



# CHAPTER - II

## **CHAPTER – II**

### **PROFILE OF THE STUDY**

#### **2.1 INTRODUCTION**

In this chapter we present the profile of the study. It includes the profile of the study region, objective of the study and methodology of the study.

#### **2.2 HISTORICAL PERSPECTIVES**

Sangola Taluka has always remained as drought hit area. So the life of the common man is a continuous struggle. The rainfall is very low, and weather is dry throughout the year, so number of farmers yield cotton. The cotton producers did not any market nearby and the cotton was not sold reasonable price. The educated jobless be employed, and for the motivation of industrialisation and small scale industries. The mill was established. The Shetkari Sahakari Soot Girni Ltd. Sangole mills is situated to the north-west of Sangole city and about 4 Km. away from Sangola on the right of the Solapur-Kolhapur state highway.

### **2.3 CO-OPERATIVE SPINNING MILLS IN SOLAPUR DISTRICT**

Solapur District occupies a place of pride in respect of co-operative spinning mills in Maharashtra. By 1986-87 there were 30 co-operative spinning mills in Maharashtra and out of these 5 were in Solapur District.

Solapur city had one of the biggest composite mills in India namely, "The Solapur Spinning and Weaving Mills Co. Ltd. which had 118000 spindles and about 10,000 looms. This mill went into liquidation in the year 1952 which resulted into unemployment of about 25000 workers. They started the handloom weaver's co-operative societies. Thus there was need to provide yarn without frequency and at reasonable prices to the handloom weavers societies. For the fulfillment of this need efforts were made by the handloom weavers and 'Solapur Sahakari Soot Girni Niyamit, Solapur was registered and licensed in 1964. This was completely organised by the handloom weaver's co-operative societies.

The establishment of co-operative spinning mill had solved the problem upto certain extent of handloom weavers but the number of powerlooms was very large. There was nearly 10,000 powerlooms working in the city. All these powerlooms are owned and run by small artisans and they were spread over in small units of 2 to 4 looms per unit. Out of these 10,000 powerlooms about 6000 powerlooms were

engaged in the production of Jacquard Chaddar and others in the production of dhoties and long cloth. On the basis of handloom weavers co-operative spinning mill there was need of another spinning mill in co-operative sector to meet the requirements of powerloom weaver. Thus in 1967 powerloom weaver's co-operative spinning mill was registered and licensed which is known as 'Yashwant Sahakari Soot Girni'.

Solapur district possesses waste land resources which depend on nature for cultivation. Major portion of land was utilised for the cultivation of cotton in Kharif season in Madha, Malshiras, Pandharpur, Akkalkot, South Solapur Taluka, Mangalwedha and Sangola of Solapur District. The cotton growers in these areas face number of difficulties for the sale of cotton in the market. There was a need to give reasonable return to the cotton growers. Efforts were made by cotton growers to establish co-operative spinning mills on the producers basis. This gave birth to Shetkari Sahakari Soot Girni Ltd. Sangole. In the subsequent period following mills were established.

- a) Shri Swami Samarth Shetkari Vinkari Soot Girni was registered and licensed on 14-11-1979 in mixed sector at Valsang in South Solapur.

- b) Shri Jagadamba Shetkari Vinkari Sahakari Soot Girmi Madha was registered and licensed on 1-12-1987 at Madha as cotton growers and weavers mill.

#### **2.4 PROFILE OF SANGOLE SOOTGIRNI**

Sangole Girmi established on 28<sup>th</sup> January, 1980 at Sangole, A taluka Head Quarters in Solapur district of Maharashtra State.

Sangole Girmi's area of operation consists of Sangole, Mangalwedha, Pandharpur and Malshiras Talukas in Solapur District. Sangole Girmi, with 7079 share holders at the beginning secured permission to start a spinning mill of 25,056 spindles. The construction of the buildings was started in 1982 and it was completed in 1984. The Girmi started its commercial production on 14<sup>th</sup> Sept. 1984.

The production of the extended project was started in 1994-95 and there were 12480 spindles.

All India Federation of Co-operative Spinning Mills LTD prepared the project report of Shetkari Sahakari Soot Girmi. Industrial Financial Corporation of India, New Delhi, granted the term loan. The financial details of the project are shown in Table No. 2.1.

**Table No. 2.1**  
**Financial Structure**

Sr. No.	Details	Rs. lakh	Percentage
1	Share Holders Capital	43.20	5.00
2	Govt. of Maharashtra	388.65	45.00
3	Term Loan	350.00	40.52
4	Own Resources of the Girmi	40.36	4.67
5	SICOM subsidy	41.56	4.81
	<b>Total</b>	<b>863.77</b>	<b>100</b>

Source : a) Reports of Mill

b) A Study of Management Practices at Shetkari Sahakari Soot Girmi Ltd.,  
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The financial structure of the mills shows that the own resources of the girmi including share holders capital is less 10%. In other words the financial structure of the girmi is highly dependent on external sources.

The land purchased for the Girmi was 125 acres. The Mill Building, canteen, restroom building, administrative building etc. are constructed on modern lines. All machinery from blow room to Ring-frame was purchased from Laxmi Machine Works, Coimbatore; Jumbo (i.e. long) Ring frames installed in the mill were the first of its kind in Maharashtra state at the time of their installation.

Workers were recruited from the relatives and friends of shareholders. The workers are paid wages on par with those paid by reputed mills in Solapur area. The Girni provides the workers with attractive incentives and rewards. For those who shows outstanding performance. For example, workers are given award if their attendance is more than 290 days in a year for workers. The Girni has constructed 108 well equipped residential houses, primary school, welfare center, community hall, play ground etc.

## **2.5 OBJECTIVES AND METHODOLOGY**

### **A) OBJECTIVE OF THE STUDY**

The objectives of the study are as under.

To study the working of Shetkari Sahakari Soot Girni Maryadeet Sangole.

The specific objectives of the present study are :

- i) Production and trends in it.
- ii) Sales and Trend in it.
- iii) Profit Analysis.
- iv) Revenue Analysis.
- v) Cost Analysis.
- vi) Capacity Utilization.
- vii) faced by the unit.

## **B) RESEARCH METHODOLOGY**

For this present work case study method is followed. Case study is the a compact inclusive study of the actuality of business situation or it is a systematic gathering of adequate information about the business situation It is form of qualitative and quantitative analysis of careful and complete observation of a business situation.

It is an in depth and detailed study of the real situation as a whole. The quantitative data analytical frame work, overall evaluation and interpretation are essential in gredients of case studies. They are expected to provide very valuable lessons of practical implication.

It can be covering all the aspects of background of the environment and the industry situation within which it operates. The working results and financial statements of the concern are examined it assess the effectiveness of managerial decisions. Almost always the case contains some information about the industry and its competitive conditions, some historical background about the concern itself, information about its production, marketing, profit cost, revenue, capacity utilization, break-even..

## **C) DATA COLLECTION**

For this study, the primary data have been collected from primary source through questionnaire.



The secondary data have been collected from official documents of Shetkari Sahakari Soot Girni Ltd. Sangole (i.e. its annual reports, published and unpublished documents etc.) Reports of Maharashtra State Co-operative Spinning Mills Ltd. Mumbai, Federation of Co-operative Spinning Mill Ltd., New Delhi.

Discussion was held with the officers and employees of the Shetkari Sahakari Soot Girni Ltd. Sangole.

Structured questionnaire was also used the daily wages workers and other permanent workers.

#### **D) LIMITATION OF THE STUDY**

This study has following limitations :

- 1) This study limited only one co-operative spinning mill.
- 2) The period of the study is limited to five years from 1994-95 to 1998-99.

#### **E) STATISTICAL TOOLS**

Keeping in view the objectives of the study, some appropriate statistical techniques such as percentage change, compound growth rate, average, coefficient of variation have been used.