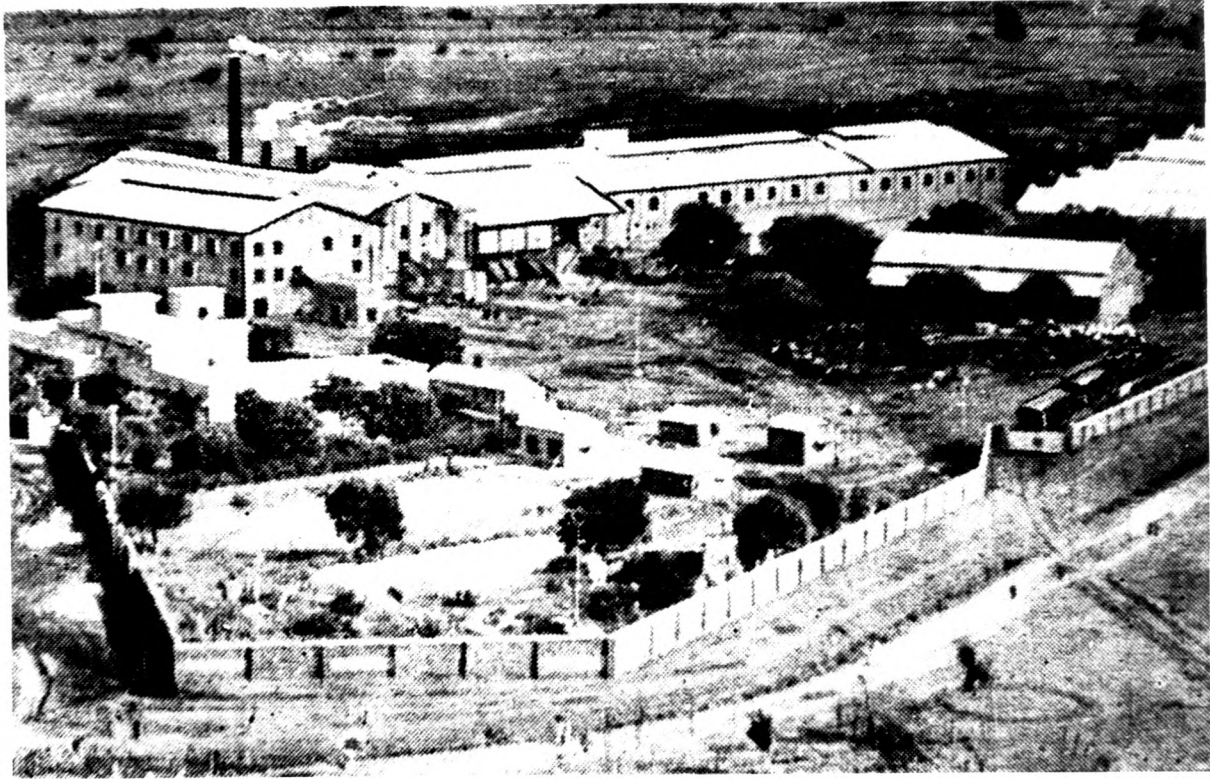


: CHAPTER - I :

**HISTORY AND DEVELOPMENT OF ASHOK
SAHAKARI SAKHAR KARKHANA.**

- i) Brief History of Karkhana.**
- ii) Expansion and Plant and Machinery.**
- iii) Cane Development Scheme.**
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ASHOK SAHAKARI SAKHAR KARKHANA LIMITED, ASHOKNAGAR.

CHAPTER-II

HISTORY AND DEVELOPMENT OF ASHOK
SAHAKARI SAKHAR KARKHANA LIMITED
ASHOKNAGAR.

1) Brief History of Karkhana:

Location:-

The Ashok Sahakari Sakhar Karkhana Limited Ashoknagar is situated at Ashoknagar, Taluka Shrirampur, District Ahmednagar. For a proper perspective of the history of Ashok Sahakari Sakhar Karkhana Ltd., Ashoknagar, it is necessary to take into consideration the geographical situation of this area. Nipani-Wadgaon the village where this factory is situated is on Pravara Left Bank ~~Grav~~ Canal. The cultivation of different crops around 1950 was mainly on the water available from wells but as the irrigation of Pravara Left Bank Canal got developed the farmers changed one from the cultivation of ordinary crops to cash crops like sugar-cane. The irrigation of Pravara Left Bank Canal has thus played a major part in this change.

Co-operative Movement:

Before going into actual establishment of this factory, it will be very useful and necessary to look back into the co-operative movement in this area. The

involvement of Government in the co-operative Sugar factories on a large scale began in 1954 but the idea of co-operative sugar factory was not unknown before 1954. In fact, the launching of the scheme of co-operative factory in that year can be directly traced to the success of the idea of Pravaranagar in Bombay State (Now Maharashtra State) during 1948 to 1954. Even before some co-operative sugar factories were set up in the united provinces and Madras province during the thirties but only one of the four such sugar factories survived after independence.

The idea of a co-operative sugar factory gathered momentum immediately after the world war II in the district of Ahmednagar in the Bombay State (Now Maharashtra State). The Ahmednagar district was fortunate in securing irrigation facilities before the world war I. This district was lagging behind in agricultural production due to famine conditions, but the irrigation facilities changed the fact of the district.

The local farmers around Belapur Road in Ahmednagar district were encouraged to pursue the idea of co-operative sugar factory by the local official of Bombay provincial co-operative bank. The official held a conference of local farmers at Belapur Road on 17th December, 1945 under the presidentship of Dr. D. R. Gadgil,

the veteran economist of Poona. On account of the hard work of the managing committee the Government official and technical experts the Pravara Co-operative Sugar Factory at Loni could bring out the first bag of sugar on 31st December, 1950. So the idea of the first co-operative sugar factory after independence become a reality in a period of five years of its conception.

Establishment:

The successful working and the tremendous progress of "Pravara Sahakari Sakhar Karkhana Limited' Pravaranagar," encouraged the farmers around the area to cultivate more sugarcane. This led to surplus production of sugarcane and the factory was not able to crush all the sugarcane cultivated. To meet this problem Government indicated 12 sites which were considered suitable for the establishment of sugar factories in Maharashtra. Subsequently in the year 1954, this "Ashok Sahakari Sakhar Karkhana Limited' Ashoknagar" was granted industrial licence.

The Ashok Sahakari Sakhar Karkhana Limited, previously named as Karegaon Bhag Sahakari Sakhar Karkhana Limited Ashoknagar, Taluka Shrirampur, District Ahmednagar, is registered under the co-operative societies Act, on 1-12-1954, with the registration number G-264. The first Board of Directors, headed by Shri R.C. Kakade of Poona, was nominated by the State Government in 1957-58.

The first elected board under the chairmanship of Shri N. N. Bankar of Padhegaon cane into existence with effect from 31-10-1958. After that the Board of Directors, under the chairmanship of Shri B. S. Galande of Undirgaon, was functioning for 15 years from 1958-59 to 1973-74.

Number of Members and their share capital:

The shares of the factory are issued to the cane cultivators of 33 villages of ^{Shrirampur taluka and 4 villages of} Newasa Taluka. The face value of each share is Rs.1000/- . Classification of the members with their holding of cane acres is as follows:

Table No.2.1:

Acres	No. of producers members.	Percentage	No. of Shares	Percentage to shares.
1-5	2372	86%	5735	63%
6-10	340	12%	2432	27%
11-25	63	2%	965	10%
Total	2775	100%	9132	100%

From the above figures, it will be seen that the majority of members are from the low income groups and small land holders.

Share Capital:

i) Authorised share capital	Rs.1,25,00,000
ii) a) Subscribed share capital	Rs. 86,43,229
b) State Government Redeemable Shares.	600000
Total	<hr/> 92,43,229 <hr/>

ii) Expansion and Plant and Machinery:

The initial crushing capacity of this factory was 1000 TCD of G.H.H. make (West German). The first crushing season started on 9th December, 1957. After the first season the necessary ~~mk~~ modifications were made which have yielded good results with maximum crushing and minimum production cost leading to further expansion of the plant.

Taking into consideration the ample availability of sugarcane in the area of operation, the Karkhana had undertaken expansion programme ~~mk~~ of 1500 TCD of M/s. Buckay Wolf Plant & Machinery and completed the same in the year 1968-69. This factory undertook further expansion plans upto 2600 TCD and completed it in the 1971-72. The expenditure of the ~~xxxx~~ second expansion increased from the original estimate of Rs.163 lakhs to Rs.229 lakhs. This was due to delay in the supply of machinery and increase in the price of steel, wages and interest etc. Moreover, the Karkhana could not raise fund as per original estimates and had to spend huge amounts from its working capital.

On the other hand, as soon as the expansion was completed the sugarcane plantation in the area of operation was decreased due to natural ~~skin~~ climatic conditions such a drought conditions for continuous 3 years in the whole of Maharashtra. Secondly a 33% cut in canal water to be used and thirdly sudden heavy repairs of Bhandar^odara Dam. It ultimately affected their crushing and this factory had to crush less sugarcane at a very high cost. Subsequently the factory could not increase funds by way of deposits and share capital hence the investment in the block expenditure could not be recouped.

iii) Cane Development Scheme:

Some efforts were made by the management to increase the sugarcane acres as well as yield in the area of operation such as digging of new wells, community wells and lift irrigation scheme, but the results achieved so far are not satisfactory and encouraging.

The Management thought as to how to solve these problems and adopted some measures, first they made a survey of their area of operation regarding the development of cane and the water potentiality. After perusing the report of this survey the Management came to the conclusion that they cannot increase cane production beyond 3.25 lakh M. tonnes.

In the season 1974-75, only 1.150 lakh M. tonnes

sugarcane was available for crushing. Therefore, it was very essential to implement the scheme of cane development ~~in~~ in factory area of operation. The Government of Maharashtra has now studied the critical situation of the factory and appointed a "cane development committee" under the chairmanship of honourable commissioner Poona Dn. In the meeting of this Committee the following schemes have been suggested for increasing the cane plantation in their area, but due to financial difficulties nothing has been materialised so far.

A) Digging of Wells:

Out of the total available cane of 5707 acres of the members, 916 acres of sugarcane is on canal water and the rest is well-irrigated. The average yield per acre is below 30 M. tonnes and the 18 months crop plantation is about 45% of the total cane planted.

In order to increase the production of sugarcane, and sugar per acre, the Government and the factory have introduced beneficial schemes for the producer members of the factory under which the members are deriving the utmost benefit for increasing the water resources by expanding, digging new wells, lift irrigation schemes and supply of nitrogenous manures. This has directly resulted in the increase in production as well as new plantation of cane crop.

B) Lift Irrigation Schemes:

This factory has proposed to construct 18 lift irrigation schemes on Pravara and Godawari rivers, Nalas Charis and canal. The survey of these schemes is being conducted by the minor irrigation Division, Ahmednagar. To get finance from The Maharashtra State Co-operative Land Development Bank for completion of the following five lift irrigation schemes:

Table No.2.2:

Sr.No.	Name of the Scheme	No. of members	Total Acres	Estimated Exprs. Rs.
1.	Ukkalgaon No.1	15	110	1,25,490
2.	Ukkalgaon No.2	32	200	2,08,260
3.	Belapur	55	200	2,88,050
4.	Khanapur	56	600	8,72,670
5.	Puntgaon	66	1000	13,20,250

(Source: Annual Report, Ashok S.S. Karkhana Ashoknagar, 1981-82).

Ukkalgaon lift irrigation scheme No.2 completed on 19-10-1980. After completion of remaining schemes 1910 acres of cane will be increased.

C) Vasant Bandhara:

There are five feasible sites for Vasant Bandhara

on Pravara and Godavari Rivers in the factory area of operation. This factory has already ~~is~~ suggested the Zilla Parishad, Ahmednagar to undertake these schemes. If these schemes are completed, it will increase the percolation of existing wells and create possibility ~~of~~ for some lift irrigation schemes, which will increase the area under cane cultivation. These Vasant Bandharas must be included in the plan of Z. P. Ahmednagar.

D) Percolation Tanks:

The Zilla Parishad, Ahmednagar, has sanctioned the construction of 7 percolation tanks and the work of only two out of these 7 is in progress. The speed of the work is very slow and it should be geared up. The wells in the vicinity of the percolation tanks will be benefitted and not less than 500 acres of sugarcane can be indirectly benefitted and the average yield per acre is also likely to be increased.

E) Taklibhan Tail Tank:

The construction has already been completed through the State Government. Under this tail tank the total area that would come under irrigation is about 2740 acres. Due to this irrigation facility the underground water table of present wells in the vicinity and the command of the tail tank will also increase ~~xxxxx~~ substantially and the plantation of cane acres will also

increase upto 200 acres. This will encourage the farmers to dig new wells and as such is likely to add nearly 200 acres of cane. The total sugarcane area likely to be increased is nearly 400 acres.

F) Lakh Canal:

This is a Bandhara on Pravara River near the lakh village, known as lakh canal. The length of this canal is 23 miles, but due to the drought conditions and shortage of water, irrigation was provided only upto 5 miles of the command area. Recently the Government has taken a decision to repair this canal completely and almost all the repair work is completed ~~xx~~ except C. D. ~~xx~~ works. The proposal to provide perennial irrigation of this canal is lying with the State Government and The Karkahana expects favourable decision in this matter. After the due representation made by the Karkahana to provide Mula canal water in lakh canal, the State Government has accorded a sanction to the same and in the summer season of 73-74 irrigation has been provided to cane on wells in the command area of lakh canal. This practice of diverting Mula canal water in ~~w~~ lakh canal, if continued, will add to our area of sugarcane cultivation to the extent of 500 acres. It is, therefore, necessary to take up this issue with the Government of Maharashtra at high level.

IV) Facilities provided by Karkhana:

a) Education:

The producer members of the ~~factx~~ factory are willing to contribute @ 50 paise per tonne towards the educational funds to develop educational activities in the area of operation. Out of this fund, through Rayat Shikshan Sanstha, the factory has established, 10 High Schools, 3 colleges and one Nursery School at the factory site.

All factory members x were very eager to have an English Medium School in the factory area of operation for providing the facilities of English Medium School to their children. Therefore, this factory has established Adhok Education ~~xxx~~ Society, for the said purpose, and the factory has started "New English School at Ashoknagar." For that School the factory has got a good response from the members, and inhabitants in the area of operation.

Previously all the amount of education fund was diverted to the Rayat Shikhan Sanstha for educational facilities to be provided in the factory area of operation but now Management has decided to help all other educational institutions in the factory area.

b) Cow Breeding Centre:

A cow breeding centre is established at the factory site, with the help of Bharatiya Agro Industries

foundation Uralikanchan.

c) The following facilities are also available to factory members, non-members and employees:

- 1) Guidance and help to promote kharif and Rabbi Scheme.
- 2) Library:- It is run by Congress Sewa Dal and free accommodation is provided for the same.
- 3) The factory has completed a modern housing plan of 150 quarters for the workers at a cost of about Rs.12.00 lakhs. The colony has a dispensary, a high school, a post and a Bank and Telegraph Office. Gymkhana, play ground, workers society and cheap grain shop and other necessary amenities have also been provided by the Karkhana to maintain an ~~energetic~~ energetic and healthy spirit amongst the staff and workers of the factory.

Thus, this ~~2~~ sugar factory is really a boon to the rural area, where there is a vast scope for improvements and developing agricultural products.

v) Progress of the Karkhana:

1) Share Capital: The authorised share capital of the Ashok Sahakari Sakhar Karkhana, is Rs.1,25,00,000 divided into 11500 equity shares and 1000 redeemable preference shares, the value of each share is Rs.1000/-.

The share capital is collected from sugarcane producer members, co-operative societies and State Government.

2) Membership :- The area of operation has been spread over 37 villages in Shrirampur and Newasa Taluka where the total number of producer members now stands at 3092. A particular thing to be noted in this respect is that any cultivator in this ~~xxxxxxxxxxxxxxx~~ area producing sugarcane can become a member of this Karkhana. No membership has so far been refused to any of such cultivators. A special concession to backward class is given for accepting membership. Any backward class agriculturist can become a member by paying some amount according to the rules of factory towards initial share capital.

The following chart give the classification of members from 1972-73 to 1981-82(Figure No.2.1)

Table No.2.3 : Total number of members:

Year	'Sugarcane 'Producer 'member	'Co-opera- 'tive Soci- 'ety 'Member.	' State Govt. ' Member.	Total
1972-73	2620	39	1	2660
1973-74	2638	40	1	2679
1974-75	2692	40	1	2733
1975-76	2775	40	1	2816
1976-77	2814	40	1	2855
1977-78	2915	50	1	2966
1978-79	2935	50	1	2986
1979-80	2999	50	1	3050
1980-81	3053	50	3114 1	3050 3104
1981-82	3091	51	1	3143

Source: (Annual Report of Ashok S. S. Karkhana Ltd.,
Ashoknagar from 1972 to 1982).

There are 37 villages under the area of the factory.

These villages are in the six zones or circles as under:

Table No.2.4: Total number of zones under the area of the
factory.

Zone No.	'Name of the circle or Zone	Total villages
1	Padhegaon	5
2	Koregaon	7
3	Taklibhan	6
4	Vadala-Mahadeo	5
5	Undirgaon	7
6	Belapur	7
Total		37

Source: (Information from A.S.S. Karkhana)

3) Progress of production, crushing and recovery:

The following table shows the total production of sugar bags, total crushing of sugarcane and recovery of sugar in Ashok Sahakari Sakhar Karkhana, Limited, Ashoknagar since 1972-73 to 1982-83.

Table No.2.5 :

Total production of sugar bags, crushing of sugarcane and recovery:

Year	Sugarcane crushing Tonnes	Total Sugar produced bags.	Percentage of Recovery.
1972-73	265079	268950	11.31
1973-74	291839	296051	11.45
1974-75	192444	192725	10.87
1975-76	401863	425566	11.34
1976-77	366838	378351	11.74
1977-78	463249	481763	10.36
1978-79	339374	360315	10.62
1979-80	210419	216451	10.07
1980-81	314434	337100	10.72
1981-82	467393	476091	10.19
1982-83	371242	362285	10.51

(Source: Annual Report of Ashok S. S. Karkhana from 1972-73 to 1982-83).

During the season 1972-73 total sugarcane crushed was 265079 M. tonnes and total sugar bages produced was 268950

: 40 :

with a recovery of 11.31%. The factory is able to pay Rs.115/- per tonne to sugarcane suppliers.

But during the season 1973-74, the sugarcane supplied for crushing was more as compared to the previous season. Sugarcane crushed in 1973-74 was 291839 M. tonnes and sugar bags produced was 296051 and the percentage of recovery was 11.45. So the factory was able to pay Rs.125/- per tonne to sugarcane suppliers.

During the season 1974-75 cane supplied for crushing was less as compared to the previous season, cane crushed was, 1,92,444 M. tonnes and sugar bags produced was 192725 and percentage of recovery was 10.87. So factory was able to pay Rs.125/- per tonne to cane suppliers. Sugarcane crushing very little in 1974-75 due to famine in 1972-73.

During the season 1975-76, the factory made a recorded production of 425566 of sugar bags, by crushing 401863 M. tonnes of sugarcane and the percentage of recovery was 11.34. The factory was able to pay Rs.125/- per tonne to sugarcane suppliers.

During the season 1976-77, cane supplied for crushing was less as compared to the previous season. Sugarcane crushed was 366383 M. tonnes, sugar bags produced was 378351 and the percentage of recovery was 11.74. The Karkhana was able to pay Rs.120/- per tonne to

sugarcane suppliers.

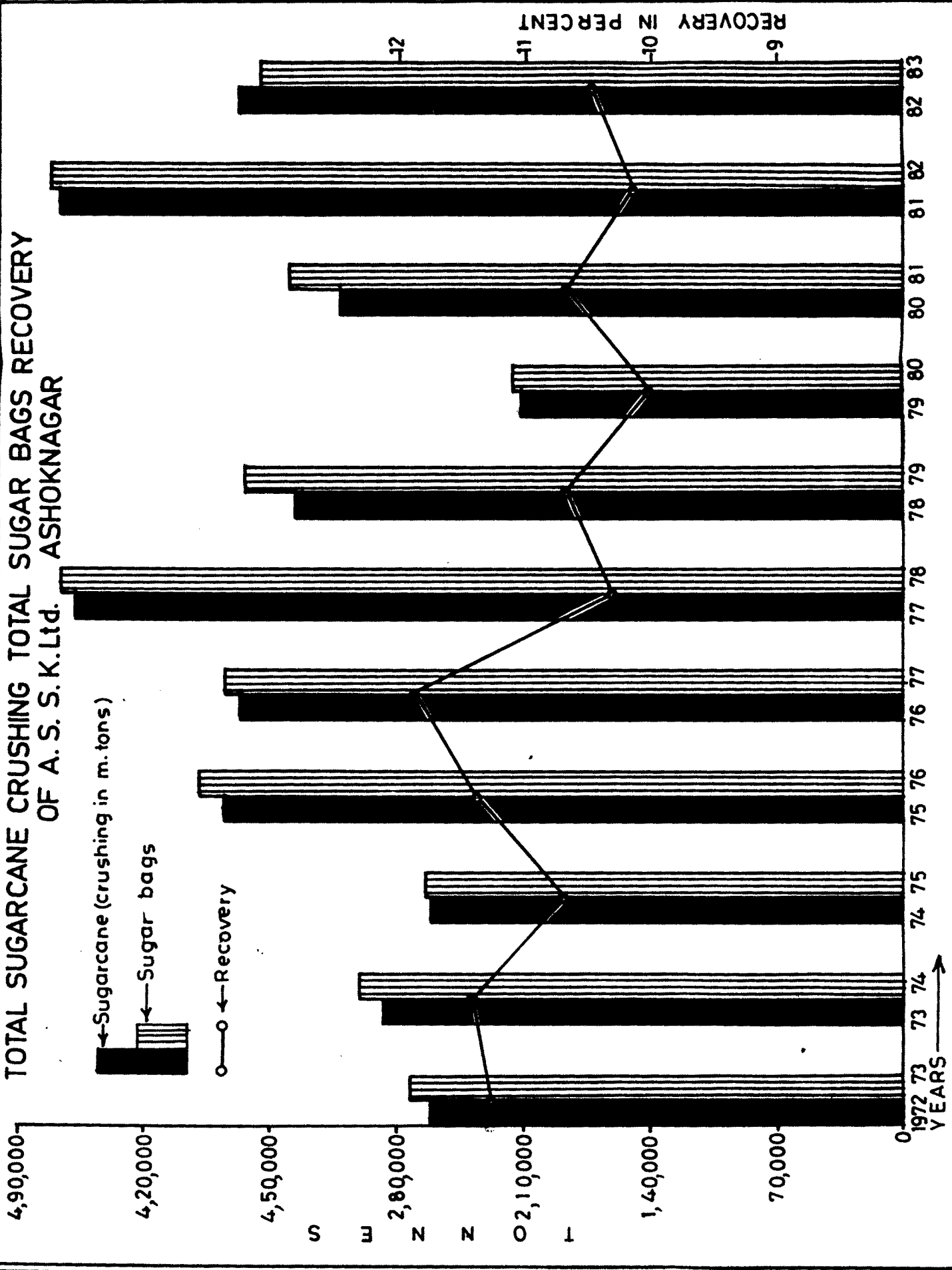
During the season 1977-78, the Karkhana made a record production of 481763 of sugar bags by crushing 463249 M. tonnes of sugarcane. This is the highest record since the Karkhana's inception. The percentage of recovery during the season 1977-78 was 10.36% and factory was able to pay Rs.110/- per M. tonne to sugarcane suppliers.

During the season 1978-79 cane supplied for ~~during~~ crushing was less as compared to the previous season, sugarcane crushed was 3,39,374 M. tonnes, sugar bags produced was 3,60315 and the percentage of recovery was 10.62. So Karkhana was able to pay Rs.121/- per tonne to sugarcane suppliers.

But during the season 1979-80 cane supplied for crushing was very less as compared to the previous season, during this season the factory crushed only 210419 M. tonnes of sugarcane and produced only 216451 bags of sugar, the percentage of recovery was 10.07, crushing was less due to cane shortage in this year and the factory was able to pay Rs.175/- per tonne to sugarcane suppliers.

During the season 1980-81 cane supplied for crushing was more than in the previous years, sugarcane crushed during this season was 314434 M. tonnes and

**TOTAL SUGARCANE CRUSHING TOTAL SUGAR BAGS RECOVERY
OF A. S. S. K. Ltd. ASHOKNAGAR**



sugar bags produced 3,37,100 and the percentage of recovery 10.72, the Karkhana was able to pay Rs.226/- per M. tonne to cane suppliers. This is the highest rate of sugarcane since Karkhana's inception.

During the season 1981-82 total sugarcane crushed was 467393 M. tonnes and sugar bags produced was 476091 and the percentage of recovery 10.19 and the factory was able to pay Rs.197/- per M. tonne to sugarcane suppliers.

During the season 1982-83 total sugarcane crushed was 371242 M. tonnes and sugar bags produced during this season was 362285 and the percentage of ~~recovery~~ recovery 10.50 (figure No.2.2).

4) Sugarcane land covered by the Karkhana:

The table given below gives an idea of land covered by the Karkhana for plantation of sugarcane from 1971-72 upto the 1980-81.

Table No.2.6: Details of total land covered by Karkhana for plantation of sugarcane from 1971 to 1981

Year	Total land covered for plantation of sugarcane.	
1971-72	7261.39	Acres
1972-73	6780.01	"
1973-74	5371.11	"
1974-75	5707.32	"
1975-76	5657.03	"
1976-77	4716.02	"
1977-78	2056.85	Hectares.
1978-79	2277.33	"
1979-80	1829.50	"
1980-81	2717.53	"

(Source: Annual Report of Ashok Saharkari Sakhar Karkhana from 1971-to 1981.)

5) Total Crushing Days:

The following table gives an idea of the dates of starting crushing, dates of stopping crushing and total season days from 1972-73 to 1982-83.

Table No.2.7 : Total Crushing Days of Factory:

Year	Date of starting	Date of stopping.	Total season days.
1972-73	13-10-72	19-3-73	158
1973-74	12-10-73	16-3-74	156
1974-75	1-11-74	28-4-75	175
1975-76	1-11-75	20-4-76	172
1976-77	11-10-76	13-3-77	154
1977 -78	3-11-77	4-6-78	217
1978-79	26-10-78	13-4-79	169
1979-80	2-11-79	13-3-80	133
1980-81	8-11-80	14-4-81	158
1981-82	2-11-81	11-6-82	222
1982-83	27-10-82	22-4-83	178

Seasonal workers are working in the sugar factory only 6 to 7 months. The factory discontinues them when crushing season is over. It is, therefore, clear that the employment opportunity of seasonal workers depend upon the total crushing days of the factory. According to the above table it is clear that during the season 1979-80 the crushing

CRUSHING DAYS OF ASHOK SAHAKARI SAKHAR KARKHANA

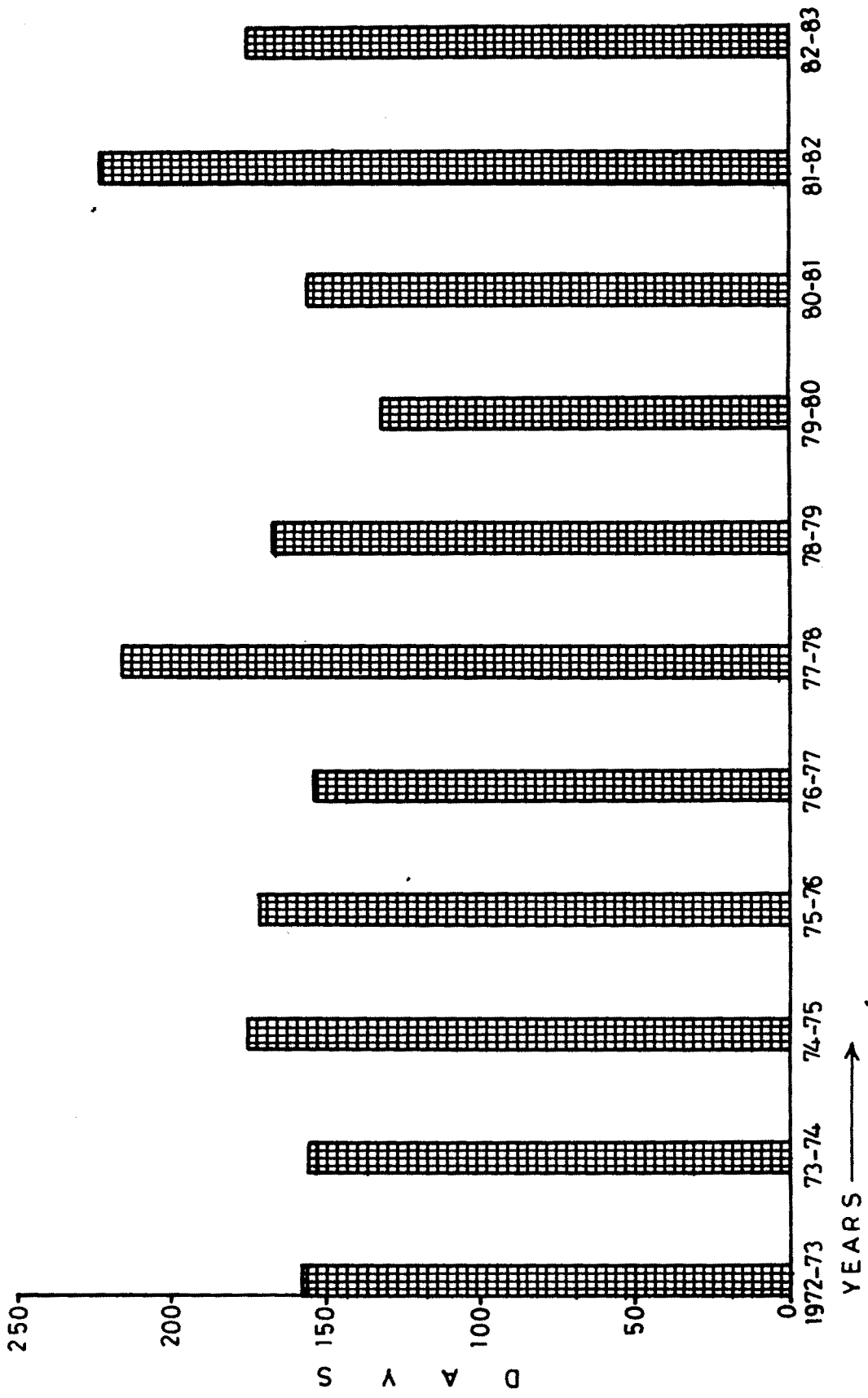


Fig.2.3

days were only 133 during this season ~~the~~ employment opportunity was available to the seasonal workers and during the season 1981-82 crushing days were 222 during this season more employment was available to the seasonal workers. (Figure No.2.3)

6) Total Employees of the Factory:

The following table shows the total permanent and seasonal employees working in the factory from 1972-73 to 1982-83.

Table No.2.8 : Details of total employees of the Factory:

Year	Permanent employee	Seasonal employee	Total
1972-73	563	619	1182
1973-74	562	527	1089
1974-75	501	728	1229
1975-76	520	736	1256
1976-77	501	754	1255
1977-78	470	759	1229
1978-79	625	603	1228
1979-80	654	757	1411
1980-81	676	779	1455
1981-82	671	666	1337
1982-83	647	649	1296

PERMANENT AND SEASONAL WORKERS OF ASHOK S. S. K. Ltd. ASHOKNAGAR

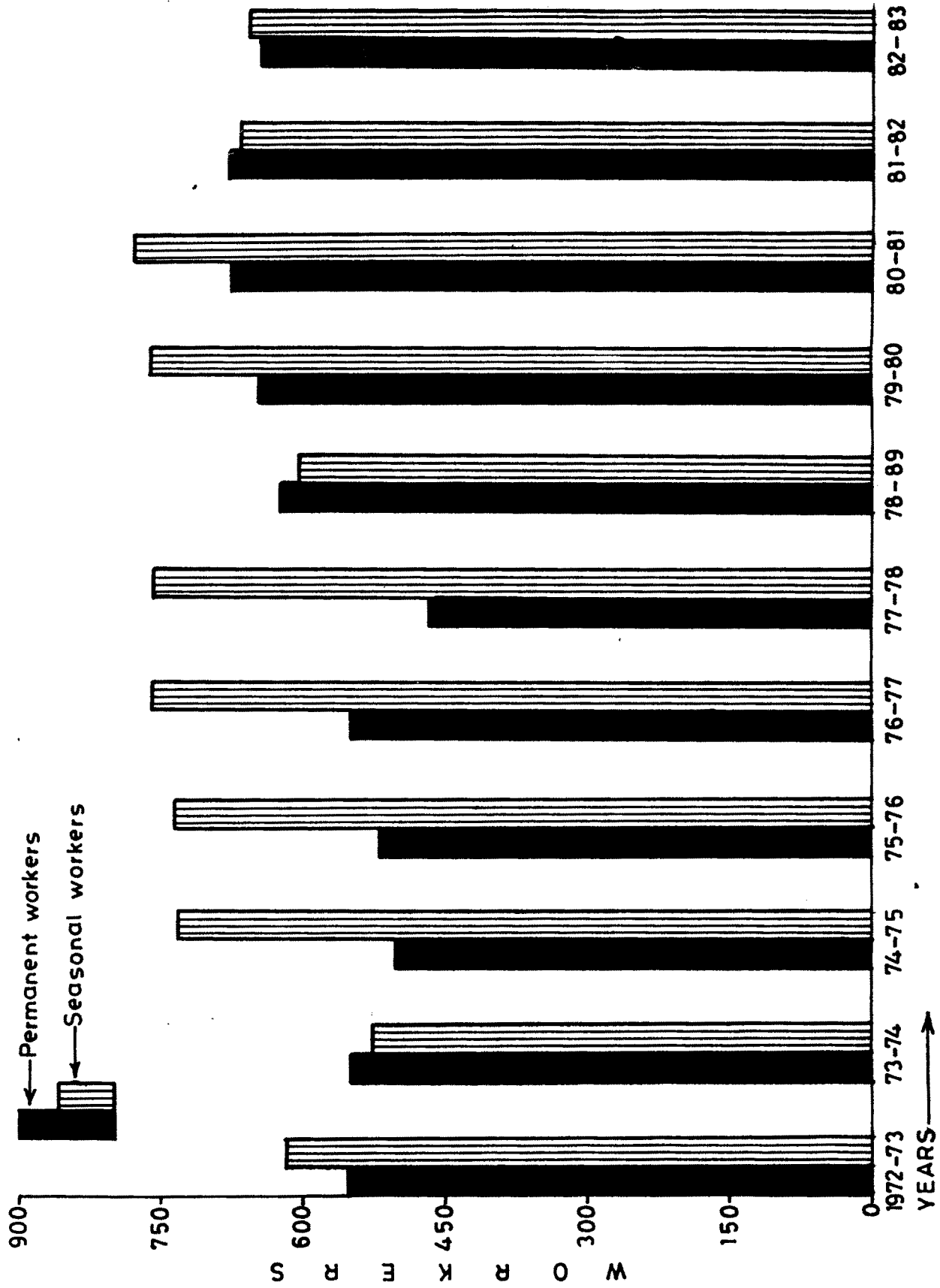


Fig. 2.4

In this sugar factory on an average there are 30 to 40 percent ~~workers~~ permanent workers but the rest of the workers are seasonal. The factory discontinues the seasonal workers when the season is over. This big ~~problem~~ of worker becomes unemployed when the season ^{proportion} is over. (Figure No.2.4).

7) Classification of Seasonal Workers:

In this factory during the season 1982-83 there were 649 seasonal employees working in the various departments. The classification of seasonal workers according to their department is given below:-

Table No.2.9 : Details about classification of seasonal workers according to their departments:

Sr. No.	Name of the Department	Total number of seasonal workers.
1	Manufacturing Department	205
2	Engineering Department	130
3	Motor Transport Department	15
4	Agricultural Department	130
5	Cane-Yard Department	50
6	Watch and Ward Department	15
7	Cultivation Department	20
8	Account Department	10
9	Civil Department	10
10	Medical Department	05
11	Sugar Godown Department	10
12	Electrical Department	10
13	Workshop Department	05
14	Sanitation Department	34
Total		649