

CHAPTER – 3
DECCAN CO-OPERATIVE
SPINNING MILL,
ICHALKARANJI :
DEVELOPMENT &
CLOSURE

CHAPTER – 3

DECCAN CO-OPERATIVE SPINNING MILL, ICHALKARANJI : DEVELOPMENT & CLOSURE

3.1 . Establishment of Deccan Co-operative spinning mill :

The motivating factors for the establishment of the Deccan co-operative spinning mill was that Ichalkaranji city is known for power looms. For the regular supply of the yarn, the co-operative spinning mill was established. The power loom owner use to give higher rates, but they could not get high count yarn.

The merchants during the year 1957-58 gave low count yarn and declared high court yarn. There was confusion to the power loom owners. The power loom owners were in the need of the high count yarn. From these factors the founders established the first co-operative spinning mill in Ichalkaranji.

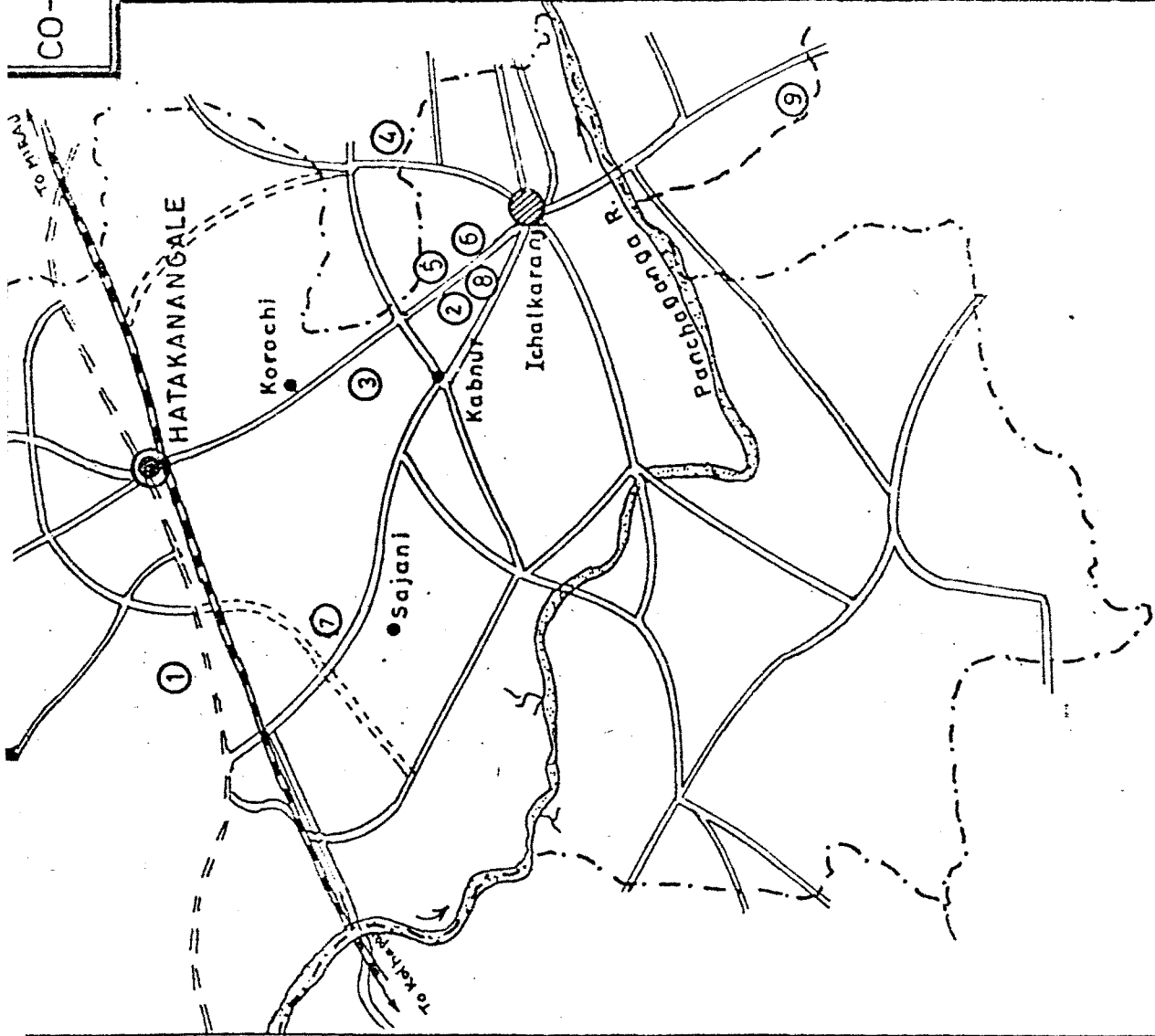
Late founder director of this spinning mill Rajabhau Datar purchased land only for the establishment of the Soot girani. He allotted the land at the lowest price. This location is near to Ichalkaranji (powerloom centre) and Hatakanangale railway station.

All these factors were responsible for the choice of selection of the place location on Ichalkaranji-Hatkanangale road.

CO-OPERATIVE FACTORIES IN AND AROUND ICHALKARANJI

- ① The Ichalkaranji Co-operative Cement Industries Ltd. Ichalkaranji
- ② Vyankatesh Co-operative processors society Ltd. Ichalkaranji
- ③ Shree Panchaganga Sahakari sakhar Karkhana Ltd. Ganganagar Ichal.
- ④ Kolhapur Zilla Shetkari Vinakari, Sahakari Soot Girani Ltd.
- ⑤ Decan Co-operative Spinning mills Ltd. Ichalkaranji
- ⑥ The Laxmi Co-operative Processers Ltd. Ichalkaranji
- ⑦ The Nav Maharashtra Co-operative Soot Girani Ltd. Ichalkaranji
- ⑧ Yashawant Co-operative Processers Ltd. Ichalkaranji
- ⑨ The Ichalkaranji Co-operative Spinning mills Ltd.

- Taluka H. Q. ●
- Villages ●
- Roads ————
- Railway ————
- River ————
- Taluka boundary - - - - -
- Industrial Town ●



3.2 Collection of share capital:

The situation was not favourable at the time of collection of share capital for this spinning mill, with the assistance received from bank loans the share capital was collected. The people were suspected and confused. This co-operative spinning mill was big one and it was the first of its kind in Ichalkaranji. Though the people were anxious, they had no faith about the co-operative principle. In this difficult situation the share capital was raised.

3.3 Benefits to shareholders:

At the beginning they gave 4% dividend to the shareholders but during last 5 to 6 years, they have not given any dividend to the shareholders. The spinning mill is in loss for last 5 to 6 years.

The schemes for the shareholders implemented by the spinning mill are as follows,

- i) Supply of the yarn to the shareholders through the quota at the minimum rate.
- ii) Decospin Charitable Trust: Assistance in education, irrigation, housing facilities in rural areas.
- iii) Decospin Research foundation: Research in spinning areas.

The schemes for the benefit of the non shareholders are implemented through Decospin Charitable Trust.

3.4. Background of Deccan co-operative spinning Mill:

Deccan co-operative spinning mill was one of the biggest spinning mill in India in co-operative sector. The mill was established in 1962. The mill was inaugurated at the hands of former president of India Dr. Radhakrishnan. Then on 9th April 1966, former defence minister of India Yashwantrao Chavan expanded 25000 spindles. The establishment of spinning mill was possible due to the major contribution of Dattajirao Kadam and Abasaheb Kulkarni. At the time of profit 83,792 spindles worked with full capacity. Apart from these 504 open and Roters, 10480 dubbling spindles, two for one twister, autocorner, VOC Drofremous etc. advanced tools and machineries with modern testing laboratory were in operation. The mill bought 28 acres of land at Chipri which is 12 km distance from Ichalkaranji for 4th unit.

3.5. Schemes by the Factory:

The various schemes being implemented by spinning mill for the workers:

- 1) The credit society of the workers: from this they get cloths, food grain, oil and other grocery. They also get loan from this credit society.
- 2) Medical help to the workers as well as their family members.
- 3) Family planning schemes : Rs. 50 per operation as financial help.

- 4) Workers children get educational materials like books, note books etc. and prizes to merit list students.
- 5) Distribution of auto-cycles, cycles and T.V. to the workers. Mill has given guarantee to the Bank.
- 6) The workers celebrate the Ganesh festival, 15th August and 26th January.
- 7) Prizes to the players.

3.6. Bonus to Workers:

From the establishment to 1994-95 the mill continuously gained profit. The shareholders of the mill gained Rs. 60 to 65 thousand profit by share amount Rs. 1000/- highest profit for share amount Rs.1000 was Rs. 3033 dividend. The workers gained 33% bonus. In this period 70% yarn used to be exported. This is one of the few mills which repaid total share capital of Government. Till today mill gave Rs. 300 crore foreign exchange to Government. One year workers demanded 20% bonus and the founder chairman Kadam gave 20.50% bonus to workers and workers were astonished. All this period indicates the time of mills prosperity.

After the sad demise of Kadam the workers collected funds and built a statue of founder Chairman Kadam. This statue is symbol of workers love for Kadam. Yashwantrao Chavan former defence minister of India pointed

out that this is first example in the world to built masters statue by the workers. This example indicated Chairman and workers close relationships.

Due to its success this mill gave motivation to other co-operative spinning mills in Maharashtra and India. The founder chairman Dattajirao Kadam established workers co-operative credit society for financial support to labourers.

3.7. Workers Security and Welfare:

In industrial sector development of workers is a major factor. Therefore mill provided different facilities apart from the payment. So various schemes and programme were implemented by mill for increasing standard of life of the workers.

Tea and breakfast items were provided to workers at cheaper rates. From the library book for reading, were given.

“Decospin Antarang” journal was published by institute for publication of workers poetries and stories. Through story, tourism poetry etc. various forms of competition were arranged for motivating the workers. The workers children having good merit in various school exams were facilitated with. The lectures were arranged on labour legislation Industrial situation identification for the workers. Apart form these, mill arranged educational tour for worker’s children.

The workers use to participated in Maharashtra state workers welfare Boards drama competition. For workers sons and daughter who were taking higher education of degree / diploma in textile, the mill provided support to them.

Every year the mill use to celebrate Industrial security week. In this week they use to arrange department wise lectures, practices and various competitions.

Table 3.1

Year	Monthly minimum payment (26 days) Rupee	Average worker wage per day Rs.
1988-89	1094	43.57
1989-90	1161	47.00
1990-91	1301	52.19
1991-92	1541	61.93
1992-93	1748	68.93

Table No -3.2

Payment and Wages:

1988-89	1989-90	1990-91	1991-92
55.04	65.67	70.86	79.69

Table No -3.3**Payment and Wages:**

(Provident Fund, E.S.I., Gratuity bonus and rewards)

(Rupees in lakh)

1988-89	1989-90	1990-91	1991-92	1992-93
435.29	549.73	456.33	685.32	714.37

3.8. Social Work:-

For economically weaker section of the society and to support slum and rural area pre-primary school. The drinking water in drought prone area, medical services in rural area, were given like as multipurpose Decospin charitable trust this institute gave Rs.3.00 lakh. Beside Ichalkaranji and surrounding areas and sports clubs, institute gave economic support.

3.9. Decospin Charitable Trust, Ichalkaranji :

The Deccan co-operative spinning mill established the Decospin Charitable Trust. Through this trust, attempts are made to improve the weaker section and backward class people.

The trust has established the co-operative lift-irrigation scheme and dug bore wells. The trust had a dairy project at Minche, for the welfare of the Ramoshi tribal people.

With a social objective of spreading to the weaker sectors of community at large, a part of the gains arising from its successful functioning the motivates management of the Deccan co-operative Spinning Mills Ltd. Established in the year 1974, the Decospins Charitable Trust. The aims and objects of this Trust were to help socio-economic uplift to those who were at the last rung of the social ladder. The thrust of its programme was more on propelling the economy of the poorer sections towards self reliance than on welfare measures or charity. The trust, therefore, provided assistance primarily in the form of interest free loans and not generally in the form of gifts, grants or subsidies.

Since the Trust has chosen rural areas for its activities, small and sub marginal farmers, artisans, etc. are its main beneficiaries. Emphasis of the Trust is on rural development with agriculture at the Centre. It encouraged schemes undertaken by persons having hereditary skills like weaving, carpentry, smithy etc. to adopt intermediate technology to upgrade skill and gain economic benefits. It appointed an experienced staff who helped the small farmers in formulation and execution of irrigation schemes as priority projects. Harijans, who are also marginal and sub-marginal farmers, got the preference in respect of such schemes. Apart from formulation and execution of various development and tour programmes, the Trust provided extension

services to the beneficiaries of such programme from its own funds. It provided technical services to the farmers in their farming activities.

Although the Trust provided financial assistance in the form of loans, it was its intention to always do so as any financing or banking institution. The financial assistance provided by the Trust for majority of the cases was in the form of bridge finance. Generally developmental projects take time to receive financial assistance from the financing and / or banking institutions. To avoid any delay in the between period, the trust provided financial assistance to keep the projects moving. While doing so, the projects as well as the areas were adequately surveyed and then the programme of assistance was chalked out.

Decospin Charitable Trust, Ichalkaranji was established in 1974. The objects of the Trust were to help socio-economic uplift of those who are at the last rung of the social ladder. The importance has been attached to propelling the economy of the poorer sections towards self-reliance than on welfare measures or charity. The emphasis of the trust was on rural development with agriculture at the centre. The Trust provided financial assistance in the form of bridge finance.

The Decospin Charitable Trust had done extensive work in the rural development specifically in the field like agriculture industry, education, housing, medical-facilities and supply of drinking water. The area of its

operation was Kolhapur and Sangli Districts. The projects and programmes carried out by the trust had been beneficial for the weaker sections of the rural society for their socio-economic uplift. The trust contacted various agencies at the national level and the funds were made available for different projects.

3.10. Exports:

It is customary to measure economic progress in terms of profitability ratios, sales turnover, return to the share holders etc. Although these are accepted economic indicators for measuring the progress of any economic activity, emphasis also needs to be laid on exports for the country's economic development. The mills had a good record of export performance which is a very highly competitive field. For the mill situated away from port cities like Bombay, Calcutta, Madras etc ; it is very difficult if not impossible, to gain an entry in international market. It was possible only because of the high quality of the yarn.

The table shows, the quantum of cotton yarn exports made and aggregate value of foreign exchange earned for the country by this mill for the years 1980 -1981 to 1991-91.

The yarn exports of the mill ranged between 10 to 15 percent of its total production. The mill have also made direct export of a large amount of yarn.

The credit of this achievement in the field of export goes to the planning with a perspective, being constantly done by the management who were vigilant about the mills economic affairs and their responsibility towards their members: small powerloom weavers.

3.11. Employer-Employee Relations:

Another unique feature of the working of the mill society is its fortune in getting benefit of high standard of leadership qualities of its founder Director, Late Shri. Dattajirao Kadam, who had rendered Yeoman's service in the cause of the development and progress not only of the mill but also of the welfare and well being of its partners in production. Because of his farsightedness and affection for them, he had earned unique place in the hearts of the working fraternity of the mill. In its history of three decades and over, the mills had less labour dispute, much less strikes. The credit for this achievement equally goes to mill's loyal workers, who gave unstained support to management.

3.12. Modernization:

The mill had completed seven renovation and replacement schemes of Rs. 23.41 crore. The mill had more renovation scheme of Rs.8.25 crore for up-gradation of technology and increase productivity thereby.

The mill have a unique distinction of having installed for the first time in India a 'Two-for one twister' manufactured by m/s. Volkmann Gmbh and company, West Germany, with singing attachment. Two such machines were used for manufacture of gassed sewing threads and good progress was made in the sale of the year 1997 at very remunerative prices.

3.13. The Mill As Catalytic Agent:

The growth and development of the mill in Ichalkaranji, had its salutary effect on economy in and around Ichalkaranji. The mill society worked as a catalysts and soon it gave a fillip to both establishment and development of activities in the sphere of processing houses, banking, housing, consumer societies etc. all in co-operative field, giving the co-operative movement a strong and wide base. In other words, the progress in various areas by the co-operative movement in and around Ichalkaranji was made possible to a large extent by mill.

3.14. Socio-Economic Awareness:

The management of the mills, having drawn its inspiration for serving the common men was constantly aware of its socio-economic responsibility towards weaker sections of the society economic viability over a period of years, it could translate its ideas into reality for doing tangible work for the

common people. The management of the mill, therefore established two trusts called “Decospin Research Foundation” and “Decospin Charitable Trust.” Besides this generous contribution is made in the establishment of ‘Dattajirao Kadam Technical Education Society.’

3.15. ‘Decospin Research Foundation’:

The objective of research foundation was to serve as a “Clearing House” for promotion and development of the powerloom industry. The technical know-how provided by the Research Foundation has offered small powerloom owners, opportunity for diversifying their production in the various fields to withstand the growing competition by the powerful organised sector. The research foundation also helped local processing industry. Upto December 1994 the mill contributed a total sum of Rs.20.13 lakh to the foundation for conducting their research activities.

3.16. Textile Institute:

Having regard to the growth of the spinning co-operative in and around Ichalkaranji, the industry, for quite some time, felt the need for skilled personnel, especially trained supervisory personnel, not only to cater to the need of existing industry, but for a number of spinning co-operatives. With this objective in view and in memory of the founder Director of mill,

Late Shri. Dattajirao Kadam, an institute called “Dattajirao Kadam Technical Education Society’s Textile Institute” was started.

Table -3. 4

Yarn export by the mill:

Year	Kg. Lakh	Rupees Lakh
1977-78	0.90	26.85
1978-79	1.00	33.97
1979-80	2.65	95.97
1980-81	6.46	223.07
1981-82	10.53	386.34
1982-83	8.57	337.45
1983-84	9.94	380.20
1984-85	7.01	265.12
1985-86	18.45	618.34
1986-87	25.36	877.51
1987-88	29.98	1376.58
1988-89	26.65	1276.72
1989-90	27.84	1770.39
1990-91	18.22	1165.53
1991-92	23.83	1812.82
1992-93	11.28	929.02
1993-94	9.32	824.31
1994-95	11.49	1162.78
1995-96	12.66	1306.04
1996-97	29.43	2835.13
1997-98	16.03	1572.22
1998-99	11.42	1115.76

Table 3. 5**Dividend to Members:**

Year	Rate	Per share rupees	Dividend amount
1970-71	4%	40	188880
1971-72	4%	40	188880
1972-73	4%	40	286120
1973-74	4%	40	286120
1979-80	4%	40	302720
1980-81	4%	40	302720
1987-88	12%	120	634560
1989-90	4%	40	463520
1990-91	4%	40	463520
1991-92	4%	40	463520
1993-94	4%	40	463520
1994-95	4%	40	674220

Table 3. 6**Cash gain/ loss and bonus to worker:**

Year	Cash gain / cash loss Rs / lakh	Bonus %	Rs. Lakh
1973-74	48.51	20.00	7.28
1974-75	14.75	20.00	9.65
1975-76	21.87	20.00	10.09
1976-77	27.81	20.00	11.40
1977-78	89.37	20.50	15.12
1978-79	171.19	24.00	21.09

1979-80	127.67	30.00	32.33
1980-81	86.04	32.00	39.13
1981-82	81.62	19.00	28.57
1982-83	117.64	20.25	35.08
1983-84	153.36	14.00	28.01
1984-85	85.47	16.00	32.99
1985-86	55.39	17.33	40.33
1986-87	70.43	15.51	40.08
1987-88	157.97	15.66	43.67
1988-89	102.33	17.00	53.50
1989-90	602.51	25.00	87.04
1990-91	225.59	28.33	113.60
1991-92	350.51	28.33	105.96
1992-93	142.49	21.33	109.30
1993-94	493.11	21.33	119.30
1994-95	277.96	24.33	135.76
1995-96	-241.28	22.10	141.74
1996-97	-260.71	21.00	146.78
1997-98	-288.95	11.33	69.80
1998-99	-1264.00	8.33	52.00

Table 3.7

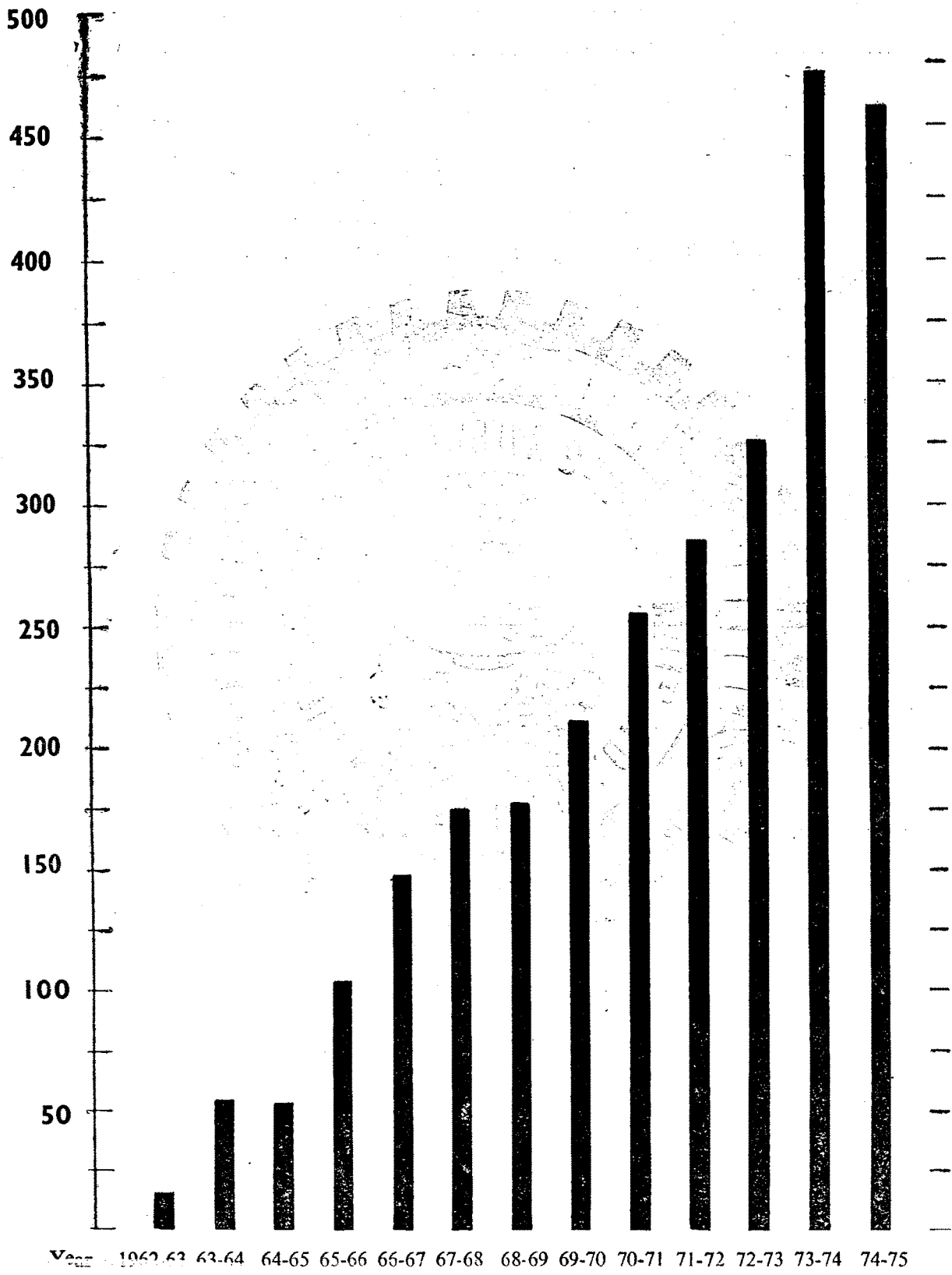
Economic condition of the mill:

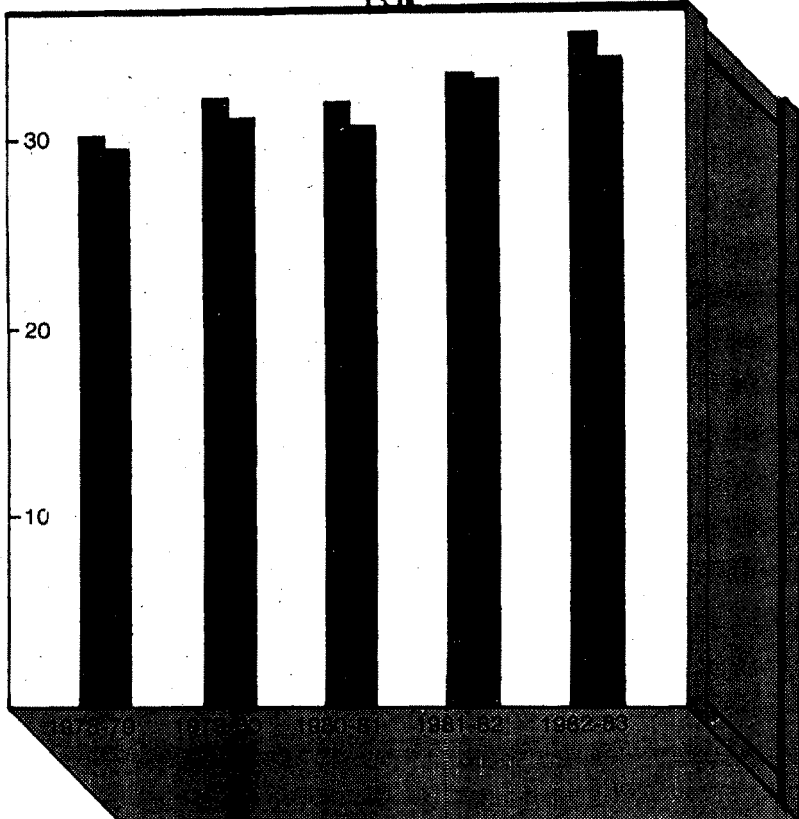
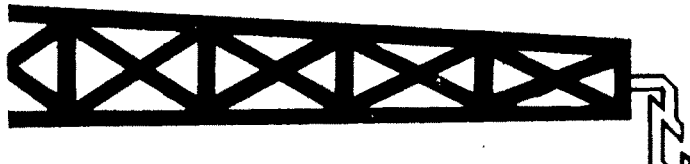
(Rupees in lakhs)

Year	Net profit	Net loss
1994-95	277.96	-
1995-96	-	241.28
1996-97	-	260.71
1997-98	-	288.95
1998-99	-	1110.44
1999-2000	-	1301.36



Yarn Sales

Rs. in Lacs





Yarn Production & Sale
Kgs. in Lakhs

-  Production
-  Sales

The mill established Decospin charitable trust and decospin research foundation from its profits. In the year 1994-95 the assembly elections were held. After, that mill went under the influence of Mr. Prakash Awade.

Some changes occurred in the workers organization. Gradually old leaders were replaced by new leaders. The difference in opinions resulted into two organisations; one inclined at congress (I) and another inclined at nationalist congress party. On some issues they opposed to each other.

3.17. Closure of the Mill:

The next part of this series was closing down 'A' unit of the mill which has capacity of 25000 spindles. The 'A' units workers were shifted to 'B' and 'C' units. Hundreds of workers which worked on 'Badali' and 'Temporary' card were sent back to home.

Some workers were laid off in this period. In this period there was neglect of quality of machine speed, workload. Eventually it increased unrest among labours and it incrided loss of mill. Some of the figures are as follows,

Year	1994-95	Rs. 277.96 Lakh profit
Year	1995-96	Rs. 241.28 Lakh loss
Year	1996-97	Rs. 260.71 Lakh loss
Year	1997-98	Rs. 288.95 Lakh loss
Year	1998-99	Rs. 1110.44 Lakh loss
Year	1999-20	Rs. 1301.36 Lakh loss

Beside the pending bills of M.S.E.B. for electricity was nearly Rs.3.50 crore. Ultimating the board cut down power supply on 28th March 2000. Before closure of the mill, three months lay off was given to the workers. In this situation some workers were ready for resignation. But the avoid resignation for gratuity and provident funds amount. Beside these some worker resigned and they were far away from these amounts. The workers who worked on 'Badali' and 'temporary' card awaited for gratuity.

Before closure of mill, the Chairman arranged meeting and suggested implimation of pattern of I co (Ichalkaranji Co-operative) mill. But restless workers not agreed on this suggestion.

On 20th October 2000 Government appointed five members administrative committee as below:

1) Shree. Shripatrao Ramchandra Wadinge

- Main Administrator

2) Shree. Sadashiv Dadoba Mandlik (M.L.A.)

- Administrator

Chairman, K.D.C., Bank, Kolhapur

3) Shree. Madhukar Devrao Chavan (MLA)

- Administrative

- Director Maharashtra state co-operative

Bank Ltd., Mumbai.

4) Shree. Mahadevrao Khandoji Tapre

- Administrator

- Director Maharashtra state

Co-operative Bank Limited, Mumbai

5) Shree. Srikant Pandurang Thorat

- Administrator
- Ichalkaranji Dist. Kolhapur

The main administrator Shri. Shripatrao Ramchandra Wadinge and local administrator Shri. Shrikant Pandurang Thorat went at mill site and accepted their duty on 21st Oct. 2000. This occurred after nearly six months period for mills clouser. In this situation many officers and workers left the job of mill due to sure no payment. In management and stores accounts, security department no responsible men required only production manager did their services. In the view of urgency, local persons were appointed on the post of 'Managing Director' and 'Deputy Manager' after approval of administrative committee. After one month they appointed Chief Accountant.

Maharashtra state co-operative Bank approved Rs. 25 crore and Rs. 8.55 crore loan. But for this guarantee by Maharashtra Government was needed. On 18th August 2000, the meeting was held to restart the mill, but the minister rejected to give guarantee for debt. Some MLA asked question in assembly regarding guarantee of Deccans debt, but they refused this guarantee. Then administrative committee resigned from their posts.

References:

- ☞ Annual Report of Deccan Co-operative Spinning Mill, Ichalkaranji, 1971-72, 1973-74, 1977-78, 1980, 1981-82, 1982-83, 1987-88, 1994-95.
- ☞ Government Appointed Administration Bodies: work and problems report. – 2000-2001.
- ☞ Written documents by worker Leader.
- ☞ Arage S.A.
“A sociological study of co-operative factories in Ichalkaranji.”
Unpublished Dissertation of M.Phil. – January 1989.
- ☞ Naik C.M.
“History of Ichalkaranji”
Unpublished Ph.D. Thesis – December 1998.