

CHAPTER II
PROFILE OF INDUSTRY

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BACKGROUND

Solapur city in Maharashtra State is famous for decentralised textiles industry namely handlooms and powerlooms. Solapur city had one of the biggest composite mills in India namely "THE SOLAPUR SPINNING & WEAVING MILLS CO. LTD., which had, 1,20,000 spindles and about 10,000 looms. This mill went into liquidation in the year 1952, which resulted into unemployment of about 25,000 workers. Thereafter some of these skilled labour started the power loom industry in the decentralised sector at Solapur, which has relieved the unemployment problem to a great extent.

At present, there are about 20,000 powerlooms, working in the city. All these powerlooms are owned and run by small artisans and they are spread over in small units of 2 to 4 powerlooms per unit. These 5,000 powerlooms are engaged in the production of "World Famous Jacquard Chaddars" and 12,000 powerlooms are engaged production of Turkish Towels. Jacquard Chaddars & Turkish Towels are exported, and foreign exchange worth crores of rupees is brought by them.

For production of Jacquard Chaddars & Turkish Towels Cotton Yarn of 2/24, 2/20, 2/14 & 6s counts is used. Production of exportable quality of Turkish towels in a variety of attractive

designs and colours. The remaining are 3,000 power-looms are engaged in the production of dhoties, long cloth and other coarse cloth from 20s & 24s counts. This coarse cloth is sold in rural areas after calendaring, bleaching and processing, for which facilities in co-operative and private sector are available locally. It is estimated that for meeting the full requirements of Yarn for all these powerlooms 70 lakhs kgs. of yarn of coarse counts is required per month. At present these varieties of yarn are brought in the local market from the textile mills throughout India. However it is experienced that the yarn to produced is not so required quality and the rates are also not reasonable.

The supply of position is very irregular. These difficulties affect the regular working of the owerlooms and consequently the employment potential and foreign exchange earning capacity of the industry as well. The only solution to find a way out of these difficulties is to have a co-operative spinning mill of the powerlooms weavers. In the context of these circumstances, and after taking inspiration from the successful working of Solapur Co-op. Mill & belong, the power-loom weavers have organised this co-op. spinning mill on consumer pattern.

The mill is registered under Reg. No. SUR/PRG (I)2, dated, 10-04-1967 and has got a licensed spindleage capacity to 37,718 spindles.

OBJECTS OF MILL :

The mill is organised on consumers pattern. They produce 2/14s & 2/20s and 2/24s counts yarn which are supplied to the members for production of world famous, Jecquard Chaddars & turkish towels. The yarn is supplied on the no. of looms and share held by the members. The area of the operation of "YESHWANT SAHAKARI SOOT GIRANI NIYAMIT" is in North Solapur Taluka.

TOTAL PRODUCTION (1994-95)

PARTICULARS	1993-94	1994-95
1) Working Capital	365	365
2) Available spindles (in lakhs)	332.35	332.35
3) Working Spindles (in lakhs)	308.01	269.73
4) % of working spindles	92.68%	81.17%
5) Cotton utilised (kg)	5803263	5069473
6) Yarn produced (kg)	4933118	4325432
7) Yarn realisation	85.01%	85.32%
8) Average production per spindle (gm)	160.16 gm	160.34gm

In the year 1994-95 the working spindles worked less because of shortage of cotton in the country and cotton was imported. Because of this reason. From the month of November to March the machineries in Ring frame department spindles workedless. The production has decreased by 6.08 lakh kgs. than last year.

PRODUCT AND PRODUCTION

In the year 1994-95 the mill has produced yarn of following counts ----

- 1) 14/2
- 2) 18/2
- 3) 20/2
- 4) 24/2
- 5) 25/2
- 6) 20s

YARN SALE

"YESHWANT SAHAKARI SOOT GIRANI NIYAMIT", is a consumer type of mill, having powerlooms/handlooms weavers as members who require our yarn for production of Chaddars, towel on their powerlooms, the mill sell their yarn to its members on Quota system based on their looms & share in the mill. The mill produce mainly 2/20s, 2/24s & 2/14s count which is used by its members for production of the world famous Jacquard Chaddars & turkish towels as stated above. The mill have given yarn selling agency to the Solapur Dist., Powerloom co-op. Federation Ltd., Solapur. The mill pay them commission at the rate of 8.85% on yarn sale amount. This Federation is a Federal body of the all powerlooms primary co-op. Societies in the District.

PRODUCTION AND YARN SALES

Counts	1993-94			1994-95		
	Prod. (kg)	Sales (kg)	Sales (kg)	Prod. (kg)	Sales (kg)	Sales (kg)
14/2	2.35	2.33	114.65	0.37	0.38	28.36
18/2	0.01	0.03	1.50	--	--	--
20/2	42.41	45.01	2393.59	40.65	38.39	2805.79
24/2	4.54	4.57	246.66	1.19	1.97	148.96
25/2	0.05	0.07	4.24	0.27	0.27	21.41
20s	--	--	--	0.08	0.08	5.04
TOTAL	49.36	52.01	2760.54	43.28	41.09	3009.56

SHARE CAPITAL & MEMBERS

Sr.No.	Name	Nos.	Share Capital (Rs.in lakhs)
1)	Primary Power looms Co-op. Society	19	45.24
2)	Primary Handloom Co-op. Society	14	5.27
3)	Dist. Federation of power looms and Handlooms Societies	2	9.83
4)	Individual Shareholders	556	55.11
5)	Govt. of Maharashtra	1	103.13
TOTAL		592	218.61

LOAN FOR WORKING CAPITAL FOR THE MILL

Solapur District Industrial Co-operative Bank has sanctioned the working capital for the year 1994-95. The amount is allotted as under -

Sr.No.	Type of Loan	Sanction Limit	Withdrawal Limit	Outstanding upto 31-3-95
1)	Pledge	360.00	75%	274.99
2)	Simple Loan	45.00	100%	56.54
3)	Bill discount	32.00	60%	10.02
TOTAL		727.50	---	311.55

PROJECT COST & FUNDS

Sr.No.	Particulars	Original Project	1st Expantio	2nd Expantion	Moder dernization	Total
1)	<u>Particulars</u>					
	Approved Project Cost	129.00	134.00	262.00	330.00	855.00
2)	<u>Means of Finance</u>					
	Members share capital	17.97	19.37	---	33.00	70.34
	State Govt. Share Capital	34.40	35.73	--	33.00	103.13
	Medium tens & Long ter loan	77.40	65.00	111.83	264.00	518.23
	Internal Sources	8.26	13.39	65.82	---	87.47
	TOTAL	138.03	133.49	177.65	330.00	779.17

As stated above Yeshwant Sahakari Soot Girani have been paid all long term loan & Medium term loan to the Financial Institution in due period.

YEARLY CASH FLOW POSITION

Sr.No.	Particulars	90-91	91-92	92-93	93-94	94-95
1)	Reserve Fund	6.74	6.75	6.75	6.76	6.78
2)	Depreciation	478.42	553.26	581.01	608.87	631.35
3)	Dev. Rebate Fund	50.62	50.62	50.62	50.62	50.62
4)	Share Redumption Fund	70.13	70.13	70.13	70.13	70.13
5)	Capital redumption Fund	23.13	23.13	23.13	23.13	23.13
6)	Capital Investment Fund	67.85	67.85	67.85	67.85	67.85
	Accumulated Provision	696.89	771.74	799.49	827.36	849.86
	Ammumulated Losses	381.54	475.60	697.42	280.78	267.98
	Accumulated Cashflow	315.35	296.14	302.07	546.58	581.88
	Cashflow + D	+ 97.22	- 67.77	+ 10.56	+240.76	+ 37.29

RAW MATERIAL

The Yeshwant Sahakari Soot Girani Niyamit purchases the raw material i.e. short staple, cotton mainly from Maharashtra, Karnataka & Punjab States. The yearwise cotton Purchases from last six years is given below to have been idea about the volume of these transactions. At present the entire cotton is purchased from Maharashtra State co-op. cotton Growers Mkt. Federation Ltd., Bombay. However the mill have to point out that the Marketing Federation does not supply to us the entire quantity of cotton for which demand is registered with them. Moreover, the Federation rates are higher than the market rates. The monthly requirement of the mill is about 3,000 cotton bales.

YEAR	BALES	RS. IN LAKHS
1989-90	35111	1047.65
1990-91	36961	1158.45
1991-92	23212	1027.85
1992-93	34437	1645.33
1993-94	37845	1782.53
1994-95	26025	2136.44

SPINDLES CAPACITY :

SPINDLES

1) Licensed		37718
2) Installed		
a) Original Project	12312	
b) 1st Expansion	12760	
c) 2nd Expansion	5280	
	-----	30352
	TOTAL	----- 30352 *****

DATE OF COMMENCEMENT OF PRODUCTION :

Original Project	1-11-1969
1st Expansion	30-06-1974
2nd Expansion	15-07-1980

MANAGEMENT :

Shri A. G. Patil is working as General Manager & Shri. Y. N. Murti is working as Production Manager. Besides these key officer the mill have a team of experienced officers who are heading various department of the mill.

BOARD OF DIRECTORS :

The Board of Directors consist the elected members of ---
5 members representing the powerlooms co-operative societies
& elected by them.

2 members representing the handlooms co-operative societies

& elected by them.

4 member representating the handlooms & powerlooms weavers (Individidual) and elected b;y these members.

1 Nominee of the Solapur Dist. Industrial Co-operative Bank Ltd. SOLAPUR.

1 Nominee of the Solapur Dist. Powerloom Co-op. Federation Ltd., Solapur. The Industrial Development Bank of India and Government respectively.

2 workers representative, elected by recognised union.

1 member belonging to schedule tribes and schedule caste and weaker sectors and 2 lady Directors.

The present Board of Directors term is for 5 years.

NUMBER OF EMPLOYEES IN EACH DEPARTMENT OF MILL (1994-95)

DEPARTMENT	NO. OF EMPLOYEES		TOTAL	
	PERMANENT	TEMPERORY		
MIXING	23	27	50	
BLOW ROOM	14	23	37	
CARDING ROOM	22	37	59	
DRAWING ROOM	79	105	184	
RING FRAME	205	369	574	
MAINTENANCE	67	50	117	
DUUBLING	150	258	408	
WINDING	148	237	385	
REELING	146	189	335	
BUNDLING & BAILING	28	36	64	
OFFICE STAFF	88	--	88	
ELECTRIC MACHINE	31	26	57	
WATCH & WARD	39	16	55	
CANTEEN	11	9	20	
T O T A L : -1151			1382	2433

LABOUR COMPLIMENT

The total labour compliment for the 30,352 spindleage capacity to production on the basis of 24 hours a day and 7 days week working is about 1380 workers as per approval of Maharashtra Co-op. Spg. Mills Federation Ltd., Bombay.

The labour compliment per 1000 spindles is as under -----

As on 31-12-1994.

1) Upto Ring Fram	6.77
2) Upto reeling	8.69
3) Upto bundling & bailing	1.50

	18.17

The mill works for 7 days in a week and 3 shift daily. The workers are covered under the E.S.I. Scheme and the benefits of full D.A. on Solapur Index, Provident fund, Gratuity etc. are given to them as per the relevent Acts.

The Rashtriya Girani Kamagar Union is the representative union under the B.I.R. Act & their relation with the workers are amicable.

LAND

The mill is having total 23 acres and 16 gunthas land, which is sufficient for the mill.

WATER SUPPLY

There are two surface wells and one bore well in the premises of the mill. The Daily requirement of water is about 2.05 lacs litres, which is adequately met from the above wells and from the supply of Municipal Corporation. There is no problem, in regard to water supply.

ELECTRIC SUPPLY

The Maharashtra State Electricity Board, has sanctioned the mill 2072 KVA load for the working of the present capacity. The sanctioned power is adequate.

BUILDING

The expenditure of building is of Rs. 110.52 lakhs. At present total Built up area of the factory building is about 43116 sq.ft. They have sufficient accommodations and in the modernization programme no additional civil construction work is undertaken.

MODERNIZATION & REPLACEMENT

In view of lower productivity, poor quality of yarn produced and the recurring cash losses results in erosions of equity,

modernization & replacement of machinery of more than 15 years old. The technical and financial performance of the mill. Technical Director of Maharashtra State Co-op. Spg. Mill, Federation, advised to take up modernisation & replacement programme. The project report of the modernization & replacement programme amounting Rs. 330 lakhs was prepared by the Federation.

The Modernization and replacement programme was completed in the year 1988. The long term loan taken from I.D.B.I., Bombay to the tune of Rs. 264 lacs and also from Government of Maharashtra Rs. 33 lakhs as share capital. The Mill have already returned the Rs. 264 lakhs along with interest without any default.

The Mill decided to take up further modernization of 14,520 spindles, which installed in the year 1974 & 1980. The mill had already approached the Maharashtra State Co-op. Bank Ltd., Bombay for financial assistance for this modernization programme involving project expenditure of Rs. 725.00 lakhs.

YERONGT SIDI SIDI BELAKUR

ORGANIZATION CHART

BOARD OF DIRECTORS

CHAIRMAN

