

CHAPTER - IV

HISTORY AND DEVELOPMENT

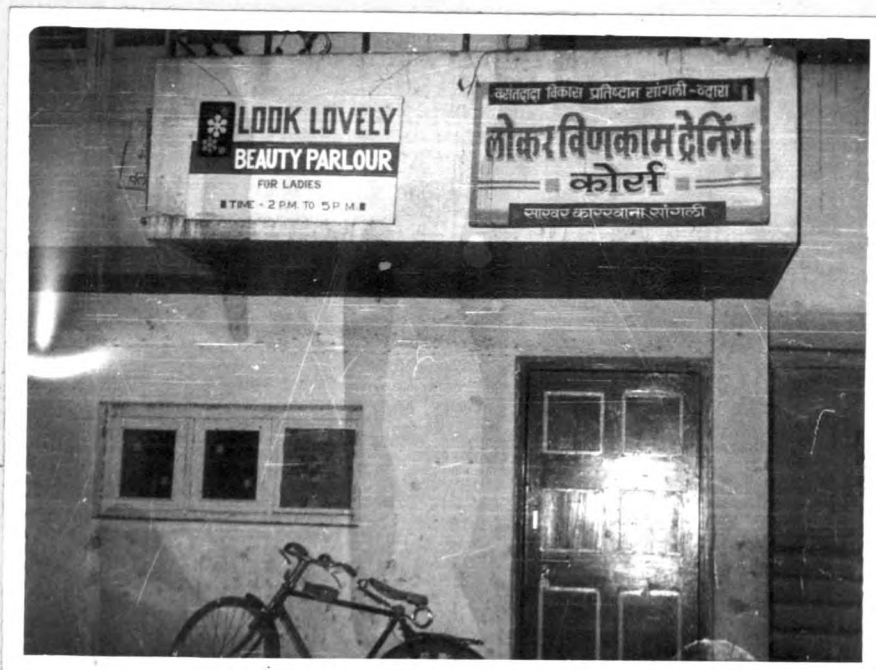
OF

SHETKARI SAHAKARI SAKHAR

KARKHANA LTD., SANGLI.



LABOUR WELFARE CENTRE OF THE FACTORY



CRAFT AND WOOL WEAVING CENTRE OF THE FACTORY



HOUSING COLONY OF THE FACTORY



CANTEEN OF THE FACTORY



SHEPKARI SAHAKARI BANK OF THE FACTORY



PRATHAMIC JIJAMATA MAHILA SAHAKARI GRAHAK BHANDAR



MODERN ENGLISH SCHOOL OF THE FACTORY



GYMNASIUM SCHOOL OF THE FACTORY



GENERAL OFFICE OF THE FACTORY



BICYCLE STAND OF THE FACTORY



SERVANT'S CREDIT CO-OPERATIVE SOCIETY OF THE FACTORY



FOODGRAIN CENTRE OF THE FACTORY

HISTORY AND DEVELOPMENT OF SHETKARI SAHAKARI SAKHAR KARKHANA
LTD., SANGLI.

4.1: THE ESTABLISHMENT OF SANGLI CO-OPERATIVE SUGAR FACTORY:

The biggest working Co-operative Sugar Factory in India had different history to begin with.

There was no sugarcane readily available in this area at first. The cultivators hardly planted sugarcane for domestic use or chewing since there was no sugarcane. There was no necessity like other places to go for sugar factory. The social worker Hon. Shri. Vasantraodada Patil commonly and affectionately called "DADA" and his zealous colleagues, who visualised that, development of small cultivators in that area can not proceed beyond a point unless, there is a central nucleous organisation like Co-operative Sugar Factory.

The way of Late Pandit Jawaharlal Nehru, Late Dhananjayrao Gadgil, Late Vaikunthlal Mehta was followed by Hon. Vasantraodada Patil to reach the goal of industrial development through Co-operative movement and brought into practice after Late Vikhe Patil. In 1951 Late Vikhe Patil founded "PRAVARA SAHAKARI SAKHAR KARKHANA" and this first Project from Co-operative field was seen closely and studied by Hon. Vasantraodada Patil and concentrated himself in the processing business to form agricultural, industrial society.

Hon. Vasanttraodada Patil was thinking deeply and trying to find out the way how to irrigate the land of Sangli district, using water of Krishna, Warana and Werala.

This dream of Hon. Vasanttraodada Patil and his colleagues, to have a Co-operative Sugar Factory which alone can bring about an area of transition a silent revolution in the lives of small improvised cultivators so as to achieve a state of some surplus from scarcity by the efforts of cultivators themselves has come true with, tremendous and untiring efforts on all fronts. And these efforts were steady development and that was the starting point of Sangli Factory.

The Second Pravara Project was advised by Maharashtra State Government in 1956. Accordingly an industrial licence No. L-8-2-1957, L-25-120 dated 4-2-1957 for 1000 tonnes crushing capacity was obtained. The sugarcane grown in this area was hardly 500 acres and not even $\frac{1}{10}$ th of initial requirement. The cultivators did not even know how to plant sugarcane, leave aside the latest methods of cultivation, Hon. Vasanttraodada Patil and his colleagues had to fight a long battle on the front of sugarcane, more acreage and yield.

The Second battle was like the "WATERLOO" for Hon. Vasanttraodada Patil and his colleagues. Both each one of the shareholders and workers had unflinched faith in their beloved DADA as lakhs of other people in Sangli had not DADA

is unfailable and DADA shall succeeded in beholding the factory as its stands, today is crushing lakhs and lakhs of tonnes of sugarcane. In this way the Ganga from heaven was brought in this area by labourious effort of Hon. Vasanttraodada Patil. This organisation changed the face of Sangli district and brought a remarkable change in the financial conditions of poor farmers, i.e. sugarcane cultivators every year.

The factory started its crushing season in Dec. 1958 from a few hundred acres of sugarcane in the biginning. The factory has gone a long way in increasing the cane supply and how the factory is self-sufficient in its requirements (present and future too) of cane.

During first two crushing seasons the factory had to sustain the severe loss of Rs. 8.75 lakhs, due to irregular supply of sugarcane. Hence there was main objective before the Board of Directors of the factory to enhance the number of producer members, to increase area under sugarcane, to increase yield of programme, per area as the sum was 242 tonnes in the initial period. To achieve the objective, the factory undertake various schemes with restless efforts as aforesaid. As a result the number of producer members which were 2353 during the last 1960-61 increased to 6715 as on 30th June 1960 and become 18,000 as on 1978-79. And 25140 as on today enhancing simultaneously the share capital which stands at 293.04 lakhs in addition to the share account of Rs. 38.19 lakhs that has been collected as additional share capital for expansion project. Similarly the factory

gradually became self-sufficient in its cane supply over the period of ten years and the factory improved its financial position.

Because of the untiring efforts of the cultivators and facilities provided by factory the sugarcane field in the area of operation is increased remarkably and the sugar factory was granted licence in month of February 1965 to expand its crushing capacity from 1000 tonnes per day to 2600 tonnes per day. It is matter of pride that, the factory achieve expansion within a short period of 8 months. The factory has crushed 247,522 M. Tonnes of cane highest in India in Co-operative Sector and has produced 622,154 bags of sugar during critical year of sugar production i.e. the season 1970-71.

The cost of last expansion was met the following resources:

- 1) Factories own funds Rs. 25 lakhs.
- 2) Additional share capital Rs. 55 lakhs.
- 3) Loans from Industrial Finance Committee Rs. 100 lakhs.

The share capital of Rs. 55 lakhs mentioned above is raised from the cultivators in the area of operation of the factory. The Industrial Finance in India has given the financial assistance of Rs. 24 lakhs at sighted above to meet the initial cost of the expansion scheme.

The factory has completed the expansion scheme and was crushing 2500 M. Tonnes of sugarcane per day. Now the factory has granted expansion of its existing crushing capacity of 2500 M.Tonnes per day to 3500 M.T. per day in 1971-72. The factory has completed the expansion in the same year. Now the factory was crushing 3500 M.T. per day, but still the demands were increasing. Next within two years i.e. in 1974-75. The crushing capacity of factory is increased upto 5000 M.T. per day. The estimate the cost of the new expansion is more than Rs. 405 lakhs. Taking into consideration these increasing sugarcane fields in the area of operation, this crushing capacity may not be sufficient, to satisfy increasing needs. Factory has demanded expansion upto 7500 M.T. per day crushing capacity project to Central Government of India.

In the efforts of formation of agro-industrial community on Co-operative lines not only rich agriculturists are participating but also common agriculturists participating and taking active part 98% of the total memberships.

By the end of 1983, there was 25,140 producer members out of these 92% of members are holding one share each and less than 4 acres of cane. 5% of members holding two shares each, 3% of members are holding 4 or more shares each. The factory has remarked 1000 shares of weaker section i.e. agriculturists in backward classes.

It is a matter of gratification The Shetkari Sahakari Sakhar Karkhana Ltd., Sangli has inspired self-confidence in farmers at large, due to the coming up of this factory, a revolutionary spirit and approach is born in the community of agriculturists as a result of their association, with a new apparatus. It has created a chain reaction giving rise to new industries and generated new forces to create more and better employment opportunities to unemployed and under-employed people in the rural areas and area of operation to which it belongs. No doubt the sugar factory participated with a sense of duty in the promotional and organisational work which promises betterment of the common people and has helped in betterment, the life of farm labour and increase in employment opportunities.

The Auditors (Government) have also remarked that - "The Karkhana (Factory) has achieved the highest crushing in the Co-operative Sector in Maharashtra State and also in India, which is a noteworthy and highly appreciable feature. It is also creditable on the part of the Karkhana to be the first to have completed the construction work of expansion schemes. It is hoped that the Karkhana would not only maintain the credit of peak-crush, but also would attain the maximum efficiency in the production and other aspects, to get an example in sugar field. Audit classification "A" has been continued with note of appreciation".

1) "How Sangli Co-operative Sugar Factory was established" from Pamphlet P.11.

The achievement described above is just beginning of the efforts which are directed to build a new dynamic agro-industrial economy, in the district as a part of national efforts. Workers of Sangli district confidently feel that with a new Philosophy and the technique i.e. crystalising in the form of processing Co-operatives, they will be able to effectively participate in the gigantic effort of national reconstruction by economic means.

We are of the opinion that, only through processing Co-operative, proper distribution and diffusion of wealth could take place, which leads to higher standards of living of agriculturists are ploughed back in agro-industrial activities accelerating all round economic growth. This is the special characteristic of the processing. The economic grievance of the agricultural sector and a means for the balanced growth of agriculture and industry. Sangli Sugar Factory has played and is playing its role very well for the economic development in its area of operation and surroundings area on co-operative lines.

4.2: AIMS AND OBJECTIVES OF THE SHETKARI SAHAKARI SAKHAR KARKHANA LTD., SANGLI.

The aims and objectives of the factory as listed in the constitution of the factory and bye-laws are as follows:-

- 1) Growth of Agricultural Production.
- 2) Adoption of Scientific and Modern Methods of Agricultural Production.

- 3) Provision of Good Quality Sugarcane for better production of quality sugar.
- 4) To create habit of thrift and saving among the member shareholders.
- 5) To establish mini-industrial units based on by-products in the process of sugar production.
- 6) To provide employment opportunities to its operational area.
- 7) To do all possible efforts for all round development of shareholders through convenient and institutional multi-purpose efforts.

Thus the Sangli factory was not just to be a manufacturing and profit seeking industry, but a nucleus of all round development of the area of operation through its Co-operative organisations and to help rural population in all round progress.

BOARD OF DIRECTORS :

The board of directors are elected among shareholders. The election is held for every three years. There are twenty five members who are working on the Board of Directors as mentioned below :-

- 1) Shri. Vishwanathrao Shamrao Patil - Chairman.
- 2) Shri. Bajirao Ramrao Patil - Vice-Chairman.

- 3) Pad.Hon. Shri. Vasanttraodada Bandoji Patil - Expert Director.
- 4) Shri. M.D. Patil - Director.
- 5) Shri. V.A. Patil - Director.
- 6) Shri. D.D. Avati - Director.
- 7) Shri. S.K. Dhulubulu - Director.
- 8) Shri.(Dr) L.R. Bhonsale - Director.
- 9) Shri. K.D. Ghatage - Director.
- 10) Shri. H.D. Dudhonda - Director.
- 11) Shri. K.M. Patil - Director.
- 12) Shri.(Dr) A.S. Chopade - Director.
- 13) Shri. A.D. Mohite - Director.
- 14) Shri. V.B. Patil - Director.
- 15) Shri. V.P. Pudhale - Director.
- 16) Shri. S.K. Patil - Director.
- 17) Shri. S.G. Patil - Director.
- 18) Shri. A.R. Patil - Director.
- 19) Shri. G.T. Patil - Director.
- 20) Shri. U.R. Bhosale - Director.
- 21) Shri. V.D. Patil - Director.
- 22) Shri. B.A. Pawar - Director.
- 23) Shri. T.K. Salunkhe - Director.
- 24) Shri. K.S. Gavali - Director.
- 25) Shri. V.D. Birnale - Director.

4.3: BY-PRODUCTS:

The main production of the Co-operative Sugar Factory is Sugar. But other minor by-products are also produced in this factory and these by-products are as follows :-

1) Distillery :-

A new bright idea about by-product which is created in the process of manufacturing sugar from sugarcane was known as Alcohol. As molassis was treated as side-business and manufactured a new valuable substance and chemical. This new substance was alcohol. This was a new and bright idea of Hon. Vasantraodada Patil. By-product manufacturing on co-operative and commercial basis. This was the only factory in India that started its own distillery plant in 1960. In beginning the capacity of this plant was 3500 Gallons alcohols, But in 1978 once more this plant was reconstructed for the capacity of 10,000 gallons of alcohol. Today this plant is working with this capacity of 10,000 gallons and will continue.

2) Liquor Division :-

In the distillery division of this factory the wines were manufactured from spirit. These wines were of foreign quality. To manufacture such wines, plants were built. This liquor is sold all over the India. Particularly "MAHARAJA RUM" was supplied to Indian Military from last 6-7 years. The factory has invested 85 lakhs of Rs. in distillery section and Rs. 22 lakhs in country and foreign Liquor.

3) Potash Recovery Plant : -

Daily 1.5 lakhs of gallons of spent wash is collected from distillery, so as to use this spent wash factory has built a plant of Potash. This potash fertilizer plant manufactures 54 tonnes potash daily and 9 tonnes of yeast cream. For this project the sugar factory has invested Rs. 40 lakhs.

4) Acetic Anhydride Plant :-

A new project of manufacturing acetic anhydride from spirit is being built. For this project factory has invested Rs. 300 lakhs.

5) Cattle and Poultry Feed Division :-

In 1972 the factory has built cattle and poultry feed plant for the sake of quality feed for cattles and poultry. The production of this project is 1000 tonnes of feed per month. The factory had invested Rs. 20 lakhs in this project.

6) The Paper Mill Project :-

The effective and purposeful use of bagasse, a waste but useful burning material has been planned with national views in the mind, the Government of India had recently issued a letter of intent for the manufacture of new print grade paper 20 to 25 M.T. per day.

This project will cost Rs. 3200 lakhs. The final feasibility and project report is to be prepared soon and it will be scrutinised by the State and Central Government. It is expected that the Paper Mill will start its functioning very soon. Such a large investment project with agricultural background will generate all round new opportunities for economic and industrial growth of this area. The factory with expanded capacity shall be in the position to run the proposed Paper Factory on its own bagasse only.

4.4: SHARE CAPITAL :

The Share Capital of Shetkari Sahakari Sakhar Karkhena Ltd., Sangli as on 30th September, 1982.

Table No. 1

Sr. No.	Particulars	Amount
1.	<u>Authorised Share Capital :</u>	
	A) 47500 Shares of Rs. 1000 each for Producer Members.	
	B) 500 Shares of Rs. 1000 each for Co-operative Societies and Non-Producer Members.	
	C) 2000 Redeemable Preference Shares of Rs. 1000 each subscribed by the Government of Maharashtra.	5,00,00,000
2.	<u>Issued Share Capital :</u>	
	A) 38000 Shares of Rs. 1000/-	
	B) 500 Shares of Rs. 1000/-	
	C) 1500 Redeemable Shares of Rs.1000/-	4,00,00,000
3.	<u>Subscribed Share Capital:</u>	
	A) 29,147 Shares of Rs. 1000 each	
	B) 157 Shares of Rs. 1000 each	2,93,04,000
4.	<u>Paid-Up Share Capital :</u>	
	A) 29,147 Shares of Rs. 1000 each	
	B) 69 Shares of Rs. 1000 each	
	C) 88 Shares of Rs. 1000 each	2,93,04,000
	Less Calls in Arrears	24,08,300
		2,68,95,700

4.5: SCHEMES:

1) Lift Irrigation Schemes :

Water is life. Man could not survive without water as well as every living thing on earth will not survive without water. To irrigate more and more land this factory had supplied financial helps. From the beginning organisation has helped to supply pumps on wells and rivers and increase sugarcane field in the area of operation. For this, factory planned new lift irrigation schemes for the area of operation. These schemes are supplied with jackwells, turbine pumps and pipe lines and the water was supplied to sugar field. For such irrigation schemes ~~nominal~~ share capital was collected from farmer shareholders and the remained amount was collected as loans from various financial corporations and banks. In the area of operation of the factory there are 45 lift irrigation schemes and 10 more are run by others, in this way there are totally 55 lift irrigation schemes are working. Total area under water is 25 thousand acres. In these schemes the factory has invested totally 3 crores Rs. Instead of these, some farmer shareholders have run schemes privately on their own cost. To such schemes the factory has provided 75% to 80% amount of loan on low premium and low interest for the development of the farmers.

2) Sanitation Schemes :

The used water by the factory and colony is not left outside the factory. To utilise this useless and bad water, this factory has erected a new plant from M/s. Hindustan Dor Oliver Co. Bombay. In this plant factory has invested 15 lakhs Rs.

3) Cultivation Development Schemes :

The factory has practiced new schemes of seeds and new types of sugar cane area. Hybreed types of sugarcane was brought into practice and given them to the cultivators on very little charges. Factory has arranged crop competitions and cheered them up. The factory has started soil testing centres, so that shareholders could brought the samples of their soil and could test them in these centres. This testing is totally free.

4) Phalbag Yojana :

With sugarcane the factory has encouraged the shareholders to grow vegetables and fruit trees, such as Coconut, Mango, Lemon etc. these trees and seeds and vegetable growing material is provided to them with subsidy. Other helps and guidance are provided without charges by the factory. In this factory Rosary is grown (Rose Nursery). This factory is the first factory which have undertook the Phalbag Yojana in this region.

5) Boaring And Blasting Schemes:

The factory has started Boaring and Blasting Schemes to increase the water of the wells. And by this way the sugarcane field of the factory. Upto this time, factory has provided 19 lakhs and 68 thousand Rs. as subsidy to the shareholders.

6) Sugarcane Transport Schemes:

This factory has opened a new scheme of self-employ. To achieve this goal it has provided the scheme of purchasing lorries, tractors and carts of rubbers tyre. The factory give 15% subsidy on the cost of these vehicles. This scheme is in work from last 22 years. Upto this shareholders have brought more than 200 trucks and more than 500 tractors. In this scheme the factory has invested 32 lakhs of rupees.

7) Saline Alkaline Lands Reformation:

Now a days in Sangli district it is a serious problem that hundreds of acres of land is saline alkaline. And it is now out of use. In this land every day hundreds of acre adding. But as a duty to humankind the factory is trying to overcome this problem by all means and ready to help to every shareholder who wants the help. The factory is making its all the best in reforming such land around the factory. And thinking all the time in this direction.

8) Gobar Gas Schemes:

Now a days there is a scarcity of fertilizers in India. And the prices of fertilizers are increasing day to day. In the same manner fuel prices are also increasing. To overcome all these problems factory has started Gobar Gas Plant schemes with the help of Nationalised Bank and Khadi Gramodhoyog Mandal, on subsidy. Factory has supplied many plants to shareholders under this schemes.

9) Roads in the Factory Area:

For the easy transportation of sugarcane in the area of factory. The factory has undertook a planned programme of road constructing. Upto this day factory has constructed 379 K.M. of road in the area of factory. For this scheme factory has invested 18 crores of Rupees from development fund and caneces fund.

10) Wireless Department :

In order to handle the transporting team effectively and efficiently the factory has erected wireless department in the factory area eleven years before. This scheme was new in the sugar factory and was opened for the first time in India. Its head office is in the factory office and there are 18 sub-offices of the wireless department in the various villages in the factory area.

11) Grants for the Backward Class Shareholders:

Shareholders of the factory who are from Backward Classes are given grants as per the Government Policy. They are given 2250 rupees per acres. Totally 163 shareholders are taking benefits of this grant scheme. This scheme is a part of twenty point programme of the Government of India.

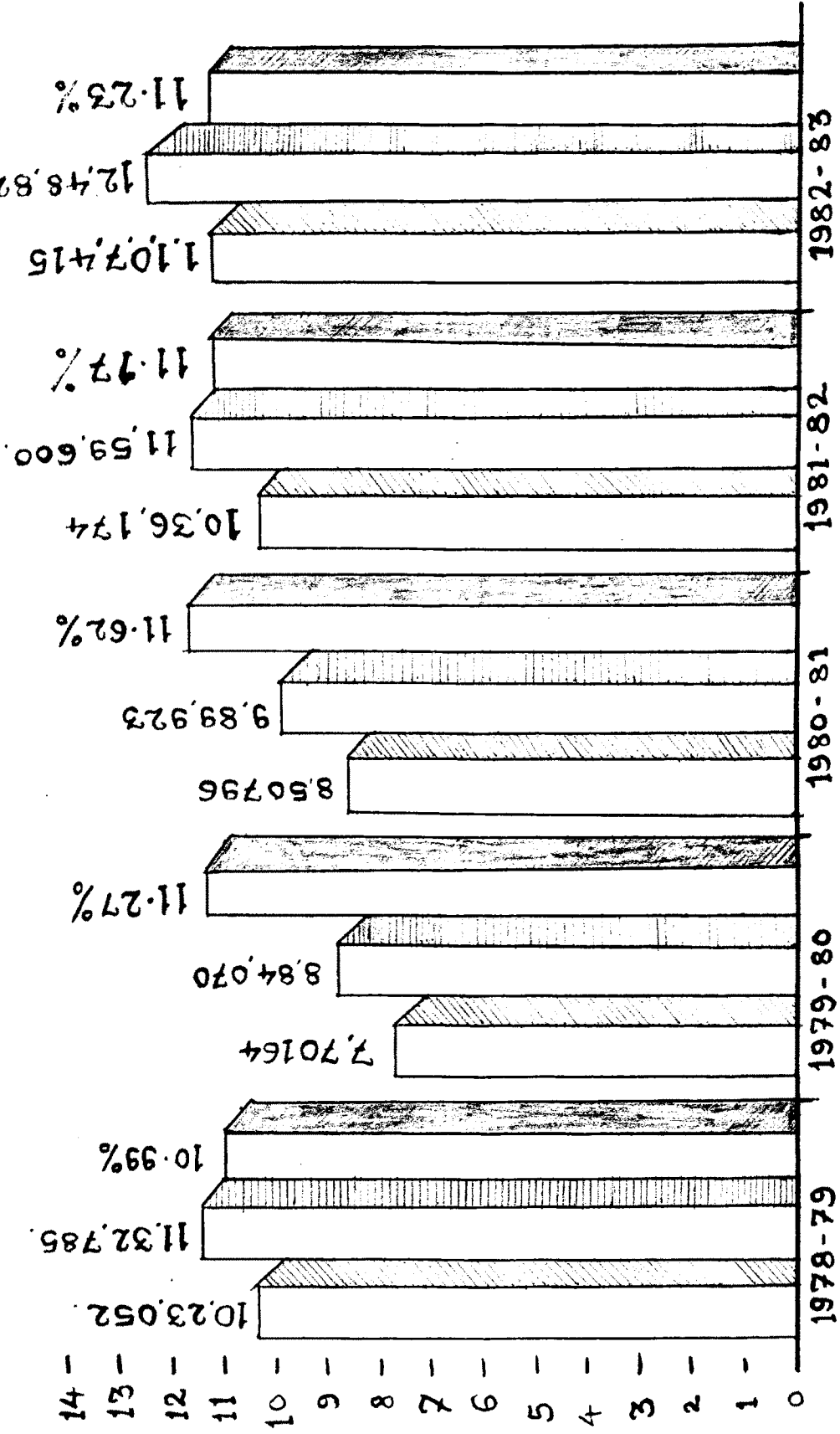
12) "Vasant Gharkul Yojana":

Factory is working in the social field. It has undertaken a work of bilding of small houses for the homeless families. Upto this year factory has constructed thousands of cement concrete houses for these poor worker who were working hard in this factory.

These are the various schemes conducted by the Shetkari Sahakari Sakhar Karkhana Ltd., Sangli.

SCALE: 1 C.M. = 1,00,000 BAGS/M.T.
 1 C.M. = 1% SUGAR RECOVERY.

TOTAL CANE CRUSHED (MT) SUGAR BAGS SUGAR RECOVERY.



SOURCE:- ANNUAL REPORT OF S.S.K.SANGLI.