

CHAPTER - 6

SUMMARY AND CONCLUSIONS

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The textile industry is divided into organised and unorganised sectors. The organised sector consists of spinning mills and composite mills. The powerloom and handloom sector is considered as an unorganised sector. The establishment of spinning mills in co-operative sector is relatively of recent origin. One such spinning mill named as Shetkari Shakari Soot Girni Ltd., Sangole (Dist. Solapur) (called "The Sangole Girni") was established and registered on 28th Jan, 1980.

Sangole Girni's area of operation consists of Sangole, Mangalwedha, Pandharpur and Malshiras Talukas in Solapur District and Atpadi Taluka of Sangli District. Sangole Girni, with 7079 shareholders at the beginning, secured permission to start a spinning mill of 25056 spindles. Construction of the building was started in 1982 and completed in 1984.

The Sangole Girni's initial project cost was Rs. 863.77 lakh which was raised in the following manner

	Rs. in lakh
Share Capital	43.20
Govt. Share Capital	388.65
Term Loan From IFCI	350.00
SICOM Subsidy	41.56
Own resources of the Girni	40.36

Total	863.77

Land purchased for the mill was 125 acres. Mill buildings, canteens rest room buildings, administration buildings etc. are constructed on modern lines. All the machinery from Blow Room to Ring Frames are purchased from Laxmi Machine Works Coimbothere Jumbo (i.e. long) Ring Frames installed in the mill were the first of its kind in Maharashtra State at the time of other installation. Workers selected were from the nearly needy of shareholders families. Workers are paid wages on par with those paid by reputed mill's in Solapur area. The Girni provided the workers with attractive incentives and rewards. Those who show outstanding performance of behaviour are given rewards. For example, workers are given awards if their attendance is more than 290 days in a year. For workers, the Girni has constructed 108 well equipped houses, primary school, welfare centre, community hall, play ground etc.

Highlights of the programme made by the Girni are ~~showing~~ ^{shown} below :

Year	Total Income (Rs.in lakh)	Net Profit (Rs.in lakh)	Capacity Utilisation(%)
1988-89	1053.16	23.34	81.10
1990-91	1226.10	137.90	90.37
1992-93	2431.30	130.68	93.44
1993-94	2715.03	160.13	94.00
1994-95	4188.96	(314.58)	89.30

ORGANISATION AND MANAGEMENT

The Sangole Girni is a co-operative society registered under Maharashtra co-operative societies Act, 1960.

There were 7119 members with a share capital contribution of Rs. 1100.35 lakh (In which Govt. share capital was Rs.1023.65 lakh) as on 31-3-1995.

SPECIAL FEATURES

Sangole Girni is thought to be important for a study of its management because of its special features. They are :

1. Yarn Quality
2. Marginal Expansion
3. NCDC Cotton Development Scheme
4. The awards received by Sangole Girni.

Proposed Expansion of 25,00 Spindles

The Sangole Girni's proposed expansion of 25,000 spindles cost was Rs. 2640.00 lakh which was raised in the following manner.

	Rs. in Lakh
A) Equity	
i) Internal Resources	396.00
ii) State Govt. Share Capital	317.50
iii) NCDC Share Capital	317.50
iv) SICOM Capital Incentive	25.00
Sub Total (A)	----- 1056.00 -----
B) Debt	
i) Medium Term Loan	1285.00
ii) Loan from NCDC	299.00
Sub Total (B)	----- 1584.00 -----
TOTAL (A+B)	----- 2640.00 -----

Organisation structure is of traditional type. As many as 9 managers report to the Management Director at present. In addition to this there are sales personnel and purchasing agents, working at various places who report to the Managing Director. It is advisable to reduce the responsibility of the Managing Director. A revised organisation structure for the Sangole Girni is also suggested.

The suggested structure tries to emphasise the major functional area and move towards a decentralised organisation. It would give importance to development activities, including R & D activities. It also emphasises the importance of personnel function in developing organisation like the Sangole Girni. In the emerging competitive world, cost control, cost management and quality control should be treated as very essential for the Sangole Girni. It would also give a professional approach to the management.