

CHAPTER 'IV'

PROFILE OF SHRI SWAMI SAMARTH
SHETAKARI WA VINAKARI SAHKARI SOOT GIRANI
NIYAMIT, WALSANE, DISTRICT SOLAPUR
(MAHARASHTRA)

- 4.1 INTRODUCTION
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C H A P T E R - I VPROFILE OF SHRI SWAMI SAMARTH SHETKARI Wa
VINAKARI SAHAKARI SOOT GIRANI NIYAMIT,
WALSANG, DISTRICT SOLAPUR (MAHARASHTRA)4.1 INTRODUCTION

Valsang is situated in $17^{\circ} 30'$ north latitude and $76^{\circ} 05'$ east Longitude on the Solapur Akkalkot Road about 15 miles to the south east of Solapur in South Solapur Taluka.

Maharashtra is ahead in cotton production. About 25 lakh hectares of land is being used in Maharashtra for cotton production. Even then adequate quantity of yarn can not be made available to handlooms and powerlooms in Maharashtra. According to the report of Maharashtra State Cooperative Spinning Mills Federation Ltd. Bombay there is a shortage of 400 million Kg. yarn in Maharashtra. In order to provide adequate yarn to handloom and powerloom sector the Maharashtra State had implemented a scheme of providing capital at the rate of 1:9 to New Cooperative Spinning Mills. As a result large number of cooperative spinning mills have been

registered and installed in Maharashtra.

4.2 ESTABLISHMENT OF SWAMI SAMARTH MILL

South Solapur and Akkalkot taluka usually face famine situation. The agricultural production in these talukas is based on rainfall. Because of inadequate rain fall the farmers do not get good agricultural production. The farmers in these areas do not have any other income than agricultural products. Similarly in most of the villages like Valsang, Maindargi, Wagadari, Karajagi Mugali, Tolnoor, the handloom weavers are in large numbers. Due to short supply of yarn they also find difficulties in weaving. Therefore handloom weavers condition has also become critical. In order to provide helping hand to farmers and weavers in these areas the efforts were started in 1975 to establish a spinning mill which can become a boom to the farmers and weavers of this area by means of providing a market for cotton growers, proper supply of yarn to weavers and employment opportunities to unemployed youth.

Mr. V.G.Shivadare, Mr. S.R.Dudhani, Mr.Gangadhar

Patil, Mr. Basavanappa Dhotri and their colleagues came together and thought about establishment of Swami Samarth Soot Girani. They have taken ample efforts to collect share capital and on 14th November 1979 Shri Swami Samarth Shetkari Wa Vinakari Sahakari Soot Girani Niyamit, Walsang was registered. Later on 4th February, 1980 the mill has got industrial licence for production of yarn. Upto 1982-83 the work of construction of Factory Building was going on. The actual production was started in the year 1984 i.e. on 1.6.84.

The area of operation of this mill is ~~South~~ Solapur and Akkalkot Taluka in Solapur District. The mill has been established with the main objective of (1) Providing good prices for the cotton of cotton growers, (2) To produce yarn from cotton and (3) To supply the yarn to weavers at reasonable prices, (4) To provide employment opportunities to unemployeed youth. The mill purchases raw cotton from cotton producer members as well as from Marketing Federation and private parties.

The mill has 960 employees at present out of them 15 officers, 56 clerks and 889 workers. The daily production of the mill is 7500 Kg. of Yarn. The mill

produces six types of yarn, (i.e. 18, 20, 24, 30, 35 & 40 count yarn). The mill is using 80% of its spindle capacity.

4.3 MEMBERSHIP

There are six classes of members according to the by-laws of the mill.

1. Grower Member
2. Handloom Weaver Member.
3. Handloom Weavers Producers Coop. Societies
4. Other cooperative Society.
5. Nominal / Sympathiser / Associate Member
6. Government

4.4 FUNDS

The Authorised capital of the mill is Rs. 5,00,00,000 divided into 1,25,000 shares of Rs. 400 each. The paid up capital of the mill at present (i.e. on 30.6.1989) is Rs. 397,74,200

The mill also takes loans from I.F.C.I. Bombay I.D.B.I., Bombay, I.C.I.C.I. Bombay for its long term capital requirements. The working capital needs of the mill

were fulfilled by cotton pledge cash credit, Yarn pledge cash credit, Export yarn pledge cash credit & Export cotton pledge cash credit from Solapur District Central Cooperative Bank, Solapur.

The Girani may raise funds by (1) Issue of shares (2) Receiving of deposits from members, (3) Raising of loans, (4) Receiving donations & subsidies, (5) Receiving entrance Fees.

4.5 OTHER INFORMATION ABOUT THE MILL

The Girani is classified into major class ' Processing society' Subclass ' Agricultural Processing Society' and is permitted to undertake activities of society belonging to that class as defined in clause 22 of Section 2 of Maharashtra Cooperative Societies Act, 1960.

The name of the Girani is : SHRI SWAMI SAMARTH SHETKARI Wa VINAKARI SAHAKARI SOOT GIRANI NIYAMIT, WALSANG' & its registered address will be at Walsang, Tal. South Solapur, District Solapur.

4.6 OBJECTIVES OF THE MILL

According to the by-laws of Shri Swami Samarth Soot Girani the objectives of the mill are as below:

The object of the Soot Girani is to carry on the business of Spinning and selling of yarn to the weavers and to others with the primary purpose of procuring the best possible price for the cotton of the growers members consistent with the economic working of the Girani. For the purpose of attaining the objects, it shall be consistent to the Girani.

- (a) To acquire, purchase or take on lease any land to erect or construct on such lands, buildings, houses and sheds and other constructions necessary and suitable for the working of the Girani.

So also to construct labour quarters, hospitals, schools recreation, grounds, canteen etc. for the welfare of employees and their families so as to meet these and other statutory requirements in this regards and to provide by purchase or

otherwise, plant & machinery and equipments requisite for efficient working of the mill and its other ancilliary activities.

- (b) To purchase cotton and/or man-made fibre and carry on ginning, spinning and sizing and other allied processes and to sell the finished material so manufactured also to procure whenever possible subject to government policy in this behalf cotton from growers members on pooled rate.
- (c) To raise funds in such a manner as is prescribed in these bye-laws and as the board of directors shall think fit.
- (d) To purchase either on cash or on credit such other raw materials as may be required for the Girani.
- (e) To make, accept, endorse and execute promissory notes bills of exchange and other negotiable instruments.
- (f) To subscribe for and to hold shares in cooperative, Government owned companies/ Corporations and other institutions as permissible under the act.

- (g) To encourage self help, thrift and cooperation among members.
- (h) To construct and rent godowns in the place of manufacture as well as other places for storage of raw materials and the products.
- (i) To enter into contract with cooperative societies Government Owned companies/corporations or individuals or others for the purpose and sale of raw materials and finished products of the Girani and its members and appoint agents on payment of salary or commission for such purchase and sale and to open deposits for such sales if necessary.
- (j) To install plant and machinery for the utilization of ancilliary / by-products and buy raw materials for the same and sell finished products in the course of utilising and marketing the ancilliary/by-products.
- (k) To sell or otherwise dispose of the whole or any part of its business, assets and/or undertakings its

factory buildings plant and machinery and lands for the benefit of the Girani with the prior approval of the registering authority.

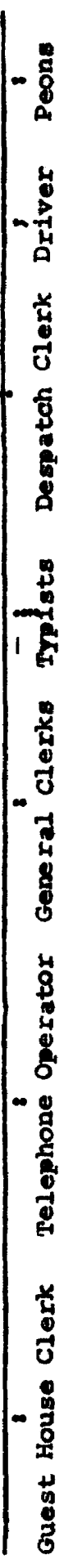
- (l) To undertake research and such other developmental activities as are incidental and conducive to the activities of the Girani, development of Cotton growing, yarn, spinning and other allied activities undertaken in this regard.
- (m) To undertake subsidiary and allied industries which are conducive to the development and benefit of the Girani and for its members.
- (n) In order to recure term loans the Board of Directors may mortagage any fixed assets and may execute the documents in favour of the State Government, in respect of guarantee required tobe furnished by the later to the institutions giving loans.
- (o) To raise term loans from the financing Institutions and cooperative banks.

4.7 MANAGEMENT/ORGANISATION STRUCTURE

The management of the Soot Girani is in the hands of Board of Directors which is formed by the shareholders of the Soot Girani. However the final control of the mill is in the hands of the Shareholders. The Chairman is elected by the Board of Directors and he has to look towards the activities of the mill. A managing director is appointed to assist the Chairman and look towards day-to-day activities of the mill.

The Chart Number 4.1 will give clear idea about the organisation structure of the Soot Girani.

Cost Accountant Cashier Store-keeper Yarn godown-keeper Cotton godownkeeper Waste Clerk Office Superintendent
 Return clerk Store Clerk Clerk Clerk Clerk Typists Despatch Clerk Driver Peons



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CHART No. 4.1

THE FOLLOWING CHART NO. 4.1 WILL GIVE CLEAR IDEA ABOUT THE ORGANISATION STRUCTURE OF THE SOOT GIRANI, VALSANG

4.8 OVERALL PROGRESS OF THE MILL

The overall progress in respect of Share capital reserves, profits, production etc. is shown in the following Table No. 4.1.

The graph 4.1 shows the overall progress in production during the study period.

The graph 4.2 shows the profits & loss earned the Soq girani, during the study period.

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The overall progress in respect of share capital reserves, profits, production etc. is shown in the following table :

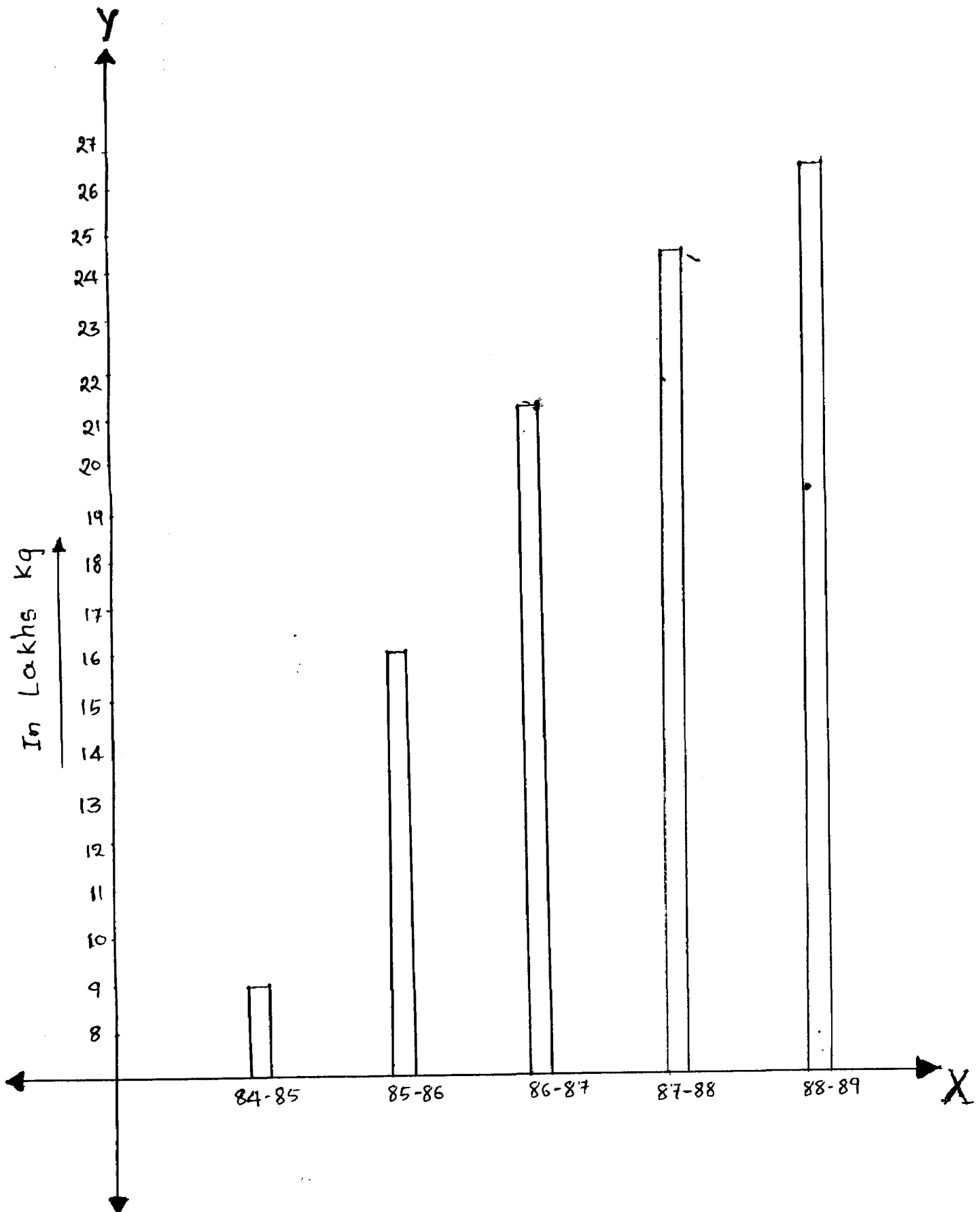
Year	No. of share-holders	Spindle capacity used.	Paid up Capital	Reserves	Sales	Profit/Loss	Production
			Rs.	Rs.	Rs.	Rs.	Kg.
1979-80	1157	-	10,55,400 16,46,400	6055	-	39,601	-
1980-81	1176	-	16,46,400	9885	-	88,281	-
1981-82	1683	-	1,81,28,000	1,67,292	-	2,93,848	-
1982-83	2783	-	2,52,46,400	14,300	-	3,08,388	-
1983-84	3178	71.11%	3,70,40,000	3,358,756	3,94,000	(35,20,752)	35,000
1984-85	3232	67.16%	3,95,71,600	1,48,14,325	2,18,72,374	(1,05,48,588)	8,99,000
1985-86	3231	52.66%	3,95,83,200	2,32,75,689	4,01,91,334	(6,81,0254)	1,61,1022
1986-87	3311	66.54%	3,95,14,400	3,31,45,753	5,35,16,234	(1,34,1760)	2121242kg
1987-88	3593	74.81%	3,97,34,800	3,96,48,243	8,33,77,453	(5,44,323)	2,43,9,870
1988-89	3686	77.06%	3,97,74,200	4,82,25,877	10,81,89,000	(4,26,9,501)	2,61,5000C

(Source: Compiled from Annual Reports of Soot Girani.)

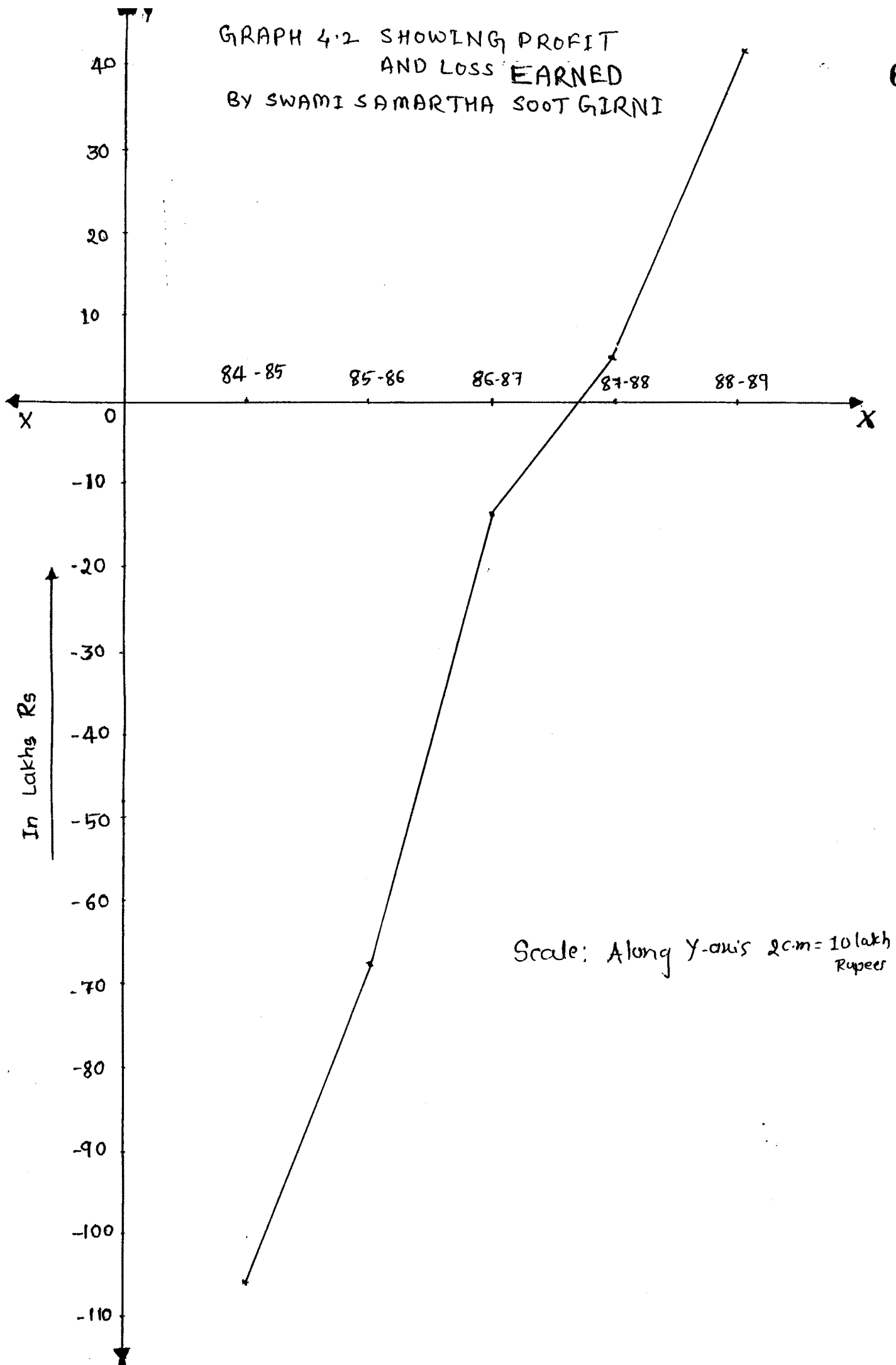
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GRAPH 4.1 SHOWING OVERALL PROGRES IN PRODUCTION. OF SWAMI SAMARTHA SOOT GIRANI 61

Scale: Along Y-axis 1cm = 1 lakh kg



GRAPH 4.2 SHOWING PROFIT
AND LOSS EARNED
BY SWAMI SAMARTHA SOOT GIRNI



Scale: Along Y-axis 2cm = 10 lakh Rupees