# CHAPTER - III

# BACKGROUND OF SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY, WARANANAGAR

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CHAPTER - III

# BACKGROUND OF SAVITRI MAHILA INDUS CO-OPERATIVE SOCIETY, WARANANAGAR.

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## 3.1 INTRODUCTION OF WARANANAGAR

Warananagar, 30 kms. north-west Kolhapur in Southern Maharashtra is one such place where some like minded progressive farmers inspired by the success of the Pravara Sugar Factory, came forward with the idea of establishing a sugar factory on a co-operative basis.

A brief history of Warana Sugar Factory will enable a better understanding of the nature of socio-economic transformation brought about by the factory. Warana valley, before the establishment of the factory in 1955, was a barren hilly tract notorious for the activities of dacoits and hardened criminals. On account of the vagaries of the monsoons and violent fluctuations in the prices of agricultural produce the farmers had to undergo unfold misery.

It was in the year 1951 when the farmers in this region had to face the traumatic situation of severe depression which deflated the prices of sugar cane to such an extent that the poor farmers could not recover even the

cost of making jaggery. Out of sheer frustration and utter disgust the farmers had to virtually destroy their crop. To overcome these hardships and miseries, the local leaders of the region with their ardent quest for a solution decided to bring together all the farmers and establish a modern co-operative sugar factory. Although the local leaders were more than convinced that once there was a co-operative sugar factory in the area, it would become focal point of further growth. Convincing the farmers of the viability of the industrial venture was a difficult proposition.

Shri Tatyasaheb Kore with his dedicated and devoted social workers paid a visit to almost all the farmers in the area around and convinced them of their latent potentialities, and the need for the sugar factory which would be instrumental in bringing about the complete socio-economic transformation of the region and lead to their economic uplift. Although several farmers were convinced, raising the required funds for the factory was a major hurdle, as most of them were too poor; only a few had hard cash to spare with, the vast majority had to part with their precious belongings viz. Ornaments, Livestock and other movable assets to raise the funds for the factory.

## 3.2 LOCATION OF WARANANAGAR

Warananagar, as mentioned earlier is 30 kms. north-west of Kolhapur in Panhala Tehsil. It is 10 kms. to the West of National Highway No. 4 viz. Mumbai-Bangalore National Highway. Although Warananagar is under the jurisdiction of Kodoli GramPanchayat, this co-operative complex is situated between Kodoli and Bahirewadi Village. The name of this well planned township owes its origin to the river Warana which is 3 kms. to the north of it and is the only major source of water besides the wells. The river forms the administrative boundary between Kolhapur and Sangli districts. The population of this township is about 8,000.

After having successfully established the sugar factory, the leadership of the factory decided to adopt a multi-sectoral developmental approach for the growth of its command area and with the sugar factory serving as the nucleus, it was decided to foster a number of other inter linked activities in the area.

The factory has brought about a sea change in its hinterland and made a significant contribution to the growth of other co-operatives and institutions in the area. For the sake of convenience, we shall group all the institutions into two categories viz.

(A) Co-operative Institutions, and

(B) Other Institutions.

**(A) Co-operative Institutions :**

(1) Shri Warana Kamgar Vividh Karyakari Sahakari Society Ltd.

(2) Shri Warana Sahakari Bank Ltd.

(3) Shri Warana Kombadi Sahakari Sangh Ltd.

(4) Shri Warana Sahakari Doodh Utpadak Prakriya Sangh Ltd.

(5) Sahyadri Kukkut Palan Sahakari Sanstha Ltd.

(6) Shri Warana Vibhag Sahakari Grahak Mandal Ltd.

(7) Shri Amrut Sevak Sahakari Sanstha Ltd.

(8) Shri Vishwanath Sahakari Kukkut Vyavasayik Sanstha Ltd.

(9) Savitri Mahila Industrial Co-operative Society Ltd.

(10) Shri Warana Bazar Sevakanchi Sahakari Pat Sanstha.

(11) Shri Warana Agricultural Goods Processing Co-operative Society Ltd.

(12) Paper Plant Distillery. etc.

**B) OTHER INSTITUTIONS :**

I) 1. Shri Warana Vibhag Shikshan Mandal.

2. Shri Warana Mahavidyalaya.

3. Shri Warana Shishuvihar.

4. Shri Warana Vidyalaya.

5. Shri Warana Vidyamandir.

6. Shri Warana Bal Vadya-Vrinda.

7. Tatyasaheb Kore Industrial Training Institute.

8. Tatyasaheb Kore Institute of Engineering and Technology.

9. Tatyasaheb Kore Training-Cum-Production Centre.

(II) Shri Warana Vibhag Satkarya Sanvardhak Mandal.

(III) Shri Mahila Griha Udyog Lijjat Papad Kendra.

(IV) Shri Warana Bhagini Mandal.

(V) Mahatma Gandhi Medical Trust. etc.

These are the two types of institutions in Warananagar. Shri Warana Sahakari Karkhana is an agro-based industry and as such the management is particular in looking after the farmers' and workers' interest thereby creating atmosphere in the entire rural area around the Warana Complex.

## WARANA DAIRY

### 3.3 INTRODUCTION :

With the establishment of the sugar factory in 1959, in the Warana river area no doubt the economic conditions of irrigated farmers, were improved. The

proportion of such farmers, however, is hardly 15% -20% even in the irrigated tract itself so it could not help the majority of farmers. In fact, it accentuated the gulf between haves and have not in the rural area itself like that between the cities and villages. The necessity of an economic development programme is to cover the land dry farmers, small land holders, landless labourers, and other weaker sections so as to improve their socio-economic conditions. It was keenly felt that this could only be done by providing them some remunerative additional business of their own. Thus Shri Warana Sahakari Doodh Utpadak Prakriya Sangh Ltd., Amritnagar has been established in the year 1968.

### 3.4 NECESSITY OF INTEGRATED DEVELOPMENT :

There are multiple agencies responsible for the development of various aspects of the same industry, viz. development of milch stock, veterinary aid, quality fodder development, collection of milk, its chilling, quality control and transport to processing unit, processing and manufacturing of products, sales, credit facilities and their linking etc. The working of all these agencies together would meet the need of integrated development.

Thus a brief review of Shri Warana Sahakari Sakhar Karkhana Ltd. and Shri Warana Sahakari Doodh Utpadak Sangh

Ltd. points out how these units have transformed the barren valley, and the traditional rural society into economically developed one. The farmers and the villagers have benefited from this economic transformation. The workers working in the two plants have also contributed to the development of the complex of various industries in Warananagar.

### 3.5 SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY, WARANANAGAR :

Because of the establishment of the above mentioned co-operative institutions, viz. Shri Warana Co-operative Sugar Factory and Shri Warana Sahakari Doodh Utpadak Prakriya Sangh Ltd. The male members in the nearby villages could get employment opportunities, but rural women had to go in search of jobs on others farms. The jobs were temporary, seasonal and the wages paid to them could hardly meet both ends for them. They had to remain half-starved and moreover had to depend on male members in their respective families.

In order to remove this dependence on male members and make these women economically self-reliant, Shri Tatyasaheb set up "Savitri Mahila Industrial Co-operative Society; Warananagar", on 24.1.1985 in the name of his learned wife Sou. Savitribai Kore. This venture could



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enable rural women to take active part in economic activities created by this organisation and contribute to their families income. Employment opportunities for rural women are gradually increasing because 50% to 60% of uneducated and poor women in the region are getting employment and thus they are becoming economically self-dependent. Tatyasaheb was struggling very hard to make rural women economically self-dependent. It might be his vision to enable rural women to participate in rural economy and thus to attain upliftment of rural society. Unfortunately Tatyasaheb died on 13th December, 1994.

The vertical integration of industrial units is economically beneficial and socially advantageous. Such integration creates, backward and forward linkages and also 'spread effects'. As a result of this, job opportunities are multiplied in due course of time. Warana dairy and Savitri Mahila Industrial Co-operative Society are integrated with each other. One without the other is incomplete and imperfect. Savitri Mahila Industrial Co-operative Society supplies nearly 90% of the containers needed by Warana Dairy and other Sansthas in Warana for containing milk and a variety of milk products. All these containers are made in Savitri Mahila Industrial Co-operative Society. This Industrial Co-operative Society gets assured market for its products from Warana

and other Sansthas therein and 10% of the remaining containers are sent out.

Formerly Warana Dairy was purchasing the required containers from Mumbai. But many a times the supply of milk to various markets was held up due to non-availability of containers. It was a great handicap. Tatyasaheb Kore took the wise decision of making these containers in Warana itself to avoid the delays and recurrence of loss due to inability of supplying milk to the destined markets. Hence the required machinery for manufacturing of 'containers' was purchased from abroad and some workers from Industrial Co-operative Society were sent to Baroda for getting special training in running the machineries. Thus, the infrastructure needed for running 'Savitri Mahila Industrial Co-operative Society' was created and we could see the ability of this Industrial Co-operative Society to get 90% of assured market from Industrial Units in and around. A network of need-based industrial units has been set up by Tatyasaheb Savitri Mahila Industrial Co-operative Society is one unit in this network. It is through this unit, Shri Tatyasaheb sought to achieve the economic self dependence of rural women.

### 3.6 THE OBJECTIVES OF SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY :

1. To generate employment opportunities for illiterate rural women, women from backward classes, widows and poorer women from this region.
2. Rural women should not restrict their activities to household duties only, but they should take active part in co-operative societies in the rural economy and thus co-operative spirit should be imbibed in them.
3. To encourage saving habits on the part of rural women. If they get fixed income by way of salary. Some amount from this should be kept aside by way of saving.
4. To earn profit by making containers needed for selling milk-products manufactured by Warana and other Dairies.
5. To make rural women economically self-dependent. These women will get regular income by way of wages. These women will also get retirement benefits. In this way they will become self-dependent.

Keeping these objectives in mind Savitri Mahila Industrial Co-operative Society was set up. This Industrial Co-operative Society is managed 100% by women and is making considerable profit with the only exception of six male workers working on polythene film machines.

## 3.7 PROGRESS OF THE SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY :

This Industrial Co-operative Society was established on 21.4.1985. In the initial stage there was only one department i.e. Laundry and Flour Mill Section. The scope of the activities of this unit was limited strictly for the workers in Warana. The laundry unit (Section) gives the services of washing and ironing of the clothes of workers working in the Warana Dairy.

The Flour Mill Section also is beneficial to the workers in this area only. Presently these units have made much progress.

In 1987, a new section i.e. Injection Moulding was set up. There were two moulding machines in the beginning, but later on the number was increased to six. This section manufactures all types of plastic containers for milk products.

Since 1991, Nutritious Diet Section was started on behalf of Social Welfare Department of Government of Maharashtra. This Section supplies 'Shira' and 'Uppit' to 'Anganwadis' in KOlhapur.

In 1994, one new section i.e. Polythene Film Section was introduced. This section supplies polythene

films worth one to two crores of rupees to 'Warana Doodh Sangh'.

One can see a gradual growth of this organisation, wherein all the units are integrated with each other. This Industrial Co-operative Society which would give job only to four women in the beginning, now provides job opportunities for 50 - 60 women.

### 3.8 PRODUCTION OF GOODS :

In the beginning products were manufactured as per the orders received from the buyers, and these products were sent to the buyers in the scheduled time by the Industrial Co-operative Society. The raw material needed for the end products are purchased from Bombay and Pune. The Industrial Co-operative Society Produces the containers needed for, 'Warana Shrikhand', Milk, Ghee, Milk powder, Lassi, Bournvita and the spoons needed for this.

### 3.9 QUALITY CONTROL :

The Industrial Co-operative Society has kept before it the aim of "Quality Control" at each level of production. It aspires to get market at National and International level.

## 3.10 SUPPLY OF PRODUCTS AND THEIR SALE :

90% of the products made by the organisation are supplied to Warana Dairy and other sansthas in Warana, and 10% of products are dispatched to outside dairies, such as Mahananda Dairy, Gokul Dairy, Anand Dairy, Gujarat Co-operative Milk Marketing Federation Ltd. The Industrial Co-operative Society supplies its product to Warana region by its own transport facilities. Outside buyers make their own arrangements of transportation and bear the expenses. If the outside dealers ask for the transportation facilities then, the product are sent to them for which the transport system receives income by way of transport charges.

## 3.11 MEMBERSHIP OF THE SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY :

Savitri Mahila Industrial Co-operative Society is attached to Warana Dairy. As a result nearly 50% of the capital needed by the Industrial Co-operative Society is collected from the workers in dairy. Nearly 80% of the members are the relatives viz. mothers, sisters and wives of the workers working in Warana Doodh Sangli. The remaining 20% of female members are from outside. There are 1310 members in the year 1994-95.

## 3.12 ECONOMIC CONDITION OF SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY :

Information in respect of various indicators of economic condition of the Industrial Co-operative Society is presented in the table given below.

TABLE NO. 3.12

ECONOMIC CONDITION OF SAVITRI MAHILA INDUSTRIAL CO-OPERATIVE SOCIETY

| Sr.No. | YEAR | NUMBER OF MEMBERS | SHARECAPITAL | | DEPOSITS | | | SALES (Rs.) | PROFIT (Rs.) |
|---|---|---|---|---|---|---|---|---|---|
| | | | MEMBERS (Rs.) | GOVERN-MENT (Rs.) | FIXED | | RECU-RRING (Rs.) | | |
| | | | | | MEMBER (Rs.) | INSTITU. (Rs.) | | | |
| 1 | 1990-91 | 810 | 353450 | 350000 | 532704 | 70000 | 31300 | 3923867 | 53387 |
| 2 | 1991-92 | 920 | 717775 | 350000 | 854441 | 659527 | 31750 | 7742992 | 74695 |
| | | (13.58) | (103.6) | (0) | (60.39) | (842.18) | (1.43) | (102.74) | (39.91) |
| 3 | 1992-93 | 1077 | 1177675 | 491000 | 855201 | 1494432 | 1174775 | 12722446 | -60646 |
| | | (17.06) | (64.07) | (40.28) | (0.65) | (126.59) | (450.47) | (155.49) | (-711.91) |
| 4 | 1993-94 | 1089 | 1445050 | 844000 | 1174211 | 3588260 | 129150 | 18127037 | 101095 |
| | | (1.11) | (22.70) | (71.89) | (37.30) | (140.10) | (-26.1) | (235.40) | (-83.33) |
| 5 | 1994-95 | 1310 | 1725925 | 844000 | 1271040 | 842369 | 202330 | 22902315 | 330862 |
| | | (20.29) | (19.43) | (0) | (16.76) | (-0.76) | (87.63) | (233.13) | (227.27) |

**A) MEMBERSHIP :**

From the above table, it is seen that the membership of the Savitri Mahila Industrial Co-operative Society is growing year after year. It was 810 in 1990-91, it rose to 1,310 in 1994-95. The incremental rate of the growth in membership is 13.58%, 17.06%, 1.11% and 20.29% in the years 1991-92, 1992-93, 1993-94 and 1994-95 respectively. The average rate of growth of membership during the period of five years (1990-91 to 1994-95) was about 13%.

**B) SHARE CAPITAL :**

The share capital of Savitri Mahila Industrial Co-operative society consists of share capital collected from the members and the share capital subscribed by government. It is observed that there is a steady growth in both of these constituents of share capital. The members share capital was Rs. 3,53,450 in 1990-91. Which was increases to Rs. 17,25,925 in 1994-95. Incremental rate of growth is also quite considerable. On an average members share capital has grown at the average rate of 52.45% during the period of study.

It is seen that government has subscribed Rs. 3,50,000 in the year 1990-91 and the same amount in the year 1991-92. In 1993-94 the government share capital has

increased considerably to Rs. 8,44,000 and the equal amount of in the year 1994-95.

C) **DEPOSITS :**

In the various sources of finance of Savitri Mahila Industrial Co-operative Society, deposits both fixed and recurring are seen to be one of the important sources of finance. Three types of deposits are accepted by Savitri Mahila Industrial Co-operative Society:

(i) **Deposits from Members :** These deposits are collected from the members of the society. The amount of such deposits in the year 1990-91 was 5,32,704 which has increase to Rs. 12,71,040 in the year 1994-95. An average rate of growth is found to be 28.77%.

ii) **Deposits from Institutions :** These deposits are collected from various institutions such as Warana Sugar Factory, Warana Dairy, Warana Poultry etc. these are also fixed deposits. The amount of such deposits was Rs. 70,000 in the year 1990-91, which are increase to Rs. 8,42,369 in the year 1994-95. The average rate of growth in these deposits is Rs. 277.2%.

iii) **Recurring Deposits :** The Savitri Mahila Industrial Co-operative Society, also has a scheme of accepting recurring deposits. The amount of such deposits is Rs. 31,300 in the year 1990-91, which has increase to Rs.

1,74,775 in the year 1992-93 and to Rs. 2,02,330 in the year 1994-95.

All these three types of deposits have substantially strengthened the financial base of the society.

D) **SALES :**

The Savitri Mahila Industrial Co-operative Society is successful. This is observed from the sales of the society for all the five years of study. The sales in the year 1990-91 were Rs. 39,23,867 which have increased to Rs. 229,02,315 in the year 1994-95. The incremental rate was quite high to the extent of 102.75%, 155.49%, 235.40% and 233.13% in the year 1991-92, 1992-93, 1993-94 and 1994-95 respectively. The average incremental growth is Rs. 181.69%.

E) **PROFITS :**

It is observed that Savitri Mahila Industrial Co-operative Society has earned good amount of profits in all the years except 1992-93. Where, it has incurred heavy losses. The profits for the year 1990-91 were Rs. 53,387 which have increase to Rs. 74,695 in the year 1991-92 showing 39.91% growth over the previous year. However, the society has incurred a loss of Rs.60.646 in the year 1992-93. This loss was incurred due to the establishment

of a new section viz. Polythene Film Section. The investment made in the machinery of this Section was very heavy. The loan taken for that carried heavy burden of interest to the extent of Rs. 10,00,000. The raw material purchased for this section also proved heavy expenditure. The amount of purchase of raw material increase to Rs. 94,37,000 from 48,09,000 in the earlier year (1991-92). Again in the subsequent year 1993-94, the society has earned a profit of Rs. 1,01,095. The profit in the last year 1994-95 again increase substantially to Rs. 3,30,862. It can be concluded that Savitri Mahila Industrial Co-operative Society has consistently earned a reasonable amount of profits in all the years expect 1992-93.

### 3.13 INTERNAL SECTIONS AND THEIR ACTIVITIES :

#### i) LAUNDRY SECTION AND FLOUR MILL SECTION :

This unit was established in 1985. Flour Mill is a perennial need. It is useful to the members of the organisation and persons living nearby. Everyday nearly 80 to 90 Kgs. of flour is ground. Besides, the mill has created a job for one woman. The flour mill is run on the basis of 'No Profit - No Loss' principle.

The Laundry Section washes 500 clothes and irons them per day. The work has increased due to the increasing number of workers working in Malted Food

Factory, warana Food Factory and workers working in Mahatma Gandhi Medical Trust. All these workers get their clothes washed by the laundry.

ii) **INJECTION MOULDING SECTION :**

This section was introduced in 1987. The products of Shri Warana Doodh Sangh are popular at State and National level. Due to the growing demand of milk, ghee, shrikhand, there is a growing demand for containers. Hence this section is engaged in supplying packing containers. As a result of this, there are now six machines instead of two Injection Moulding Machines at the time of commencement. This section has provided jobs to about thirty rural women.

iii) **SAKAS AAHAR SECTION (NUTRITIOUS DIET SECTION) :**

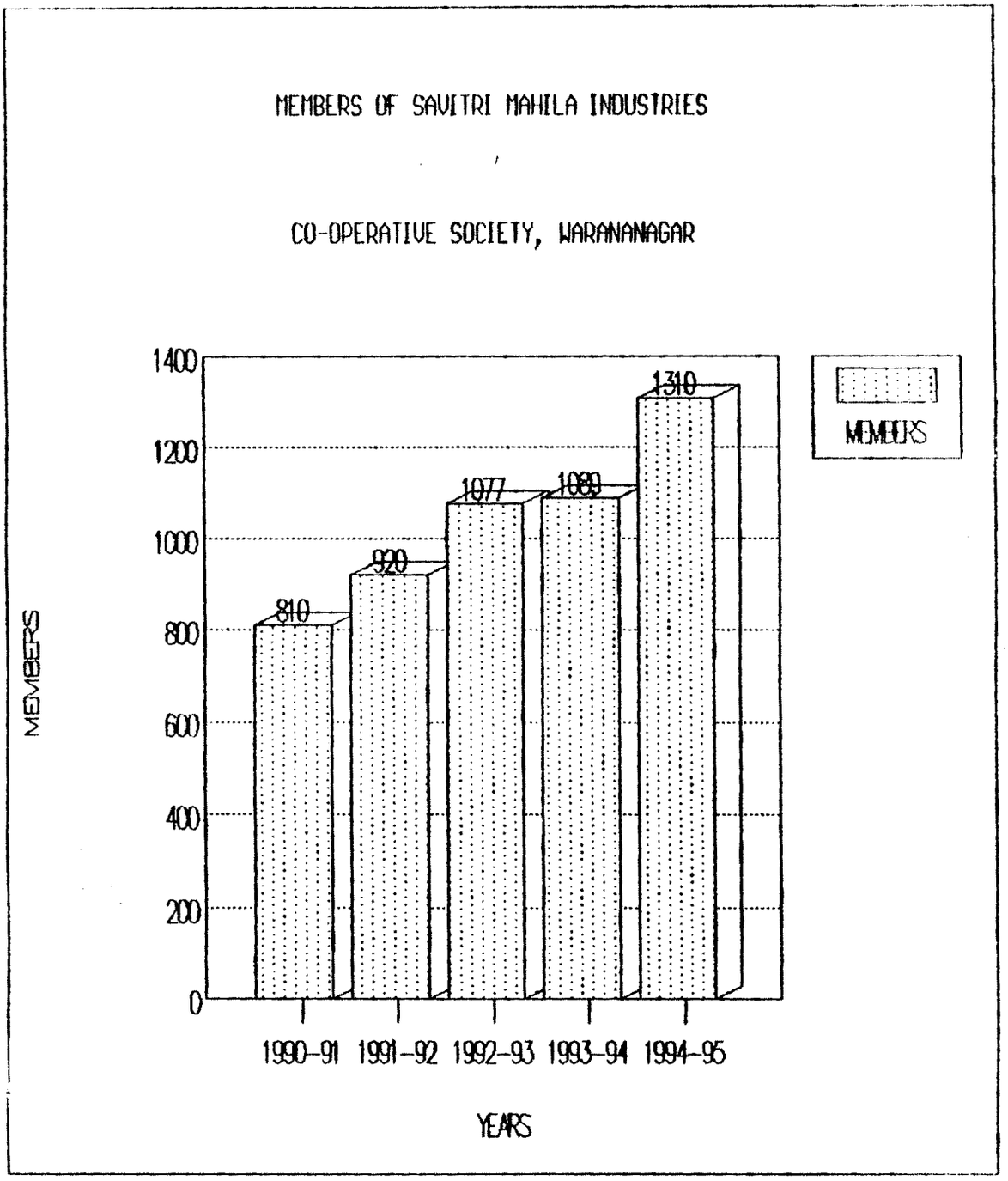
Since 1991, the Social Welfare Board of Government of Maharashtra is implementing this scheme. Under this scheme, Sakas Aahar Section of 'Savitri Mahila Industrial Co-operative Society' has been sanctioned tender to supply 'Shira and Uppit' to 30 'Anganwadis' in Kolhapur. The quantity of such eatables supplied is 300 Kgs. per day. This section supplies these eatables every day since 1994.

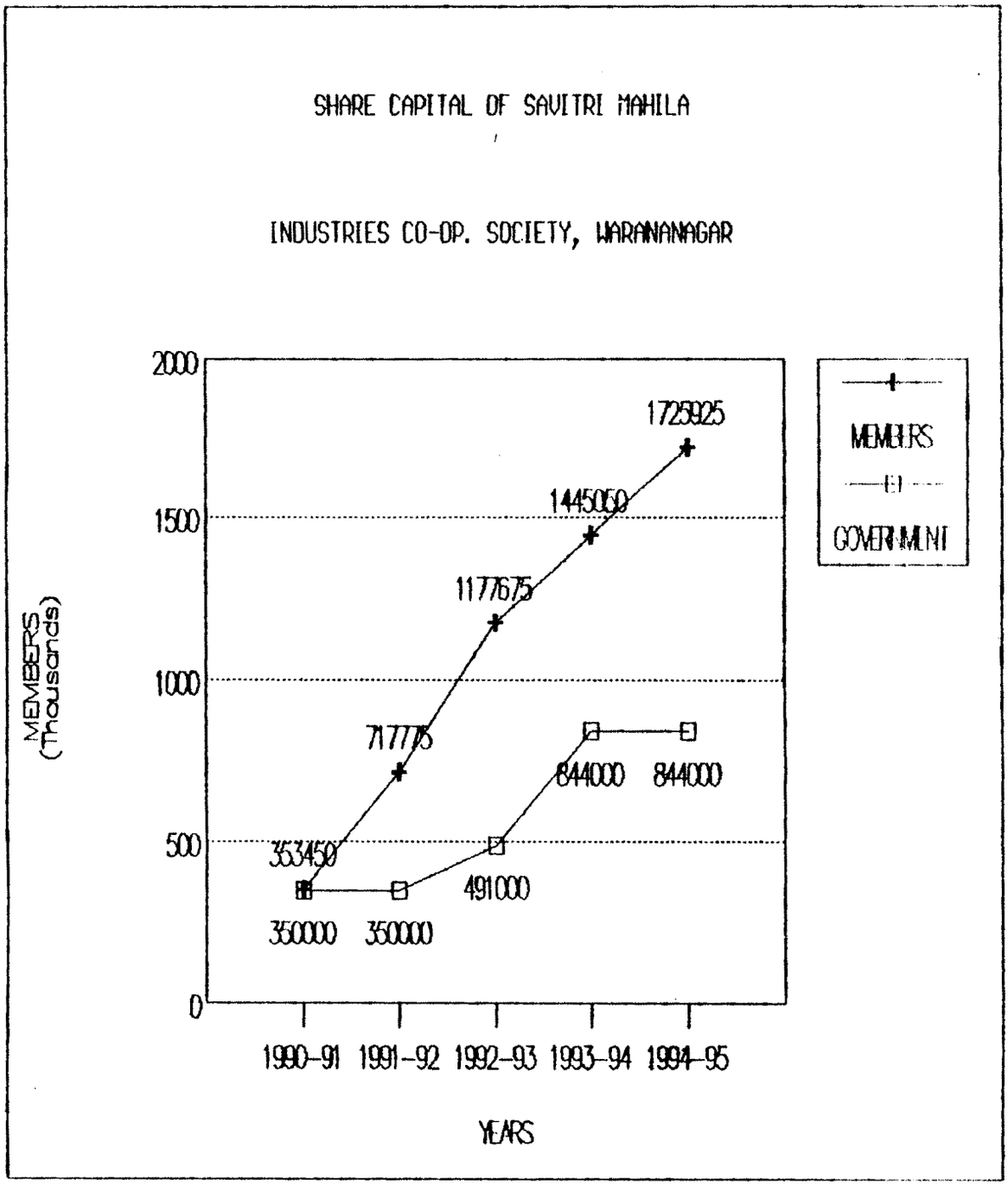
iv) **POLYTHENE FILM SECTION :**

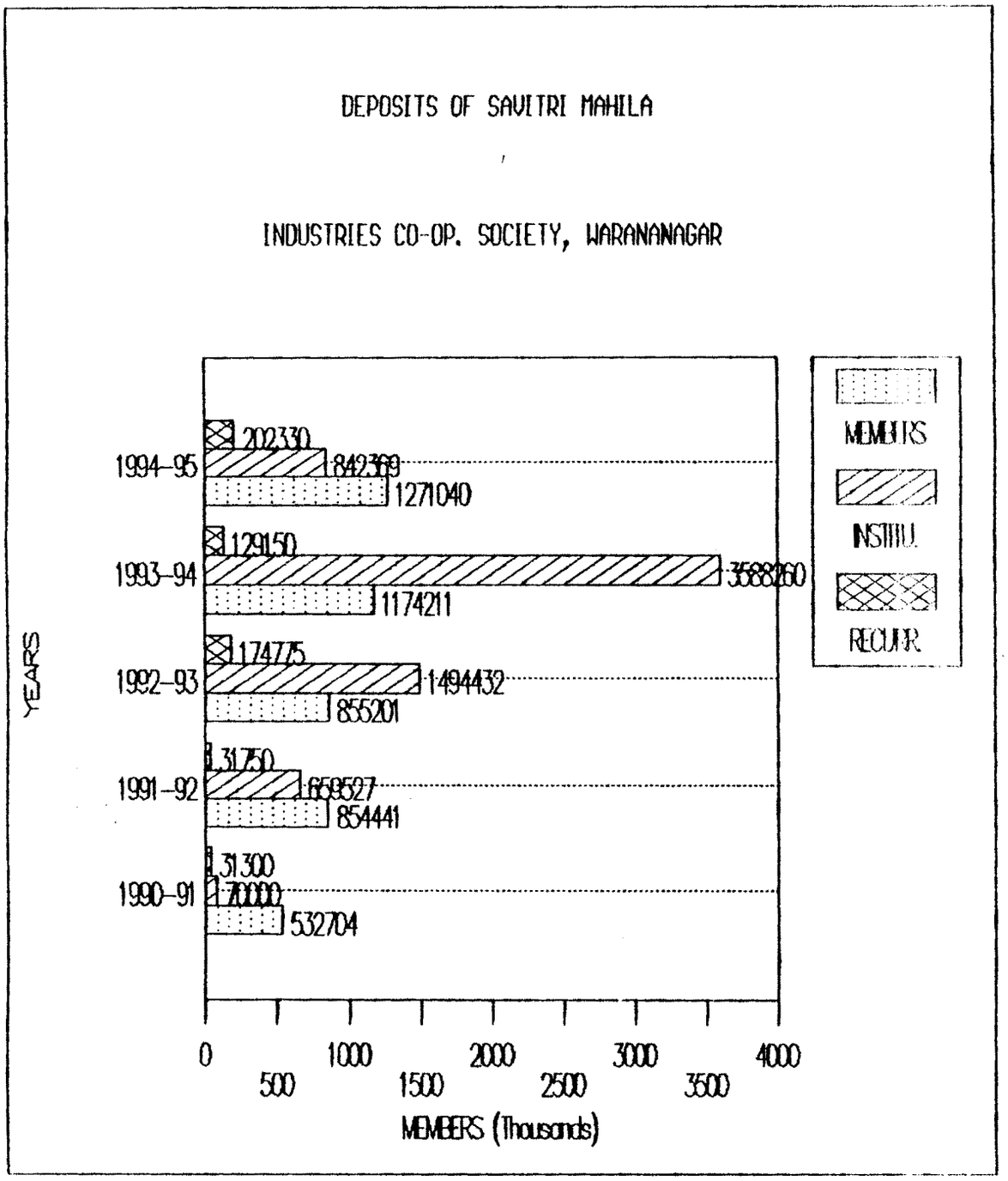
This Section was started in 1994. The machines installed in this section make 550 to 600 kgs films and print them every day. These films are supplied to Shri

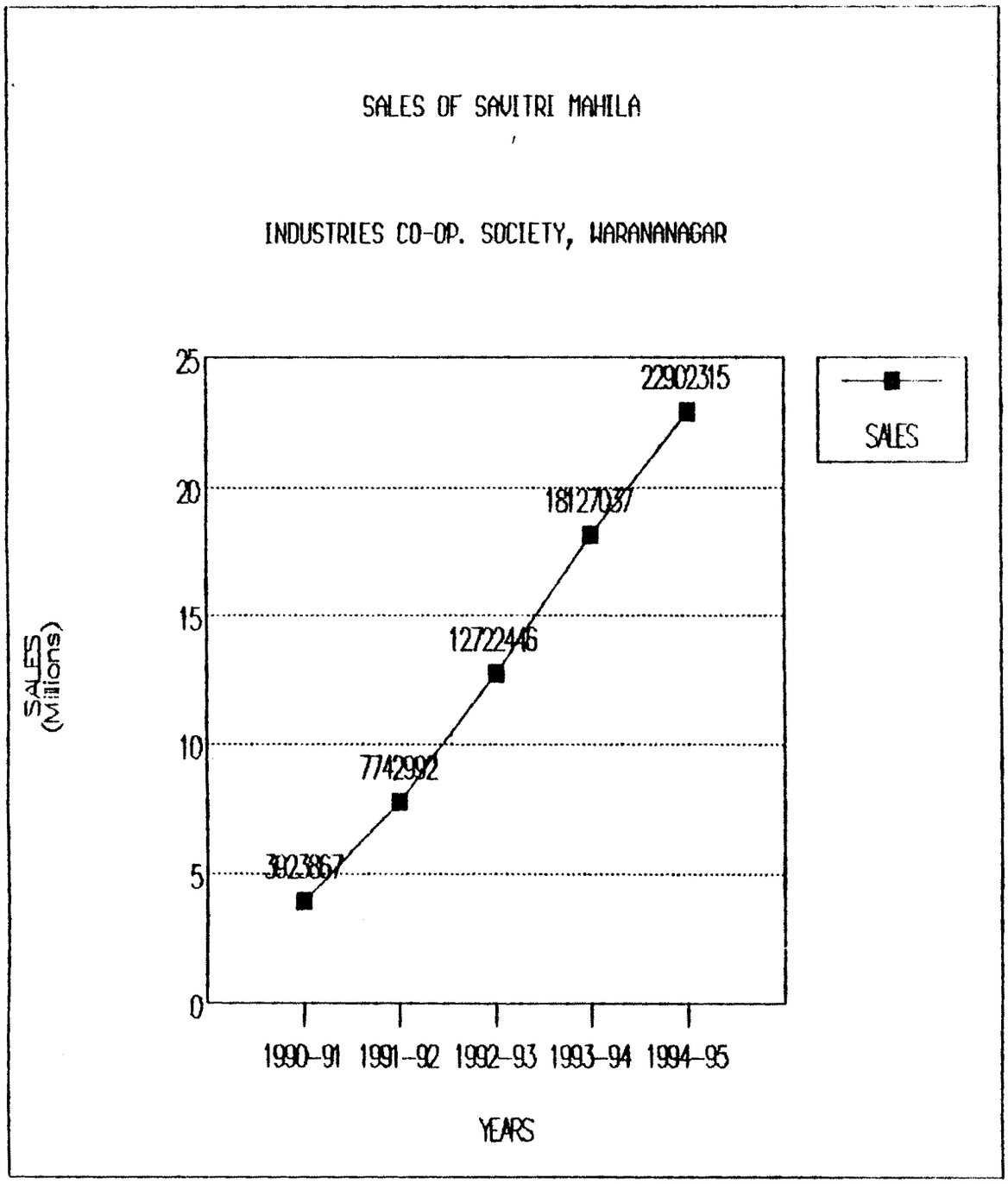
Warana Doodh Sangh, Vasant Sahakari Doodh Sangh and others. The entire work in this section is done by machines hence only male workers work there as Machine Operators.

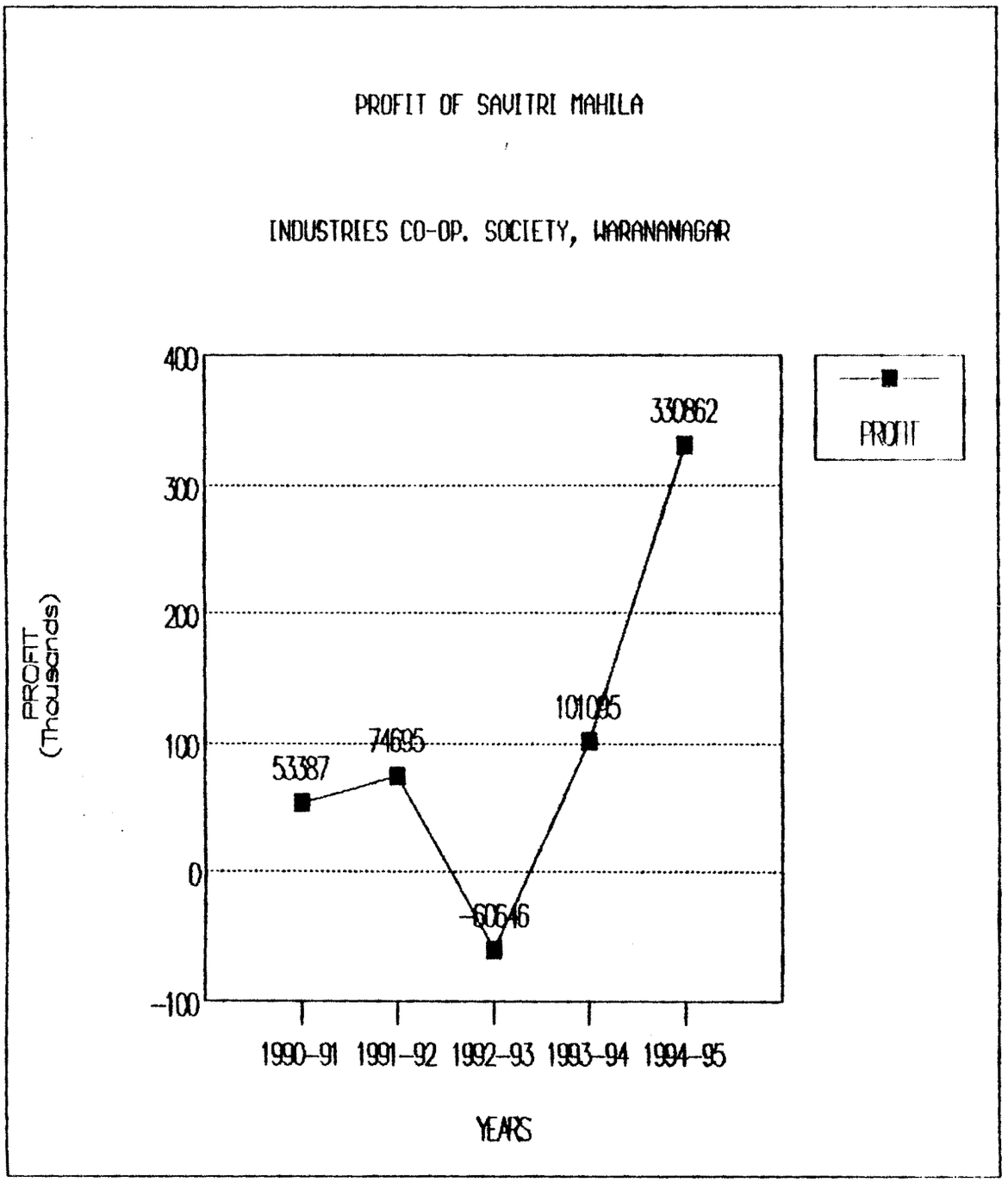
In this way 'Savitri Mahila Industrial Co-operative Society' is growing day-by-day and is thinking of opening some new sections,.


MEMBERS OF SAVITRI MAHILA INDUSTRIES
CO-OPERATIVE SOCIETY, WARANANAGAR
1400
1200
1000
800
600
400
200
0
MEMBERS
810
920
1077
1089
1310
MEMBERS
1990-91
1991-92
1992-93
1993-94
1994-95
YEARS


SHARE CAPITAL OF SAVITRI MAHILA
INDUSTRIES CO-OP. SOCIETY, WARANANAGAR
2000
1500
1000
500
0
MEMBERS (Thousands)
1725925
1445050
1177675
717775
353450
350000
350000
491000
844000
844000
1990-91
1991-92
1992-93
1993-94
1994-95
YEARS
MEMBERS
GOVERNMENT


DEPOSITS OF SAVITRI MAHILA
INDUSTRIES CO-OP. SOCIETY, WARANANAGAR
YEARS
1994-95
1993-94
1992-93
1991-92
1990-91
202330
842369
1271040
129150
3588260
1174211
174775
1494432
855201
31750
659527
854441
31300
70000
532704
0
500
1000
1500
2000
2500
3000
3500
4000
MEMBERS (Thousands)
MEMBERS
INSTITU.
RECUR.


SALES OF SAVITRI MAHILA
INDUSTRIES CO-OP. SOCIETY, WARANANAGAR
25
20
15
10
5
0
SALES (Millions)
22902315
18127037
12722446
7742992
3923867
SALES
1990-91
1991-92
1992-93
1993-94
1994-95
YEARS


PROFIT OF SAVITRI MAHILA
INDUSTRIES CO-OP. SOCIETY, WARANANAGAR
400
300
200
100
0
-100
PROFIT (Thousands)
53387
74695
-60646
101095
330862
PROFIT
1990-91
1991-92
1992-93
1993-94
1994-95
YEARS