

CHAPTER - IV

PROFILE OF

THE VASANTDADA SHETKARI SAHAKARI SAMHAR KARKHANA LTD.

BANGLI .



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PROFILE OF THE VASANTDADA SHETKARI SAHAKARI SAKHAR KARKHANA LTD.,

S A N G L I .

In Sangli district there are eight sugar industries. Vasantdada Shetkari Sahakari Sakhar Karkhana Ltd., Sangli is one of them and registered on 8th October, 1956, under the Co-operative Societies Act of Maharashtra State. The promoters set about their work including purchase of the land for factory building and erection of the machinery in a span of two years time and put up the plant on stream for the first crushing season to begin on 21st December 1958. The area under cane available to the factory at that time was no more than 800 hectares. The promoters were approaching their task with open eyes and made use of the factory as an instrument for bringing about a change in the pattern of cropping and cultivation by the farmers within the command area. They quickly initiated measures for making use of available water for growing cane by stepping up irrigation facilities.

In 1959, producer member farmers were provided with about Rs. 15 lakhs by way of medium term loans for buying oil-engines, lift pumps and electric motors. The efforts developed into a movement and farmers were encouraged to make use of lift irrigation facilities for lifting water from their wells for cane cultivation and all this led to a rapid increase in cane cultivation.

The command area of the Sugar Factory is blessed with three rivers. The Krishna, The Warna and The Verla flowing through it. Except for two Lift Irrigation Schemes on the river The Krishna which were tried and abandoned by Government, quite some time ago, ostensibly on the ground of their being found "not feasible", nobody seemed to give serious thought to the possibility of utilising the water of the rivers for irrigation- al purposes. Both the State Government as well as the Planning Commission had more or less concluded that lift irrigation projects on rivers for agricultural purposes were not a feasible proposition.

It was in such a vacuum that Shri. Vasantodada Patil, the architect of around development and a man of vision and an indomitable will and tremendous capacity stepped in. He decided to try his hand where others had tried and despaired. He saw the river water flowing for decades and centuries without making any fruitful use, the dry but fertile lands along the banks, hungry for water. He took in hand four Lift Irrigation Schemes on experimental basis at Sangliwadi, Padmale, Haripur and Mhaisal along the Krishna river.

These schemes catered initially the needs of about 1000 acres. The whole irrigation project had been so designed as to provide an ideal working for Lift Irrigation Schemes by creating a unified, Welkmit Central Agency which took care of the erection and construction work of the schemes under it in all its aspects Civil, Mechanical as well as Electrical,

managed and administered through a single unified authority for Lift Irrigation Schemes in the area. The whole project had been designed and administered with such imagination, understanding and thoroughness, mainly inspired by the vision of and put through at the initiative of Shri. Vasantodada Patil, that the schemes demonstrated that the concept of Lift Irrigation Co-operative for river side farmers was both technically viable and administratively feasible.

It may be noted that the success of these efforts carried on at the instance of and under leadership of Shri Vasantodada Patil much against the apprehensions of some of the 'Experts' had amply demonstrated for the first time that the idea of irrigating riverside lands through lift pumps organised into co-operative was a sound one, and if wisely implemented, of small farmers along the banks of rivers.

After the first four projects were found feasible, Hon'ble Vasantodada initiated 48 new projects along the Krishna River with the factory's resources and saw to it that some of them actually began to supply water to the fields of the members farmers, even before Government Assistance came forward.

The State Government's Irrigation Department which approved a permissible expenditure for such projects of only Rs. 200/300 per acre and was persuaded to increase its yardstick to Rs. 500/- per acre and was subsequently prevailed upon to fix it at Rs. 750 or above. Here again Shri Vasantodada

Patil had to strive hard to break through the hard shell of bureaucratic conservatism both with regard to the needed changes in the yardstick of permissible limit of per acre expenditure and to get Government's administrative machinery to involve itself in the effort. Meanwhile the Sugar Factory had launched some projects out of its own funds and had helped to produce sugarcane for the factory. The factory's investments in these projects had been of the order of Rs. 86,82,000/- then.

As a result, the acreage under sugarcane increased so rapidly that in about two years, the factory had to launch upon a programme of expansion and obtained sanction in February 1965 to increase its crushing capacity from 1000 M.T. to 2600 M.T. per day. The factory carried out the expansion project successfully in a record about eight months the same year without in any way interfering with its normal crushing programme. This ambitious venture in stepping up agricultural production undertaken at the initiative of and inspiration from Shri. Vasandraodada Patil with his new technique of Lift Irrigation of lands along river banks proved to be a landmark not only in the history of rapid irrigational facilities and benefits to dry land in Maharashtra but opened up hitherto unexplored possibilities of rapid agricultural development in the country as a whole.

The successful implementation of 56 Lift Irrigation Schemes bringing under the cane cultivation about 12,500 hectares of dry land within the factory area at present was a signal for unleashing a tremendous new effort by other factories

in the are. These factories are deeply indebted to Shri. Vasantodada Patil for his pioneering effort. The Karkhena has made a total capital investment of about Rs. 2,62,00,000/- in similar Lift Irrigation Projects. Of this, the share of the member farmers account for Rs. 62,63,000/- belonging to the member farmers under cane out of a total of 12,500 hectares belonging to member farmers under cane.

Due to all these efforts upto the year 1979-80 the acreage under cane registered significant increase and the expanded crushing capacity of 2600 tonnes per day of the factory was found to be inadequate within the next two years. The factory then obtained sanction for a further expansion doubling its crushing capacity to an all time high of 3000 tonnes per day and systematically set about expanding its plant and machinery. While the factory increased its capacity to 3500 tonnes per day during the first stage of its new expansion programme, it attained the maximum capacity of 5000 tonnes per day during its second stage by 1975-76 and has maintained the rate constantly through the following seasons upto date.

Index No. 2 also shows the highest production figure for any sugar factory in the whole country whether in the Co-operative or Private Sector. No factory in India was able to achieve an annual production of over 8,00,000 bags of sugar by 1975-76 and 12,48,822 bags by the season 1982-83.

The command area of the factory comprises about 150 villages in 5 Talukas of the districts of Sangli and

Kolhapur. Following table shows progressive development since the year 1985-86 onwards.

T A B L E N O . 10

NOS. OF VILLAGES IN THE AREA OF OPERATION.
(TALUKA-WISE)

District	Taluka	1985-86	1986-87	1987-88	1988-89	1989-90
1. Sangli	Miraj	54	54	54	54	54
	Tasgaon	65	65	65	65	65
	Kavathe Mahanka	23	23	23	23	23
	Walva	3	3	3	3	3
2. Kolhapur	Shirol	5	5	5	5	5
Cane Supply Village						
A. In the area of operation		150	150	150	150	150
B. Out of Area but in Maharashtra State		9	27	5	8	8
C. Out of Maharashtra State		-	1	31	52	49
D. Total of Cane Supplying Villages (A+B+C)		159	178	186	210	207

(Source : Annual Report 1989-90)

On of the total producer membership 96% of them are small and marginal farmers, now stand over 32,000 the biggest that any Co-operative Sugar Factory has. It is open to any cane

grower at any time and no one is debarred from becoming a member. Backward class member can enroll after paying a nominal membership subscription. They are admitted to membership of the Lift Irrigation Societies too. Following table shows classification of members.

T A B L E N O. 11

Particulars	84-85	85-86	86-87	87-88	88-89	89-90
A) Producer Members 'A' Class	31372	31447	31777	31886	32044	32175
1. Scheduled Cast	2088	2093	2212	2216	2234	2234
2. Scheduled Tribes	4176	4178	4189	4199	4207	4209
B) Non-producer Individual Members 'B' Class	46	46	45	45	44	44
1. SC	-	-	-	-	-	-
2. ST	-	-	-	-	-	-
C) Co-op. Societies 'B' Class	58	58	57	57	57	57
D) Maharashtra State Govt.	-	-	-	-	-	-
E) Total Member (A+B+C+D)	31476	31551	31879	31988	32145	32275
F) Nominal Members 'C' Class	2004	1361	1223	1728	1364	2828

(Source : Annual Report)

SHARE CAPITAL, INVESTMENTS AND LOANS :

The outhorised share capital of the factory is Rs. Five crores. The subscribed capital stood at Rs. Four crores as on 31.3.90. The details of paid up share capital are as under :

	Lakhs.
a) 'A' Class (Producer) Members	340.15
b) 'C' Class Society Members	0.87
c) 'B' Class Individual Members	0.62

TOTAL	341.64

The Factory has made judicious use of funds borrowed by it and has taken care to repay all loans from outsiders within the stipulated period. Besides this, the factory holds in permanent and fixed period deposits belonging to its members Rs. 2519.52 lakhs and has in Reserve Funds or other Permanent Funds a total of Rs. 1657.57 lakhs.

The Factory has now total permanent assets at the order of Rs. 3049.95 lakhs by the year 31.3.1990

The Factory was not content to remain satisfied with what it had done or was trying for the economic uplift and betterment of its hundreds of small farmers. The Karkhane has shouldered its responsibility in meeting Koyana earth-quake or draught, floods etc. The Factory is proud of its assistance to the educational institutions like Nav-Bharat Shikshan Mandal and Modern Education Society, which has set up a sizable campus for their residential college, technical institutes and English Medium Highschools which provide degree course in Arts, Commerce and Science and run besides a High School, a School of Arts for the children of the farmers within the factory's command area.

The factory has launched on a programme of road construction within the area at an cost of more than Rs. 1.50

crore on construction 350 k.m. length to convert all the Cutchha Roads in the surrounding country side into hard murum and metal roads. Besides facilitating transport of cane to the factory, the project is bound to act as an important lever in the rapid economic development of the villages by providing quick means of transport to their farm produce.

The factory has paid special attention for improving cane cultivation by producer members and has been supplying improved varieties of seeds to them.

The factory has stood guarantee for loans to farmers to help them to purchase tractors, trolleys and transport trucks to facilitate transport of their produce to the market in addition to sugarcane transport. The Factory had made special and systematic efforts for the needy farmers for tapping underground water in their wells. Tractors and bulldozers for better cultivation, electric pumps, oil engines, pipe lines for lifting water for irrigating the lands are made the countryside hum to a new rhythm.

The factory has become a spring board for launching of a large number of other ancillary projects. The factory had succeeded in achieving the objectives. It has triggered a chain reaction, leading to a number of other agro-based projects not only for the processing of by-products of the sugar plant like molasses into alcohol, but also for processing other forms of farm produce and related enterprises in fields like transport, construction, dairy, poultry, poultry and cattle feed, power

and alcohol and its by-products, cattle development, improved varieties agricultural equipments and implements, horticulture, intensive crop cultivation project, low cost housing for farm labour and other backward groups, the active participation in various rural development schemes and projects.

Distillery :

A distillery producing alcohol production from the molasses at the sugar plant was set up in 1964. It was another first in the co-operative sector in this country. At that time, it was producing 16,000 litres of alcohol production per day. The distillery has been working at an increased capacity of 30,000 litres per day since September, 1975 and with a capacity of 45,000 litres per day since April 1979.

This project represents a capital investment of Rs. 8.5 million by the sugar factory. The distillery's production has been further diversified into the manufacture of foreign and country liquors in keeping with the Maharashtra State Government's new policy of encouragement to production of country liquor. The distillery unit has produced 1,01,59,321.05 litres spirit during the year 1989-90. The production of the Liquor unit during 1989-90 is as under :

Country Liquor production (Ltrs.)	39,58,469.000
Foreign Liquor production (Ltrs.)	2,03,460.800
Sale of Country liquor (Ltrs.)	39,12,443.960
Sale of Foreign liquor	2,08,290.600

Acetic Anhydride Plant :

The Sugar Factory has installed an Acetic Anhydride Plant having 3000 M.T. per annum manufacturing capacity. For this purpose 5.6 million litres of Rectified spirit will be utilised. This project has capital investment to the tune of Rs. 4.00 crores. The project has attractive profitability. During 1989-90 net profit is Rs. 9,56,821.23. This new by-product is used in films, fibres, plastic industries as well as in pharmaceuticals, dyestuffs and pesticides. In this plant Acetaldehyde, Acetic Acid and Acetic Anhydride are being manufactured successfully.

The following table shows the production and sale during 1989-90.

T A B L E N O. 12

Sr. No.	Name	Production (M.T.)	Sale (M.T)	Sales Price Incl.Ex.Duty & S/T)
1.	Acetaldehyde	1788.192	-	-
2.	Acetic Acid	1878.509	1080.922	1,24,49,583.45
3.	Acetic Anhydride	751.860	655.178	1,84,54,296.30

Factory and Colony effluents disposal arrangement :

From Sugar Factory 2 million litres of factory effluents together with 0.2 million litres of colony effluents is discharged every day during the season. With a view of eliminating this problem factory has installed effluent disposal

plant manufactured by M/s.Hindustan Dorr Oliver, Bombay. Due to the advantages of process involved in the B.O.D. of factory and colony effluent is reduced from 1,000 P.P.M. to 50 P.P.M.

Cattle Feed Plant :

With a view to boost earnings of the small farmers and rural population in the area of operation of the factory, the management has been active support to poultry and dairy. The management have put a plant of cattle and poultry feed manufacture with daily capacity of 120 M.T. Supply of balanced cattle and poultry feed at reasonable price has been well thought of. There is attractive demand from the rural area for the feeds. The capital investment of this plant has been of the order of Rs. 30 lakhs.

Other Development Activities :

In addition to this plant the factory has started soil testing laboratory for advising the farmers in their agricultural activities. Similarly Horticultural programme and Gobar gas plant scheme are also in progress. A number of agriculturists are taking maximum advantage of these schemes. Subsidy of the order of Rs. 15 lakhs is given to the farmers.

This sugar factory has taken its due share in the alround development of the rural masses. It has started a new education society e.g. Shetkari Shikshan Mandal. This Mandal has started a new Engineering College and a Polytechnic College Padmabhooshan Vasentraodada Patil Institute of Technology, Budhgaon, Sangli, with a total outlay of Rs. 80 lakhs. This

College started in 1983. With this college, the factory has brought the advanced technical education at the doorsteps of the rural masses.

Due to the coming up of this factory and sugarcane processing complex, a revolutionary spirit and approach is borne in the community of agriculturists. It has created a chain reaction giving rise to new industries and has generated new forces to create more and better employment opportunities to un-employed and under employed people in the rural areas.

