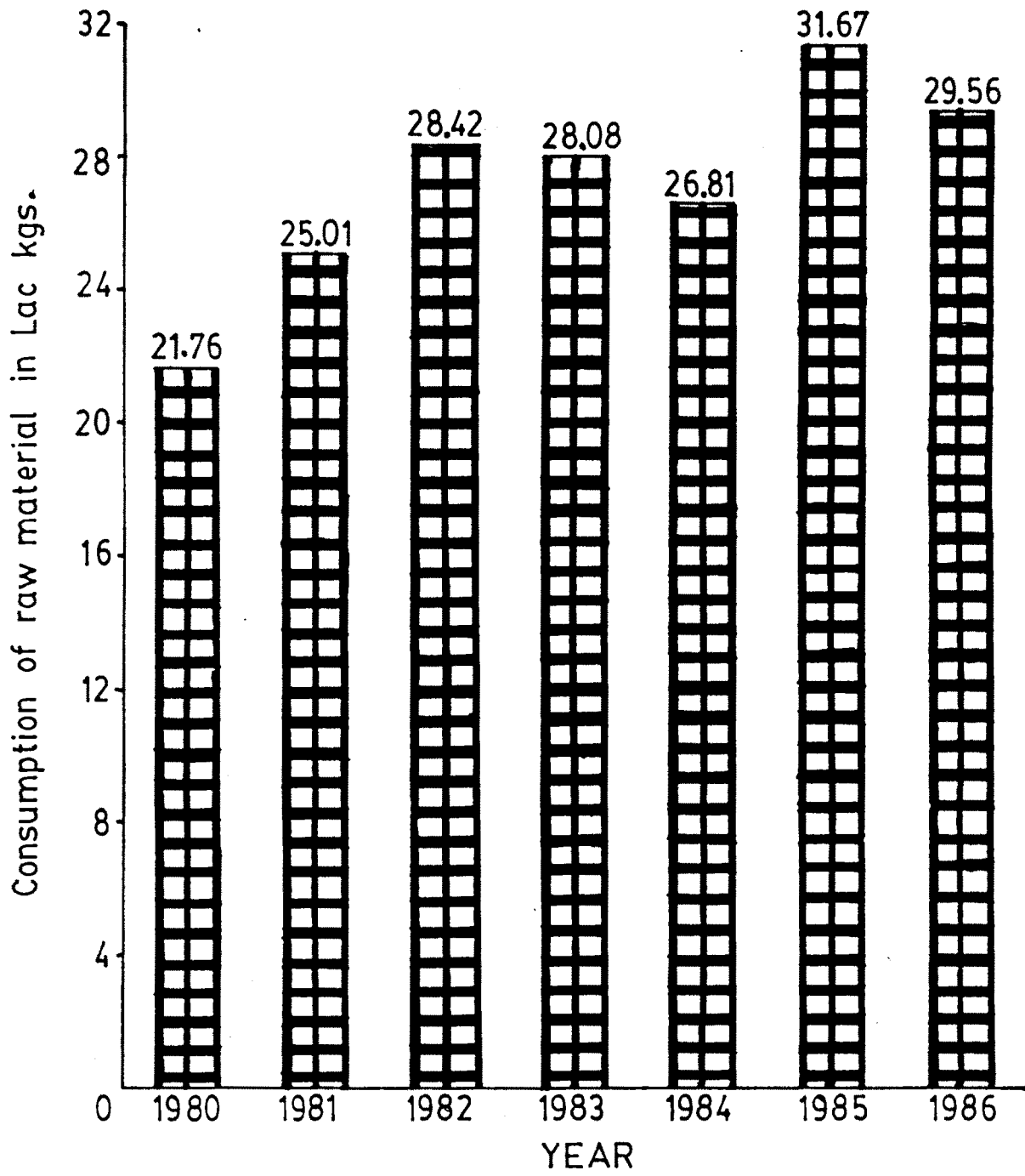
Year	Consumption of in Kgs.	Raw Material In Rupees
1980	21,76,140	2,68,89,059
1981	25,09,579	3,73,34,762
1982	28,42,153	4,39,00,750
1983	28,03,740	4,68,41,713
1984	26,81,398	5,16,53,198
1985	31,67,868	5,57,42,460
1986	29,53,602	4,51,48,550

Raw material	1) Indian cotton
	2) Foreign Fibre
	3) Waste cotton
	4) Indian Staple Fibre

Cotton is the main raw material for mills and it is purchased from different areas like Maharashtra, Karnataka, Uttar Pradesh and Madhya Pradesh. Maximum amount is purchased from Maharashtra and Karnataka. Requirement of raw cotton depends upon count. For fine count, requirement of cotton is less. For coarse count more cotton is required.



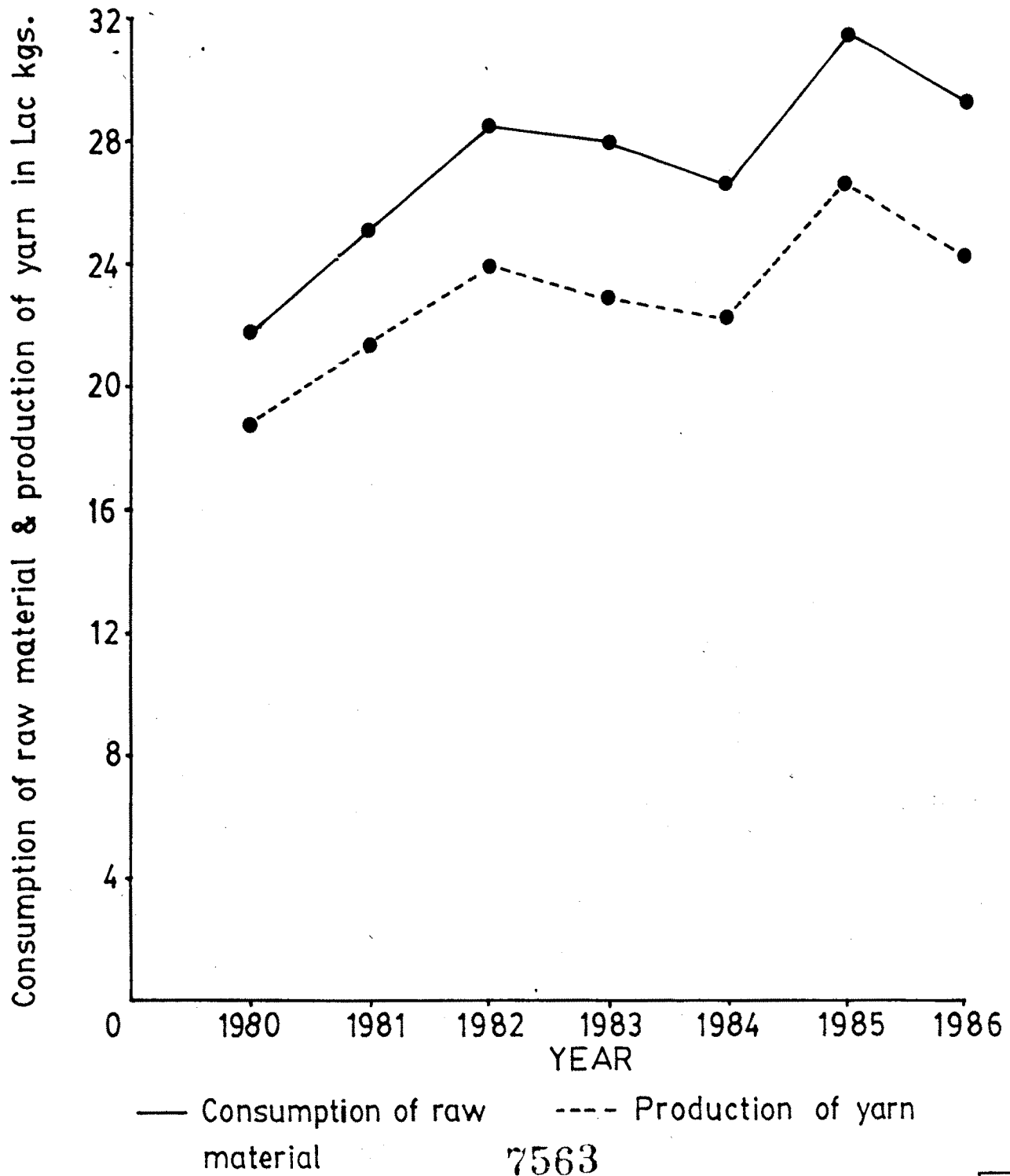
### CONSUMPTION OF RAW MATERIAL



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Graph No.2

RELATION BETWEEN CONSUMPTION OF RAW MATERIAL  
AND PRODUCTION OF YARN FROM 1980 TO 1986



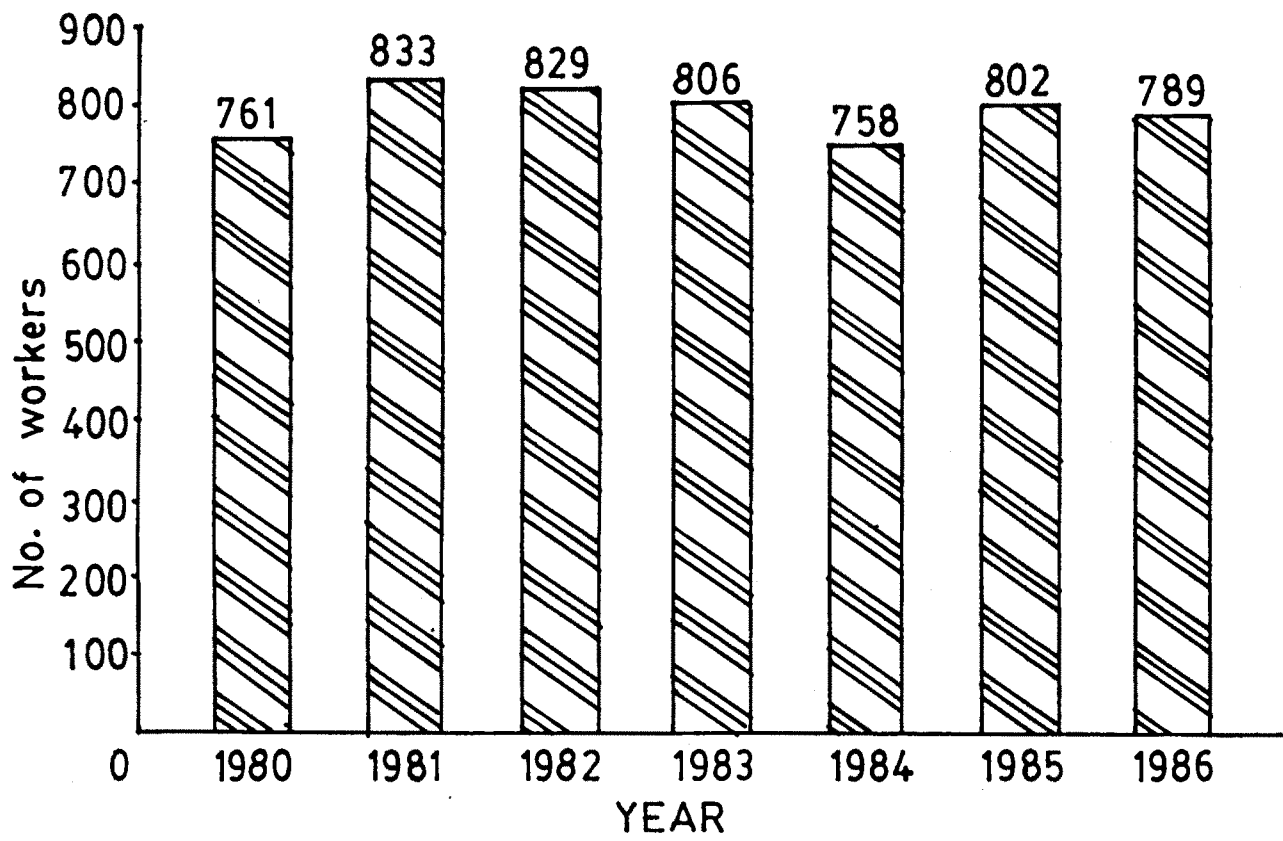
Combined graph for table number 1 and 2.

(3) Number of Workers

Progress of the mill can also be studied from the number of workers working in the mill. From 100 in the beginning the number of workers reached upto 1098 in 1987.

Year	No.of Workers
1980	761
1981	833
1982	829
1983	806
1984	758
1985	802
1986	789

### NUMBER OF WORKERS

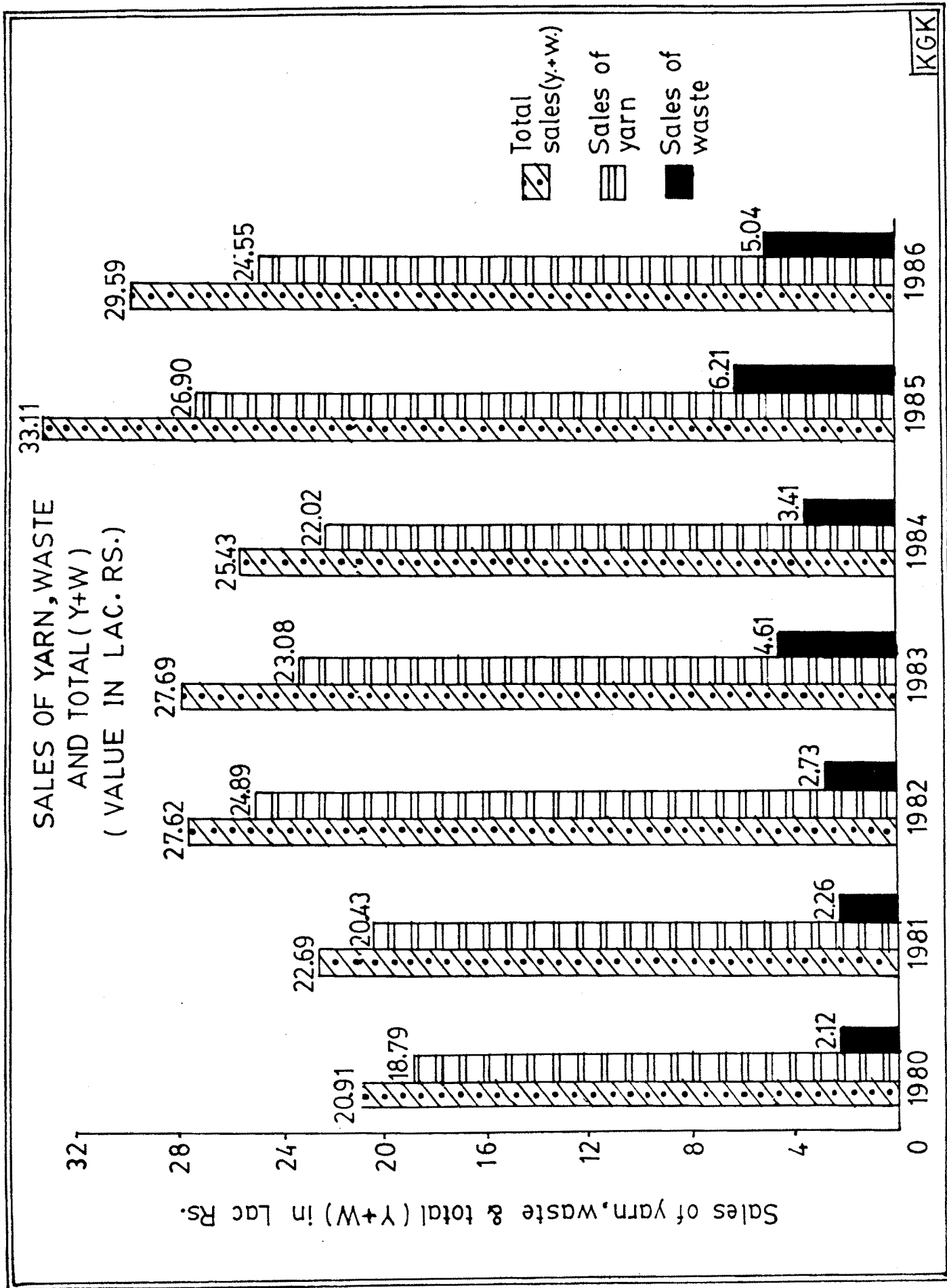


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Graph No.3

## (4) The sales value of Yarn and Waste

Year	Yarn		Waste		Total	
	kgs	Rs.	Kgs	Rs.	Kgs	Rs.
1980	18,79,691	5,20,20,099	2,11,507	2,52,983	20,91,198	5,22,73,082
1981	20,43,197	5,58,20,488	2,26,357	3,36,546	22,69,554	5,61,57,035
1982	24,89,901	7,06,77,560	2,72,927	5,77,623	27,62,828	7,12,55,183
1983	23,08,837	7,34,35,812	4,61,132	16,18,964	27,69,969	7,50,94,777
1984	22,02,338	7,42,09,540	3,41,171	12,14,157	25,43,509	7,54,23,697
1985	26,90,461	9,16,04,108	6,21,121	17,15,265	33,11,582	9,33,19,373
1986	24,55,801	7,94,10,255	5,04,130	15,14,793	29,59,931	8,09,25,048



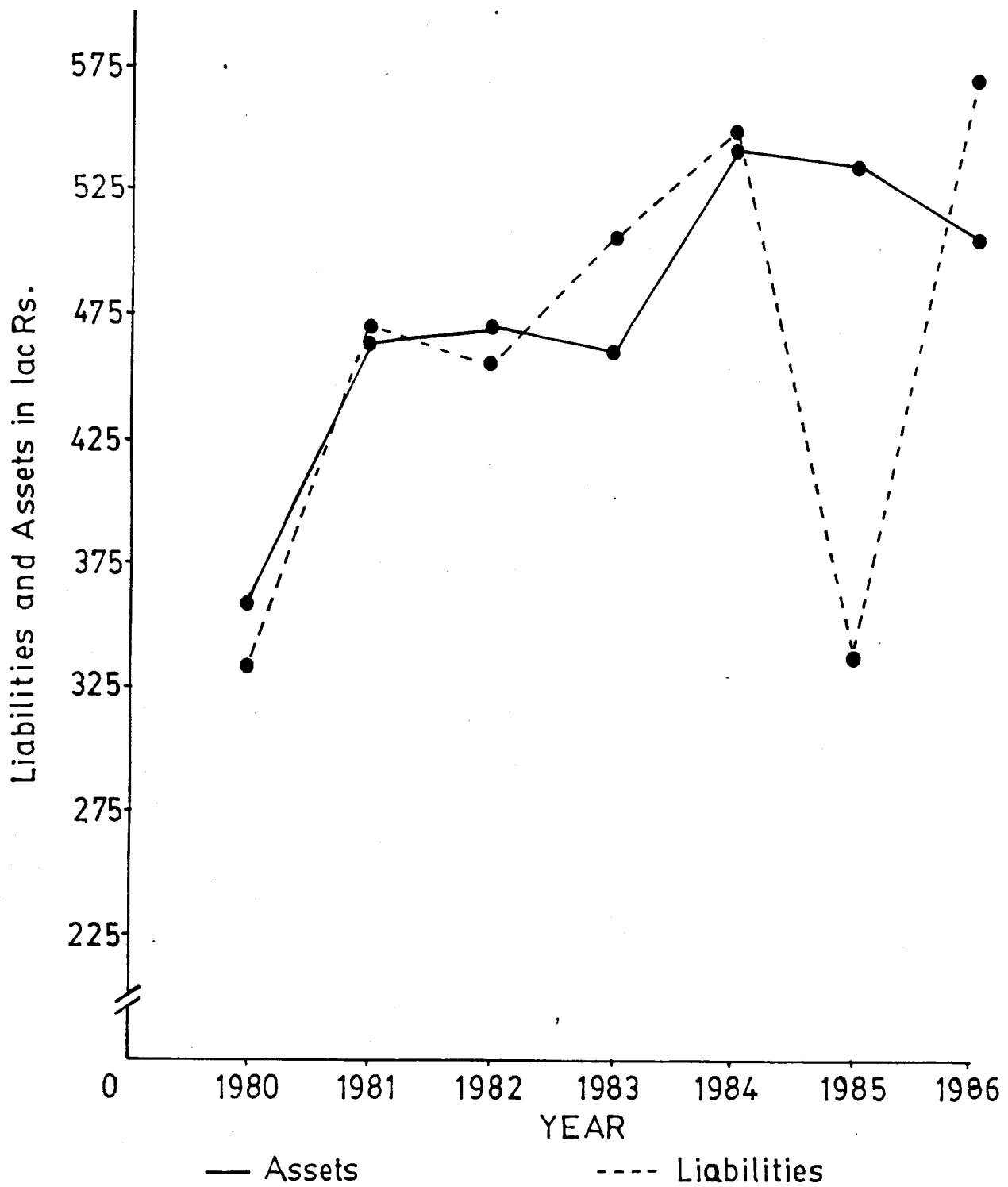
Graph No. 4

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## (5) Liabilities and Assets

Year	Liabilities (in Rs.)	Assets (in Rs.)
1980	33,763,342	36,971,108
1981	47,226,932	47,164,752
1982	45,966,597	47,499,425
1983	51,161,710	46,459,685
1984	55,032,440	54,430,509
1985	33,879,849	53,911,407
1986	57,165,736	50,914,790

POSITION OF LIABILITIES AND ASSETS OF M.T.M.  
FROM 1980 TO 1986



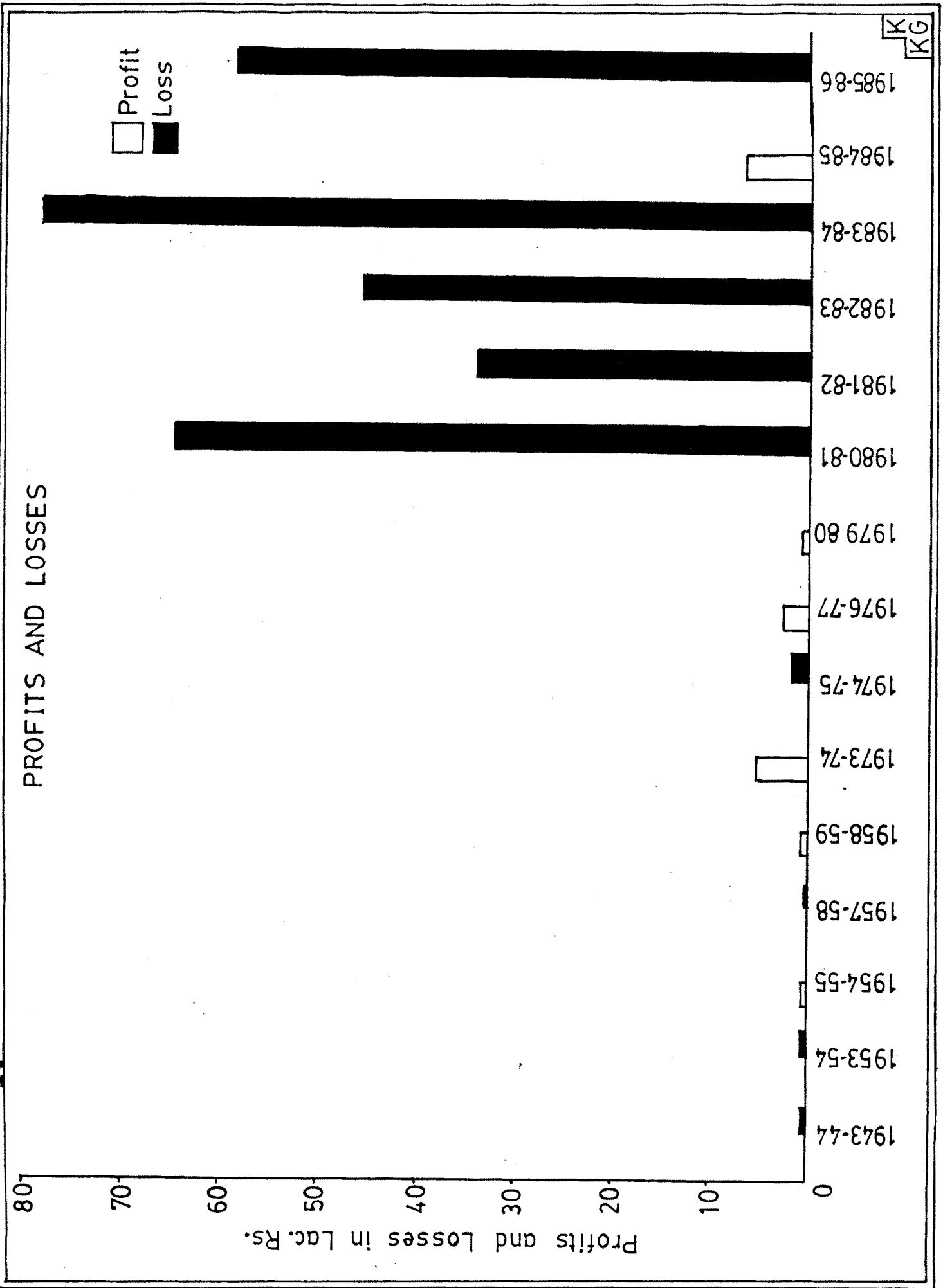
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Graph No.5



## (6) Profits &amp; Losses

Year	Profits (in Rs.)	Losses (in Rs.)
1943-44		59,726
1953-54		64,428
1954-55	97,946	
1957-58		6,244
1958-59	22,312	
1973-74	5,33,764	
1974-75		2,49,317
1976-77	3,50,270.39	
1979-80	1,02,769.24	
1980-81		65,04,722.42
1981-82		34,08,687.84
1982-83		52,94,603.53
1983-84		79,76,891.79
1984-85	7,18,217.77	
1985-86		59,80,038.36



Graph No.6

It is necessary to throw some light on the information in the above table :

From the beginning of the mill i.e. from 1943-44 to 1953-54 there were continuous losses because the prices of cotton were more than the prices of yarn. (At that time there was not Federation, so it was necessary to pay whatever price of cotton was charged). The producers and traders of cotton were the price makers then so they sold the cotton at higher prices. At the same time there was not a good market for yarn. Second reason <sup>was</sup> that it was initial period of the mill, when entrepreneur have usually to suffer losses.

From 1954-55 up to 1980-81 there were profits, 1957-58, 1974-75 and 1975-76 being the only exceptions. The fluctuating prices of yarn was the main reason for the losses in these years.

There were continuous losses from 1980-81 to 1983-84. Even though in 1983-84 the mills was suffering from the losses of Rs. 79,76,891 it was successful in making profits to the tune of Rs. 7,18,217 in 1984-85. This was due to the changed policy of the mill. They produced the 6<sup>s</sup> yarn from the waste of 8<sup>s</sup> yarn and exported it. At the same time local market was also good, and the most important reason was that the prices of 60<sup>s</sup> and 80<sup>s</sup> were fluctuating. The fluctuating prices resulted in profits. But again the price of raw cotton increased by 2.5 times and reached at the highest level in 1985-86 but the yarn prices remained stable. Therefore the mill had to suffer losses. (This ultimately led to the sale of the mill.)

Today, apart from supplying yarn to meet local needs, this mill also exports various varieties of yarn to many countries, such as U.K., West Germany, Czechoslovakia, Burma etc. Now, since 1987 the new management is trying to export the production of mill to Italy also. The mill adopts strict

quality control measures to produce good quality of yarn. According to the Textile Export Promotion Council Report of 1970-71, MTM, Miraj stands 3rd in India among the mills exporting quality yarn to the foreign countries. Doubled and combed yarns are also exported by this mill.

## 2.2 GOVINDRAOJI MARATHE : THE SOURCE OF INSPIRATION

The secret of the reputation and progress of MTM lies in the outstanding abilities of and traditions laid down by Govindraoji Marathe the founder of MTM. These qualities came to be inherited by the next generation. One cannot fully understand the significance of the progress of the MTM without peeping into the pioneering zeal exercised by Govindraoji Marathe.

Govindraoji's father Balwantraoji was a teacher in a school at Ichalkaranji. He resigned in 1914 and started handloom business and decided to test his fortune by sustained efforts which was the only property inherited by Govindraoji.

Govindraoji had a distinguished academic career but he decided to devote himself to his father's business. He dyed yarn and went on selling it from place to place. In 1929 he purchased some secondhand powerlooms. He repaired them and started production. In 1939, the number of his powerlooms increased to 105. Marathe Weaving Mills assumed the position of the biggest powerloom factory in Ichalkaranji. His intelligence and enterprising ability found Ichalkaranji insufficient for expansion. He selected Miraj as his destination and purchased in 1943 the ginning factory there and started a mill with 2600 spindles. Miraj being a railway junction was quite suitable for this venture. There was also scarcity of yarn during war time which could be removed by

the setting up of this mill. This expansion in business was based on sustained efforts, up to date knowledge in the business, frugal attitude, ability to obtain workers' co-operation and imagination to use secondhand machinery to maximum advantage.

The Mill was started under a small simple roof. Residential accommodation was also very simple. The policy of ploughing back the profits into business led to a prosperous position with a strong footing in a very short time. Every year the mill started purchasing new machinery and what is important, all this was done without any pomp or publicity. Quality being the main consideration in MTM, even during periods of recession the traders were prepared to purchase their products even by offering higher prices.

Govindraoji was not a mere industrialist but he was essentially a social and constructive worker. His individual personality enabled him to secure the co-operation of all the Government officers concerned in the establishment of the Miraj Industrial Estate. The delay in acquiring land for the Estate was avoided by his personal negotiations and efforts only. To perform useful social service at one's cost (financial too) is an example to be emulated. He could have invested the same amount in his own business which was flourishing very well, but he spent without the expectation of repayment thousands of rupees on the Industrial Estate at Miraj so that Miraj would become a well known industrial centre. No wonder, he chaired the Industrial Estate for 16 years and gave it a worthy name. Today the industrial estate is named after him. Endowed with immense calibre and managerial power, the younger generation emulated him and continued the work of serving fellow-beings when Govindraoji officially retired. .

Alongwith the financial capital, the Marathes accumulated the capital of good will of the people and of the workers and on the basis of this strength alone could they go through the initial ordeals successfully. They could win over the minds of workers by their polite and humanitarian policy. Labour co-operative societies were also started by them so as to inculcate in the workers the habit of saving to enable them to purchase some durable domestic commodities and to obtain a lumpsum at the time of their retirement. Hence indeed no major strike or conflict has been there in MTM. This was specifically so during the period of Govindraoji Marathe's leadership. By their intellectual and organisational capacity the MTM was developed on sound lines and this brought about the development of nearby areas also.

2.3 Organisational setup chart of The Marathe Textile Mills, Miraj

