

CHAPTER II

ORGANISATION PROFILE

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2.1 HISTORY OF N.G. MILL, SOLAPUR :

The mill was started during Sept. 1898 as "The Narsing Giraji Manufacturing Company Limited" A group of businessmen in Solapur initiated this establishment. These businessmen were :

1. Shri Mallappa Warad
2. Shri Govind Abdulpurkar
3. Shri Channabasappa Madki
4. Shri Laxmi Narayan Sarda.

The bank of Hyderabad and the chief of the Gosavi family Shri Raja Narsinggirji Gynagirji and their colleagues from Bombay helped a lot and with that encouragement the mill stood up with an investment of Rs. 10,00,000. The production of yarn and cloth was the object behind its establishment. The period from establishment upto 1957 (i.e. 1898-1957) was worst period for the mills. There were lot of fluctuations which endangered the working of the mills as well as existence of the mills. In August, 1957 the mills went into liquidation due to heavy financial deficit, so it was locked up.

REBIRTH/RESTART :

The Narsinggirji Manufacturing company limited was locked up in 1957. But before that Solapur Spinning & Weaving Mills

Limited which was known as Juni Mills was locked up in 1952. This created a huge unemployment problem in the textile industry of Solapur for more than 20,000 workers when the Narsinggirji Manufacturing company locked up, more than 5000 workers become unemployed. To provide employment to these workers it was necessary to take the mills by Govt. then the Govt. of Bombay had to tackle the problem. At the same time one journalist from Solapur wrote an article in "Loksatta" of Bombay stressing the need for taking over the mills by the Govt. with same effect of this and the efforts of Chief Minister Mr. Y.B. Chavan, Labour Minister Mr. Shantilalji Shah and Opposition leader Mr. S.M.Joshi, Bombay Government took over charge of mills from Bombay High Court, under "Unemployment Relief Scheme" on a lease of nominal rent of Rs. 1/- per month. The workers were also accepted reduction in wages willingly. Thus in January 1958 the mills restarted to provide employment and continued production.

Through a board by appointing chief executive officer the Government run the mills from January 1958 to February 1966 on a lease basis.

PURCHASE OF MILLS BY GOVERNMENT :

To make the working of the mills effective and profitable, it was necessary to renovate and modernise the machinery which had become absolute. For this purpose it was necessary to take over the ownership of the mills by Government. Accordingly with

sanction of High Court, government of Maharashtra purchased the mills for Rs. 50,00,000 on 14th February, 1966.

Transfer to Maharashtra State Textile Corporation :

From 15th February, 1966 to 31st March, 1976 the mills was owned by the Government of Maharashtra and run as an "unemployment Relief Scheme" under the provisions of Bombay Relief Undertaking Act 1958. From 1st April, 1976, Narsinggirji Mills, Solapur was transferred to Maharashtra State Textile Corporation, at net worth as a going concern with all its assets & liabilities. Even though transfer of ownership from Government to MSTC took place in April, 1976 the management of the mills has been with MSTC earlier since April, 1971. Today Narsinggirji Mills Solapur is run as one of the units of Maharashtra State Textile Corporation Limited, a Government of Maharashtra undertaking.

As per audited statement, mills worth upon 1976 was Rs. 181.30 lakhs and the same has been treated as loan subordinate to equity at the rate of 7.5% p.a. Out of it Rs. 168 lakhs paid by Government of Maharashtra is treated as a loan to MSTC. The loan is completely repaid upto March, 1979.

2.2 MODERNISATION AND RENOVATION :

In 1966 when Government purchased the mills, machinery was of 70 years old. Considering the need of modernisation an expensive modernisation programme was made in 1968, costing Rs. 410.19 lakhs. The scheme of modernisation being first phase of

modernisation was completed in 1971. Actual cost of implementation of this modernisation phase was :

Spinning Department	: Rs. 236.09 lacs
Weaving Department	: Rs. 75.65 lacs
Processing Department	: Rs. 62.28 lacs
General	: <u>Rs. 56.74 lacs</u>
	Rs. 431.74 lacs

The machinery or parts brought under this phase of modernisation consists - Blow Room Line 62 high production cards, 8 combers, 18 Number high speed draw frames, 22 Inter frame, 44 Hispomatic warp frame, 62 taxmaco frames, 40 west frames & 1 doubler winding machine etc. in spinning department.

While in weaving 11 cone winding machines 1 warping machine, 2 sizing machine, 200 automatic looms and construction of new building.

In process department the new machines brought were roller printing machine, Yarn Dyeing plant, sizing machine, chemical and warping machines, Hot air skulcher with mangle, Hot flew dyeing machine, 2 Brawl Griener callender, water softening plant etc.

This phase of modernisation or renovation was implemented with the funds from following main sources.

Government of Maharashtra	Rs. 232 lacs
Industrial Development bank of India	Rs. 162 lacs
Sale of old machinery	<u>Rs. 31 lacs</u>
	Rs. 425 lacs

Second phase of modernisation was outlined in the year 1975 worth Rs. 106.67 lacs and was implemented upto the end of 1976. Actual cost of this phase of modernisation was Rs. 73.67 lacs. Actually it was partial implementation of the plan. Under this phase modernisation in spinning department was made by purchase of one skulcher, Blendor and step cleaner, one winder, 4 doubling machines and 2 combers while in weaving 3 hatex pirn winder, 1 over head blower were purchased. In process chainless mercerising machine, overlock machine, 8 cylinder drawing Reng, cropping machine, Automatic Jiggars etc. were purchased. Due to partial implementation of above plan in 1976 again third phase of plan was outlined worth Rs. 85.86 lacs. It was implemented upto 1981. Its actual cost being Rs. 168.67 lacs. Under this scheme H.M.D. plants, 360 plain looms, 144 Auto looms were brought newly while 144 looms renovation was made and new loom shed was constructed.

Alongwith these three plans complimentary machinery was brought as per requirements of the mills. The total cost of such machinery was Rs. 89.16 lacs the machines brought as per requirement consists. Texmaco Doubling frame, 4 laxmi winding machines, 2 Jaytex machines, one economiser, B.c. warping machines and others.

After 1981, no special programme is made for the purpose of modernisation only small amount is used for purchasing plant and machinery and for construction of building. Major additions from 1982 to 1994 are given in following statement :

Statement showing major additions to building, plant & machinery etc. during 1-4-1982 to 31-3-94.

Particulars	Amt. in Rs. lacs	
1) <u>Building :</u>		
a) <u>Factory Building :</u>		
480 looms shed.		21.75
b) <u>Non factory building</u>		
6 residential blocks & compound wall		
2) <u>Plant and machinery</u>		3.75
A) <u>Spinning :</u>		
8 Nos. Air compressors	1.68	
2 Nos. NMM West Ring Frame conversion	1.16	
8 Nos. VPS conversion	4.20	
4 sets of 216 spindles Top	4.90	
Arm conversion of MMC		
22 Sets of Apron offing devices	<u>1.46</u>	13.40
B) <u>Weaving :</u>		
3 Nos. sizing machine conversion	2.59	
1 No. Highspeed warping machine	1.41	
179 looms	62.11	
1 No. Super speed warper	12.14	
2 Nos. H.S. cone winding machines	6.40	
1 No. D.C. Drive	<u>1.12</u>	85.77
C) <u>Process :</u>		
4 Nos. Semi Automatic Jigger	1.23	
1 No. Yarn Dyeing Plant	4.76	
1 No. Shrinking Range Machine	4.47	
1 No. Shearing cropping machine	5.81	
1 No. Back filling machine	0.44	
1 No. Mercerising machine	12.18	
1 No. D.C. Thyrester Drive	<u>1.20</u>	30.09
D) <u>Electric</u>		
Electric installation in 480 loomshed	11.00	
1 No. Diesels Generating set	<u>1.17</u>	12.17
E) <u>Water pollution control equipment</u>		
i.e. E.T.P.		<u>22.57</u>
Total		<u>189.50</u>

COMPUTERISATION :

Mills has started computerisation in the sales department in this year such as preparation of invoices cum excise gate passes, sales journal, Hundies and Monthly Hundi movement Register, Delivery and closing stock statements etc. they are shortly shifting their manual financial accounting on computer.

At present there is need to make plans of modernisation, because the machines are very old, hence there is immediate need to change some parts. So the management of mills has outlines some future plans of modernisation & renovation which are used in near future.

2.3 OVERALL FINANCIAL POSITION :

After purchase of the mills by Government since 1966-67 to 1970-71 the mills suffered losses.

Thereafter for near about three years that is from 1971-1972 to 1973-74 the mills earned somewhat profit.

But again in 1974-75 to 1976-77 the mills suffered losses due to depression in the market and increase in cost of production.

Fortunately the mills saw a period of property since 1977-78 to 1980-81. During these years mills earned remarkable profits. The position can be clear from following figures.

1977-78	Rs. 0.82 lacs profit
1978-79	Rs. 86.80 lacs profit
1979-80	Rs.147.79 lacs profit
1980-81	Rs. 90.52 lacs profit

After 1981 the mills suffered continuously losses. Actual losses are started. since January 1981. The losses are increased from November, 1983 and during 1984. The position of losses suffered can be clear from following :

1981-82	Rs. 46.22 lacs loss
1982-83	Rs. 79.66 lacs loss
1983-84	Rs. 178.62 lacs loss
1984-85	Rs. 262.77 lacs loss
1985-86	Rs. 141.24 lacs loss
1986-87	Rs. 243.06 lacs loss
1987-88	Rs. 490.15 lacs loss
1988-89	Rs. 387.22 lacs loss
1989-90	Rs. 42.04 lacs loss
1990-91	Rs. 101.53 lacs loss
1991-92	Rs. 221.40 lacs loss
1992-93	Rs. 376.59 lacs loss
1993-94	Rs. 158.77 lacs loss

From the above information, we come to know that there is highest loss in the year 1987-88 of Rs. 490.15 lacs and it is lowest in the year 1989-90 of Rs. 42.04 lacs. The mills is making loss of Rs. 164.92 lacs provisional upto 31/8/94.

The main reasons for such losses in these years according to the mills authorities are as under. Increase in cost of production, due to increase in cost of cotton, increased remunerations, increase in electricity charges, increased price of coal, increase in price of spare parts, & reduced demand in the market of yarn & cloth causing reduction in price of cloth & to some extent the

absentecism of workers.

The position of Assets & liabilities can be clear from the audited Balance sheet of Narsing girji mills, Solapur.

Balance Sheet as on 31.3.94.

Liabilities.		
	Secured loans	19857759.38
	Unsecured loans	259494958.42
	Current Liabilities	77448755.09
	Provisions.	<u>4630305.70</u>
		361431778.59
Assets		
Fixed Assets.		
a)	Gross Block	70162943.63
	less depreciation	<u>56288912.00</u>
		13874031.63
	Add W.I.P.	<u>384499.34</u>
		14258530.97
2.	Inv.	21550.00
3.	Current Assets loans & Advances.	
	Current Assets.	90572110.04
	loans & Advances.	<u>10112242.68</u>
		100684352.72
4.	Profit & loss A/C	<u>246467344.90</u>
		361431778.59
2.4	<u>Production :</u>	

The object of the Narsinggirji Mills is the production of yarn & cloth. For this purpose 'The Narsinggirji Manufacturing Company Limited, was established in 1898. Now following are the products & its qualities that are produced in the mills.

1. Yarn
2. Cloth
 - Poplin
 - Long cloth (Grey or processed)
 - Sheeting
 - Dhoti
 - Suiting (Tericot)
 - Shirting
 - Sari (Tericot)

2.5 Sales :

The mills makes sales of products from each main division or process i.e. sale of yarn which is product of spinning, sale of grey cloth which is product of weaving & sale of processed cloth, which is product of process division.

Year	Sale of	Kg/mtr.	Value
1992-93	Yarn	559833	38876438.73
	Grey cloth	15947989	212106135.51
	Process	420440	4221638.07
1993-94	Yarn	784548	51311719.00
	Grey cloth	15788367	239349219.30
	Process	452259	5154673.99

The exports of the mills are to U.K & Exports is as follows;

1992-93	Rs. 9,29,843.61
1993-94	Rs. 58,27,568.00

Due to durability, Variety & easy washable nature of man-made fibre (i.e. polyster) it is preferred by general customer. So it has more demand. So the mill started production of such quality of cloth.

2.6 Personnel : (as on 31.10.94)

1	Ist Shift				IIInd Shift		IIIrd Shift		Total of pmt in all shifts.	Total Substi- tute in all Shifts.
	Perm anent		Substi- tute		Perm anent	Substi- tute	Perm anent	Substi- tute		
	M	F	M	F						
	2	3	4	5	6	7	8	9	10	11
<u>SPINNING</u>										
Mixing	4	-	-	-	3	-	-	-	07	-
Blow Room	10	1	5	-	7	5	7	3	24 + 1F	13
Carding	22	-	13	-	12	12	13	14	47	39
Drawing	12	-	01	-	9	2	10	2	31	5
Comber	8	-	3	-	5	1	6	1	19	5
Inter	26	-	13	-	20	9	21	9	67	31
Hispomatic	50	-	7	-	30	7	28	7	108	21
Texmaco	68	-	26	-	47	23	48	29	163	78
N.M.M.	50	-	3	-	37	7	33	5	120	15
Ring Misc.	15	-	4	-	9	3	9	1	33	8
Waste	3	8	1	4	-	-	-	-	3 + 8F	1 + 4F
D. Winding	8	-	5	-	10	5	-	-	18	10
Doubling	7	-	11	-	8	11	8	10	23	32
Reeling	3	17	-	2	-	-	-	-	3 + 17F	2F
Cotton	6	-	3	-					6	3
Godown	-	-	46	-	31	-	47	-	78	46
Total									750+26F	307+6F
									776	313

1	2	3	4	5	6	7	8	9	10	11
<u>WEAVING</u>										
Cimmco	8	46	16	-	45	31	44	15	97 + 46F	62
winding										
K.M.M.	1	-	-	-	1	-	2	-	4	-
U.P.Winding	12	-	2	-	10	3	11	1	33	6
Warping	6	-	2	-	6	3	6	3	18	8
Sizing	15	-	2	-	15	2	14	-	44	4
S. Mixing	3	-	-	-	1	-	2	-	6	-
Wvg.Drawing	35	-	13	-	38	11	4	-	77	24
Knotting	3	-	-	-	2	-	1	-	6	-
Wvg.Misc	44	-	13	-	26	10	26	9	96	32
Auto Misc	32	-	14	-	19	6	22	3	73	23
Weaver	96	-	68	-	97	45	94	51	287	164
Jobber	7	-	-	-	8	-	11	-	26	-
Helper	8	-	-	-	8	-	10	-	26	-
Auto Weaver	34	-	-	-	34	-	32	38	100	38
Jobber	8	-	-	-	7	-	7	-	22	-
Helper	7	-	-	-	7	-	8	-	22	-
Cone packing	2	4	-	-	-	-	-	-	2 + 4F	-
									-----	-----
Total	321	50	130	-	324	111	294	120	939+50F	361
									-----	-----
									989	361

	1	2	3	4	5	6	7	8	9	10	11
<u>PROCESS</u>											
Bleaching	21	-	2	-	18	5	25	1	64	8	
Finishing	24	-	1	-	18	1	19	-	61	2	
Cloth Dyeing	9	-	-	-	9	-	9	1	27	1	
Printing	6	-	-	-	-	-	-	-	6	-	
Total	60	-	3	-	45	6	53	2	158	11	
<u>FOLDING</u>											
Folding	77	18	7	7	-	-	-	-	77 + 18F	7 + 7F	
Boiling	19	-	-	-	-	-	-	-	19	-	
Fold G.	19	3	-	-	-	-	-	-	19 + 3F	-	
P.Check	1	6	-	-	-	-	-	-	1 + 6F	-	
fent Regs											
Plop Godown	10	-	2	-	-	-	-	-	10	2	
Wvg.Folder	24	-	2	-	2	-	-	-	26	2	
Wvg.G.P.	16	17	5	-	-	-	-	-	16 + 17F	5	
check											
Total	166	44	16	7	2	-	-	-	168+44F	16 + 7F	
									213	23	
<u>ENGINEERING</u>											
Boiler	14	-	1	-	5	1	6	2	25	4	
Electric	37	-	-	-	5	-	5	-	47	-	
Mill	2	-	-	-	1	-	-	-	3	-	
Gearing											
Mechanic	26	-	2	-	2	1	-	-	28	3	
Civil Eng.	13	1	1	-	-	-	-	-	13 + 1F	1	
Humidity	16	-	3	-	7	-	10	-	33	3	
Engg.ment	9	-	3	-	2	-	2	-	13	3	
Total	117	1	10	-	22	2	23	2	162 + 1F	14	
									163	14	

1	2	3	4	5	6	7	8	9	10	11
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MISC.

Guest House	1	-	-	-					1	
Sanitation	5	6	1	-					5 + 6F	1
Canteen	11	-	1	-	4	1	4	1	19	3
Store	3	-	-	-	-	-	-	-	3	-
Watchward	13	-	4	-	13	4	12	2	38	10
Office Peon	11	-	-	-					11	-
Ambulance	-	-	1	-	-	1	1	-	1	2
Cloth	12	-	3	-	-	-	-	-	12	3
cotton										
cotton	6	1	10	-					6 + 1F	10
Cone package	3	1	-	4	-				3 + 1F	4F
Grainship	1								1	-
Driver	2								2	-
Crench house	-	-	-	1					-	1F
Total	68	8	20	5	17	6	17	3	102 + 8F	29 + 5F
									110	34
Grand Total									2279 m	738
									+129 F	+ 18F
									-----	-----
									2408	756
									-----	-----
									3164	

Shift timing & Operatives in each shift (as on 1.2.95)

Shift	Timings	Hrs of work	Operatives	
			Perm	Subs.
I	7 a.m. to 3.30 p.m.		1114	331
	Recess 12 a.m. to 12.30 a.m.	8		
II	3.30 p.m. to 12.00 p.m.		589	241
	Recess 8 p.m. to 8.30 p.m.	8		
III	12.00 p.m. to 7 a.m.		558	224
	Recess 4 a.m. to 4.30 a.m.			
			2261	796

Shift changes in every month by rotation on 1st day of each month.

The overall position of personnel on 1st Feb.1995 was as under (on muster position)

Operatives.

Permanent	2261
Substitute	<u>796</u>
Total	3057
Other staff	
Clerks	176
Supervisors	67
Officers	<u>30</u>
Total	273

2.7 WELFARE FACILITIES :

The welfare facilities provided by the mills are :-
Canteen- Mills provides eatables & tea at cheaper rates, even at the loss to mills.

QUARTERS : Mills belongs a chawl which accomodate 250 workers. Quarters to officers are also provided. Books & scholarships - Books & scholarships to the children of workers are provided.

Retail clotn shop - Mills provides cloth in reasonable price, Once in a year that is 10% Discount on cash purchases up to Rs.800/- for permanent worker, upto Rs.1000/- for clerk, upto Rs.1200/- for supervisor & upto Rs. 1400/- for officer. The mills also makes sales on credit once in the year upto Rs. 240/- for Badli (Substitute) worker, upto Rs. 300/- for permanent worker, upto Rs. 400/- for Jobber, clerk & supervisor & upto Rs. 500/- for officers.

GRAINSHOP - This facility is provided to Badli as well as permanent workers to purchase grain on credit of Rs. 250/- per worker each month.

CRECHE HOUSE - The creche is provided & maintained for children under 6 years in a clean & sanitary conditon. The creche is under care of trained women, the creche has adequate accomodation. Mothers are given time to feed their children in necessary intervals.

EDUCATIONAL FACILITY - Educational facilities are provided to illetrate women & to workers.

The mills also provides washing facilities, Drinking water, spituns, urinals etc. Sports & cultural activities are also conducted by the mills. Chawl Vikas Mandal - Mills also assists

financially to the mandal.

FIRST AID - First aid facility is also provided in the mills.

Workers co-operatives-workers co-operative societies are also functioning in the mills.

2.8 Philosophy of M.S.T.C. & Management of the mills :

Maharashtra State Textile Corporation Limited (A government of Maharashtra undertaking) Lotus House, 33-A New Marine Lines, Bombay 400020. is a multi unit state enterprise with mills located at Amalner, Aurangabad, Badnera, Bombay, Kolhapur, Kalameshwar near Nagpur, Pandharkwada, Pulgaon & Solapur.

The basic philosophy of M.S.T.C. is to provide good working conditions, opportunity for promotion & development to its employees which consists good situations & every type of opportunity for selected work. Object or purpose of MSTC is that the employee may become a dynamic & ideal leader among them & he may use his abilities for the progress of M.S.T.C. on which depends his own progress.

