

CHAPTER - XII

PLACE OF COTTON TEXTILE INDUSTRY IN THE INDUSTRIAL
ECONOMY OF MAHARASHTRA

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of Maharashtra

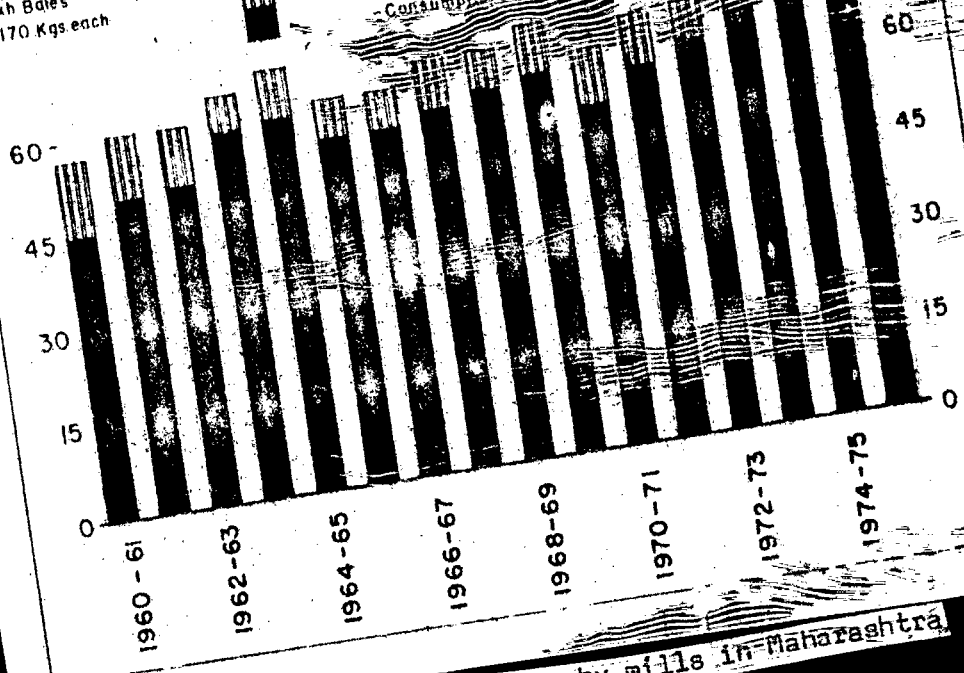
Maharashtra is a pioneer in industrialisation in the country. Starting with first cotton mill and the first railway line more than a century ago to-day it occupies a unique place in the industrial map of India. Many factors have contributed to making Maharashtra a home of a variety of industries, and among them cotton textile industry holds the premier. "It touches the lives and occupation of million of the country men, be they the agriculturists engaged in cotton cultivation, the workers employed in the various sectors of the industry-mills, power-looms and hand-loom or the vast amount of persons engaged in the trade and transport of cotton to the consuming centres and the distribution of cloth and yarn to the far lung towns and villages in the country. Cottage as well as the organised mill type, of course, is an important one. The State has 107 Cotton Mills of which 54 are situated in Greater Bombay. The installed capacity of these 107 mills, as at beginning of the year was 569.08 thousands spindles and 771.79 looms (1977). These mills produced 239 million kgs. of yarn and 14.72 million metres of cloth for 1968. The share of the mills in Bombay in the production of cotton textile goods of the State was 182 million

CONSUMPTION OF COTTON BY MILLS (Season - Sept. to Aug.)

Lakh Bales of 170 Kgs. each

Consumption of Indian cotton
- Consumption of foreign cotton

Lakh Bales of 170 Kgs. each



Consumption of cotton by mills in Maharashtra

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kgs. of yarn and 1.168 million metres of cloth for 1968. Mills in the State of Maharashtra, during the past five years, have consumed an average 16 lakh bales of cotton per year. Cotton textile industry is the main source of livelihood for more than 3 lakhs of people, who are engaged in the different aspects of its cultivation, marketing and manufacturing. Their wage-bills amount to Rs. 75 crores approximately. The entire cotton mill industry in India provides employment for about 9 lakh persons against 46 lakh persons employed in all the industries. Thus, out of every 5 persons employed in the industrial sector, one is found working in the cotton textile industry. The State of Maharashtra is not only the one of the major producers of cotton textile in the country but it also accounts for nearly one-fourth of the country's production of cotton. A major portion of this produce of cotton within the State is consumed by the mills in the State. Only a certain varieties of cotton is imported from other countries. The relative position of Maharashtra and India in production and consumption of cotton is given in Table 81 (Fig. 66).

Table 81

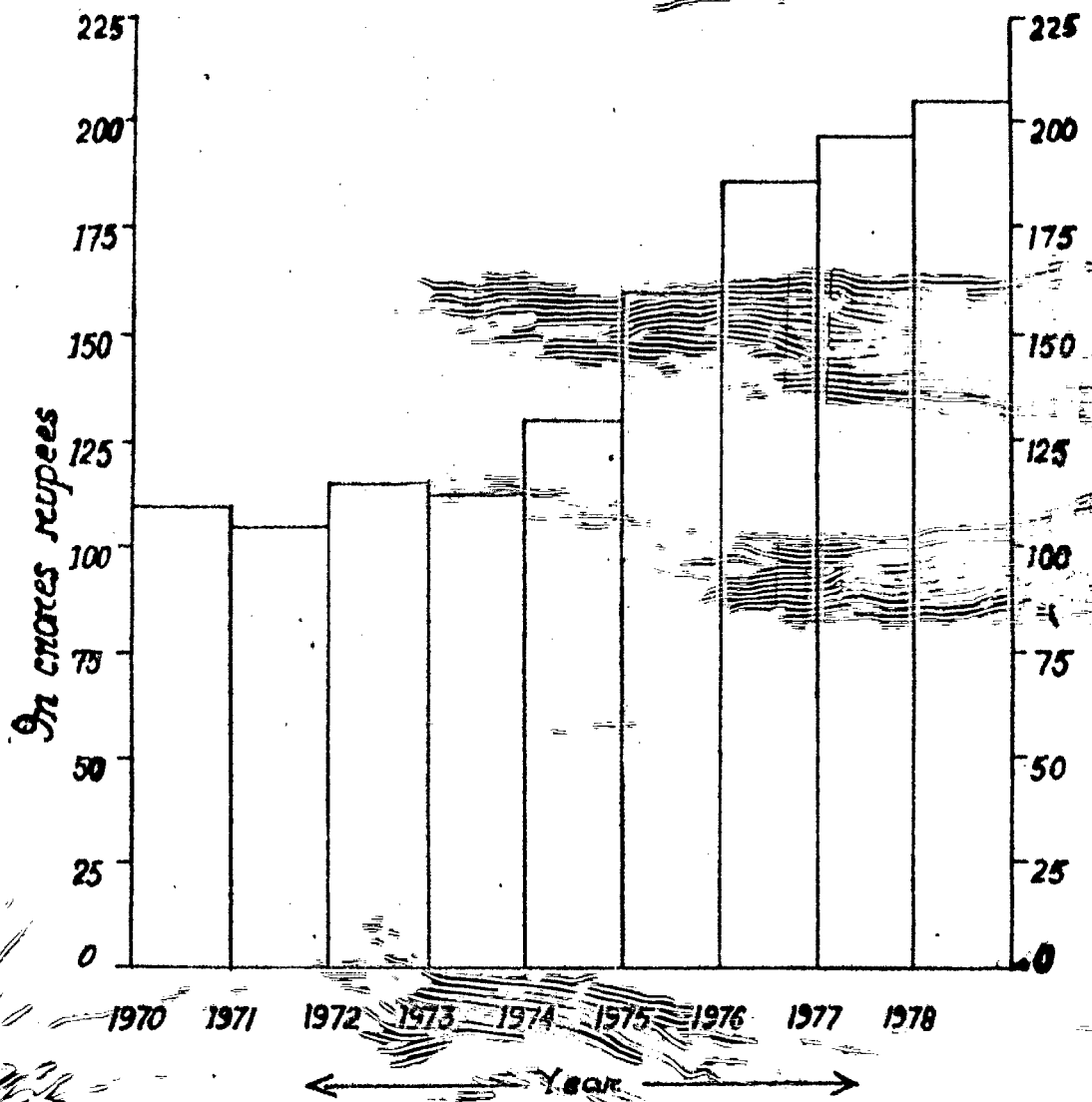
Production and consumption of cotton in thousand bales of
180 kgs. in India and Maharashtra.

	PRODUCTION		CONSUMPTION	
	Maharashtra	India	Maharashtra	India
1964-65	1253.7	5663.8	1440.7	5,011.6
1965-66	2003.1	4702.0	1296.0	5,208.6
1966-67	1075.7	4931.3	1251.3	5,182.5
1967-68	1353.0	5775.0		
1968-69	1350.9	5446.0		
1969-70	1213.8	5504.0	1524.7	
1970-71		4763.0	1105.6	
1971-72	1053.3	6950.0	1246.6	
1972-73	940.6	5735.0	1241.0	
1973-74	1653.0	6102.0	1062.1	
1974-75	781.3	7156.0	1049.0	

In terms of the production of cotton the State produces 13-14 lakh bales out of 55 to 60 lakh bales grown all over the country i.e. about 1/4th of the total production. Maharashtra consumes about 15 lakh bales of cotton every year which is about 25-26 per cent of the total cotton consumption by all the mills in India. It has a paid up capital of Rs. 169 crores, representing 12 per cent of the total paid-up capital of all joint stock companies in the country. The value of the entire industrial output in India was Rs. 5,6000 crores for the year 1970 of which the value of cotton mill manufactures accounts for Rs. 860 crores or 15.4 per cent of the value added by manufacture. Profitability ratio for the year 1965-66 to 1974-75 is given in Table 40. The value of this production was at an average price of Rs. 700 per bale of cotton and was earning about Rs. 105 crores.

Structure of the mills in Maharashtra are also greater than those of the other states of India. Of the 346 spinning mills and 287 composite mills in the country 18 spinning and 77 composite mills i.e. about 15 per cent of the total number are in Maharashtra. Of the 17 million spindles and 2.00 lakh looms installed in the country 4.5 million spindles and 78,000 looms are to be found in Maharashtra account for a percentage of 20 and 38 to the totalr espectively. In the

GROWTH OF EXCISE DUTY



Trend in the growth of excise duty

power loom sector Maharashtra has a longest share having 94,579 looms located in the State. The 1,64,000 hand-loom in the State accounts for 75 per cent of the total 22 lakhs hand-loom in India.

The Textile Mills are vital source of revenue to the Central and State Governments, their total contribution in the shape of taxes and levies being approximately Rs. 160 crores a year of which excise duty alone amounted to Rs. 117 crores. Table 82 shows the growth of excise duty on cotton cloth and yarn. Appendix II gives actual data and Table 82 shows the trend value of the excise duty (Fig. 67).

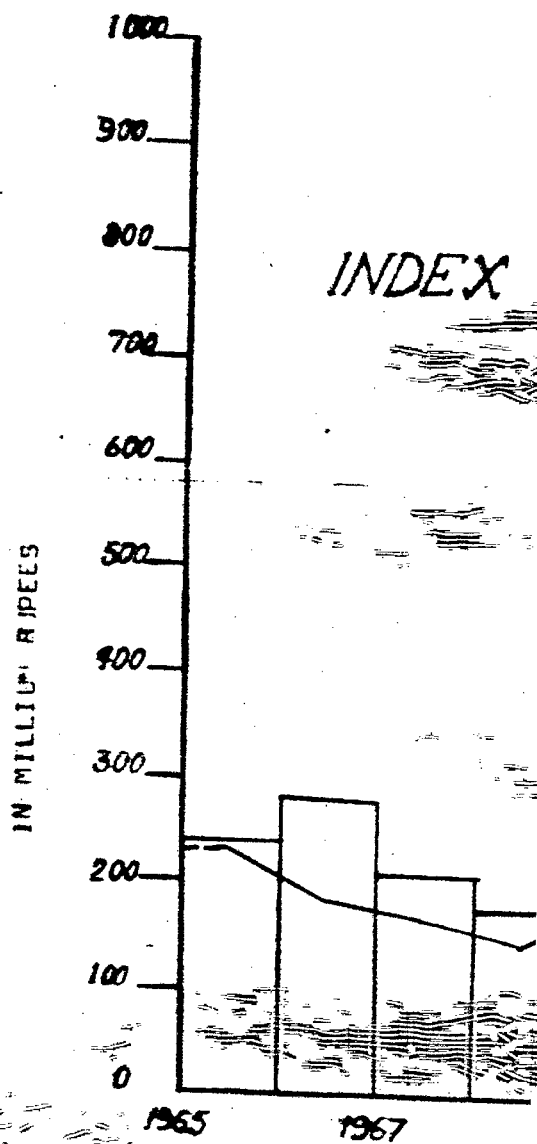
Table 82

Y e a r	Grand total of the Excise Duty	Trend of growth
1964-65	99.37	33.12
1965-66	94.67	31.22
1966-67	105.10	35.33
1967-68	105.57	35.19
1968-69	116.55	38.85
1969-70	109.72	36.24
1970-71	106.77	35.59
1971-72	115.57	38.52
1972-73	115.30	38.43
1973-74	128.26	42.75
1974-75	165.09	55.03
1975-76	182.81	60.27
1976-77	198.74	66.24
1977-78	208.10	69.36

FIG 10

PROI

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Production of textile machinery

The industry is a large consumer of fuel, electricity and lubricants. Besides, a number of ancillary industries - dyes and chemicals, mills stores, sizing and packing materials are supported by it. The value of all such goods consumed by the mills is Rs. 111 crores a year.

There is an appreciable demand for the textile machinery by the industry. Thus there is a good scope for expansion of the country's textile machinery industry. The value of the major items of textile machinery, stores and accessories produced in the country was Rs. 29 crores in 1965 and it is more than Rs 45 crores towards the end of 1975 (Fig. 68). Table 83 shows the production of textile machinery since 1965.

Table 83Production of Textile Machinery (Million Rupees)

Y e a r s	Spares & Accessories	Major items of textile machinery
1965	243.89	242.24
1966	281.80	181.00
1967	207.70	170.10
1968	193.10	150.70
1969	170.20	199.10
1970	258.80	302.30
1971	203.80	360.40
1972	377.30	300.00
1973	423.80	427.30
1974	487.90	725.10
1975	543.30	800.80
1976	542.20	923.90

Table 84

Exports and Imports of Textile Machinery

(Million Rupees)

Year	EXPORTS			IMPORTS		
	Machinery	Spares & Accessories	Total	Machinery	Spares & Accessories	Total
1960-61	0.14	1.04	1.18	82.45	149.67	232.12
1961-62	1.02	2.04	3.06	90.70	175.17	265.87
1962-63	0.21	1.70	1.91	95.74	168.20	263.94
1963-64	0.76	1.94	2.70	91.45	155.15	246.60
1964-65	0.11	3.32	3.43	100.31	175.39	275.70
1965-66	1.00	1.40	2.40	162.00	122.23	284.23
1966-67	0.86	2.88	3.74	164.00	140.47	304.47
1967-68	1.96	5.64	7.60	141.25	137.24	278.49
1968-69	5.46	10.79	16.25	61.11	96.64	157.75
1969-70	34.60	22.59	57.19	36.35	61.30	97.65
1970-71	35.33	35.85	71.18	33.46	55.55	89.01
1971-72	31.31	16.85	48.16	21.86	104.83	126.69
1972-73	21.45	15.77	37.22	39.92	124.18	164.10
1973-74	16.50	25.55	42.05	56.28	116.14	172.42
1974-75	70.66	84.41	155.07	59.74	107.38	167.12
1975-76	102.09	111.70	213.79	55.18	124.16	179.34

Not only the country is earning a gross amount of money from the production of textile machinery but it is earning by exporting as well the Textile Machinery Industry has earned about Rs. 213 million in the year 1975-76 and 15 years before it had earned only 1.04 million rupees (1960-61) (Table - 84). Another feature is also found from this industry that now India saves foreign exchange from it. Previously she had to import about 232 million rupees worth of machinery, but now she is importing only 179 million rupees. It is expected that she will be able to earn more money and shall also be able to save from this industry in future.

In the years 1975, 1976, 1977 the industry exported 9.87, 4.69 and 19.85 million kgs. of cotton yarn and 373.11, 417.90 and 580.00 million square metres of cotton fabrics respectively. The total value of exports of all the mill made cotton textiles was about Rs. 2959.28, Rs. 3,231.08 and Rs. 5,340.30 millions respectively. The share of the mills in Bombay on the basis of deliveries for exports is about 45% and its value was around Rs. 25-30 crores a year.

The activities of the industry affect the national economy in many points. Its usefulness in relation to both to the country and to the consumer can be greatly increased by striving for maximising the production of cotton, its basic raw materials.