

## CHAPTER-II

### HISTORY AND DEVELOPMENT OF SHREE SOMESHWAR SAHAKARI SAKHAR KARKHANA -

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CHAPTER-II

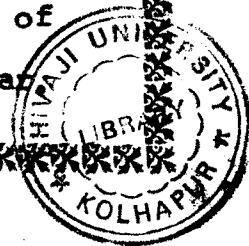
1) BRIEF HISTORY OF KARKHANA -

The Shree Someshwar Sahakari Sakhar Karkhana Limited, Someshwarnagar is situated at Someshwarnagar, Taluka Baramati, District Poon. For a proper perspective of the history of Shree Someshwar Sahakari Sakhar Karkhana Ltd., Someshwarnagar, it is necessary to take into consideration the particular area and the resources for the growth.

The factory is the central place for the villages, Wanewadi, Waghalwadi and Karanje, which are on the left bank of the Nira Canal. The water is available for the Sugarcane from the Wells, canal and the river. In this area Jawar, Bajara, Wheat, Rice, Oil seeds and Sugarcane are cultivated. Gur was produced before this sugar factory was established.

a) CO-OPERATIVE MOVEMENT -

The Government encouraged the co-operative Sugar factories from 1954 onwards, before that the co-operative movement was unknown this area. The success of a co-operative Sugar Factory in 1950, was recorded in the State of Maharashtra, in the district Ahmednagar at Pravaranagar.



This created interest to establish the Sugar Factory on co-operative basis. In the year 1930, some co-operative Sugar Factories were established, in the United Provinces and Madras.

The idea of a co-operative Sugar Factory was germinated in the minds of Shri Mugutrao Kakade, Shri Raje Nimbalkar, Shri Ramraje Jagatap and some local Leaders. These leaders discussed regarding the co-operative Sugar factory, with the chief Minister, the Minister for co-operative Sector, and the registrar of the co-operative sector of the Maharashtra State. This sugar factory came into existence due to sincere efforts of Shri Mugutrao Sahebrao Kakade of Nimbut.

The local leaders approached, for the loan, to the Director of Bombay provincial co-operative Bank. This Bank sanctioned a loan of Rs. Eighty five lakhs. Also, the loan was given by Industrial Finance Corporation and the Government of Maharashtra purchased the redeemable preference shares worth Rs. Fifteen Lakhs of this Sugar Factory.<sup>1</sup>

b) ESTABLISHMENT -

Shree Someshwar Sahakari Sakhar Karkhana Ltd., Someshwarnagar was registered in the year 1960 and the

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<sup>1</sup> Annual Report of S.S.S.K. Ltd., Someshwarnagar, 1962.

licence was given by the Trade And Commerce Department of Indian Government on 16th March, 1961. They had a contract with M/s. Bukau Wolfe New India Engineering Works Ltd., Pimpri, for Rs.84 lakhs on 12 Dec., 1960. The machinery was installed on 5th April, 1962, the Gudi Padawa Day. The initial Crushing Capacity of the factory was 1000 M.tonnes per day.

c) REGISTRATION OF THE KARKHANA -

Shree Someshwar Sahakari Sakhar Karkhana Ltd., Someshwarnagar, Taluka Baramati District Poona was registered under the Co-operative Societies Act on 20th June, 1960. ( Registration No.G.281 and Industrial Licence No. L.25/N.30/16.3.1961.).<sup>1</sup>

d) BOARD OF DIRECTORS -

The Sugar Factory had its first board of directors, headed by Shri Mugutrao Sahebrao Kakade and nominated by the Government of Maharashtra. Then first elected board of directors functioned from 1962 to 1976, under the Chairmanship of Shri Mugutrao Kakade. Now Shri Babalal Kakade is the Chairman of the board of directors from 1976 onwards.

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1 Annual Report of S.S.S.K. Ltd., Someshwarnagar - 1962.

The present elected Board of Directors is given here.

1. Shri Babalal S. Kakade, Chairman,
2. Shri Ramchandra D. Bhagat , Vice-Chairman,
3. ,, A.M. Kakade, Director,
4. ,, P.R. Jagatap, ,,
5. ,, B.S. Kakade, ,,
6. ,, S.S. Kakade, ,,
7. ,, A.B. Dhumal, ,,
8. ,, V.B. Kengale, ,,
9. ,, N.P. Gite , ,,
10. ,, N.G. Shinde, ,,
11. ,, R.N. Jagatap, ,,
12. ,, K.R. Dhumal, ,,
13. ,, V.B. Jagatap, ,,
14. ,, M.A. Khalate, Director.

Workers' Representative :

1. Shri V.M. Kakade ,
2. Shri T.B. Jagatap .<sup>1</sup>

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1. Annual Report of S.S.S.K. Ltd., Someshwarnagar, 1986.

e) MEMBERS OF THE KARKHANA -

The Share holders of this Karkhana are in the 28 villages of Baramati taluka, 16 villages of Purandhar taluka and 2 villages of Phaltan taluka. As this Karkhana is situated in Baramati taluka, naturally, the majority of the share holders are in this taluka. The face value of each share is RS.500/-.

The following table shows that the category of members, total number of members and their number of shares.

Table No.2.1:

Division of the members into four categories.

No. Category of members	Total No. of Members	Total No. of Shares.
1. 'A' class producers	3,963	7,000
2. 'B' class Society / Members	30	342
3. 'C' class Individual members	Nil	Nil
4. Govt. of Maharashtra	1	692

Source : Annual Report of S.S.S.K.Ltd., 1986-87.

The above table indicates, that the total shares issued to the producers, societies and Government of Maharashtra. In this factory shares are not issued to the non producers ( individual ).

The table shows, that the majority of the shareholders are sugarcane producers, but some are co-operative society members. The Karkhana can issue preference shares to the state Government.

f) SHARE CAPITAL :

The share capital of Shree Someshwar Sahakari Sakhar Karkhana Ltd., Someshwarnagar at the end of the year 1986-87.

<u>Particulars</u>	<u>Total Rs.</u>
1) <u>Authorised Share Capital:</u>	
A 11000 Shares of Rs.500/- each for producer members	55,00,000
B 2000 shares of Rs.500/- each for co operative Societies	10,00,000
C 4000 Shares of Rs.500/- each for Govt.of Maharashtra.	20,00,000
	-----
	85,00,000
	=====

2) Issued Capital -

A	7000 shares for sugarcane producers, worth Rs.500/- each	35,00,000
B	2000 shares for co-operative societies, worth Rs.500/- each	10,00,000
C	4000 Redeemable preference shares worth Rs.500/- each	20,00,000
		=====
		65,00,000
		-----

3) Subscribed and paid up capital -

A	7000 producer's Shares of Rs.500/- each	35,00,000
B	342 shares of Rs.500/- each for co-operative societies	1,71,000
C	692 Redeemable preference shares of Rs.500/- each for Govt. of Maharashtra.	3,46,000
		-----
	Total	40,17,000
		=====

The total amount of share capital at the end of the year 1986-87 of Rs.40,17,000/-.

Source : Annual Report of S.S.S.K. Ltd., Someshwarnaga  
in 1986-87.



2) CANE DEVELOPMENT SCHEME -  
(Programme )

Sugarcane is the prime important raw material for sugar factory. So, the management planned to solve the problems of more sugarcane area and more yield. The management appointed a committee for sugarcane development. This committee adopted some measures, first they made a survey of their area of operation regarding the development of sugarcane. After discussing the survey report the committee came to the conclusion that they cannot increase sugar cane production area more.

In the year 1965-66, only 19,693 M. tonnes sugar cane was available for crushing. Therefore, it was very essential to implement this scheme. In the meeting of this committee, The following schemes were suggested to increase the sugar cane plantation in this area.

1) Digging the wells :

To increase the sugarcane production per acre, the decision was taken to dig more wells. For the benefit of the shareholders, the sugar factory provided them monetary assistance, to dig more wells and to increase the water supply to the sugarcane crop.

2) Lift Irrigation Schemes -

They decided to impliment Ten lift irrigation schemes, using the water supply of the Nira river. For these lift irrigation schemes, loan was obtained, from the Maharashtra State Co-operative Land Development Bank.

The table No.2.2:

Shows that the number of members of lift, Irrigation schemes and Acres under sugarcane and other crops.

Table No.2.2:

No.	Name of the Lift	No.of Members	Sugar-cane Acres	Other Crops Acres	Total Acres
1.	Murum	442	500	1000	1500
2.	Jeur	225	260	520	780
3.	Bhairavnath Late	125	40	160	200
4.	Haribuva Late	50	50	200	250
5.	Gad-darwadi Nimbat	400	240	960	1200
6.	Datta Co.op.Korhale	105	90	360	450
7.	Mandki	350	240	480	720
8.	Kalambraj Shirishne	32	150	600	750
9.	Marimata Murum	29	42	58	100
10.	Wanewadi	-	-	-	-

Source : Annual Report of S.S.S.K. Someshwarnagar, 1986-87.

from the above table it is clear that the lift irrigation schemes increase the area under the sugarcane plantation as well as other crops. The lift irrigation system at Wanewadi is not in working condition because it was affected by the flood.

3) Vasant Bandhara -

The Zilla Parishad of Poona has constructed four Vasant Bandharas in this area, on Karha river. The Management proposed the Zilla Parishad Poona to undertake this scheme. This will increase the percolation of wells. So, the new area will come under the Sugarcane cultivation.

4) Percolation Tanks -

The Zilla Parishad Poona has sanctioned the construction of 29 percolation tanks and these were completed. The wells in that area will get more water and the Sugarcane crop will get better supply of water.

The Management gives free guidance to the Share holders, regarding the soil analysis and provides improved good quality seeds. The Management of the Sugar factory is always helpful in supplying all kinds of pesticides and insecticides. They have also started sugarcane seed farm to supply good quality sugarcane variety for better production of sugar and recovery of sugar.

Due to organised efforts farmers get Fertilizers on time.

3) Social Service - Provides by the Karkhana -

a) Education -

The Management not only provides necessities to the farmers, but in the field of education, they have done much more, to improve the educational facilities in this area i.e. a English Medium School, a high School, a technical school, Indira Gandhi Tantrik Vidyaniketan for girls, someshwar High School at Anjangaon and M.S.Kakade College of Arts and Commerce.

b) Loans, hire purchase schemes -

The Management gives assistance in procuring loans and hire purchase schemes e.g. Oil engine pump sets, electric motor pump sets, pipe lines etc.

c) Gobar Gas Plants -

The Poona District Co-operative Bank and Khadi and Village industries gave assistance in Gobar Gas Plant project.

d) Loans for Vehicles -

The management helps the sugar factory workers to obtain loans for vehicles.

e) Loans for T.V.Sets -

The Someshwar branch of the Poona District Co-operative Bank, gives loans to the sugar factory workers for T.V.sets.

f) Festival Schemes for Consumer Products -

The Sugar factory workers are very happy, because the management provides consumer products at special rates in festivals.

g) Promoting the plantation of various fruits -

The management is very active in promoting and providing many fruit plants like Mango, coconut, Lemon etc. so the people should not depend on other markets.

h) Transport -

The management hires many trucks, tractors and bullock carts on seasonal basis to transport , cut sugarcane from farms to the sugar factory site.

i) Road Network -

For a Smoother transportation of the sugar cane, the management had constructed a network of roads, which costed them Rs.2,16,241/- upto 30th June, 1981. They have also provided work for the unemployed labourers by undertaking construction of such roads.

j) Loans for the Crop -

Loans for the crop is provided by the local societies, which in turn get from the poona district central co-operative bank. Then the Management recovers the Loans from the members while paying them the sugarcane payment and remits the same to the Bank.

k) Mechanical cultivation -

The farmers need tractors and bulldozers so the sugar factory provides the same and from the final payments of sugarcane, the hire is recovered.

l) Family planning -

To impress and implement the family planning, the management arranges family planning camps now and then.

4) Distillery -

With the help of other sugar factories, like shreeram Sahakari Sakhar Karkhana Ltd., Phaltan, Shree Chhatrapati Sahakari Sakhar Karkhana Ltd., Bhawaninagar and Shree Someshwar Sahakari Sakhar Karkhana Ltd., Someshwarnagar the management had established a distillery at phaltan. It started distillation from 1976. And obtained licence to manufacture liquor. The liquor production has started recently. Now rectified spirit, denatured spirit and

country liquor is manufactured.

( Source : Annual Report of S.S.S.K.Ltd., Someshwarnagar  
1986-87. )

5) Progress shown by the sugar factory -

a) Share capital -

The authorised share capital of Shree Someshwar Sahakari Sakhar Karkhana is Rs.85 lakhs. There are 13,000/- equity shares and 4,000/- redeemable preference shares. The value of each share is Rs.500/- This share capital is raised by the Sugarcane producers, co-operative societies and the state government took part in it to help the co operative movement.

b) Share holders -

The area of this sugar factory is spread over in Baramati taluka, Purandhar taluka and Phaltan taluka covering 47 villages. The total number of share holders is 3,994. Any sugar cane grower from above mentioned area can purchase shares and become a share holder. For the backward class farmers special concession is given, while purchasing the shares.

The classification of share holders for the year  
1976-77 to 1986-87.

Table No.2.3:

Total number of share holders .

Y e a r	Share holders	Co.operative Society Share Holders.	State Govt.	Total
1976-77	2084	31	1	2116
1977-78	2080	31	1	2112
1978-79	2414	31	1	2446
1979-80	2525	34	1	2560
1980-81	2626	33	1	2660
1981-82	2732	33	1	2766
1982-83	2777	36	1	2814
1983-84	2839	36	1	2876
1984-85	3262	36	1	3299
1985-86	3953	36	1	3990
1986-87	3957	36	1	3994

Source : Annual Reports of S.S.S.K.Ltd., Someshwarnagar  
in 1976-to 1987.



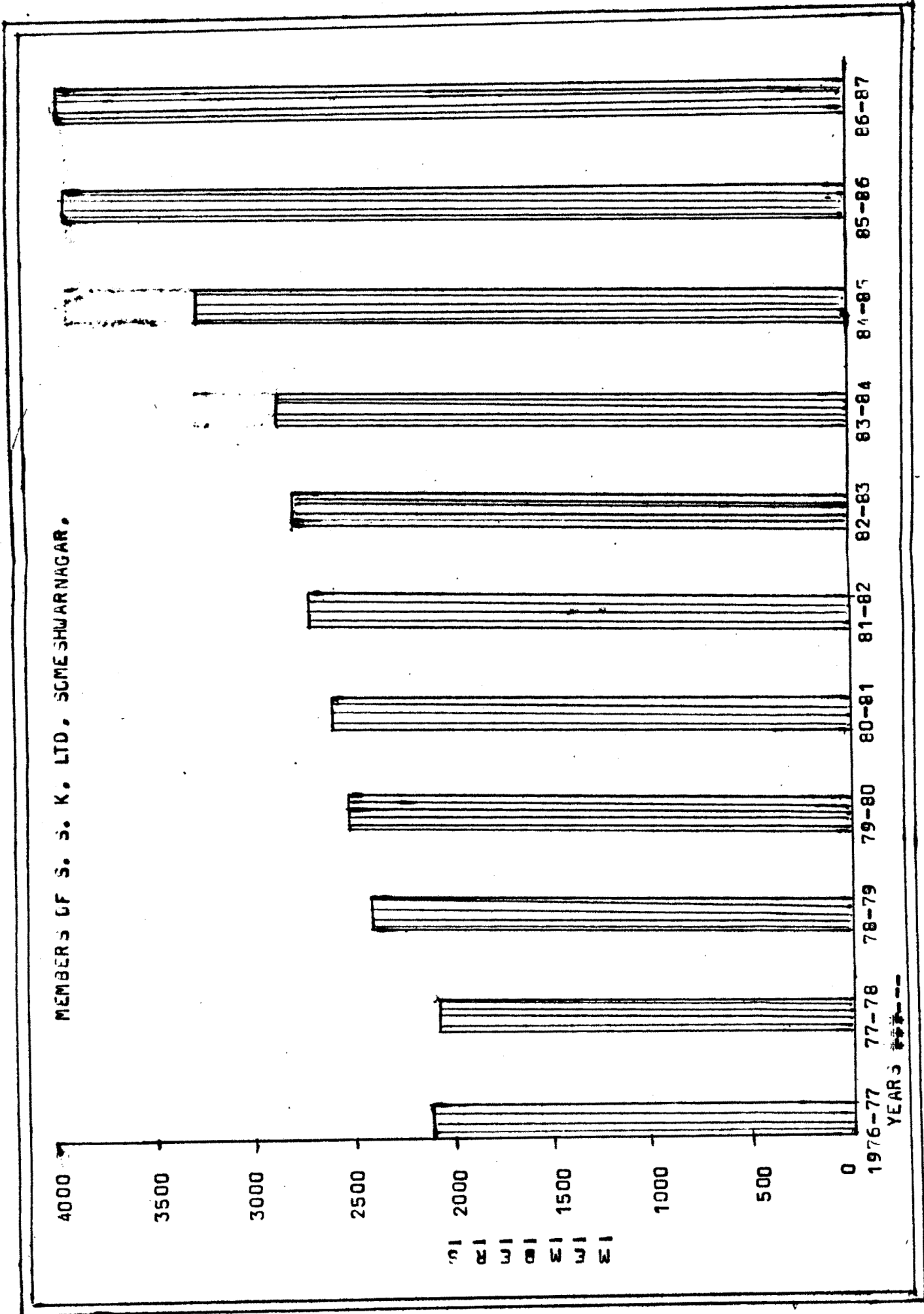


FIG. 2.1

In the year 1976-77 there were 2084 producer share holders, 31 co-operative society share holders and 1 State Govt. representative. This has been increased to 2777 producer share holders, 36 Co-operative society share holders in the year 1982-83.

During the year 1986-87 the total number of share holders was 3944 ,including the sugarcane producers and non producers. The sugarcane producer share holders were increased by 1176. But the number of non producer share holders remained same.

C) Zones / Circle -

Table No. 2.4:

Number of zones covering the Area of the Karkhana.

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Zone No	Name of the Zone/circle	Total Villages
1	Nimbut	4
2	Murum	2
3	Hol and Karanje	5
4	Anjangaon	5
5	Korhale	25
6	Jeur and Mandki	5
7	Khanota	1

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Source : Annual Reports of S.S.S.K. Ltd., Someshwarnagar  
in 1986-87.

The above figure shows the seven zones under this factory. For the convenience of the sugar factory these zones are formed. Korhale is the largest zone, covering twentyfive villages. This zone is situated at the eastern side of the sugar factory. On the contrary, Khanota is the smallest zone consisting of only one village.

D) Sugarcane Crushing, Sugar Production and Recovery -

The following table indicates, the crushing of the sugarcane, the total production of the sugar bags and the percentage of the recovery.

Table No. 2.5:

Crushing of the sugar cane, recovery percentage and total production of the sugar bags.

Y e a r	Sugarcane Crushing Tonnes	Total production of the Sugar bags	percentage of recovery.
1976-77	1,83,811	2,08,028	11.25
1977-78	2,12,538	2,44,118	11.48
1978-79	2,03,481	2,40,158	11.68
1979-80	1,43,449	1,59,261	10.93
1980-81	1,90,888	2,22,544	11.55
1981-82	2,57,259	2,95,841	11.45
1982-83	2,65,968	3,06,910	11.51

TOTAL SUGARCANE CRUSHING TOTAL SUGAR BAGS, RECOVERY OF S. S. S. K. LTD.

30 ME. JHARNAGAR.

(Crushing in M. tons.)

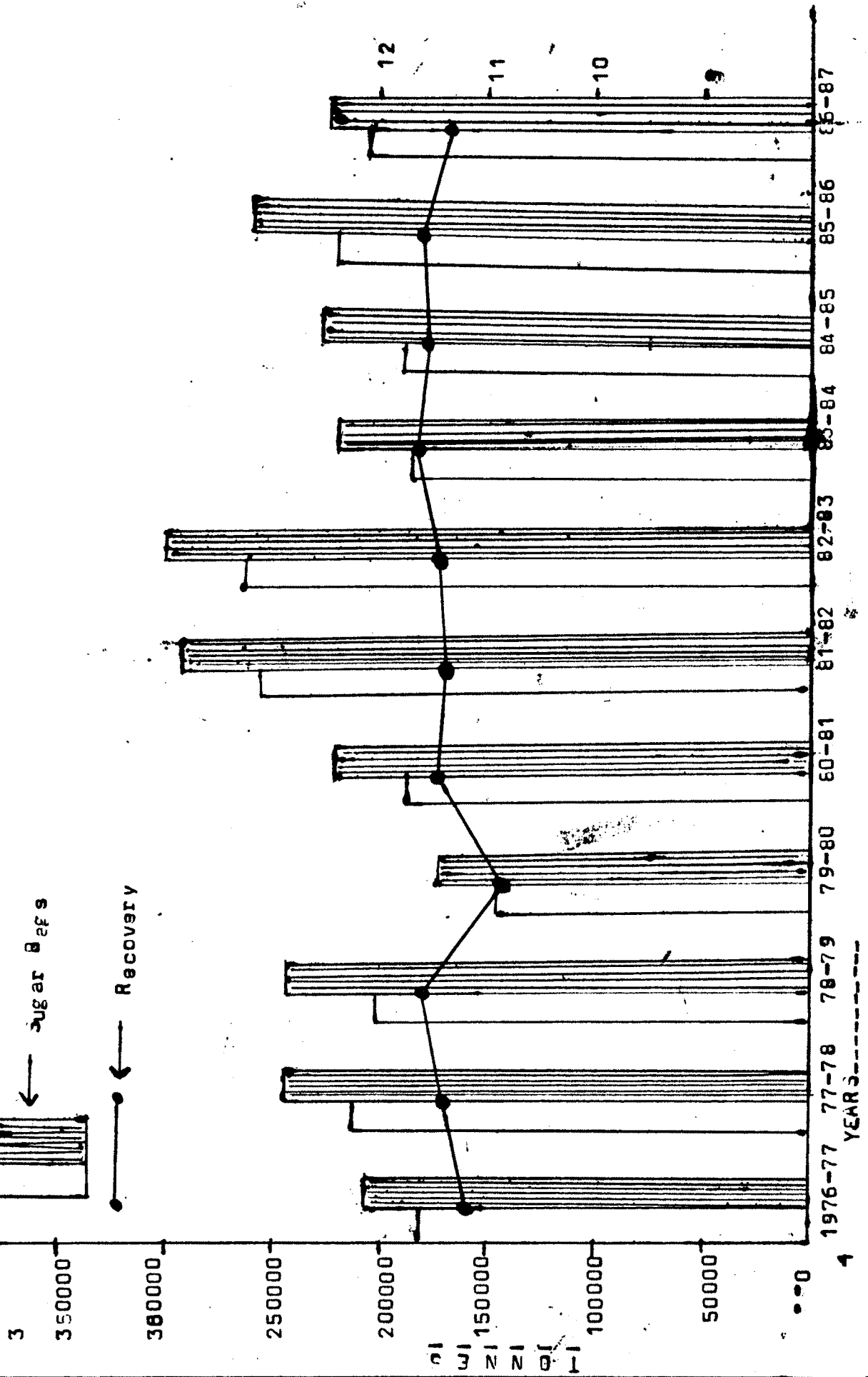
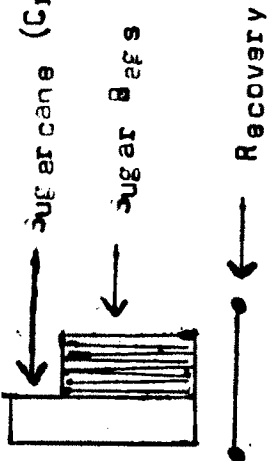


FIG. 2.2

Y e a r	Sugarcane Crushing	Total production of the Sugar bags	Percentage of recovery.
1983-84	1,85,314	2,21,196	11.84
1984-85	1,97,559	2,31,829	11.67
1985-86	2,24,945	2,63,838	11.70
1986-87	2,01,679	2,29,458	11.30

Source : Annual Reports of S.S.S.K.Ltd., Someshwarnagar.

The sugarcane crushing capacity of the factory is 1250 M.tonnes per day. But only 1000 M.tonnes per day are sanctioned for crushing. In the year 1976-77, the total crushing of the sugarcane was 1,83,811 M.tonnes and total number of sugar bags produced were 2,08,028. The sugar recovery was 11.25 % .

During the year 1976-77 and 1977-78, sugarcane crushing was increased by 28,727 M.tonnes and the sugar production also showed growth by producing 36,090 sugar bags. In the year 1979-80 sugarcane, crushing was low, 1,43,449 M.tonnes, so the total number of sugar bags produced were 1,59,261 M.tonnes. The sugar recovery was 10.93 %. The management could pay Rs.179/- per tonne to the share holders.

In the year 1982-83, the management could pay Rs.227/- per tonne to the share holders, because sugar cane crushing was recorded 2,65,968 M.tonnes and the production of sugar bags reached 3,06,910. The sugar recovery was 11.51 % . In the year 1984-85, the share holders could get Rs.313 /- per tonne, the sugar cane was crushed 1,97,559 M.tonnes and 2,31,829 sugar bags were produced. Here sugar recovery showed 11.67 %.

The sugar recovery of 11.70 % was recorded in the year 1985-86. The sugar cane crushed this year was more i.e. 2,24,945 M.tonnes. The production of the sugar bags was 2,63,838 bags.

E) Sugarcane Price paid to the share holders -

Table No.2.6:

Sugarcane Price paid to the share holders from the year 1976-77 to 1985-86.

No.	Y e a r	Price of the sugarcane per tonne in Rs.
1	1976-77	119/-
2	1977-78	115/-
3	1978-79	135/-
4	1979-80	179/-
5	1980-81	252/-

No	Y e a r	Price of the Sugarcane per tonne in Rs.
6	1981-82	225/-
7	1982-83	227/-
8	1983-84	242/-
9	1984-85	313/-
10	1985-86	320/-

Source : Annual Report of the S.S.S.K. Ltd., Someshwarnagar,

It seems that the management could pay satisfactory price to the share holders from the year 1980-81 on ward. The season of 1980-81 shows, the price paid to the sugar cane growers was Rs.252/- per tonne.

The management could pay Rs.313/- per tonne to the share holders, in the year 1984-85, comparing with the prices paid by other sugar factories, this was high price. But this sugar factory could pay Rs.320/- per tonne in the year 1985-86, the highest paid price to the Share holders than other sugar factories, in this area.

F) The Land under cultivation of sugarcane of Someshwar Sahakari Sakhar Karkhana.

The table No.2.7: indicates the land used for plantation of sugarcane from the year 1976-77 to 1986-87.

Table No.2:7:

No.	Y e a r	Total Land used for Plantation of Sugarcane.	
1	1976-77	1233.43	Hectares
2	1977-78	1532.88	..
3	1978-79	1588.84	..
4	1979-80	0986.53	..
5	1980-81	1990.25	..
6	1981-82	2648.98	..
7	1982-83	2852.42	..
8	1983-84	1916.43	..
9	1984-85	2095.35	..
10	1985-86	2213.27	..
11	1986-77	2337.64	..

Source : Annual Report of the Karkhana.



The land used for sugarcane plantation in the year 1982-83 was 2852.42 hectares. This was the season, where more land was used for sugarcane cultivation than any other year.

H) CRUSHING DAYS -

The following table indicates first day, date of crushing and last day, date of crushing and total number of days in the season, from 1976-77 to 1986-87.

Table No.2.8:

The Total Number of days in the season.

No.	Y e a r	First date	Last date	Total No.of days in the season.
1	1976-77	11.10.76	25.3.77	166
2	1977-78	31.10.77	9.6.78	222
3	1978-79	17.10.78	1.5.79	197
4	1979-80	1.11.79	23.3.80	144
5	1980-81	29.10.80	23.4.81	177
6	1981-82	5.11.81	8.6.82	216
7	1982-83	5.10.82	24.5.83	232
8	1983-84	5.11.83	21.4.84	169
9	1984-85	5.11.84	1.5.85	178
10	1985-86	28.10.85	13.5.86	198
11	1986.87	13.11.86	4.5.87	173

Source : Annual Report of the Karkhana.

CRUSHING DAYS  
OF S.S.S.K. Ltd. SOMESHWRNAGAR.

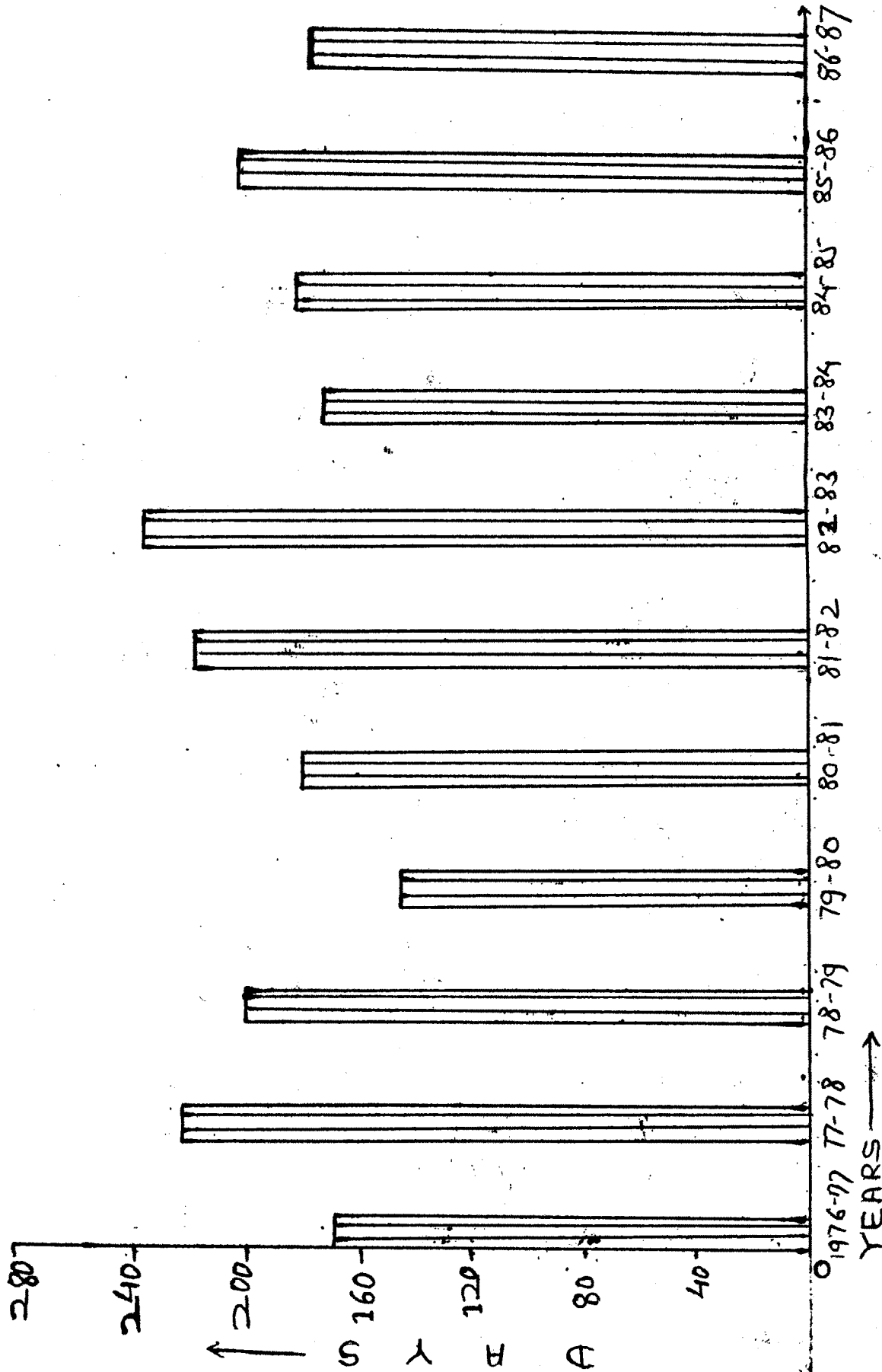


FIG. 2-3

The sugar factory runs for 6 to 7 months, every year and the seasonal workers are employed for the season only. It clear shows that the seasonal worker's employment depends upon the crushing days of the season. The table 2.8 indicates that season of the year 1979-80 was of 144 days only, so the seasonal worker could get minimum salary of that period compare to the other seasons. On the contrary in the year 1982-83, the crushing days were 232, so the seasonal worker was employed for more days. These variations affect the seasonal worker.

I) Total Number of Employees of the Sugar factory

Table No.2.9:

The total employees employed by the sugar factory.

No.	Year	Permanent Employees	Seasonal Employees	Total
1	1976-77	392	340	732
2	1977-78	402	369	771
3	1978-79	396	376	772
4	1979-80	410	385	795
5	1981-81	399	415	814
6	1981-82	534	398	832
7	1982-83	414	419	833
8	1984-85	427	416	843
9	1985-86	430	344	774

PERMANENT & SEASONAL WORKERS OF S. S. S. K. LTD.

SOMESHJARNAGAR.

Permanent Workers  
Seasonal Workers.

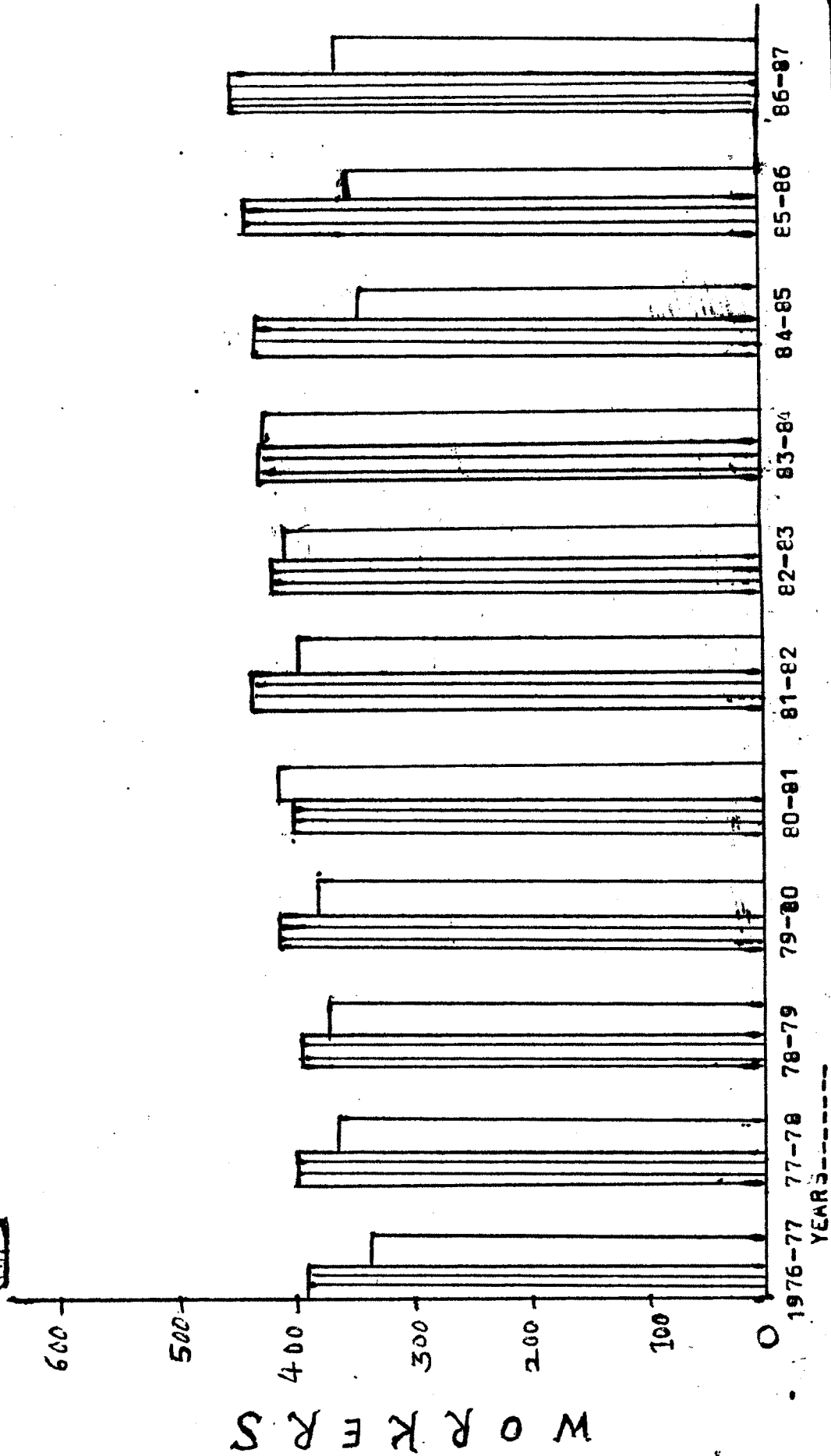


FIG. 2.4

No.	Year	Permanent Employees	Seasonal Employees	Total
10	1985-86	436	352	788
11	1986-87	444	360	804

Source : Annual Report of the Karkhana.

In this sugar factory 50 to 55 percent employees have permanent employment and the remaining employees are employed on seasonal basis. These seasonal employees are terminated when the season of the sugar factory is over.

J) CLASSIFICATION OF THE SEASONAL WORKERS -

In this Karkhana during the season 1986-87, there were 360 seasonal employees working in various departments.

Table No.2.10:

The classification of the seasonal workers and their departments -

No.	Name of the Department	Total Number of seasonal workers.
1	Engineering Department	130
2	Manufacturing Department	128
3	Store Department	1

No.	Name of the Department	Total Number of Seasonal workers.
4	Sugar Godown Department	-
5	Labour Office Department	-
6	Watch and Ward Department	5
7	General Office Department	-
8	Account Department	-
9	Civil Department	5
10	Cultivation Department	5
11	Medical Department	-
12	Agriculture Department	38
13	Cane yard Department	43
14	Sanitation Department	-
15	Workshop Department	-
16	Motor Transport Department	-
17	Lift Irrigation	5
	Total	360

Source : Annual Report of the Karkhana.