

## **CHAPTER – III**

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### **PROFILE OF KOLHAPUR CITY AND THE ORGANISATION UNDER STUDY**

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#### 3.1 PROFILE OF KOLHAPUR CITY

Kolhapur is well known as a major centre of the "Maratha Empire" right from the days of Shri. Chhatrapati Shivaji Maharaja. Through the ages Kolhapur has been well known as one of the important regions in Southern India both on account of religions and cultural history. Kolhapur became a district place with an independent principality, in the first decade of the 18th century. Since then it has been connected with a series of crucial, social and political changes in Maharashtra.

In the 20th century its social and cultural contribution to India's art, music, cinema and drama has been of highest quality and of tremendous consequence. And therefore, its name "Kalapur" (The city of art).

Kolhapur District was formed in March 1959. It includes 12 talukas. It is spread over major parts of the Krishna-Panchaganga basins and is located between 15-43 to 17-10 North latitude and 73-40 to 74-42 East longitude. It is surrounded by Sangli District on the North and by Belgaum District (Karnataka) on the south. The total area of Kolhapur District is 8059 Sq. Km/s. out of which 7867.2 Sq.Kms. is rural area and 191.9 Sq.Kms. is urban area.

In terms of area this district forms 2.62% of the total geographical area of Maharashtra state. The district has a very fertile soil, which can be divided into three broad soil zones. The fertile soil or red clay of the Western Part, which has facilitated the cultivation of paddy crop. The brownish well drained soil is found in the Central part of the district which has enabled the farmers to cultivate various crops like rice, jawar, and groundnuts in kharif season and sugarcane and vegetables throughout the year where irrigation facilities are available. The deep black soil of varying depth forms the dry eastern zones of Kolhapur district. Such soil has been found suitable for growing paddy, sugarcane and vegetables.

A good scope is provided by the rivers in the district for irrigation and for development of agriculture. There are about 14 rivers flowing through the district. The major ones are Krishna, Panchganga, Warana, Dudhganga and Vedganga. The Kolhapur district receives rains from south west as well as north east monsoons. However, the main rainy season is from June to October. The pre-monsoon rains are occasionally accompanied by thunder storms. The rainfall is not uniform in all parts of the district. A portion of the district lies in the Sahyadri ranges. The average rainfall of the district varies from about 500 mm. in Kurundwad area in the North East to about 6000 mm in

Gaganbawada area near kahyadri in the West. Kurundwad has the lowest annual average of 475 mm of rainfall whereas Gaganbawada gets 6100 mm of rainfall. About three fourth of the district receives more than 1000 mm of rainfall annually.

It is well known that the Kolhapur district has achieved tremendous success in lift irrigation. The major irrigation projects of the district are Warana Project, Tulsi Project, Dudhganga Project, Hiranyakeshi Project and Radhanagari Project. The good quality of soil increasing irrigation facilities, favourable weather and sufficient rainfall have all contributed to the agricultural prosperity in the district. The food crops i.e. rice, jawar, bajari, wheat etc. are the predominant crops in the district. Among the cash crops groundnuts tobacco and sugarcane have large shares in the gross cropped area of the district. Sugarcane occupies a place of pride in the district. The area under sugarcane has been steadily increasing during last few decades. Area under sugarcane has increased from 16320 hectares in 1950-51 to 31504 hectares in 1960-61. t's area in 1973-74 was 34034 hectares and hear about 40000 hectares in 1981.

Increasing area under irrigation stimulated sugarcane production and increasing area was brought under sugarcane

cultivation. Consequently a number of sugar factories come into existence. At present there are eight sugar factories operating in the district.

The entrepreneurship continues to be an outstanding characteristics of people in the district. The engineering industries in Kolhapur, sugarcane cultivation, development of textile industries, the manufacturing of "Kolhapur Chhapals, the silver art, the remarkable progress in the field of processing and marketing cooperative etc." are some of the important indicators of entrepreneurship. This quality of the local people if channalised properly, guided and assisted continuously, will promote the development of the district at a phenomenal rate.

In short we may say the natural environment as well as existing socio-economic conditions are favourable for industrialisation of the district. It is quite justified that the district is considered to be one of the better developed district in Maharashtra.

### **3.2 SET UP OF INDUSTRIES IN KOLHAPUR**

Kolhapur District is essentially famous for small scale engineering industries, cement industries, plastic industries, rubber industries, chemical industries, packing industries, refinery industries etc.

A special feature of these industries is that most of them are owned and run by small entrepreneurs as skilled workers starting as hired workers in local workshops.

The Shahu Maharaja of Kolhapur set up a repair workshop for the maintenance of his imported vehicles which laid to the origin of engineering industry in Kolhapur. He also established one technical school to train some local persons. He could provide employment to a few of products of this technical school. Some of them secured employment outside the district, and rest of them started small workshops of their own within the district mainly in Kolhapur.

In the year around 1915 with the introduction of lift irrigation schemes in district, there emerged a demand for oil (diesel) engines which has to be imported then, the spare parts had also to be imported. During the second world war the imports were hampered due to the war conditions. Gradually local workshops took up the job of repair of engines slowly moving into the manufacture of spares and components of oil engines and eventually manufactured engines themselves.

Immediately after independence, "Grow more food" company was undertaken by the Government. Loans were granted for the purchase of the oil engines to the farmers. This boosted the demand for oil engines and products were encouraged. Consequently some new manufacturing units were started. In 1957-58 there was a slump in a industry due to a change in the policy of the Government in regard to the grant of loans to the farmers for the purchase of oil engines. This affected the oil engine producers very badly. Consequently, some of them specialised in manufacturing oil engines and at the same time developed themselves as ancillary units to large units.

Up to 1969-70 the production of diesel engines and their spares was the main line of production in this industry. Recently these industries have diversified their production activities and are producing various types of machinery, agricultural implements, sugarcane crusher, trailor spares, trollies etc.

Kolhapur city is located on Pune Bangalore Highway (N.H.4) and connected to Bombay and Bangalore by road transport. By rail it is on broadgauge and directly connected to Bombay, Kolhapur broadgauge line is connected to Miraj Junction (48 Kms. distance) from where it goes south to Belgaum, Goa, Bangalore and Madras.

As the third five year plan stressed the need of establishing new industries away from the large congested cities, certain concessions and facilities were given to the industries shifting away from the congested localities. This facilitated the growth of Kolhapur city as an important industrial centre in Maharashtra.

Maharashtra Industrial Development Corporation (MIDC) has developed an industrial estate at Shirol, a place 10 Kms. from the city. The total area is 319 hectares. MIDC has set up another industrial estate at "Gokulshirgaon" 6 Kms. distant to meet the demand of region.

The stupendous work done by the local technicians in their early years, eventually laid to the present industrial growth of the Kolhapur city. A good example in this case is that of "Mhadba Mistry" (Shri. Shelke). It is said that he was one of the Founder member of the "Shivaji Udyamagar". Initially he was a worker. After some period he started manufacturing the oil engines and set up his organisation under the name of "Kolhapur Auto Works" Shri. Karajkar, Shri. Y.P.Powar are some of the important dynamic personalities in the history of industrial development of the city. The talent and untiring efforts of the pioneers were of exceptionally high order. Family craftsman of the



starting period developed technical skill beginning from the mechanical repairing workshops to the manufacturing industries and introduced oil engines as the end products.

As a result of constant efforts of industries in Kolhapur have now established their place as quality manufacturers in the industrial field, such as automobiles, Foundries, machine tools, agricultural implements, printing machines, gears, water pump, leather machinery, pounding and crushing machinery, real axle pipes, chemicals, tyres etc.

### **3.3 HISTORY OF GHATGE PATIL INDUSTRIES LTD.,**

Mr. V. M. Ghatge and Mr. J. B. Patil two young and ambitious entrepreneurs started the business of transportation of goods in 1942. In 1945 they started Automobile Dealership of Morris Commercial Vehicles. After that the range of Dealership was expanded by getting Agencies of Jeeps, Lamberetta scooters, Ferguson Tractors, Perkins Engines. During the year 1958, due to tremendous expansion of automobile section, the transportation activities were separated under the name of M/s. GHATGE PATIL TRANSPORTS PVT. LTD. from Automobile Agency Division. Both Ghatge Patil Transports and Ghatge Patil Automobile Division reached very prosperous stage in a very short span of time.

In such favourable situation Ghatge & Patil decided and shortly introduced themselves into a manufacturing activity by starting GHATGE PATIL INDUSTRIES LTD., in a joint form of Foundry and Machine shop forming a complete set for production of varieties of machnical products.

A Brief Review of Ghatge Patil Industries Ltd.,

M/s. Ghatge Patil Industries Ltd., was incorporated in 1960-61 and initially was manufacturing products having agricultural implementation and varieties of pumps. This unit started as a Private Limited Company, but was subsequently converted into a Public Limited Company due to growth in its' average annual turnover i.e. it became more than Rs.1.00 crore. The authorised capital of the company was Rs.25.00 lacs at the beginning. At present company is equipped with very sofisticated tools, and devices covering total investments worth more than Rs.20 crores. A high pressure Moulding Plant, Spectrometer, Validator, N.C.Machine, Two big Computer system (i.e. UNIFY & DRACLE) are some of the examples which explain modernization of this Industry in the view of technology. The range of Foundry Products has been completely changed from Grey Cast Iron to S.G.Iron which is suppose to be a modern Metallurgical aspect and has found extremely wide ranges of applications in modern mechanical technology. In production division, this company manufactures Engineering products like Marine

Gear Boxes, Power Take offs, components for Earth Moving Equipments, Automobile Brake systems, Steering Clutches, Fluid couplings, Twin Discs, Brake Boosters and Torque Convertors. The reputed Engineering Companies like Telco, Ashok Leyland, Escorts, Maruti Udyog, KCL, M&M, Panjab Tractors, KOEL, Ruston & Hornsby, HMT, BEML etc. are the regular customers of this company.

Initially this company started producing Grey Iron Components required by Mysore Kirloskar Limited and Kirloskar Brothers Ltd., for their Machine Tools and pumps etc. This set up was equipped to produce only 75 M.T. of Grey Iron Castings per month with work force of 30 employees only. The turnover for the first year (1960-61) was Rs.37.75 lacs. There was considerable rise in the turnover within a period of four years and reached to 43.39 lacs in the year 1965-66.

Until the year 1965-66 company was a job-work based industry. Not being satisfied with doing job-work, company started with their own products in their manufacturing activity. Thus manufacturing of Marine Gear Boxes under technical collaboration with U.K. Mechanical Clutches and Power Take Offs under Technical Collaboration with Dana Corporation, U.S.A. Besides these, Torque Convertors, Brake Drums (and Telco Brake System etc.) are some of the newly introduced products by the organisation.

The sales turnover during the year 1968-69 reached to Rs.94 lacs during this year only the first phase of foundry mechanisation and machine shop modernisation was taken up and completed by installing semi-automatic Sand Plant with Mould Handling Systems and very large capacity General Purpose Machines in machine-shop.

During the year 1977-71, there was a drop in sales turnover to Rs.59.08 lacs because of industrial recession in Diesel Engines and Pump Industries as Electric Motor was found to be a very convenient prime mover to the pump and electricity was available everywhere in a country. Because of this diversification the manufacturing programme of Main Clutches for Earthmovers manufactured by M/s. Bharat Earth Movers Ltd. took place, this being a substitute product for imported one. The end-over of diversification in company resulted in tie-ups with major Automobile and Tractor Manufacturers and during year 1972-73, they started manufacturing of Grey Iron Castings meant for Trucks and Tractors.

During year 1974-75 the Foundry was further modernized, equipping itself with four Nos. of Core-less type Induction Furnaces. The turnover was Rs.304 lacs. After this, the sales turnover is found to remain within a flat range of Rs.300 lacs which may be concluded as a effect of oil engine crisis of 1974, had a result in drastic cut-down in orders of Automobile components.

The improved sales in Diesel Engines for Trucks and Tractors and increased orders for more and more components like Marine Gear Boxes, Marine Power Take Offs increased sales turnover from Rs.6.50 lacs in 1978-79 and Rs.950 lacs during year 1979-80. In 1980-81 sales turnover of GPI limited was found to be Rs.1200 lacs which has roughly remained constant up-till the end of year 1985.

Even in export activities now a days company plays very important role by exporting Power Take Offs to Mexico, Spain, Italy, U.K. and Iran. The Foundry Division is specialised for Brake Drums, Brake Discs which were even exported to U.S.A., Canada, France during year 1981-82. A new product Maruti Brake Drum is newly introduced as far as Brake Drum production of company is concerned.

This company is always in search of new market areas and shows a interesting trend in introducing new products, e.g. they have developed Telco Brake System during year 1980-81, successfully. Electromagnetic Clutches, Fluid couplings are recently developed products. Company puts continuous efforts to develop new products. They have maintained R & D Department for development of new products and they have obtained necessary Government approval and sanction a full capacity for Fluid Couplings and Electromagnetic Clutches about 2500 and 600 Nos. respectively. Electromagnetic

clutches are found wide applications in Machine Tools, Wire Drawing machines and also in Textile Oriented Machinery etc. Full requirement is being met through imports. Company has secured Technical know-how from German Firm viz. Z.F.

Fluid couplings are used in various industrial machineries like Hoists, Conveyors, Wagon Tipplers, Textile Machines etc. which is manufactured in collaboration Transfluid, Italy. Further modernisation was done in both Foundry & Product Division. A High Pressure Moulding Plant was established. It has proved to be beneficial for company because of following reasons.

1. Reduction in Moulding and Machining cost.
2. Reduction in Rejection percentage of casting.
3. Maximum utilisation of available capacity.

The modernisation of product division was done by installing Boko Milling Machine and NC Jig Boring Machine. Thus company has grown considerably. Many modernisations and diversification schemes have taken place in both foundry and product divisions. Even there is a drastic change in nature of products, the range of products is found to be changed in very wide manner which has lead to higher production rates.

Due to the increase capacity of the items to be produced, the raw materials required to be purchased for manufacturing activities are also large in quantity, which are of prime importance. Company has maintained a separate department which specifically deals with procurement of all items required in their raw or finished form, for regular production programme. For a better control of various departments in the organisation, Management Information System (MIS) is working very efficiently.

Sister concerns of Ghatge Patil Industries Ltd.,

1. Ghatge Patil Automobiles Ltd.
2. Patil Atlantic Force Sunum Ltd.,
3. Hemkiran Diesels
4. Ghatge Patil Pack-Print Pvt. Ltd.
5. J.B. Patil & Sons.
6. Preci Engg. Co.
7. Patil & Patil
8. Jaykumar Patil Transports Pvt. Ltd.
9. Chandrika Industries.
10. Metal Finishers & Engineers.
11. Aditya Travels.

Turnover of Ghatge Patil Industries Ltd.

Year	Rs.in Lacs.
1988-89	1657
1989-90	2603
1990-91	3168
1991-92	3667

Employment in Ghatge Patil Industries Ltd.,

Employment in GPI as on 30th March 1993 is as below :

Total No. of employees 1658 (including 484 staff members)

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ORGANIZATION STRUCTURE

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Board of directors

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Chairman & Managing Director

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E.A. To. C. & M.D.

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President

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